



BANK MUAMALAT MALAYSIA BERHAD

Company No. 6175-W
(Incorporated in Malaysia)

**UNAUDITED CONDENSED
FINANCIAL STATEMENTS FOR SIX MONTHS ENDED
30 SEPTEMBER 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 SEPTEMBER 2011 (2 ZULKAEDAH 1432)

	Note	Group		Bank	
		30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
ASSETS					
Cash and short-term funds		2,774,260	6,447,295	2,774,260	6,447,295
Financial investment available-for-sale	4(b)	4,210,012	4,331,906	4,199,212	4,321,106
Financial investment held-to-maturity	4(a)	28,224	28,224	28,224	28,224
Islamic derivative financial assets	5	17,504	2,154	17,504	2,154
Financing of customers	6	7,728,835	7,148,160	7,745,938	7,166,034
Other assets	8	132,926	113,866	126,327	106,811
Statutory deposits with Bank Negara Malaysia		400,221	94,121	400,221	94,121
Deferred tax assets (net)		16,133	38,240	16,133	38,240
Investment in subsidiaries		-	-	6,484	6,484
Property, plant and equipment		75,878	101,521	75,876	101,516
Prepaid land lease payment		252	255	252	255
Total assets		15,384,245	18,305,742	15,390,431	18,312,240
LIABILITIES					
Deposits from customers	9	13,108,271	16,171,772	13,115,080	16,178,389
Deposits and placements of banks and other financial institutions	10	22,509	14,993	22,509	14,993
Islamic derivative financial liabilities	5	7,766	1,018	7,766	1,018
Bills and acceptances payable		305,660	291,375	305,660	291,375
Other liabilities	12	146,859	209,926	147,042	209,950
Provision for zakat and taxation		1,677	5,228	1,677	5,228
Subordinated bonds / sukuk	11	400,000	250,000	400,000	250,000
Total liabilities		13,992,742	16,944,312	13,999,735	16,950,953
SHAREHOLDERS' EQUITY					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		391,503	361,430	390,696	361,287
Total shareholders' equity		1,391,503	1,361,430	1,390,696	1,361,287
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		15,384,245	18,305,742	15,390,431	18,312,240
COMMITMENTS AND CONTINGENCIES					
	19	4,185,351	5,745,824	4,185,351	5,745,824
CAPITAL ADEQUACY *					
Core capital ratio	20	14.7%	15.2%	14.7%	15.2%
Risk-weighted capital ratio		20.3%	19.2%	20.3%	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 SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 1432)

<u>Group</u>	Note	3 months ended		6 months ended	
		30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Income derived from investment of depositors' funds and others	13	208,390	202,116	418,116	385,861
Income derived from investment of shareholders' funds	14	11,976	20,073	25,548	36,508
Allowance for impairment on financing	15	(6,398)	7,789	(18,346)	(11,157)
Provision for commitments & contingencies		-	(26,861)	-	(26,861)
Impairment (loss)/writeback on financial assets	16	19,150	10,379	18,693	12,700
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(4,662)	(4,614)	(9,341)	(9,255)
Total distributable income		228,456	208,882	434,670	387,796
Income attributable to depositors	17	(82,998)	(74,875)	(170,828)	(138,004)
Total net income		145,459	134,007	263,841	249,792
Personnel expenses		(43,264)	(38,158)	(88,263)	(72,847)
Other overheads and expenditures		(68,222)	(34,616)	(95,919)	(67,020)
Finance cost		(8,059)	(3,907)	(12,970)	(7,813)
Profit before zakat and taxation		25,913	57,326	66,690	102,112
Zakat		(651)	(1,708)	(1,677)	(1,708)
Taxation		(15,777)	(17,198)	(26,605)	(28,543)
Profit for the period		9,484	38,420	38,407	71,861
Earnings per share (sen):					
Basic		0.9	3.3	3.8	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 SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 1432)

Bank	Note	3 months ended		6 months ended	
		30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Income derived from investment of depositors' funds and others	13	208,390	202,116	418,116	385,861
Income derived from investment of shareholders' funds	14	11,920	19,729	25,366	36,134
Allowance for impairment on financing	15	(6,398)	7,789	(18,346)	(11,157)
Provision for commitments & contingencies		-	(26,861)	-	(26,861)
Impairment (loss)/writeback on financial assets	16	19,150	10,272	18,693	12,593
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(4,662)	(4,614)	(9,341)	(9,255)
Total distributable income		228,400	208,431	434,488	387,315
Income attributable to depositors	17	(83,037)	(74,881)	(170,904)	(138,010)
Total net income		145,364	133,550	263,583	249,305
Personnel expenses		(43,081)	(37,981)	(87,895)	(72,476)
Other overheads and expenditures		(68,282)	(34,586)	(95,958)	(66,648)
Finance cost		(7,956)	(3,907)	(12,931)	(7,813)
Profit before zakat and taxation		26,045	57,076	66,800	102,368
Zakat		(651)	(1,708)	(1,677)	(1,708)
Taxation		(15,753)	(17,188)	(26,571)	(28,523)
Profit for the period		9,640	38,180	38,550	72,137

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 SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 1432)

<u>Group</u>	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit for the period	9,484	38,420	38,407	71,861
Other comprehensive income/(loss):				
Net gain/(loss) on revaluation of financial investment available-for-sale	(21,614)	27,294	(13,669)	18,405
Income tax relating to components of other comprehensive income	4,522	(887)	4,301	(887)
Exchange fluctuation reserve	659	57	1,035	(168)
Other comprehensive income/(loss) for the period, net of tax	(16,434)	26,464	(8,334)	17,350
Total comprehensive income for the period	(6,949)	64,884	30,073	89,211

<u>Bank</u>	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit for the period	9,640	38,180	38,550	72,137
Other comprehensive income/(loss):				
Net gain/(loss) on revaluation of financial investment available-for-sale	(21,614)	28,934	(14,477)	18,343
Income tax relating to components of other comprehensive income	4,522	(887)	4,301	(887)
Exchange fluctuation reserve	659	57	1,035	(168)
Other comprehensive income/(loss) for the period, net of tax	(16,433)	28,104	(9,141)	17,288
Total comprehensive income for the period	(6,794)	66,284	29,409	89,425

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
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 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	
At 1 April 2011	1,000,000	272,893	553	(40,113)	128,097	1,361,430
Other comprehensive income for the period	-	-	1,035	(9,368)	-	(8,333)
Profit for the period	-	-	-	-	38,407	38,407
Transfer to statutory reserve	-	19,203	-	-	(19,203)	-
At 30 September 2011	1,000,000	292,096	1,588	(49,481)	147,299	1,391,503
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	-	-	(168)	17,518	-	17,350
Profit for the period	-	-	-	-	71,861	71,861
Transfer to statutory reserve	-	35,931	-	-	(35,931)	-
At 30 September 2010	1,000,000	242,036	(698)	(35,455)	97,238	1,303,121

* 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.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 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	-	-	1,035	(10,176)	-	(9,141)
Profit for the period	-	-	-	-	38,550	38,550
Transfer to statutory reserve	-	19,275	-	-	(19,275)	-
At 30 September 2011	1,000,000	290,878	1,588	(50,150)	148,380	1,390,696
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	-	-	(168)	17,455	-	17,287
Profit for the period	-	-	-	-	72,137	72,137
Transfer to statutory reserve	-	36,069	-	-	(36,069)	-
At 30 September 2010	1,000,000	240,665	(698)	(35,369)	98,166	1,302,764

* 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)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 1432)

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Cash flows from operating activities				
Profit before zakat and taxation	66,690	102,112	66,800	102,368
Adjustment for				
Amortisation of prepaid land and lease payment	3	-	3	-
Depreciation of property, plant and equipment	7,869	6,497	7,866	6,483
Gain on disposal of property, plant and equipment	(27)	-	(27)	-
Property, plant and equipment written off	31,595	127	31,595	127
Islamic profit rate swap and Islamic cross currency swap	1,843	-	1,843	-
Amortisation of premium less accretion of discount	3,002	8,233	3,002	8,233
Net gain from sale of financial investment available-for-sale	(19,408)	(10,961)	(19,408)	(10,961)
Net gain from sale of financial investment held-for-trading	(306)	(625)	(306)	(625)
Net loss/ (gain) on revaluation of foreign exchange transaction	3,089	(9,893)	3,089	(9,893)
Net (gain)/ loss from foreign exchange derivatives	(10,446)	2,116	(10,446)	2,116
Writeback impairment on investments	(18,693)	(12,700)	(18,693)	(12,593)
Allowance for impairment on financing	33,532	11,157	33,532	11,157
Provision for commitment and contingencies	-	26,861	-	26,861
Finance cost	12,970	7,813	12,931	7,813
Gross dividend income	(2,955)	(2,000)	(2,955)	(2,000)
Operating profit before working capital changes	108,758	128,737	108,826	129,086

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 1432) (cont'd.)

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
(Increase)/decrease in operating assets:				
Islamic derivative financial assets	(4,904)	9,643	(4,904)	9,643
Financing of customers	(614,207)	(243,638)	(613,436)	(256,312)
Statutory deposits with Bank Negara Malaysia	(306,100)	(1,800)	(306,100)	(1,800)
Other assets	(22,464)	(34,241)	(23,709)	(27,393)
Increase/(decrease) in operating liabilities:				
Deposits from customers	(3,063,501)	(1,112,243)	(3,063,309)	(1,112,881)
Deposits and placements of banks and other financial institutions	7,516	46,546	7,516	46,546
Islamic derivative financial liabilities	4,905	(7,329)	4,905	(7,329)
Bills and acceptances payable	14,285	290,254	14,285	290,254
Other liabilities	(63,067)	27,176	(62,908)	27,227
Cash used in operation	<u>(3,938,780)</u>	<u>(896,895)</u>	<u>(3,938,835)</u>	<u>(902,959)</u>
Zakat paid	(5,228)	-	(5,228)	-
Tax paid	(8,217)	(8,259)	(8,200)	(8,239)
Net cash used in operating activities	<u>(3,952,224)</u>	<u>(905,154)</u>	<u>(3,952,263)</u>	<u>(911,198)</u>
Cash flows from investing activities				
Net purchase of financial investment AFS	(738,808)	(301,516)	(738,808)	(295,473)
Net proceed of financial investment HFT	306	625	306	625
Proceed from disposal of property, plant and equipment	60	-	60	-
Purchase of property, plant and equipment	(13,854)	(13,811)	(13,854)	(13,811)
Redemption of AFS securities	891,500	295,000	891,500	295,000
Dividend income	2,955	2,000	2,955	2,001
Net cash generated from/ (used in) investing activities	<u>142,160</u>	<u>(17,702)</u>	<u>142,160</u>	<u>(11,658)</u>

**Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)**

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011 (2 ZULKAEDAH 1432) (cont'd.)**

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Cash flows from financing activities				
Dividend paid on islamic subordinated bond	(12,970)	(7,813)	(12,931)	(7,813)
Redemption of subordinated bonds	(250,000)	-	(250,000)	-
Additional issuance of subordinated sukuk	400,000	-	400,000	-
Net cash generated from/ (used in) financing activities	137,030	(7,813)	137,069	(7,813)
Net decrease in cash and cash equivalents	(3,673,035)	(930,669)	(3,673,035)	(930,669)
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	2,774,260	4,844,714	2,774,260	4,844,714
Cash and cash equivalents consist of:				
Cash and short term funds (Note 4)	2,774,260	4,844,714	2,774,260	4,844,714

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 HALF YEAR ENDED 30 SEPTEMBER 2011

1. BASIS OF PREPARATION

The unaudited interim financial statements for the half year ended 30 September 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)

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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 RM66.7 million for the six months period ended 30 September 2011, decline by 34.7% from the previous corresponding period in 2010. The Group's profit mainly contributed by higher income derived from investment of depositors' funds and higher impairment writeback on financial assets. This however has been offset by higher income attributable to depositors and other overhead expenses, which mainly attributed to written-off of the work-in-progress of a discontinued IT project amounting to RM31.5million.

The total assets of the Group as at September 2011, however decreased from RM 18.3 billion to RM 15.4 billion as compared to last year ended 31 March 2011. The change was partly contributed by the significant decrease in cash and short term funds by 57%, in line with the decrease in deposit from customer offset by positive growth in net financing assets which has increased by 8.1% to RM 7.7 billion from RM 7.2 billion in March 2011.

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 September		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 September	31 March	30 September	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	2,107,007	1,960,866	2,107,007	1,960,866
Cagamas bonds	135,688	135,713	135,688	135,713
Islamic private debt securities	1,843,114	2,127,431	1,843,114	2,127,431
Labuan sukuk	71,377	58,087	71,377	58,087
Quoted shares	27,650	24,994	27,650	24,994
Unit trust	10,271	9,910	10,271	9,910
	4,195,107	4,317,001	4,195,107	4,317,001
Unquoted securities:				
Shares	14,905	14,905	4,105	4,105
Total financial investment available-for-sale	4,210,012	4,331,906	4,199,212	4,321,106

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5. Derivative Financial Instruments

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 September 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	250,666	8,708	(844)	52,994	770	(302)
- Currency swaps						
Less than one year	335,339	8,796	(4,920)	256,702	1,384	(558)
	586,005	17,504	(5,764)	309,696	2,154	(860)
- Islamic Profit Rate Swap (IPRS)						
More than one year	75,000	-	(2,002)	75,000	-	(158)
Total	661,005	17,504	(7,766)	384,696	2,154	(1,018)

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

6. FINANCING OF CUSTOMERS

(a) By type

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
Cash line	303,558	367,763	303,558	367,763
Term financing:				
Home financing	5,340,425	4,828,099	5,340,425	4,828,099
Syndicated financing	97,405	143,617	97,405	143,617
Hire purchase receivables	1,295,849	1,397,081	1,295,849	1,397,081
Leasing receivables	183,908	191,584	183,908	191,584
Other term financing	5,468,194	4,294,681	5,485,297	4,312,555
Trust receipts	110,003	147,916	110,003	147,916
Claims on customers under acceptance credits	769,550	779,186	769,550	779,186
Staff financing	104,667	94,761	104,667	94,761
Revolving credit	391,744	356,088	391,744	356,088
	14,065,303	12,600,776	14,082,406	12,618,650
Less : Unearned income	(5,622,314)	(4,753,075)	(5,622,314)	(4,753,075)
	8,442,989	7,847,701	8,460,092	7,865,575
Less : Financing sold to Cagamas	(355,653)	(364,308)	(355,653)	(364,308)
Gross financing	8,087,336	7,483,393	8,104,439	7,501,267
Less : Allowance for impaired financing :				
Collective assessment	(218,824)	(226,702)	(218,824)	(226,702)
Individual assessment	(139,677)	(108,531)	(139,677)	(108,531)
Total net financing	7,728,835	7,148,160	7,745,938	7,166,034

(b) By contract

Bai' Bithaman Ajil (deferred payment sale)	2,866,612	2,465,728	2,866,612	2,465,728
Ijarah (lease)	278,408	260,690	278,408	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,127,816	1,207,059	1,127,816	1,207,059
Inah (sale and buyback)	471,228	449,754	471,228	449,754
Tawarruq (commodity murabahah)	1,469,686	1,301,019	1,469,686	1,301,019
Bai' Al-Dayn (purchase of debt)	769,570	805,213	769,570	805,213
Murabahah (cost-plus)	618,902	652,739	618,902	652,739
Istisna' (sale order)	467,353	301,566	467,353	301,566
Qard Hasan (benevolent loan)	17,314	16,344	17,314	16,344
Shirkah Mutanaqisah (diminishing partnership) / Musharakah (profit sharing)	447	23,281	17,550	41,155
	8,087,336	7,483,393	8,104,439	7,501,267

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

6. FINANCING OF CUSTOMERS (CONTD.)

(c) By type of customer

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
Domestic non-banking institutions	351,268	37,042	351,268	37,042
Domestic business enterprises:				
-Small business enterprises	575,616	728,478	575,616	728,478
-Others	2,658,100	2,336,206	2,669,052	2,347,158
Government and statutory bodies	97,568	135,190	103,719	142,112
Individuals	4,384,656	4,224,569	4,384,656	4,224,569
Other domestic entities	4,410	5,520	4,410	5,520
Foreign entities	15,718	16,388	15,718	16,388
	8,087,336	7,483,393	8,104,439	7,501,267

(d) By profit rate sensitivity

Fixed rate:				
Home financing	660,446	485,065	660,446	485,065
Hire purchase receivables	1,121,323	1,201,348	1,121,323	1,201,348
Others	3,406,303	2,764,311	3,411,177	2,769,263
Variable rate:				
Home financing	1,064,374	1,114,763	1,064,374	1,114,763
Others	1,834,890	1,917,906	1,847,119	1,930,828
	8,087,336	7,483,393	8,104,439	7,501,267

(e) By residual contractual maturity

Maturity within one year	2,733,037	2,470,365	2,733,037	2,470,365
Maturity within one to five years	2,708,484	2,866,870	2,708,484	2,866,870
Maturity more than five years	2,645,815	2,146,158	2,662,918	2,164,032
	8,087,336	7,483,393	8,104,439	7,501,267

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

6. FINANCING OF CUSTOMERS (CONTD.)

(f) By sector

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
Agriculture	7,707	75,846	7,707	75,846
Mining & Quarrying	3,618	4,049	3,618	4,049
Manufacturing	646,673	670,143	651,547	675,095
Electricity, gas and water	144,719	144,710	144,719	144,710
Construction	777,324	810,779	783,402	816,779
Purchase of landed property:				
Residential	1,819,834	1,651,418	1,819,834	1,651,418
Non-residential	188,868	255,963	188,868	255,963
Real estate	116,345	16,937	116,345	16,937
Wholesale' retail and restaurant	660,990	601,139	660,990	601,139
Transport, storage and communication	312,538	155,913	312,538	155,913
Finance, insurance and business services	442,113	154,028	442,113	154,028
Purchase of securities	81	86	81	86
Purchase of transport vehicles	1,128,684	1,207,546	1,128,684	1,207,546
Consumption credit	1,498,666	1,316,730	1,498,666	1,316,730
Community, social and personal services	339,176	418,106	345,327	425,028
	8,087,336	7,483,393	8,104,439	7,501,267

(g) By geographical area

Domestic	8,035,565	7,388,918	8,052,668	7,406,792
Labuan Offshore	51,771	94,475	51,771	94,475
	8,087,336	7,483,393	8,104,439	7,501,267

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

7. IMPAIRED FINANCING

(a) Movements in the impaired financing

	Group and Bank	
	30 September 2011	31 March 2011
	RM'000	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	<u>378,343</u>	591,988
Classified as impaired during the period	235,844	457,633
Reclassified as performing during the period	(85,886)	(265,609)
Recovered during the period	(53,031)	(142,588)
Written off during the period	(10,588)	(263,081)
As at 30 September	<u>464,682</u>	<u>378,343</u>
Ratio of gross impaired to total financing	<u>5.5%</u>	<u>4.8%</u>

(b) Movements in the allowance for impaired financing

	Group		Bank	
	30 September 2011	31 March 2011	30 September 2011	31 March 2011
	RM'000	RM'000	RM'000	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	<u>-</u>	-	<u>-</u>	-
Allowance made during the period	-	-	-	-
As at 30 September	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

7. IMPAIRED FINANCING (CONTD.)

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

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 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 September	-	-	-	-
<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	120,985	250,047	120,985	250,047
Amount recovered	(119,374)	(224,291)	(119,374)	(224,291)
Amount written off	(9,489)	(22,272)	(9,489)	(22,272)
As at 30 September	218,824	226,702	218,824	226,702
As % of gross financing, less individual assessment allowance	2.8%	3.1%	2.7%	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	44,378	89,776	44,378	89,776
Amount recovered	(13,232)	(70,129)	(13,232)	(70,129)
Amount written off	-	(236,113)	-	(236,113)
As at 30 September	139,677	108,531	139,677	108,531

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

7. IMPAIRED FINANCING (CONTD.)

(c) Impaired financing by sector

	Group and Bank	
	30 September 2011	31 March 2011
	RM'000	RM'000
Manufacturing	42,782	24,660
Construction	179,454	71,810
Purchase of landed property:		
Residential	128,002	159,345
Non-residential	11,204	12,206
Wholesale and retail and restaurant	34,281	33,360
Transport, storage and communication	47	45
Finance, insurance and business services	10,197	9,713
Purchase of securities	79	84
Purchase of transport vehicles	29,827	34,933
Consumption credit	26,303	23,928
Community, social and personal service	2,506	8,259
	464,682	378,343

(d) Impaired financing by geographical area

	Group and Bank	
	30 September 2011	31 March 2011
	RM'000	RM'000
Domestic	457,997	372,045
Labuan Offshore	6,685	6,298
	464,682	378,343

8. OTHER ASSETS

	Group		Bank	
	30 September 2011	31 March 2011	30 September 2011	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Deposits	5,139	4,876	5,139	4,721
Prepayments	4,330	2,428	4,232	2,409
Income receivables	51,053	51,278	44,598	44,579
Tax prepayment	23,695	15,726	23,649	15,611
Amount due from subsidiaries/branch	5,569	5,534	5,569	5,534
Clearing account	16,639	16,565	16,639	16,565
Sundry debtors	12,501	3,459	12,501	3,392
Others	14,000	14,000	14,000	14,000
	132,926	99,866	126,327	92,811

BANK MUAMALAT MALAYSIA BERHAD
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9. DEPOSITS FROM CUSTOMERS

(a) By type of deposits

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
Non-Mudharabah Fund				
Demand deposits	3,127,884	2,733,229	3,134,693	2,739,846
Savings deposits	527,095	474,725	527,095	474,725
Negotiable Islamic debt certificate	1,343,054	1,500,971	1,343,054	1,500,971
Others	16,372	17,582	16,372	17,582
	5,014,405	4,726,507	5,021,214	4,733,124
Mudharabah Fund				
Demand deposits	226,912	217,094	226,912	217,094
Savings deposits	215,167	222,945	215,167	222,945
General investment deposits	6,387,423	9,543,630	6,387,423	9,543,630
Special general investment deposits	1,264,364	1,461,596	1,264,364	1,461,596
	8,093,866	11,445,265	8,093,866	11,445,265
	13,108,271	16,171,772	13,115,080	16,178,389

(b) By type of customer

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
Government and statutory bodies	3,645,949	3,767,238	3,645,949	3,767,238
Business enterprises	4,971,481	6,632,146	4,971,481	6,632,146
Individuals	1,072,364	1,024,490	1,072,364	1,024,490
Others	3,418,477	4,747,898	3,425,286	4,754,515
	13,108,271	16,171,772	13,115,080	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 September 2011 RM'000	31 March 2011 RM'000
Due within six months	7,666,974	11,080,128
More than six months to one year	1,311,290	1,405,514
More than one year to three years	16,578	20,555
	8,994,842	12,506,197

BANK MUAMALAT MALAYSIA BERHAD
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10. DEPOSIT AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	30 September 2011	31 March 2011
	RM'000	RM'000
Non Mudharabah		
Bank Negara Malaysia	22,509	14,993
	22,509	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. Bank has redeemed this tranche in September 2011.

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 September 2011		31 March 2011	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Subordinated obligations				
- Bai Bithaman Ajil	-	-	250,000	250,025
- Musyarakah	400,000	398,785	-	-
	400,000	398,785	250,000	250,025

12. OTHER LIABILITIES

	Group		Bank	
	30 September 2011	31 March 2011	30 September 2011	31 March 2011
	RM'000	RM'000	RM'000	RM'000
Sundry creditors	36,817	38,402	37,016	38,378
Income payable to depositors	28,690	46,718	28,690	46,718
Provision for commitments and contingencies	40,273	40,273	40,273	40,273
Provision for bonus	13,321	30,605	13,310	30,527
Accrued expenses	15,342	11,450	15,340	11,450
Dividend payable for subordinated bond	6,079	1,128	6,079	1,128
Provision for directors' fees	179	479	179	479
Others	6,158	40,871	6,156	40,997
	146,859	209,926	147,042	209,950

BANK MUAMALAT MALAYSIA BERHAD
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13. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

<u>Group/Bank</u>	3 months ended		6 months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) General investment deposits	121,197	159,088	271,775	283,523
(b) Other deposits	87,193	43,028	146,341	102,338
	208,390	202,116	418,116	385,861

(a) Income derived from investment of general investment deposits

	3 months ended		6 months ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	76,839	97,719	166,976	175,442
Held-to-trading financial investment	-	3	-	3
Held-to-maturity financial investment	38	52	85	96
Available-for-sale financial investment	22,748	29,946	51,767	55,483
Money at call and deposit with financial institutions	13,944	23,816	37,033	40,999
	113,569	151,536	255,861	272,023
Amortisation of premium less accretion of discounts	(871)	(3,368)	(2,474)	(6,132)
Total finance income and hibah	112,698	148,168	253,387	265,891

Other operating income/(loss)

Net gain from sale of financial investment held-for-trading	142	283	199	459
Net gain from sale of financial investment available-for-sale	2,798	5,264	11,456	8,324
Loss from disposal of financing	2,106	-	-	-
	5,046	5,547	11,655	8,783

Fees and commission

Guarantee fees	560	997	960	1,877
Processing fees	250	171	406	222
Service charges and fees	1,475	1,730	2,834	3,075
Commission	1,168	2,475	2,533	3,675
	3,453	5,373	6,733	8,849

Total	121,197	159,088	271,775	283,523
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Of which :

Financing income earned on impaired financing	(75)	1,777	631	1,777
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BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

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

(b) Income derived from investment of other deposits

	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Finance income and hibah				
Income from financing	54,505	26,279	89,911	63,325
Held-to-trading financial investment	-	1	-	1
Held-to-maturity financial investment	27	14	46	35
Available-for-sale financial investment	16,476	7,854	27,875	20,026
Money at call and deposit with financial institutions	10,870	6,609	19,940	14,799
	81,878	40,757	137,772	98,186
Amortisation of premium less accretion of discounts	(702)	(895)	(1,332)	(2,213)
Total finance income and hibah	81,176	39,862	136,440	95,973
Other operating income/(loss)				
Net gain from sale of financial investment held-for-trading	85	82	107	166
Net gain from sale of financial investment available-for-sale	2,768	1,545	6,169	3,004
Loss from disposal of financing	827	-	-	-
	3,680	1,627	6,276	3,170
Fees and commission				
Guarantee fees	360	259	517	678
Processing fees	157	56	218	80
Service charges and fees	992	469	1,526	1,110
Commission	828	755	1,364	1,327
	2,337	1,539	3,625	3,195
Total	87,193	43,028	146,341	102,338
Of which :				
Financing income earned on impaired financing	63	641	340	641

BANK MUAMALAT MALAYSIA BERHAD
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14. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

<u>Group</u>	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Finance income and hibah				
Available-for-sale financial Investment	5,317	9,690	11,260	19,546
	<u>5,317</u>	<u>9,690</u>	<u>11,260</u>	<u>19,546</u>
Amortisation of premium less accretion of discounts	3	(66)	804	112
Total finance income and hibah	<u>5,320</u>	<u>9,624</u>	<u>12,064</u>	<u>19,658</u>
Other operating income/(loss)				
Net (loss)/ gain from foreign exchange transaction	(8,483)	8,843	(3,089)	9,817
Net gain/ (loss) on revaluation from foreign exchange derivatives	12,558	(4,550)	10,446	(2,039)
Net dividend paid for islamic profit rate swap	(244)	-	(579)	-
Net loss on revaluation from islamic profit rate swap	23	-	(1,843)	-
Net gain/ (loss) from sale of financial investment available-for-sale	733	(36)	1,783	(367)
Gross dividend income from investment: -unquoted in Malaysia	-	2,000	2,955	2,000
	<u>4,587</u>	<u>6,257</u>	<u>9,672</u>	<u>9,411</u>
Fees and commission				
Processing fees	378	13	798	699
Corporate advisory fees	1,148	2,767	1,408	4,200
Service charges and fees	176	242	423	375
Commission	254	823	418	996
Others	11	(19)	586	748
	<u>1,967</u>	<u>3,826</u>	<u>3,633</u>	<u>7,018</u>
Other income				
Rental income	75	366	151	421
Profit on sale of fixed assets	27	-	27	-
	<u>102</u>	<u>366</u>	<u>178</u>	<u>421</u>
Total	<u>11,976</u>	<u>20,073</u>	<u>25,548</u>	<u>36,508</u>

BANK MUAMALAT MALAYSIA BERHAD
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14. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS (CONTD.)

Bank	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Finance income and hibah				
Available-for-sale financial Investment	5,317	9,690	11,260	19,546
	5,317	9,690	11,260	19,546
Amortisation of premium less accretion of discounts	3	(66)	804	112
Total finance income and hibah	5,320	9,624	12,064	19,658
Other operating income				
Net (loss)/ gain from foreign exchange transaction	(8,483)	8,843	(3,089)	9,817
Net gain/ (loss) on revaluation from foreign exchange derivatives	12,558	(4,550)	10,446	(2,039)
Net dividend paid from islamic profit rate swap	(244)	-	(579)	-
Net loss on revaluation from islamic profit rate swap	23	-	(1,843)	-
Net gain/ (loss) from sale of financial investment available-for-sale	733	(36)	1,783	(367)
Gross dividend income from investment: -unquoted in Malaysia	-	2,000	2,955	2,000
	4,587	6,257	9,672	9,411
Fees and commission				
Processing fees	378	13	798	699
Corporate advisory fees	1,147	2,767	1,403	4,200
Service charges and fees	121	147	246	280
Commission	254	823	418	996
Others	11	11	586	748
	1,911	3,761	3,451	6,923
Other income				
Rental income	75	87	151	142
Profit on sale of fixed assets	27	-	27	-
	102	87	178	142
Total	11,920	19,729	25,366	36,134

BANK MUAMALAT MALAYSIA BERHAD
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15. ALLOWANCE FOR IMPAIRMENT ON FINANCING

<u>Group</u>	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Allowance for impaired financing				
(a) Individual assessment allowance				
Made during the period	18,253	21,284	44,378	38,346
Written back during the period	(10,974)	(35,251)	(13,232)	(48,719)
	<u>7,279</u>	<u>(13,967)</u>	<u>31,146</u>	<u>(10,373)</u>
(b) Collective assessment allowance				
Made during the period	53,859	77,578	120,985	139,631
Written back during the period	(48,675)	(67,648)	(119,374)	(110,474)
	<u>5,184</u>	<u>9,930</u>	<u>1,611</u>	<u>29,157</u>
Bad debts on financing:				
Written off	99	4	774	37
Recovered	(6,165)	(3,756)	(15,186)	(7,664)
	<u>6,398</u>	<u>(7,789)</u>	<u>18,346</u>	<u>11,157</u>

<u>Bank</u>	3 months ended		6 months ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Allowance for impaired financing				
(a) Individual assessment allowance				
Made during the period	18,254	21,284	44,379	38,346
Written back during the period	(10,974)	(35,251)	(13,232)	(48,719)
	<u>7,279</u>	<u>(13,967)</u>	<u>31,146</u>	<u>(10,373)</u>
(b) Collective assessment allowance				
Made during the period	53,859	77,578	120,985	139,631
Written back during the period	(48,675)	(67,648)	(119,374)	(110,474)
	<u>5,184</u>	<u>9,930</u>	<u>1,611</u>	<u>29,157</u>
Bad debts on financing:				
Written off	99	4	774	37
Recovered	(6,165)	(3,756)	(15,186)	(7,664)
	<u>6,398</u>	<u>(7,789)</u>	<u>18,346</u>	<u>11,157</u>

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16. IMPAIRMENT WRITEBACK ON FINANCIAL ASSETS

<u>Group</u>	3 months ended		6 months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Impairment loss/(writeback) on corporate bonds included under available-for-sale financial investment	(19,150)	(10,379)	(18,693)	(12,700)
	(19,150)	(10,379)	(18,693)	(12,700)

<u>Bank</u>	3 months ended		6 months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Impairment loss/(writeback) on corporate bonds included under available-for-sale financial investment	(19,150)	(10,379)	(18,693)	(12,700)
Impairment loss for investment in subsidiary	-	107	-	107
	(19,150)	(10,272)	(18,693)	(12,593)

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17. INCOME ATTRIBUTABLE TO DEPOSITORS

<u>Group</u>	3 months ended		6 months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	70,314	57,237	143,613	107,933
Non-Mudharabah funds	11,821	(5,682)	25,259	5,230
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	1	237	2	237
Non-Mudharabah funds	862	23,083	1,954	24,604
	82,998	74,875	170,828	138,004

<u>Bank</u>	3 months ended		6 months ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	70,353	57,381	143,689	108,077
Non-Mudharabah funds	11,821	14,637	25,259	25,549
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	1	237	2	237
Non-Mudharabah funds	862	2,626	1,954	4,147
	83,037	74,881	170,904	138,010

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18. CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group / Bank	
	30 September	31 March
	2011	2011
	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>1,021,877</u>	<u>988,892</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.7%</u>	<u>6.4%</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on credit Transaction and Exposures with Connected Parties, which are effective on 1 January 2008.

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 financing 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 September 2011 are as follows:

	Group and Bank 30 September 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	313	313	313
Trade-related contingencies	79,012	15,802	4,249
Transaction related contingencies	607,531	303,765	244,179
Obligations under an on-going underwriting agreement	55,000	27,500	5,500
Housing financing sold directly and indirectly to Cagamas with recourse	355,653	355,653	165,165
Credit extension commitment:			
Maturity within one year	374,792	74,958	67,611
Maturity exceeding one year	2,079,303	1,039,652	349,107
Bills of collection	33,360	-	-
Foreign exchange related contracts -Spot	14,382	-	-
Derivative financial instruments			
Foreign exchange related contracts	586,005	13,184	11,837
	4,185,351	1,830,827	847,961

	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 core capital ratios and risk-weighted capital ratios of the Group and the Bank are as follows:

	Group		Bank	
	30 September 2011 RM'000	31 March 2011 RM'000	30 September 2011 RM'000	31 March 2011 RM'000
Computation of Total Risk Weighted Assets ("RWA")				
Total credit RWA	8,213,697	7,948,103	8,200,613	7,934,560
Total market RWA	92,133	75,061	92,133	75,061
Total operational RWA	990,559	960,106	984,057	953,244
Total RWA	9,296,389	8,983,270	9,276,803	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*	123,503	114,833	123,503	114,833
Total Tier-II Capital	523,503	364,833	523,503	364,833
Less: Investment in subsidiary	-	-	(6,484)	(6,484)
Capital Base	1,886,253	1,727,583	1,879,487	1,720,817
Core Capital	1,362,750	1,362,750	1,362,468	1,362,468
Capital Base	1,886,253	1,727,583	1,879,487	1,720,817
Core Capital Ratio	14.7%	15.2%	14.7%	15.2%
Risk- Weighted capital ratio	20.3%	19.2%	20.3%	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 RM95.3 million.

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20. CAPITAL ADEQUACY (CONT'D)

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

	Group			
	September 2011		March 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%	5,773,372	-	9,101,082	-
20%	1,732,012	346,402	1,883,668	376,734
35%	647,813	226,735	534,458	187,060
50%	1,203,283	601,642	1,041,868	520,934
75%	3,526,439	2,644,829	3,499,816	2,624,862
100%	4,213,948	4,213,948	4,136,883	4,136,883
150%	120,094	180,141	67,754	101,630
Risk weighted assets for credit risk	17,216,961	8,213,697	20,265,529	7,948,103
Risk weighted assets for market risk		92,133		75,061
Risk weighted assets for operational risk		990,559		960,106
Total risk weighted assets		<u>9,296,389</u>		<u>8,983,270</u>

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20. CAPITAL ADEQUACY (CONT'D)

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

	Bank			
	September 2011		March 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%	5,773,372	-	9,101,082	-
20%	1,732,012	346,402	1,883,668	376,734
35%	647,813	226,735	534,458	187,060
50%	1,203,283	601,642	1,041,868	520,934
75%	3,526,439	2,644,829	3,499,816	2,624,862
100%	4,200,864	4,200,864	4,123,340	4,123,340
150%	120,094	180,141	67,754	101,630
Risk weighted assets for credit risk	17,203,877	8,200,613	20,251,986	7,934,560
Risk weighted assets for market risk		92,133		75,061
Risk weighted assets for operational risk		984,057		953,244
Total risk weighted assets		<u>9,276,803</u>		<u>8,962,865</u>