



BANK MUAMALAT MALAYSIA BERHAD

Company No. 6175-W
(Incorporated in Malaysia)

**UNAUDITED CONDENSED
FINANCIAL STATEMENTS FOR THREE MONTHS ENDED
30 JUNE 2011**

PUBLIC

Company No. 6175-W

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

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BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENT
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011 (28 REJAB 1432)

	Note	Group		Bank	
		30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
ASSETS					
Cash and short-term funds		4,908,141	6,447,295	4,908,141	6,447,295
Financial investment available-for-sale	4(b)	4,018,597	4,331,906	4,007,797	4,321,106
Financial investment held-to-maturity	4(a)	28,224	28,224	28,224	28,224
Islamic derivative financial assets	5	1,301	2,154	1,301	2,154
Financing of customers	6	7,257,974	7,148,160	7,274,886	7,166,034
Other assets	8	102,066	113,866	95,130	106,811
Statutory deposits with Bank					
Negara Malaysia		298,221	94,121	298,221	94,121
Deferred tax assets (net)		38,240	38,240	38,240	38,240
Investment in subsidiaries		-	-	6,484	6,484
Property, plant and equipment		105,618	101,521	105,614	101,516
Prepaid land lease payment		254	255	254	255
Total assets		16,758,636	18,305,742	16,764,292	18,312,240
LIABILITIES					
Deposits from customers	9	14,423,332	16,171,772	14,429,870	16,178,389
Deposits and placements of banks and other financial institutions	10	12,547	14,993	12,547	14,993
Islamic derivative financial liabilities	5	4,143	1,018	4,143	1,018
Bills and acceptances payable		99,234	291,375	99,234	291,375
Other liabilities	12	164,659	209,926	164,752	209,950
Provision for zakat and taxation		6,267	5,228	6,253	5,228
Subordinated bonds / sukuk	11	650,000	250,000	650,000	250,000
Total liabilities		15,360,182	16,944,312	15,366,799	16,950,953
SHAREHOLDERS' EQUITY					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		398,454	361,430	397,493	361,287
Total shareholders' equity		1,398,454	1,361,430	1,397,493	1,361,287
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		16,758,636	18,305,742	16,764,292	18,312,240
COMMITMENTS AND CONTINGENCIES					
	19	4,935,555	5,745,824	4,935,555	5,745,824
CAPITAL ADEQUACY *					
Core capital ratio	20	15.3%	15.2%	15.4%	15.2%
Risk-weighted capital ratio		21.1%	19.2%	21.1%	19.2%

* The capital adequacy ratios are computed after taking into account the credit, market and operational risks.

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2011.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432)

	Note	Group		Bank	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Income derived from investment of depositors' funds and others	13	211,362	181,478	211,362	181,478
Income derived from investment of shareholders' funds	14	17,320	18,911	17,194	18,878
Allowance for impairment on financing	15	(11,948)	(18,945)	(11,948)	(18,945)
Provision for commitments & contingencies		-	-	-	-
Impairment (loss)/writeback on financial assets	16	(457)	2,321	(457)	2,321
Loss from disposal of financing Islamic profit rate swap		(2,933)	-	(2,933)	-
- Islamic cross currency swap		(1,866)	-	(1,866)	-
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(5,013)	(6,035)	(5,013)	(6,060)
Total distributable income		206,465	177,730	206,339	177,672
Income attributable to depositors	17	(88,064)	(65,940)	(88,101)	(65,940)
Total net income		118,401	111,790	118,238	111,732
Personnel expenses		(44,955)	(34,657)	(44,770)	(34,463)
Other overheads and expenditures		(27,757)	(28,441)	(27,736)	(28,071)
Finance cost		(4,911)	(3,906)	(4,975)	(3,906)
Profit before zakat and taxation		40,778	44,786	40,757	45,292
Zakat		(1,026)	-	(1,026)	-
Taxation		(10,828)	(11,345)	(10,818)	(11,335)
Profit for the period		28,924	33,441	28,913	33,957
Earnings per share (sen):					
Basic		2.9	3.3	2.9	3.3

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2011.

BANK MUAMALAT MALAYSIA BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432)

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit for the period	28,924	33,441	28,913	33,957
Other comprehensive income/(loss):				
Net gain/(loss) on revaluation of financial investment available-for-sale	7,945	(12,419)	7,137	(14,121)
Income tax relating to components of other comprehensive income	(221)	3,530	(221)	3,530
Exchange fluctuation reserve	376	(225)	376	(225)
Other comprehensive income/(loss) for the period, net of tax	8,100	(9,114)	7,292	(10,816)
Total comprehensive income for the period	37,024	24,327	36,205	23,141

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2011.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432)

<u>Group</u>	<===== Attributable to Shareholders of the Bank =====>					
	Share Capital	<=====Non-distributable=====>				
	Ordinary shares RM'000	Statutory reserve* RM'000	Exchange fluctuation reserve RM'000	Available- for-sale reserve RM'000	Distributable Retained profits RM'000	Total Equity RM'000
At 1 April 2011	1,000,000	272,893	553	(40,113)	128,097	1,361,430
Other comprehensive income for the period	-	-	376	7,724	-	8,100
Profit for the period	-	-	-	-	28,924	28,924
Transfer to statutory reserve	-	14,462	-	-	(14,462)	-
At 30 June 2011	1,000,000	287,355	929	(32,389)	142,559	1,398,454
At 1 April 2010						
- as previously stated	1,000,000	206,105	(530)	(52,973)	166,529	1,319,131
- effect of adopting FRS139	-	-	-	-	(105,221)	(105,221)
At 1 April 2010, as restated	1,000,000	206,105	(530)	(52,973)	61,308	1,213,910
Other comprehensive income for the period	-	-	(225)	(8,889)	-	(9,114)
Profit for the period	-	-	-	-	33,441	33,441
Transfer to statutory reserve	-	16,721	-	-	(16,721)	-
At 30 June 2010	1,000,000	222,826	(755)	(61,862)	78,028	1,238,237

* The statutory reserve is maintained in compliance with Section 15 of the Islamic Banking Act 1983 and is not distributable as dividends.

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2011.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432)

<===== Attributable to Shareholders of the Bank =====>
Share Capital <=====Non-distributable=====>

Bank	Share capital	Statutory reserve*	Exchange fluctuation reserve	Available-for-sale reserve	Distributable Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2011	1,000,000	271,603	553	(39,974)	129,105	1,361,287
Other comprehensive income for the period	-	-	376	6,916	-	7,292
Profit for the period	-	-	-	-	28,913	28,913
Transfer to statutory reserve	-	14,456	-	-	(14,456)	-
At 30 June 2011	1,000,000	286,059	929	(33,058)	143,562	1,397,492
At 1 April 2010						
- as previously stated	1,000,000	204,596	(530)	(52,824)	167,212	1,318,454
- effect of adopting FRS139	-	-	-	-	(105,114)	(105,114)
At 1 April 2010, as restated	1,000,000	204,596	(530)	(52,824)	62,098	1,213,340
Other comprehensive income for the period	-	-	(225)	(10,591)	-	(10,816)
Profit for the period	-	-	-	-	33,957	33,957
Transfer to statutory reserve	-	16,979	-	-	(16,979)	-
At 30 June 2010	1,000,000	221,575	(755)	(63,415)	79,076	1,236,481

* The statutory reserve is maintained in compliance with Section 15 of the Islamic Banking Act 1983 and is not distributable as dividends.

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2011.

Bank Muamalat Malaysia Berhad
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432)**

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Cash flows from operating activities				
Profit before zakat and taxation	40,778	44,786	40,757	45,292
Adjustment for				
Amortisation of prepaid land and lease payment	1	1	1	1
Depreciation of property, plant and equipment	3,896	3,196	3,895	3,189
Property, plant and equipment written off	-	127	-	127
Islamic profit rate swap and Islamic cross currency swap	1,866	-	1,866	-
Amortisation of premium less accretion of discount	1,432	2,177	1,432	2,177
Net gain from sale of financial investment available-for-sale	(13,108)	(4,188)	(13,108)	(4,188)
Net gain from sale of financial investment held-for-trading	(80)	(261)	(80)	(261)
Net gain on revaluation of foreign exchange transaction	(5,403)	(2,435)	(5,403)	(1,050)
Net loss/(gain) from foreign exchange derivatives	2,120	(1,050)	2,120	(2,435)
Additional/(writeback) impairment on investments	457	(2,321)	457	(2,321)
Allowance for impairment on financing	20,970	22,821	20,970	22,821
Finance cost	4,911	3,906	4,975	3,906
Gross dividend income	(2,955)	-	(2,955)	-
Operating profit before working capital changes	54,885	66,759	54,927	67,258

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432) (cont'd.)

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
(Increase)/decrease in operating assets:				
Islamic derivative financial assets	853	1,516	853	1,516
Financing of customers	(130,783)	(113,460)	(129,821)	(126,136)
Statutory deposits with Bank Negara Malaysia	(204,100)	(800)	(204,100)	(800)
Other assets	16,258	(21,867)	16,935	(15,275)
Increase/(decrease) in operating liabilities:				
Deposits from customers	(1,748,440)	(1,431,292)	(1,748,519)	(1,431,826)
Deposits and placements of banks and other financial institutions	(2,446)	(773)	(2,446)	(773)
Islamic derivative financial liabilities	(861)	-	(861)	-
Bills and acceptances payable	(192,141)	315,003	(192,141)	315,003
Other liabilities	(45,267)	6,148	(45,198)	6,212
Cash generated from operation	(2,252,042)	(1,180,282)	(2,250,372)	(1,184,821)
Tax paid	(4,110)	(4,149)	(4,100)	(4,139)
Net cash generated from operating activities	(2,256,153)	(1,184,431)	(2,254,472)	(1,188,960)
Cash flows from investing activities				
Net (purchase)/proceed of financial investment	(115,533)	174,698	(117,149)	179,227
Purchase of property, plant and equipment	(7,993)	(7,057)	(7,993)	(7,057)
Redemption of AFS securities	442,481	-	442,481	-
Dividend income	2,955	-	2,955	-
Net cash used in investing activities	321,909	167,641	320,293	172,170

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2011 (28 REJAB 1432) (cont'd.)**

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Cash flows from financing activities				
Dividend paid on islamic subordinated bond	(4,911)	(3,906)	(4,975)	(3,906)
Additional issuance of subordinated bonds	400,000	-	400,000	-
Net cash generated from financing activities	395,089	(3,906)	395,025	(3,906)
Net increase in cash and cash equivalents	(1,539,154)	(1,020,696)	(1,539,154)	(1,020,696)
Cash and cash equivalents at beginning of year	6,447,295	5,775,383	6,447,295	5,775,383
Cash and cash equivalents at end of year	4,908,141	4,754,687	4,908,141	4,754,687
Cash and cash equivalents consist of:				
Cash and short term funds (Note 4)	4,908,141	4,754,687	4,908,141	4,754,687

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2011.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2011

1. BASIS OF PREPARATION

The unaudited interim financial statements for the first quarter ended 30 June 2011 have been prepared under the historical cost convention except for the available-for-sale financial investments which are stated at fair values.

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”). The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Bank for the financial year ended 31 March 2011.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the recent audited financial statements for the financial year ended 31 March 2011, except for the adoption of the following Financial Reporting Standards (FRS), amendments to FRSs and IC Interpretations:

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
- FRS 3, Business combinations (revised)
- FRS 123, Borrowing costs (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
 - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
 - Additional Exemptions for First-time Adopters Amendments to FRS1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2, Group Cash-settled Share Based Payment Transactions
- Amendments to FRS 2, Share-based Payment
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Amendments to FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- - Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 4, Determining whether an Arrangement contains a Lease
- IC Interpretation 10, Interim Financial Reporting and Impairment
- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 12, Service Concession Agreements
- IC Interpretation 13, Customer Loyalty Programmes
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distributions of Non-cash Assets to Owners
- IC Interpretation 18, Transfers of Assets from Customers
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
- Improvements to FRSs (2010)

BANK MUAMALAT MALAYSIA BERHAD
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1. BASIS OF PREPARATION (CONT'D)

The following new and amendments to IC interpretations have been issued by the MASB and are effective for annual periods commencing on or after 1 July 2011, and have yet to be adopted by the Group:

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

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 and judgements are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2011 was not qualified.

3. PERFORMANCE REVIEW & OUTLOOK

PERFORMANCE REVIEW

The Group registered an unaudited profit before tax of RM40.8 million for the three months period ended 30 June 2011, a slight decline of 9.0% from the previous corresponding period in 2010. The Group's profit mainly contributed by higher income derived from investment of depositors' funds and a significant decrease in allowance for impairment in financing. This however has been offset by higher income attributable to depositors and personnel expenses.

As compared to last year ended 31 March 2011, the total assets of the Group as at June 2011 decreased from RM 18.3 billion to RM 16.7 billion. The change was partly contributed by the significant decrease in cash and short term funds by 23.9%, offset by positive growth in net financing assets which has increased by 1.7% to RM 7.3 billion from RM 7.2 billion in March 2011.

3. PERFORMANCE REVIEW & OUTLOOK (CONT'D)

OUTLOOK

Looking ahead, on-going and new initiatives to enhance business, improve operational efficiency and reinforce a performance-oriented culture will be accelerated. To support this process, the Bank's platform in technology will be reconfigured into an integrated system capable of responding to the varying business needs and customer lifestyles. In essence, the bank is investing in enhancing its diversity of products and customer service level to further strengthen a long sustaining banking franchise in the country. Broadly, while operating environment remains challenging amidst the uncertainties arising from the external environment, the Bank's earnings are expected to improve.

BANK MUAMALAT MALAYSIA BERHAD
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4. FINANCIAL INVESTMENT

	Group and Bank			
	30 June		31 March	
	2011		2011	
	RM'000		RM'000	
(a) Held-to-maturity				
At amortised cost				
Corporate bonds			30,285	30,285
Accumulated impairment loss			(2,061)	(2,061)
Total financial investment held-to-maturity			28,224	28,224
	Group		Bank	
	30 June	31 March	30 June	31 March
	2011	2011	2011	2011
	RM'000	RM'000	RM'000	RM'000
(b) Available-for-sale				
At fair value				
Quoted securities:				
Malaysian government investment certificate	1,779,747	1,960,866	1,779,747	1,960,866
Cagamas bonds	135,598	135,713	135,598	135,713
Islamic private debt securities	2,002,503	2,127,431	2,002,503	2,127,431
Sukuk	45,243	58,087	45,243	58,087
Quoted shares	30,405	24,994	30,405	24,994
Unit trust	10,196	9,910	10,196	9,910
	4,003,692	4,317,001	4,003,692	4,317,001
Unquoted securities:				
Shares	14,905	14,905	4,105	4,105
Total financial investment available-for-sale	4,018,597	4,331,906	4,007,797	4,321,106

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5. Derivative Financial Instruments

Derivative financial instruments measured on balance sheet at their fair values together with their corresponding contract/notional amounts :

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which change in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

Group and Bank	As at 30 June 2011			As at 31 March 2011		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives :						
Foreign exchange contracts						
- Currency forwards						
Less than one year	253,950	458	(1,044)	52,994	770	(302)
- Currency swaps						
Less than one year	244,667	843	(1,075)	256,702	1,384	(558)
	498,617	1,301	(2,119)	309,696	2,154	(860)
- Islamic Profit Rate Swap (IPRS)						
More than one year	75,000	-	(2,024)	75,000	-	(158)
Total	573,617	1,301	(4,143)	384,696	2,154	(1,018)

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6. FINANCING OF CUSTOMERS

(a) By type

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Cash line	360,865	367,763	360,865	367,763
Term financing:				
Home financing	5,044,972	4,828,099	5,044,972	4,828,099
Syndicated financing	106,197	143,617	106,197	143,617
Hire purchase receivables	1,347,749	1,397,081	1,347,749	1,397,081
Leasing receivables	184,294	191,584	184,294	191,584
Other term financing	4,857,007	4,294,681	4,873,919	4,312,555
Trust receipts	118,539	147,916	118,539	147,916
Claims on customers under acceptance credits	639,200	779,186	639,200	779,186
Staff financing	96,872	94,761	96,872	94,761
Revolving credit	330,500	356,088	330,500	356,088
	13,086,195	12,600,776	13,103,107	12,618,650
Less : Unearned income	(5,122,168)	(4,753,075)	(5,122,168)	(4,753,075)
	7,964,027	7,847,701	7,980,939	7,865,575
Less : Financing sold to Cagamas	(360,014)	(364,308)	(360,014)	(364,308)
Gross financing	7,604,013	7,483,393	7,620,925	7,501,267
Less : Allowance for impaired financing :				
Collective assessment	(213,641)	(226,702)	(213,641)	(226,702)
Individual assessment	(132,398)	(108,531)	(132,398)	(108,531)
Total net financing	7,257,974	7,148,160	7,274,886	7,166,034

(b) By contract

Bai' Bithaman Ajil (deferred payment sale)	2,775,884	2,465,728	2,775,884	2,465,728
Ijarah (lease)	268,489	260,690	268,489	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,168,041	1,207,059	1,168,041	1,207,059
Inah (sale and buyback)	438,177	449,754	438,177	449,754
Tawarruq (commodity murabahah)	1,401,384	1,301,019	1,401,384	1,301,019
Bai' Al-Dayn (purchase of debt)	646,721	805,213	646,721	805,213
Murabahah (cost-plus)	573,349	652,739	573,349	652,739
Istisna' (sale order)	316,534	301,566	316,534	301,566
Qard Hasan (benevolent loan)	14,796	16,344	14,796	16,344
Shirkah Mutanaqisah (diminishing partnership) / Musharakah (profit sharing)	638	23,281	17,550	41,155
	7,604,013	7,483,394	7,620,925	7,501,267

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6. FINANCING OF CUSTOMERS (CONTD.)

(c) By type of customer

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Domestic non-banking institutions	275,642	37,042	275,642	37,042
Domestic business enterprises:				
-Small business enterprises	645,347	728,478	645,347	728,478
-Others	2,215,702	2,336,206	2,226,654	2,347,158
Government and statutory bodies	133,963	135,190	139,923	142,112
Individuals	4,312,966	4,224,569	4,312,966	4,224,569
Other domestic entities	4,452	5,520	4,452	5,520
Foreign entities	15,941	16,388	15,941	16,388
	7,604,013	7,483,393	7,620,925	7,501,267

(d) By profit rate sensitivity

Fixed rate:				
Home financing	464,308	485,065	464,308	485,065
Hire purchase receivables	1,161,980	1,201,348	1,161,980	1,201,348
Others	3,063,743	2,764,311	3,063,743	2,769,263
Variable rate:				
Home financing	1,187,501	1,114,763	1,187,501	1,114,763
Others	1,726,481	1,917,906	1,743,393	1,930,828
	7,604,013	7,483,393	7,620,925	7,501,267

(e) By residual contractual maturity

Maturity within one year	2,314,046	2,470,365	2,314,046	2,470,365
Maturity within one to five years	2,664,486	2,866,870	2,664,486	2,866,870
Maturity more than five years	2,625,481	2,146,158	2,642,393	2,164,032
	7,604,013	7,483,393	7,620,925	7,501,267

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6. FINANCING OF CUSTOMERS (CONTD.)

(f) By sector

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Agriculture	39,771	75,846	39,771	75,846
Mining & Quarrying	856	4,049	856	4,049
Manufacturing	604,454	670,143	604,454	675,095
Electricity, gas and water	128,480	144,710	128,480	144,710
Construction	796,096	810,779	807,048	816,779
Purchase of landed property:				
Residential	1,693,917	1,651,418	1,693,917	1,651,418
Non-residential	254,155	255,963	254,155	255,963
Real estate	44,783	16,937	44,783	16,937
Wholesale' retail and restaurant	500,957	601,139	500,957	601,139
Transport, storage and communication	140,515	155,913	140,515	155,913
Finance, insurance and business services	362,300	154,028	362,300	154,028
Purchase of securities	84	86	84	86
Purchase of transport vehicles	1,167,701	1,207,546	1,167,701	1,207,546
Consumption credit	1,419,334	1,316,730	1,419,334	1,316,730
Community, social and personal services	450,610	418,106	456,570	425,028
	7,604,013	7,483,393	7,620,925	7,501,267

(g) By geographical area

Domestic	7,545,107	7,388,918	7,562,018	7,406,792
Labuan Offshore	58,906	94,475	58,906	94,475
	7,604,013	7,483,393	7,620,925	7,501,267

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7. IMPAIRED FINANCING

(a) Movements in the impaired financing

	Group and Bank	
	30 June 2011 RM'000	31 March 2011 RM'000
As at 1 April, as previously stated	378,343	513,753
Effect of adopting FRS 139	-	78,235
At 1 April, as restated	378,343	591,988
Classified as impaired during the period	85,824	457,633
Reclassified as performing during the period	(40,314)	(265,609)
Recovered during the period	(25,417)	(142,588)
Written off during the period	(10,588)	(263,081)
As at 30 June	387,848	378,343
 Ratio of gross impaired/ non performing financing to total financing	 4.9%	 4.8%

(b) Movements in the allowance for impaired financing

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
<u>General allowance</u>				
As at 1 April				
- as previously stated	-	106,663	-	106,770
- effect of adopting FRS 139	-	(106,663)	-	(106,770)
At 1 April, as restated	-	-	-	-
Allowance made during the period	-	-	-	-
As at 30 June	-	-	-	-

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7. IMPAIRED FINANCING (CONTD.)

(b) Movements in the allowance for impaired financing (cont'd)

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
<u>Specific allowance</u>				
As at 1 April				
- as previously stated	-	300,304	-	300,304
- effect of adopting FRS 139	-	(300,304)	-	(300,304)
At 1 April, as restated	-	-	-	-
Allowance made during the period	-	-	-	-
Amount recovered	-	-	-	-
Amount written off	-	-	-	-
As at 30 June	-	-	-	-
<u>Collective assessment</u>				
As at 1 April				
- as previously stated	226,702	-	226,702	-
- effect of adopting FRS 139	-	223,218	-	223,218
At 1 April, as restated	226,702	223,218	226,702	223,218
Allowance made during the year	67,126	250,047	67,126	250,047
Amount recovered	(70,699)	(224,291)	(70,699)	(224,291)
Amount written off	(9,488)	(22,272)	(9,488)	(22,272)
As at 30 June	213,641	226,702	213,641	226,702
As % of gross financing, less individual assessment allowance	2.9%	3.1%	2.9%	3.1%
<u>Individual assessment</u>				
As at 1 April				
- as previously stated	108,531	-	108,531	-
-effect of adopting FRS 139	-	324,997	-	324,997
At 1 April, as restated	108,531	324,997	108,531	324,997
Allowance made during the period	26,125	89,776	26,125	89,776
Amount recovered	(2,258)	(70,129)	(2,258)	(70,129)
Amount written off	-	(236,113)	-	(236,113)
As at 30 June	132,398	108,531	132,398	108,531

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7. IMPAIRED FINANCING (CONTD.)

(c) Impaired financing by sector

	Group and Bank	
	30 June 2011 RM'000	31 March 2011 RM'000
Agriculture	102	-
Manufacturing	23,365	24,660
Construction	110,043	71,810
Purchase of landed property:		
Residential	141,622	159,345
Non-residential	11,788	12,206
Wholesale and retail and restaurant	32,814	33,360
Transport, storage and communication	47	45
Finance, insurance and business services	9,464	9,713
Purchase of securities	82	84
Purchase of transport vehicles	28,588	34,933
Consumption credit	21,799	23,928
Community, social and personal service	8,134	8,259
	387,848	378,343

(d) Impaired financing by geographical area

	Group and Bank	
	30 June 2011 RM'000	31 March 2011 RM'000
Domestic	381,539	372,045
Labuan Offshore	6,309	6,298
	387,848	378,343

8. OTHER ASSETS

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Deposits	4,843	4,876	4,843	4,721
Prepayments	2,463	2,428	2,311	2,409
Income receivables	53,489	51,278	46,779	44,579
Tax recoverable	7,961	15,726	7,887	15,611
Other debtors	33,310	39,558	33,310	39,491
	102,066	113,866	95,130	106,811

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9. DEPOSITS FROM CUSTOMERS

(a) By type of deposits

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Non-Mudharabah Fund				
Demand deposits	2,849,474	2,733,229	2,856,012	2,739,846
Savings deposits	472,081	474,725	472,081	474,725
Negotiable Islamic debt certificate	1,182,839	1,500,971	1,182,839	1,500,971
Others	14,801	17,582	14,801	17,582
	4,519,195	4,726,507	4,525,733	4,733,124
Mudharabah Fund				
Demand deposits	164,136	217,094	164,136	217,094
Savings deposits	228,973	222,945	228,973	222,945
General investment deposits	8,373,125	9,543,630	8,373,125	9,543,630
Special general investment deposits	1,137,903	1,461,596	1,137,903	1,461,596
	9,904,137	11,445,265	9,904,137	11,445,265
	14,423,332	16,171,772	14,429,870	16,178,389

(b) By type of customer

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Government and statutory bodies	3,798,874	3,767,238	3,798,874	3,767,238
Business enterprises	5,382,392	6,632,146	5,382,392	6,632,146
Individuals	1,046,453	1,024,490	1,046,453	1,024,490
Others	4,195,613	4,747,898	4,202,151	4,754,515
	14,423,332	16,171,772	14,429,870	16,178,389

The maturity structure of negotiable instruments of deposit and mudharabah general and special investment deposit are as follows :

	Group and Bank	
	30 June 2011 RM'000	31 March 2011 RM'000
Due within six months	9,237,503	11,080,128
More than six months to one year	1,437,363	1,405,514
More than one year to three years	19,001	20,555
	10,693,867	12,506,197

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10. DEPOSIT AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	30 June	31 March
	2011	2011
	RM'000	RM'000
Non Mudharabah		
Bank Negara Malaysia	12,547	14,993
	12,547	14,993

11. SUBORDINATED BONDS

On 5 September 2006, the Bank issued RM250,000,000 Subordinated Bonds under the Shariah principle of Bai' Bithaman Ajil. The Bonds are under a 10 non-callable 5 basis feature, with a profit rate of 6.25% per annum payable semi-annually. Under the 10 non-callable 5 basic feature, the Bank has the option to redeem the Bonds on the 5th anniversary or any semi-annual date thereafter. Should the Bank decide not to exercise its option to redeem the bonds, the holders of the Bonds will be entitled to an annual incremental step-up profit rate from the beginning of the 6th year to the final maturity date.

On 15 June 2011, the Bank successfully issued its Tier 2 Capital Islamic Subordinated Sukuk of RM400 million ("Subordinated Sukuk"). The Subordinated Sukuk carries a tenure of 10 years from the issue date on a 10 non-callable 5 basis. The Subordinated Sukuk, which is based on the Islamic principle of Musyarakah, is rated A3 by RAM Ratings Services Berhad. The rating outlook is stable. The Subordinated Sukuk was lead arranged by BMMB and Maybank Investment Bank Berhad and the issuance was done on private placement basis at a profit rate of 5.15 percent. The RM400 million Subordinated Sukuk will qualify as Tier 2 capital for BMMB for the purpose of Bank Negara Malaysia capital adequacy requirement.

	Group and Bank			
	30 June		31 March	
	2011		2011	
Financial liabilities	Carrying	Fair value	Carrying	Fair value
	amount	amount	amount	amount
	RM'000	RM'000	RM'000	RM'000
Subordinated obligations				
- Bai Bithaman Ajil	250,000	250,350	250,000	250,025
- Musyarakah	400,000	400,280	-	-
	650,000	650,630	250,000	250,025

12. OTHER LIABILITIES

	Group		Bank	
	30 June	31 March	30 June	31 March
	2011	2011	2011	2011
	RM'000	RM'000	RM'000	RM'000
Sundry creditors	35,729	38,402	35,834	38,378
Income payable to depositors	53,067	46,718	53,067	46,718
Provision for commitments and contingencies	40,273	40,273	40,273	40,273
Accrual for bonus	6,264	30,605	6,258	30,527
Others	29,326	53,928	29,320	54,054
	164,659	209,926	164,752	209,950

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13. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Income derived from investment of:				
(a) General investment deposits	133,597	99,380	133,597	99,380
(b) Other deposits	77,765	82,098	77,765	82,098
	211,362	181,478	211,362	181,478

(a) Income derived from investment of general investment deposits

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Finance income and hibah				
Income from financing	79,300	62,299	79,300	62,299
Held-to-maturity financial investment	41	36	41	36
Available-for-sale financial investment	25,548	17,318	25,548	17,318
Money at call and deposit with financial institutions	20,327	13,893	20,327	13,893
	125,216	93,546	125,216	93,546
Amortisation of premium less accretion of discounts	(1,412)	1,094	(1,412)	1,094
Total finance income and hibah	123,804	94,640	123,804	94,640
Other operating income				
Net gain from sale of financial investment held-for-trading	50	143	50	143
Net gain from sale of financial investment available-for-sale	7,622	2,474	7,622	2,474
	7,672	2,617	7,672	2,617
Fees and commission				
Processing fees	191	589	191	589
Service charges and fees	1,245	1,124	1,245	1,124
Commission	685	410	685	410
	2,121	2,123	2,121	2,123
Total	133,597	99,380	133,597	99,380
Of which :				
Financing income earned on impaired financing	1,428	5,516	1,428	5,516

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13. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

(b) Income derived from investment of other deposits

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Finance income and hibah				
Income from financing	46,159	51,474	46,159	51,474
Held-to-maturity financial investment	24	30	24	30
Available-for-sale financial investment	14,871	14,309	14,871	14,309
Money at call and deposit with financial institutions	11,832	11,479	11,832	11,479
	72,886	77,292	72,886	77,292
Amortisation of premium less accretion of discounts	(822)	905	(822)	905
Total finance income and hibah	72,064	78,197	72,064	78,197
Other operating income				
Net gain from sale of financial investment held-for-trading	29	118	29	118
Net gain from sale of financial investment available-for-sale	4,437	2,044	4,437	2,044
	4,466	2,162	4,466	2,162
Fees and commission				
Processing fees	111	482	111	482
Service charges and fees	725	919	725	919
Commission	399	338	399	338
	1,235	1,739	1,235	1,739
Total	77,765	82,098	77,765	82,098
Of which :				
Financing income earned on impaired financing	831	4,558	831	4,558

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14. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Finance income and hibah				
Available-for-sale financial Investment	5,943	9,847	5,943	9,847
	5,943	9,847	5,943	9,847
Amortisation of premium less accretion of discounts	801	178	801	178
Total finance income and hibah	6,744	10,025	6,744	10,025
Other operating income				
Net gain from foreign exchange transaction	5,403	1,050	5,403	1,050
Net (loss)/gain on revaluation from foreign exchange derivatives	(2,120)	2,435	(2,120)	2,435
Net gain from sale of financial investment available-for-sale	1,050	(330)	1,050	(330)
Gross dividend income from investment: -unquoted in Malaysia	2,955	-	2,955	-
	7,288	3,155	7,288	3,155
Fees and commission				
Guarantee fees	557	1,299	557	1,299
Processing fees	420	686	420	686
Corporate advisory fees	260	1,433	256	1,433
Service charges and fees	247	133	125	133
Commission	982	1,194	982	1,194
Others	572	767	572	734
	3,038	5,512	2,912	5,479
Other income				
Rental income	250	219	250	219
	250	219	250	219
Total	17,320	18,911	17,194	18,878

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15. ALLOWANCE FOR IMPAIRMENT ON FINANCING

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Allowance for impaired financing				
(a) Individual assessment allowance				
Made during the period	26,125	17,062	26,125	17,062
Written back during the period	(2,258)	(13,468)	(2,258)	(13,468)
	23,867	3,594	23,867	3,594
(b) Collective assessment allowance				
Made during the period	67,126	62,053	67,126	62,053
Written back during the period	(70,699)	(42,826)	(70,699)	(42,826)
	(3,573)	19,227	(3,573)	19,227
Bad debts on financing:				
Written off	675	32	675	32
Recovered	(9,021)	(3,908)	(9,021)	(3,908)
	11,948	18,945	11,948	18,945

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16. IMPAIRMENT WRITEBACK ON FINANCIAL ASSETS

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
	Impairment loss/(writeback) on corporate bonds included under available-for-sale financial investment	457	(2,321)	457
	457	(2,321)	457	(2,321)

17. INCOME ATTRIBUTABLE TO DEPOSITORS

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
	Deposits from customers:			
Mudharabah funds	73,294	49,544	73,331	49,544
Non-Mudharabah funds	12,995	10,459	12,995	10,459
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	1	-	1	-
Non-Mudharabah funds	1,774	5,937	1,774	5,937
	88,064	65,940	88,101	65,940

18. CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group / Bank	
	30 June 2011 RM'000	31 March 2011 RM'000
	Outstanding credit exposures with connected parties (RM'000)	880,788
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.8%	6.4%

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and loan commitments. It also includes holdings of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

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19. COMMITMENTS AND CONTINGENCIES

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

Risk weighted exposures of the Bank as at 30 June 2011 are as follows:

	Group and Bank 30 June 2011		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
The commitments and contingencies constitute the following:			
Commitments and contingencies			
Direct credit substitutes	215	215	215
Trade-related contingencies	180,644	36,129	9,555
Transaction related contingencies	609,710	304,855	244,782
Obligations under an on-going underwriting agreement	55,000	27,500	5,500
Housing financing sold directly and indirectly to Cagamas with recourse	360,014	360,014	165,743
Credit extension commitment:			
Maturity within one year	340,638	68,128	61,911
Maturity exceeding one year	2,190,087	1,095,044	439,450
Bills of collection	44,638	-	-
Foreign exchange related contracts -Spot	655,991	-	-
Derivative financial instruments			
Foreign exchange related contracts	498,617	3,708	1,871
	4,935,555	1,895,593	929,028

	Group and Bank 31 March 2011		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Total Risk Weighted Amount RM'000
Commitments and contingencies			
Direct credit substitutes	11	11	11
Trade-related contingencies	45,914	9,183	9,025
Transaction related contingencies	871,491	435,745	371,611
Obligations under an on-going underwriting agreement	65,000	32,500	6,500
Housing financing sold directly and indirectly to Cagamas with recourse	364,308	364,308	174,040
Credit extension commitment:			
Maturity within one year	323,002	64,600	55,443
Maturity exceeding one year	2,242,093	1,121,047	391,538
Bills of collection	37,009	-	-
Foreign exchange related contracts -Spot	1,487,300	-	-
Derivative financial instruments			
Foreign exchange related contracts	309,696	2,131	1,608
	5,745,824	2,029,525	1,009,776

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20. CAPITAL ADEQUACY

(a) The capital adequacy ratio of the Group/Bank is as follows:

	Group		Bank	
	30 June 2011 RM'000	31 March 2011 RM'000	30 June 2011 RM'000	31 March 2011 RM'000
Computation of Total Risk Weighted Assets ("RWA")				
Total credit RWA	7,849,637	7,948,103	7,836,218	7,934,560
Total market RWA	66,255	75,061	66,255	75,061
Total operational RWA	978,269	960,106	971,491	953,244
Total RWA	8,894,161	8,983,270	8,873,964	8,962,865
Computation of Capital Ratio				
<u>Tier-I capital</u>				
Paid-up ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Statutory reserve	272,893	272,893	271,603	271,603
Retained profits	128,097	128,097	129,105	129,105
Less: Deferred tax assets (net)	(38,240)	(38,240)	(38,240)	(38,240)
Total Tier-I Capital	1,362,750	1,362,750	1,362,468	1,362,468
<u>Tier-II capital</u>				
Subordinated bonds (sukuk)*	400,000	250,000	400,000	250,000
Collective assessment allowance*/ General allowance for bad and doubtful financing	116,313	114,833	116,313	114,833
Total Tier-II Capital	516,313	364,833	516,313	364,833
Less: Investment in subsidiary	-	-	(6,484)	(6,484)
Capital Base	1,879,063	1,727,583	1,872,297	1,720,817
Core Capital	1,362,750	1,362,750	1,362,468	1,362,468
Capital Base	1,879,063	1,727,583	1,872,297	1,720,817
Core Capital Ratio	15.3%	15.2%	15.4%	15.2%
Risk- Weighted capital ratio	21.1%	19.2%	21.1%	19.2%

The capital adequacy ratios of the bank is computed in accordance with the Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (CAFIB-Basel II). The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

* Excluded collective assessment allowance on impaired financing restricted from Tier II capital by BNM of the Group and the Bank of RM111.9 million.

* Excluding existing subordinated bonds of RM 250 million which is to be redeemed in September 2011

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21. CAPITAL ADEQUACY (CONT'D)

Credit risk disclosure by risk weights of the Group as at 30 June, are as follows :

	Group			
	June 2011		Mar 2011	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	7,444,312	-	9,101,082	-
20%	2,013,395	402,679	1,883,668	376,734
35%	622,444	217,855	534,458	187,060
50%	1,104,098	552,049	1,041,868	520,934
75%	3,442,663	2,581,998	3,499,816	2,624,862
100%	3,958,007	3,958,007	4,136,883	4,136,883
150%	91,366	137,049	67,754	101,630
Risk weighted assets for credit risk	18,676,285	7,849,637	20,265,529	7,948,103
Risk weighted assets for market risk		66,255		75,061
Risk weighted assets for operational risk		978,269		960,106
Total risk weighted assets		<u>8,894,161</u>		<u>8,983,270</u>

BANK MUAMALAT MALAYSIA BERHAD
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22. CAPITAL ADEQUACY (CONT'D)

Credit risk disclosure by risk weights of the Bank as at 30 June, are as follows :

	Bank			
	June 2011		Mar 2011	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	7,444,312	-	9,101,082	-
20%	2,013,395	402,679	1,883,668	376,734
35%	622,444	217,855	534,458	187,060
50%	1,104,098	552,049	1,041,868	520,934
75%	3,442,663	2,581,998	3,499,816	2,624,862
100%	3,944,588	3,944,588	4,123,340	4,123,340
150%	91,366	137,049	67,754	101,630
Risk weighted assets for credit risk	18,662,866	7,836,218	20,251,986	7,934,560
Risk weighted assets for market risk		66,255		75,061
Risk weighted assets for operational risk		971,491		953,244
Total risk weighted assets		<u>8,873,964</u>		<u>8,962,865</u>