



**BANK MUAMALAT MALAYSIA BERHAD**

Company No. 6175-W  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED  
FINANCIAL STATEMENTS FOR THREE MONTHS ENDED  
30 JUNE 2012**

**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 STATEMENTS**

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2012 (10 SYAABAN 1433)**

Group	Note	Unaudited	Restated	
		As at 30.06.2012 RM'000	As at 31.03.2012 RM'000	As at 01.04.2011 RM'000
<b>ASSETS</b>				
Cash and short-term funds		1,879,153	4,391,223	6,199,953
Cash and placements with financial institutions		96,905	110,333	251,012
Financial investment held-to-maturity	4(a)	48,233	74,494	28,585
Financial investment available-for-sale	4(b)	5,911,793	6,144,018	4,370,987
Islamic derivative financial assets	5	4,814	4,150	5,177
Financing of customers	6	9,434,613	8,999,361	7,130,634
Other assets	8	38,628	44,371	70,700
Statutory deposits with Bank Negara Malaysia		552,721	527,721	94,121
Deferred tax assets	9	59,788	62,133	42,622
Investment in associates		1,000	-	-
Property, plant and equipment		82,699	81,072	101,521
Prepaid land lease payment		249	251	255
<b>Total assets</b>		<b>18,110,596</b>	<b>20,439,127</b>	<b>18,295,567</b>
<b>LIABILITIES</b>				
Deposits from customers	10	15,762,538	18,151,087	16,216,173
Deposits and placements of banks and other financial institutions	11	12,137	11,896	14,993
Islamic derivative financial liabilities	5	9,208	5,630	3,986
Bills and acceptances payable		290,207	310,324	291,375
Other liabilities	12	152,377	133,044	164,398
Provision for zakat and taxation	13	24,952	20,521	5,228
Subordinated sukuk / bonds	14	400,901	406,079	251,128
<b>Total liabilities</b>		<b>16,652,320</b>	<b>19,038,581</b>	<b>16,947,281</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital		1,000,000	1,000,000	1,000,000
Reserves		458,276	400,546	348,286
<b>Total shareholders' equity</b>		<b>1,458,276</b>	<b>1,400,546</b>	<b>1,348,286</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>18,110,596</b>	<b>20,439,127</b>	<b>18,295,567</b>
<b>COMMITMENTS AND CONTINGENCIES</b>				
	23	4,662,151	4,287,269	5,820,824
<b>CAPITAL ADEQUACY *</b>				
Core capital ratio	24	13.6%	14.4%	15.2%
Risk-weighted capital ratio	24	18.9%	19.7%	19.2%

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

**BANK MUAMALAT MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2012 (10 SYAABAN 1433)**

Bank	Note	Unaudited	Restated	
		As at 30.06.2012 RM'000	As at 31.03.2012 RM'000	As at 01.04.2011 RM'000
<b>ASSETS</b>				
Cash and short-term funds		1,879,153	4,391,223	6,199,953
Cash and placements with financial institutions		96,905	110,333	251,012
Financial investment held-to-maturity	4(a)	48,233	74,494	28,585
Financial investment available-for-sale	4(b)	5,906,993	6,139,218	4,360,187
Islamic derivative financial assets	5	4,814	4,150	5,177
Financing of customers	6	9,446,828	9,011,683	7,148,508
Other assets	8	29,879	37,394	63,645
Statutory deposits with Bank Negara Malaysia		552,721	527,721	94,121
Deferred tax assets (net)	9	59,788	62,133	42,622
Investment in subsidiaries		6,384	6,384	6,484
Investment in associates		1,000	-	-
Property, plant and equipment		82,699	81,072	101,516
Prepaid land lease payment		249	251	255
<b>Total assets</b>		<b>18,115,646</b>	<b>20,446,056</b>	<b>18,302,065</b>
<b>LIABILITIES</b>				
Deposits from customers	10	15,769,388	18,158,747	16,222,790
Deposits and placements of banks and other financial institutions	11	12,137	11,896	14,993
Islamic derivative financial liabilities	5	9,208	5,630	3,986
Bills and acceptances payable		290,207	310,324	291,375
Other liabilities	12	152,339	133,218	164,422
Provision for zakat and taxation	13	24,945	20,511	5,228
Subordinated sukuk / bonds	14	400,901	406,079	251,128
<b>Total liabilities</b>		<b>16,659,125</b>	<b>19,046,405</b>	<b>16,953,922</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital		1,000,000	1,000,000	1,000,000
Reserves		456,521	399,651	348,143
<b>Total shareholders' equity</b>		<b>1,456,521</b>	<b>1,399,651</b>	<b>1,348,143</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>18,115,646</b>	<b>20,446,056</b>	<b>18,302,065</b>
<b>COMMITMENTS AND CONTINGENCIES</b>				
	23	4,662,151	4,287,269	5,820,824
<b>CAPITAL ADEQUACY *</b>				
Core capital ratio	24	13.6%	14.4%	15.2%
Risk-weighted capital ratio	24	18.9%	19.7%	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 2012.

**BANK MUAMALAT MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**INCOME STATEMENTS FOR THE 3 MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1432)**

	Note	Group		Bank	
		30 June 2012 RM'000	30 June 2011 RM'000 (restated)	30 June 2012 RM'000	30 June 2011 RM'000 (restated)
Income derived from investment of depositors' funds and others	15	<b>238,984</b>	212,661	<b>238,984</b>	212,661
Income derived from investment of shareholders' funds	16	<b>16,689</b>	10,638	<b>16,409</b>	10,512
Allowance for impairment on financing	17	<b>(346)</b>	(7,898)	<b>(346)</b>	(7,898)
Impairment writeback/(loss) on investments	18	<b>748</b>	(457)	<b>748</b>	(457)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		<b>(1,933)</b>	(4,679)	<b>(1,933)</b>	(4,679)
<b>Total distributable income</b>		<b>254,142</b>	210,265	<b>253,862</b>	210,139
Income attributable to depositors	19	<b>(100,648)</b>	(87,830)	<b>(100,690)</b>	(87,867)
<b>Total net income</b>		<b>153,494</b>	122,435	<b>153,172</b>	122,272
Personnel expenses		<b>(55,456)</b>	(44,999)	<b>(55,256)</b>	(44,814)
Other overheads and expenditures		<b>(30,463)</b>	(27,697)	<b>(31,300)</b>	(27,676)
Finance cost		<b>(5,206)</b>	(4,911)	<b>(5,122)</b>	(4,975)
<b>Profit before zakat and taxation</b>		<b>62,369</b>	44,828	<b>61,494</b>	44,807
Zakat	20	<b>(1,537)</b>	(1,026)	<b>(1,537)</b>	(1,026)
Taxation	21	<b>(15,585)</b>	(11,841)	<b>(15,569)</b>	(11,831)
<b>Profit for the period</b>		<b>45,247</b>	31,961	<b>44,388</b>	31,950
<b>Earnings per share (sen):</b>					
Basic		<b>4.5</b>	2.9		

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 2012.

**BANK MUAMALAT MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE THREE MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1432)**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000 (restated)	30 June 2012 RM'000	30 June 2011 RM'000 (restated)
Profit for the period	<b>45,247</b>	31,961	<b>44,388</b>	31,950
Other comprehensive income/(loss):				
Net unrealised gain on revaluation of financial investment available-for-sale	<b>33,751</b>	7,945	<b>33,751</b>	7,137
Income tax relating to components of other comprehensive income	<b>(8,049)</b>	-	<b>(8,049)</b>	-
Exchange fluctuation reserve	<b>(809)</b>	376	<b>(809)</b>	376
Other comprehensive income for the period, net of tax	<b>24,892</b>	8,100	<b>24,892</b>	7,292
Total comprehensive income for the period	<b>70,140</b>	40,061	<b>69,281</b>	39,242

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 2012.

**BANK MUAMALAT MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1433)**

<u>Group</u>	<u>Note</u>	<u>Share Capital</u>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total Equity</u> RM'000
		<u>Ordinary shares</u> RM'000	<u>Statutory reserve*</u> RM'000	<u>Exchange fluctuation reserve</u> RM'000	<u>Available-for-sale reserve</u> RM'000	<u>Retained profits</u> RM'000	
<b>As at 1 April 2012</b>							
As previously stated		1,000,000	315,385	83	(56,169)	170,589	1,429,888
- Effect of full adoption of MFRS 139	25	-	-	-	-	(29,342)	(29,342)
<b>At 1 April 2012, as restated</b>		<b>1,000,000</b>	<b>315,385</b>	<b>83</b>	<b>(56,169)</b>	<b>141,247</b>	<b>1,400,546</b>
Other comprehensive income for the period		-	-	(809)	13,291	-	12,482
Profit for the period		-	-	-	-	45,247	45,247
Transfer to statutory reserve		-	22,624	-	-	(22,624)	-
<b>At 30 June 2012</b>		<b>1,000,000</b>	<b>338,009</b>	<b>(726)</b>	<b>(42,878)</b>	<b>163,870</b>	<b>1,458,276</b>
At 1 April 2011							
As previously stated		1,000,000	272,893	553	(40,113)	128,097	1,361,430
- Effect of full adoption of MFRS 139	25	-	-	-	-	(13,144)	(13,144)
At 1 April 2011, as restated		1,000,000	272,893	553	(40,113)	114,953	1,348,286
Other comprehensive income for the period		-	-	376	7,724	-	8,100
Profit for the period, as restated	25	-	-	-	-	31,961	31,961
Transfer to statutory reserve		-	14,462	-	-	(14,462)	-
At 30 June 2011		1,000,000	287,355	929	(32,389)	132,452	1,388,347

\* 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 2012.

**BANK MUAMALAT MALAYSIA BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1433)**

	Note	<u>Share Capital</u>	<u>Non-distributable</u>			<u>Distributable</u>	Total Equity RM'000
		Ordinary shares RM'000	Statutory reserve* RM'000	Exchange fluctuation reserve RM'000	Available- for-sale reserve RM'000	Retained profits RM'000	
<b>Bank</b>							
<b>At 1 April 2012</b>							
As previously stated		1,000,000	313,788	83	(56,168)	171,290	1,428,993
- Effect of full adoption of MFRS 139	25	-	-	-	-	(29,342)	(29,342)
<b>At 1 April 2012, as restated</b>		<b>1,000,000</b>	<b>313,788</b>	<b>83</b>	<b>(56,168)</b>	<b>141,948</b>	<b>1,399,651</b>
Other comprehensive income for the period		-	-	(809)	13,291	-	12,482
Profit for the period		-	-	-	-	44,388	44,388
Transfer to statutory reserve		-	22,194	-	-	(22,194)	-
<b>At 30 June 2012</b>		<b>1,000,000</b>	<b>335,982</b>	<b>(726)</b>	<b>(42,877)</b>	<b>164,142</b>	<b>1,456,521</b>
<b>At 1 April 2011</b>							
As previously stated		1,000,000	271,603	553	(39,974)	129,105	1,361,287
- Effect of full adoption of MFRS 139	25	-	-	-	-	(13,144)	(13,144)
<b>At 1 April 2011, as restated</b>		<b>1,000,000</b>	<b>271,603</b>	<b>553</b>	<b>(39,974)</b>	<b>115,961</b>	<b>1,348,143</b>
Other comprehensive income for the period		-	-	376	6,916	-	7,292
Profit for the period, as restated	25	-	-	-	-	31,950	31,950
Transfer to statutory reserve		-	14,456	-	-	(14,456)	-
<b>At 30 June 2011</b>		<b>1,000,000</b>	<b>286,059</b>	<b>929</b>	<b>(33,058)</b>	<b>133,455</b>	<b>1,387,386</b>

\* 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 2012.

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1432)**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000 (restated)	30 June 2012 RM'000	30 June 2011 RM'000 (restated)
<b>Cash flows from operating activities</b>				
Profit before zakat and taxation	<b>62,369</b>	44,828	<b>61,494</b>	44,807
Adjustment for				
Amortisation of prepaid land and lease payment	<b>1</b>	1	<b>1</b>	1
Depreciation of property, plant and equipment	<b>4,283</b>	3,896	<b>4,283</b>	3,895
Loss on disposal of property, plant and equipment	<b>55</b>	-	<b>55</b>	-
Amortisation of premium less accretion of discount	<b>590</b>	1,432	<b>590</b>	1,432
Net gain from sale of financial held-to-maturity	<b>(13,479)</b>	-	<b>(13,479)</b>	-
Net gain from sale of financial investment available-for-sale	<b>(3,562)</b>	(13,108)	<b>(3,562)</b>	(13,108)
Net gain from sale of financial investment held-for-trading	<b>(151)</b>	(80)	<b>(151)</b>	(80)
Net gain on revaluation of foreign exchange transaction	<b>(4,627)</b>	(5,403)	<b>(4,627)</b>	(5,403)
Net loss from foreign exchange derivatives	<b>220</b>	2,120	<b>220</b>	2,120
Unrealised loss on revaluation of islamic profit rate swap (Writeback)/additional impairment on investments	<b>1,245</b>	1,866	<b>1,245</b>	1,866
Allowance for impairment on financing	<b>(748)</b>	457	<b>(748)</b>	457
Financing written off	<b>4,243</b>	16,245	<b>4,243</b>	16,245
Finance cost	<b>415</b>	675	<b>415</b>	675
Gross dividend income	<b>5,206</b>	4,911	<b>5,122</b>	4,975
	<b>(1,934)</b>	(2,955)	<b>(1,934)</b>	(2,955)
Operating profit before working capital changes	<b>54,126</b>	54,885	<b>53,167</b>	54,927

**Bank Muamalat Malaysia Berhad**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1432)**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
(Increase)/decrease in operating assets:				
Financial investment portfolio	13,729	(8,007)	13,729	(8,007)
Islamic derivative financial assets	(884)	853	(884)	853
Financing of customers	(438,462)	(130,783)	(438,356)	(129,821)
Statutory deposits with Bank Negara Malaysia	(25,000)	(204,100)	(25,000)	(204,100)
Other assets	9,339	16,257	11,111	16,933
Increase/(decrease) in operating liabilities:				
Deposits from customers	(2,388,549)	(1,748,440)	(2,389,359)	(1,748,519)
Deposits and placements of banks and other financial institutions	241	(2,446)	241	(2,446)
Islamic derivative financial liabilities	886	(861)	886	(861)
Bills and acceptances payable	(20,117)	(192,141)	(20,117)	(192,141)
Other liabilities	19,318	(45,267)	19,064	(45,198)
Cash used in operation	(2,775,373)	(2,260,050)	(2,775,518)	(2,258,380)
Tax paid	(14,385)	(4,110)	(14,241)	(4,100)
<b>Net cash used in operating activities</b>	<b>(2,789,758)</b>	<b>(2,264,160)</b>	<b>(2,789,758)</b>	<b>(2,262,480)</b>
<b>Cash flows from investing activities</b>				
Proceed from disposal of financial investment in securities	1,347,488	972,205	1,347,488	970,589
Purchase of financial investment in securities	(1,067,955)	(637,250)	(1,067,955)	(637,250)
Purchase of property, plant and equipment	(5,963)	(7,993)	(5,963)	(7,993)
Additional investment in associate	(1,000)	-	(1,000)	-
Dividend income	1,934	2,955	1,934	2,955
<b>Net cash generated from investing activities</b>	<b>274,504</b>	<b>329,917</b>	<b>274,504</b>	<b>328,301</b>

**Bank Muamalat Malaysia Berhad  
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**STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 30 JUNE 2012 (10 SYAABAN 1432)**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
<b>Cash flows from financing activities</b>				
Dividend paid on subordinated sukuk	(10,244)	(4,911)	(10,244)	(4,975)
Additional issuance of subordinated sukuk	-	400,000	-	400,000
<b>Net cash (used in)/generated from financing activities</b>	<b>(10,244)</b>	<b>395,089</b>	<b>(10,244)</b>	<b>395,025</b>
<b>Net decreased in cash and cash equivalents</b>	<b>(2,525,498)</b>	<b>(1,539,154)</b>	<b>(2,525,498)</b>	<b>(1,539,154)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>4,501,556</b>	<b>6,447,295</b>	<b>4,501,556</b>	<b>6,447,295</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,976,058</b>	<b>4,908,141</b>	<b>1,976,058</b>	<b>4,908,141</b>
<b>Cash and cash equivalents consist of:</b>				
Cash and short term funds	1,879,153	4,742,052	1,879,153	4,742,052
Cash and placements with financial institutions	96,905	166,089	96,905	166,089
	<b>1,976,058</b>	<b>4,908,141</b>	<b>1,976,058</b>	<b>4,908,141</b>

The accompanying notes form an integral part of the financial statements.

**BANK MUAMALAT MALAYSIA BERHAD**  
**(Incorporated in Malaysia)**

**NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2012**

**1. Basis Of Preparation**

These condensed consolidated interim financial statements, for the period ended 30 June 2012 have been prepared in accordance with MRFS 134 Interim Financial Reporting. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 March 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied except for the application of optional exemptions made available under MFRS 1.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 March 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 April 2011 (which is also the date of transition), the Group and the Bank have adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position and financial performance is set out in notes 25. These notes include reconciliation of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Bank, except for the full adoption of MFRS 139.

Previously, the Bank applied the full requirements of MFRS139 except for the calculation of collective impairment allowance required by BNM via its transitional arrangement. This transitional arrangement is prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans /Financing issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010, whereby banking institutions are required to maintain collective impairment allowances of at least 1.5% of total outstanding financing and advances, net of individual impairment allowances.

**BANK MUAMALAT MALAYSIA BERHAD**  
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**1. Basis Of Preparation (Cont'd.)**

Effective from 1 January 2012, BNM has removed the transitional arrangement for banking institution to fully comply with the requirements of MFRS 139. Exposures not individually considered to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for losses that have been incurred but not yet identified. The required financing loss allowance is estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the collective pool. The historical loss experience described by Probability of Default (PD) and Loss Given Default (LGD) published by peers were mapped to the Bank's portfolio with reference to equivalent external mapping defined by the Bank and peers.

The change in accounting policies mentioned above have been accounted for retrospectively by re-measuring the relevant financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to the Bank's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note 25. These notes include reconciliation of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under full MFRS 139.

**2. Auditors' Report On Preceding Annual Financial Statements**

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

**BANK MUAMALAT MALAYSIA BERHAD**  
**(Incorporated in Malaysia)**

**3. Performance Review & Outlook**

PERFORMANCE REVIEW

The Group registered an unaudited profit before zakat and taxation of RM62.4 million for the three months period ended 30 June 2012, increase of 39% from the previous corresponding period in 2011 (after restatement of MFRS 139). The Group's profit is mainly contributed by higher income derived from investment of shareholders' funds and a significant decrease in allowance for impairment on financing. This however has been offset by higher income attributable to depositors and personnel expenses.

As compared to last year ended 31 March 2012, the total assets of the Group as at 30 June 2012 has decreased from RM 20.4 billion to RM 18.1 billion. The reduction was partly contributed by the significant decrease in cash and short term funds by 57.2%, in tandem with the decrease in deposit from customer. However, the reduction in cash and short term funds is offset by a positive growth in net financing assets which has increased by 4.8% to RM 9.4 billion from RM 9.0 billion as at 31 March 2012.

OUTLOOK

With the increasingly competitive landscape, the Bank continues to target on generating more non-financing income as well as expanding its wealth management and Bancatakaful services. Expansion of Ar-Rahnu business will also be among the top priorities in the Bank's agenda. Additionally, the bank is gradually scaling up its investment banking to tap on opportunities in the debt capital market. On the other hand, cost remains a strategic focus for the bank and various process enhancement initiatives will take place to improve efficiency and ultimately eliminate wastages.

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**4. Financial Investment (cont'd.)**

	<b>Group and Bank</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
<b>(a) Held-to-maturity</b>			
<b>At amortised cost</b>			
Unquoted Islamic private debt securities in Malaysia	-	30,008	30,071
Unquoted foreign Islamic private debt securities and sukuk	<b>47,658</b>	45,972	-
Unquoted shares in Malaysia	<b>575</b>	575	575
	<b>48,233</b>	76,555	30,646
Accumulated impairment loss	-	(2,061)	(2,061)
<b>Total held-to-maturity securities</b>	<b>48,233</b>	74,494	28,585

(i) The indicative fair value of unquoted held-to-maturity securities are as follows:

	<b>Group and Bank</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Unquoted Islamic private debt securities in Malaysia	-	27,947	28,010
Unquoted foreign Islamic private debt securities and sukuk	<b>47,658</b>	45,972	-
Unquoted shares in Malaysia	<b>575</b>	575	575
	<b>48,233</b>	74,494	28,585

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**4. Financial Investment (cont'd.)**

**(b) Available-for-sale**

At fair value, or at cost less impairment losses for certain financial investments:

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
<b>Government securities and treasury bills:</b>			
Malaysian government investment certificates	<b>3,523,053</b>	3,737,482	1,972,826
<b>Money market instruments:</b>			
Negotiable islamic debt certificates	-	55,570	-
<b>Quoted securities in Malaysia:</b>			
Quoted shares	<b>46,589</b>	48,023	24,994
Unit trust	-	-	9,910
	<b>46,589</b>	48,023	34,904
<b>Unquoted securities:</b>			
Islamic private debt securities in Malaysia	<b>2,127,824</b>	2,092,914	2,153,416
Cagamas bonds	<b>116,878</b>	116,266	136,245
Foreign islamic private debt securities and sukuk	<b>88,018</b>	84,332	58,691
Shares in Malaysia	<b>9,431</b>	9,431	14,905
	<b>2,342,151</b>	2,302,943	2,363,257
<b>Total available-for-sale securities</b>	<b>5,911,793</b>	6,144,018	4,370,987

The maturity structure of available-for-sale, money market instruments are as follows:

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Maturity within one year	-	55,570	-

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**4. Financial Investment (cont'd.)**

**(b) Available-for-sale (cont'd.)**

At fair value, or at cost less impairment losses for certain financial investments:

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
<b>Government securities and treasury bills:</b>			
Malaysian government investment certificates	<b>3,523,053</b>	3,737,482	1,972,826
<b>Money market instruments:</b>			
Negotiable islamic debt certificates	-	55,570	-
<b>Quoted securities in Malaysia:</b>			
Quoted shares	<b>46,589</b>	48,023	24,994
Unit trust	-	-	9,910
	<b>46,589</b>	48,023	34,904
<b>Unquoted securities:</b>			
Islamic private debt securities in Malaysia	<b>2,127,824</b>	2,092,914	2,153,416
Cagamas bonds	<b>116,878</b>	116,266	136,245
Foreign islamic private debt securities and sukuk	<b>88,018</b>	84,332	58,691
Shares in Malaysia	<b>4,631</b>	4,631	4,105
	<b>2,337,351</b>	2,298,143	2,352,457
<b>Total available-for-sale securities</b>	<b>5,906,993</b>	6,139,218	4,360,187

The maturity structure of available-for-sale, money market instruments are as follows:

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Maturity within one year	-	55,570	-

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**5. Islamic 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.

	<b>Group and Bank</b>								
	<b>30 June 2012</b>			<b>31 March 2012</b>			<b>1 April 2011</b>		
	<b>Contract/ notional amount RM'000</b>	<b>Fair value</b>		<b>Contract/ Notional Amount RM'000</b>	<b>Fair value</b>		<b>Contract/ Notional Amount RM'000</b>	<b>Fair value</b>	
	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>	
<b>Trading derivatives:</b>									
Foreign exchange contracts									
- Currency forwards									
Less than one year	<b>58,208</b>	<b>276</b>	<b>(822)</b>	110,486	1,983	(272)	52,994	770	(302)
- Currency swaps									
Less than one year	<b>836,901</b>	<b>3,670</b>	<b>(735)</b>	569,975	2,082	(1,383)	256,702	1,384	(558)
- Currency spot									
Less than one year	<b>314,855</b>	<b>868</b>	<b>(1,071)</b>	189,753	85	(86)	1,487,300	3,023	(2,968)
	<b>1,209,964</b>	<b>4,814</b>	<b>(2,628)</b>	870,214	4,150	(1,741)	1,796,996	5,177	(3,828)
<b>Hedging derivatives:</b>									
Islamic profit rate swap (IPRS)									
More than one year	<b>75,000</b>	-	<b>(6,580)</b>	75,000	-	(3,889)	75,000	-	(158)
Total	<b>1,284,964</b>	<b>4,814</b>	<b>(9,208)</b>	945,214	4,150	(5,630)	1,871,996	5,177	(3,986)

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**5. Islamic derivative financial instruments (cont'd.)**

Included within hedging derivatives is a derivative where the Group and the Bank apply hedge accounting. The principal amount and fair value of derivative where hedge accounting is applied by the Group and Bank are as follows:

	30 June 2012			31 March 2012			1 April 2011		
	Contract/ notional amount RM'000	Fair value		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		Assets RM'000	Liabilities RM'000
Islamic profit rate swap (IPRS)	<b>75,000</b>		<b>(4,556)</b>	75,000	-	(1,865)	75,000	-	-

**Fair Value hedges**

Fair value hedges are used by the Group and the Bank to protect them against changes in the fair value of financial assets due to movements in profit rates. The financial instruments hedged for profit rate risk include the Group's and the Bank's financing of customers.

For the three months ended 30 June 2012, the Group and the Bank recognised a net loss of RM2,691,346 (June 2011: NIL) on the hedging instrument. The total net gain on the hedged item attributable to the hedged risk amounted to RM1,446,561 (June 2011: NIL).

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**6. Financing Of Customers**

**(a) By type**

	<b>Group</b>		
	<b>30 June 2012 RM'000 (unaudited)</b>	<b>31 March 2012 RM'000 (restated)</b>	<b>1 April 2011 RM'000 (restated)</b>
Cash line	191,964	181,842	367,763
Term financing:			
Home financing	7,091,689	6,469,716	4,828,099
Syndicated financing	83,432	86,143	143,617
Hire purchase receivables	1,153,753	1,165,170	1,397,081
Leasing receivables	172,137	176,859	191,584
Other term financing	7,282,583	6,688,931	4,294,681
Trust receipts	125,604	116,428	147,916
Claims on customers under acceptance credits	644,615	722,131	779,186
Staff financing	113,309	111,101	94,761
Revolving credit	445,905	491,233	356,088
	<b>17,304,991</b>	<b>16,209,554</b>	<b>12,600,776</b>
Less : Unearned income	<b>(7,382,089)</b>	<b>(6,715,082)</b>	<b>(4,753,075)</b>
	<b>9,922,902</b>	<b>9,494,472</b>	<b>7,847,701</b>
Less : Financing sold to Cagamas	<b>(64,070)</b>	<b>(64,910)</b>	<b>(364,308)</b>
Gross financing	<b>9,858,832</b>	<b>9,429,562</b>	<b>7,483,393</b>
Less : Allowance for impaired financing			
Collective assessment	<b>(272,620)</b>	<b>(268,297)</b>	<b>(244,228)</b>
Individual assessment	<b>(151,599)</b>	<b>(161,904)</b>	<b>(108,531)</b>
Total net financing	<b>9,434,613</b>	<b>8,999,361</b>	<b>7,130,634</b>

  

	<b>Bank</b>		
	<b>30 June 2012 RM'000 (unaudited)</b>	<b>31 March 2012 RM'000 (restated)</b>	<b>1 April 2011 RM'000 (restated)</b>
Cash line	191,964	181,842	367,763
Term financing:			
Home financing	7,091,689	6,469,716	4,828,099
Syndicated financing	83,432	86,143	143,617
Hire purchase receivables	1,153,753	1,165,170	1,397,081
Leasing receivables	172,137	176,859	191,584
Other term financing	7,300,798	6,707,253	4,312,555
Trust receipts	125,604	116,428	147,916
Claims on customers under acceptance credits	644,615	722,131	779,186
Staff financing	113,309	111,101	94,761
Revolving credit	445,905	491,233	356,088
	<b>17,323,206</b>	<b>16,227,876</b>	<b>12,618,650</b>
Less : Unearned income	<b>(7,382,089)</b>	<b>(6,715,082)</b>	<b>(4,753,075)</b>
	<b>9,941,117</b>	<b>9,512,794</b>	<b>7,865,575</b>
Less : Financing sold to Cagamas	<b>(64,070)</b>	<b>(64,910)</b>	<b>(364,308)</b>
Gross financing	<b>9,877,047</b>	<b>9,447,884</b>	<b>7,501,267</b>
Less : Allowance for impaired financing			
Collective assessment	<b>(272,620)</b>	<b>(268,297)</b>	<b>(244,228)</b>
Individual assessment	<b>(157,599)</b>	<b>(167,904)</b>	<b>(108,531)</b>
Total net financing	<b>9,446,828</b>	<b>9,011,683</b>	<b>7,148,508</b>

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**6. Financing Of Customers (cont'd.)**

**(b) By contract**

	<b>30 June</b>	<b>Group</b>	
	<b>2012</b>	<b>31 March</b>	<b>1 April</b>
	<b>RM'000</b>	<b>2012</b>	<b>2011</b>
		<b>RM'000</b>	<b>RM'000</b>
Bai' Bithaman Ajil (deferred payment sale)	4,158,214	3,947,411	2,465,728
Ijarah (lease)	288,261	287,697	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,008,725	1,024,090	1,207,059
Inah (sale and buyback)	271,431	263,365	449,754
Tawarruq (commodity murabahah)	2,271,628	1,979,340	1,301,019
Bai' Al-Dayn (purchase of debt)	661,189	732,250	805,213
Murabahah (cost-plus)	772,073	714,268	652,739
Istisna' (sale order)	377,532	453,524	301,566
Qard (benevolent loan)	49,364	27,309	16,344
Shirkah Mutanaqisah (diminishing partnership)/ Musharakah (profit sharing)	415	308	23,281
	<b>9,858,832</b>	<b>9,429,562</b>	<b>7,483,393</b>

	<b>30 June</b>	<b>Bank</b>	
	<b>2012</b>	<b>31 March</b>	<b>1 April</b>
	<b>RM'000</b>	<b>2012</b>	<b>2011</b>
		<b>RM'000</b>	<b>RM'000</b>
Bai' Bithaman Ajil (deferred payment sale)	4,158,214	3,947,411	2,465,728
Ijarah (lease)	288,261	287,697	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,008,725	1,024,090	1,207,059
Inah (sale and buyback)	271,431	263,365	449,754
Tawarruq (commodity murabahah)	2,271,628	1,979,340	1,301,019
Bai' Al-Dayn (purchase of debt)	661,189	732,250	805,213
Murabahah (cost-plus)	772,073	714,268	652,739
Istisna' (sale order)	377,532	453,524	301,566
Qard (benevolent loan)	49,364	27,309	16,344
Shirkah Mutanaqisah (diminishing partnership)/ Musharakah (profit sharing)	18,630	18,630	41,155
	<b>9,877,047</b>	<b>9,447,884</b>	<b>7,501,267</b>

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**6. Financing Of Customers (cont'd.)**

**(c) By type of customer**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Domestic non-banking institutions	431,708	445,254	37,042
Domestic business enterprises:			
-Small business enterprises	389,892	420,518	728,478
-Others	2,622,492	2,648,898	2,336,206
Government and statutory bodies	612,281	602,147	135,190
Individuals	5,783,308	5,292,442	4,224,569
Other domestic entities	4,636	5,340	5,520
Foreign entities	14,515	14,963	16,388
	<b>9,858,832</b>	<b>9,429,562</b>	<b>7,483,393</b>

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Domestic non-banking institutions	431,708	445,254	37,042
Domestic business enterprises:			
-Small business enterprises	389,892	420,518	728,478
-Others	2,627,292	2,653,772	2,347,158
Government and statutory bodies	625,696	615,595	142,112
Individuals	5,783,308	5,292,442	4,224,569
Other domestic entities	4,636	5,340	5,520
Foreign entities	14,515	14,963	16,388
	<b>9,877,047</b>	<b>9,447,884</b>	<b>7,501,267</b>

**(d) By profit rate sensitivity**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Fixed rate:			
Home financing	648,848	717,689	485,065
Hire purchase receivables	1,006,903	1,017,029	1,201,348
Others	4,586,940	4,279,145	2,764,311
Variable rate:			
Home financing	1,757,341	1,536,955	1,114,763
Others	1,858,800	1,878,744	1,917,906
	<b>9,858,832</b>	<b>9,429,562</b>	<b>7,483,393</b>

**BANK MUAMALAT MALAYSIA BERHAD**  
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**6. Financing Of Customers (cont'd.)**

**(d) By profit rate sensitivity (cont'd.)**

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Fixed rate:			
Home financing	<b>648,848</b>	717,689	485,065
Hire purchase receivables	<b>1,006,903</b>	1,017,029	1,201,348
Others	<b>4,591,740</b>	4,284,019	2,769,263
Variable rate:			
Home financing	<b>1,757,341</b>	1,536,955	1,114,763
Others	<b>1,872,215</b>	1,892,192	1,930,828
	<b>9,877,047</b>	9,447,884	7,501,267

**(e) By residual contractual maturity**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Maturity within one year	<b>2,026,466</b>	2,081,549	2,470,365
Maturity within one to five years	<b>3,435,129</b>	3,399,490	2,866,870
Maturity more than five years	<b>4,397,238</b>	3,948,523	2,146,158
	<b>9,858,832</b>	9,429,562	7,483,393

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Maturity within one year	<b>2,026,466</b>	2,081,549	2,470,365
Maturity within one to five years	<b>3,435,129</b>	3,399,490	2,866,870
Maturity more than five years	<b>4,415,452</b>	3,966,845	2,164,032
	<b>9,877,047</b>	9,447,884	7,501,267

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**6. Financing Of Customers (cont'd.)**

**(f) By sector**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Agriculture	50,565	50,424	75,846
Mining & Quarrying	2,972	2,032	4,049
Manufacturing	641,027	571,540	670,143
Electricity, gas and water	133,140	129,063	144,710
Construction	637,004	701,667	775,252
Purchase of landed property:			
Residential	2,476,949	2,324,901	1,649,817
Non-residential	237,237	232,143	255,494
Real estate	128,257	126,348	16,937
Wholesale' retail and restaurant	596,968	649,352	601,139
Transport, storage and communication	309,011	309,664	155,913
Finance, takaful and business services	517,361	529,448	154,028
Purchase of securities	106	119	86
Purchase of transport vehicles	1,012,541	1,024,737	1,207,546
Consumption credit	2,258,274	1,932,640	1,316,730
Community, social and personal services	231,724	229,889	384,158
Government and statutory bodies	625,696	615,595	71,545
	<b>9,858,832</b>	<b>9,429,562</b>	<b>7,483,393</b>

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Agriculture	50,565	50,424	75,846
Mining & Quarrying	2,972	2,032	4,049
Manufacturing	645,827	576,414	675,095
Electricity, gas and water	133,140	129,063	144,710
Construction	637,004	701,667	781,252
Purchase of landed property:			
Residential	2,476,949	2,324,901	1,649,817
Non-residential	237,237	232,143	255,494
Real estate	128,257	126,348	16,937
Wholesale' retail and restaurant	596,968	649,352	601,139
Transport, storage and communication	309,011	309,664	155,913
Finance, takaful and business services	517,361	529,448	154,028
Purchase of securities	106	119	86
Purchase of transport vehicles	1,012,541	1,024,737	1,207,546
Consumption credit	2,258,274	1,932,640	1,316,730
Community, social and personal services	245,139	243,337	391,080
Government and statutory bodies	625,696	615,595	71,545
	<b>9,877,047</b>	<b>9,447,884</b>	<b>7,501,267</b>

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**6. Financing Of Customers (cont'd.)**

**(g) By geographical area**

	<b>Group</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Domestic	<b>9,816,198</b>	9,385,810	7,388,918
Labuan Offshore	<b>42,634</b>	43,752	94,475
	<b>9,858,832</b>	<b>9,429,562</b>	<b>7,483,393</b>
		<b>Bank</b>	
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Domestic	<b>9,834,413</b>	9,404,132	7,406,792
Labuan Offshore	<b>42,634</b>	43,752	94,475
	<b>9,877,047</b>	<b>9,447,884</b>	<b>7,501,267</b>

Included in financing of customers is a corporate financing which is hedged by profit rate derivatives. The hedge achieved the criteria for hedge accounting and the financing are carried at fair value.

The maximum credit exposure of the financing of customers amounts to RM73.3 million. The cumulative change in fair value of the financings attributable to changes in profit rate risks amounts to a profit of RM1,446,561 (Mar 2012 :RM1,256,623) and the change for the current year is a profit of RM1,446,561 (Mar 2012:RM1,256,623 ). The changes in fair value of the designated financing attributable to changes in profit risk have been calculated by determining the changes in profit spread implicit in the fair value of bonds issued by entities with similar credit characteristics.

**7. Impaired Financing**

**(a) Movements in the impaired financing**

	<b>Group</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
At 1 April	<b>446,344</b>	378,343	591,988
Classified as impaired during the period	<b>68,482</b>	371,687	457,633
Reclassified as performing during the period	<b>(41,964)</b>	(174,373)	(265,609)
Recovered during the period	<b>(31,904)</b>	(115,245)	(142,588)
Written off during the period	<b>(10,236)</b>	(14,068)	(263,081)
As at 30 June	<b>430,722</b>	<b>446,344</b>	<b>378,343</b>
Ratio of gross impaired financing to total financing	<b>4.3%</b>	4.7%	4.8%

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**7. Impaired Financing (cont'd.)**

**(a) Movements in the impaired financing (cont'd.)**

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
At 1 April	452,344	378,343	591,988
Classified as impaired during the period	68,482	377,687	457,633
Reclassified as performing during the period	(41,964)	(174,373)	(265,609)
Recovered during the period	(31,904)	(115,245)	(142,588)
Written off during the period	(10,236)	(14,068)	(263,081)
As at 30 June	<b>436,722</b>	<b>452,344</b>	<b>378,343</b>
Ratio of gross impaired financing to total financing	<b>4.4%</b>	4.8%	4.8%

**(b) Movements in the allowance for impaired financing**

	<b>30 June 2012 RM'000 (unaudited)</b>	<b>Group 31 March 2012 RM'000 (restated)</b>	<b>1 April 2011 RM'000 (restated)</b>
<b><u>Collective assessment allowance</u></b>			
At 1 April, as previously stated	229,175	226,702	223,218
- Effect of adopting MFRS 139	39,122	17,526	-
At 1 April, as restated	<b>268,297</b>	244,228	223,218
Allowance made during the period	61,249	261,727	267,573
Amount written-back	(49,113)	(224,690)	(224,291)
Amount written-off	(7,813)	(12,968)	(22,272)
As at 30 June/31 March	<b>272,620</b>	<b>268,297</b>	<b>244,228</b>
As % of gross financing, less individual assessment allowance	<b>2.8%</b>	2.5%	3.1%

	<b>30 June 2012 RM'000 (unaudited)</b>	<b>Bank 31 March 2012 RM'000 (restated)</b>	<b>1 April 2011 RM'000 (restated)</b>
<b><u>Collective assessment allowance</u></b>			
At 1 April, as previously stated	229,175	226,702	223,218
- Effect of adopting MFRS 139	39,122	17,526	-
At 1 April, as restated	<b>268,297</b>	244,228	223,218
Allowance made during the period	61,249	261,727	267,573
Amount written-back	(49,113)	(224,690)	(224,291)
Amount written-off	(7,813)	(12,968)	(22,272)
As at 30 June/31 March	<b>272,620</b>	<b>268,297</b>	<b>244,228</b>
As % of gross financing, less individual assessment allowance	<b>2.8%</b>	2.5%	3.1%

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**7. Impaired Financing (cont'd.)**

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

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
<b><u>Individual assessment allowance</u></b>			
At 1 April	161,904	108,531	324,997
Allowance made during the period	4,963	64,029	89,776
Amount recovered	(12,856)	(10,656)	(70,129)
Amount written-off	(2,412)	-	(236,113)
As at 30 June	<b>151,599</b>	161,904	108,531

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
<b><u>Individual assessment allowance</u></b>			
At 1 April	167,904	108,531	324,997
Allowance made during the period	4,963	70,029	89,776
Amount recovered	(12,856)	(10,656)	(70,129)
Amount written-off	(2,412)	-	(236,113)
As at 30 June	<b>157,599</b>	167,904	108,531

**(c) Impaired financing by sector**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Agriculture	3	-	-
Manufacturing	34,816	40,874	24,660
Construction	183,034	175,116	71,810
Purchase of landed property:			
- Residential	92,715	100,192	159,345
- Non-residential	15,118	8,128	12,206
Real estate	-	9,342	-
Wholesale and retail and restaurant	41,762	32,082	33,360
Transport, storage and communication	1,141	80	45
Finance, takaful and business services	4,442	10,292	9,713
Purchase of securities	36	50	84
Purchase of transport vehicles	30,821	36,543	34,933
Consumption credit	24,094	30,555	23,928
Community, social and personal service	2,563	3,090	8,259
Government and statutory bodies	177	-	-
	<b>430,722</b>	446,344	378,343

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**7. Impaired Financing (cont'd.)**

**(c) Impaired financing by sector (cont'd.)**

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Agriculture	3	-	-
Manufacturing	34,816	40,874	24,660
Construction	183,034	175,116	71,810
Purchase of landed property:			
- Residential	92,715	100,192	159,345
- Non-residential	15,118	8,128	12,206
Real estate	-	9,342	-
Wholesale and retail and restaurant	41,762	32,082	33,360
Transport, storage and communication	1,141	80	45
Finance, takaful and business services	10,442	16,292	9,713
Purchase of securities	36	50	84
Purchase of transport vehicles	30,821	36,543	34,933
Consumption credit	24,094	30,555	23,928
Community, social and personal service	2,563	3,090	8,259
Government and statutory bodies	177	-	-
	<b>436,722</b>	<b>452,344</b>	<b>378,343</b>

**(d) Impaired financing by geographical area**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Domestic	423,975	439,870	372,045
Labuan Offshore	6,747	6,474	6,298
	<b>430,722</b>	<b>446,344</b>	<b>378,343</b>

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Domestic	429,975	445,870	372,045
Labuan Offshore	6,747	6,474	6,298
	<b>436,722</b>	<b>452,344</b>	<b>378,343</b>

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**8. Other Assets**

	<b>Group</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Deposits	6,272	5,658	4,876
Prepayments	2,636	2,823	2,428
Tax Prepayment	301	265	15,726
Foreclosed properties	14,000	14,000	14,000
Other debtors	15,419	21,625	33,670
	<b>38,628</b>	<b>44,371</b>	<b>70,700</b>

  

	<b>Bank</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Deposits	6,122	5,508	4,721
Prepayments	2,631	2,822	2,409
Tax Prepayment	-	-	15,611
Amount due from subsidiaries	7	797	5,534
Foreclosed properties	14,000	14,000	14,000
Other debtors	7,119	14,267	21,370
	<b>29,879</b>	<b>37,394</b>	<b>63,645</b>

**9. Deferred tax assets**

	<b>Group and Bank</b>		
	<b>30 June 2012 RM'000 (unaudited)</b>	<b>31 March 2012 RM'000 (restated)</b>	<b>1 April 2011 RM'000 (restated)</b>
At 1 April, as previously stated	52,353	38,240	27,915
Effect of full adoption of MFRS 139	9,780	4,382	35,038
At 1 April, as restated	<b>62,133</b>	42,622	62,953
Recognised in the income statement	1,568	11,352	(25,857)
Recognised in the equity	(3,913)	8,159	5,526
As at 30 June	<b>59,788</b>	62,133	42,622

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<b>Group and Bank</b>		
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Deferred tax assets	67,861	70,296	51,237
Deferred tax liabilities	(8,073)	(8,163)	(8,615)
	<b>59,788</b>	62,133	42,622

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**9. Deferred tax assets**

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

**Deferred tax assets of the Group and the Bank:**

	Allowance for impaired financing RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 April 2010	28,068	1,853	4,411	34,332
Effect of adoption of FRS 139	-	-	35,038	35,038
	28,068	1,853	39,449	69,370
Recognised in income statements	5,022	6,362	(35,043)	(23,659)
Recognised in the equity	-	-	5,526	5,526
As at 31 March 2011	33,090	8,215	9,932	51,237
At 1 April 2011	28,708	8,215	9,932	46,855
Effect of full adoption of MFRS 139	4,382	-	-	4,382
	33,090	8,215	9,932	51,237
Recognised in income statements	6,346	4,099	455	10,900
Recognised in the equity	-	-	8,159	8,159
As at 31 March 2012	39,436	12,314	18,546	70,296
At 1 April 2012	29,656	12,314	18,546	60,516
Effect of full adoption of MFRS 139	9,780	-	-	9,780
	39,436	12,314	18,546	70,296
Recognised in income statements	3,033	(1,415)	(140)	1,478
Recognised in the equity	-	-	(3,913)	(3,913)
As at 30 June 2012	42,469	10,899	14,493	67,861

**Deferred tax liabilities of the Group and the Bank:**

	Property, plant and equipment RM'000	Total RM'000
At 1 April 2010	(6,417)	(6,417)
Recognised in the income statement	(2,198)	(2,198)
At 31 March 2012	(8,615)	(8,615)
At 1 April 2011	(8,615)	(8,615)
Recognised in the income statement	452	452
At 31 March 2012	(8,163)	(8,163)
At 1 April 2012	(8,163)	(8,163)
Recognised in the income statement	90	90
At 30 June 2012	(8,073)	(8,073)

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**10. Deposits From Customers**

**(a) By type of deposits**

	<b>Group</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah Fund</b>			
Demand deposits	2,236,364	2,565,993	2,733,552
Savings deposits	490,219	469,668	474,723
Negotiable Islamic debt certificate	2,420,140	2,830,628	1,505,815
Others	389,903	536,112	17,582
	<b>5,536,625</b>	<b>6,402,401</b>	<b>4,731,672</b>
<b>Mudharabah Fund</b>			
Demand deposits	305,366	472,685	217,094
Savings deposits	414,701	355,220	222,945
General investment deposits	7,933,911	9,846,015	9,581,971
Special general investment deposits	1,571,935	1,074,766	1,462,491
	<b>10,225,913</b>	<b>11,748,686</b>	<b>11,484,501</b>
	<b>15,762,538</b>	<b>18,151,087</b>	<b>16,216,173</b>

	<b>Bank</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah Fund</b>			
Demand deposits	2,243,211	2,573,653	2,740,169
Savings deposits	490,219	469,668	474,723
Negotiable Islamic debt certificate	2,420,140	2,830,628	1,505,815
Others	389,903	536,112	17,582
	<b>5,543,474</b>	<b>6,410,061</b>	<b>4,738,289</b>
<b>Mudharabah Fund</b>			
Demand deposits	305,366	472,685	217,094
Savings deposits	414,701	355,220	222,945
General investment deposits	7,933,911	9,846,015	9,581,971
Special general investment deposits	1,571,935	1,074,766	1,462,491
	<b>10,225,914</b>	<b>11,748,686</b>	<b>11,484,501</b>
	<b>15,769,388</b>	<b>18,158,747</b>	<b>16,222,790</b>

**(b) By type of customer**

	<b>Group</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	3,727,965	3,810,127	3,779,352
Business enterprises	5,619,034	7,195,021	6,648,290
Individuals	1,216,918	1,153,015	1,025,204
Others	5,198,621	5,992,924	4,763,327
	<b>15,762,538</b>	<b>18,151,087</b>	<b>16,216,173</b>

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**10. Deposits From Customers (cont'd.)**

**(b) By type of customer (cont'd.)**

	<b>Bank</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	3,727,965	3,810,127	3,779,352
Business enterprises	5,619,034	7,195,021	6,648,290
Individuals	1,216,918	1,153,015	1,025,204
Others	5,205,471	6,000,584	4,769,944
	<b>15,769,388</b>	<b>18,158,747</b>	<b>16,222,790</b>

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

	<b>Group and Bank</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due within six months	10,119,758	11,928,972	11,124,254
More than six months to one year	1,796,888	1,813,119	1,405,514
More than one year to three years	9,341	9,319	20,555
	<b>11,925,987</b>	<b>13,751,410</b>	<b>12,550,323</b>

**11. Deposit And Placements Of Banks And Other Financial Institutions**

	<b>Group and Bank</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non Mudharabah</b>			
Bank Negara Malaysia	12,137	11,896	14,993
	<b>12,137</b>	<b>11,896</b>	<b>14,993</b>

**12. Other Liabilities**

	<b>Group</b>		
	<b>30 June</b>	<b>31 March</b>	<b>1 April</b>
	<b>2012</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sundry creditors	9,792	1,410	7,788
Provision for commitments and contingencies	40,273	40,273	40,273
Accrual for bonus	10,748	16,397	30,605
Accrual expenses	12,503	12,573	11,450
Accrual for directors' fees	745	577	479
Accrual for audit fees	82	202	119
Forex balances in suspense	45,689	11,640	12,744
Retention sum deposits	4,106	4,095	3,856
Inter branch	16,739	28,120	14,130
Suspense account	3,446	9,453	27,766
Others	8,254	8,304	15,188
	<b>152,377</b>	<b>133,044</b>	<b>164,398</b>

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**12. Other Liabilities (cont'd.)**

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Sundry creditors	9,792	1,599	7,764
Provision for commitments and contingencies	40,273	40,273	40,273
Accrual for bonus	10,736	16,397	30,527
Accrual expenses	12,478	12,571	11,450
Accrual for directors' fees	745	577	479
Accrual for audit fees	81	189	119
Forex balances in suspense	45,689	11,640	12,744
Retention sum deposits	4,106	4,095	3,856
Inter branch	16,739	28,120	14,130
Suspense account	3,446	9,453	27,766
Others	8,254	8,304	15,314
	<b>152,339</b>	<b>133,218</b>	<b>164,422</b>

**13. Provision For Zakat And Taxation**

	<b>30 June 2012 RM'000</b>	<b>Group 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Zakat	4,625	3,087	5,228
Taxation	20,327	17,434	-
	<b>24,952</b>	<b>20,521</b>	<b>5,228</b>

	<b>30 June 2012 RM'000</b>	<b>Bank 31 March 2012 RM'000</b>	<b>1 April 2011 RM'000</b>
Zakat	4,625	3,087	5,228
Taxation	20,320	17,424	-
	<b>24,945</b>	<b>20,511</b>	<b>5,228</b>

**14. Subordinated Sukuk**

On 15 June 2011, the Bank 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.

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**15. Income Derived From Investment Of Depositors' Funds And Others**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
	Income derived from investment of:			
(a) General investment deposits	143,945	139,721	143,945	139,721
(b) Other deposits	95,039	72,940	95,039	72,940
	<b>238,984</b>	<b>212,661</b>	<b>238,984</b>	<b>212,661</b>

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

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
	<b>Finance income and hibah</b>			
Income from financing	89,322	82,483	89,322	82,483
Financial investment held-for-maturity	1,600	43	1,600	43
Financial investment available-for-sale	30,093	26,556	30,093	26,556
Money at call and deposit with financial institutions	8,890	21,129	8,890	21,129
	<b>129,905</b>	<b>130,211</b>	<b>129,905</b>	<b>130,211</b>
Amortisation of premium less accretion of discounts	<b>(328)</b>	<b>(1,467)</b>	<b>(328)</b>	<b>(1,467)</b>
Total finance income and hibah	<b>129,577</b>	<b>128,744</b>	<b>129,577</b>	<b>128,744</b>
<b>Other operating income</b>				
Net gain from sale of:				
- financial investment held-for-trading	91	52	91	52
- financial investment available-for-sale	1,597	7,923	1,597	7,923
- financial investment held-to-maturity	8,119	-	8,119	-
	<b>9,807</b>	<b>7,975</b>	<b>9,807</b>	<b>7,975</b>
<b>Fees and commission</b>				
Guarantee fees	847	366	847	366
Processing fees	216	143	216	143
Service charges and fees	1,374	1,244	1,374	1,244
Commission	2,124	1,249	2,124	1,249
	<b>4,561</b>	<b>3,002</b>	<b>4,561</b>	<b>3,002</b>
<b>Total</b>	<b>143,945</b>	<b>139,721</b>	<b>143,945</b>	<b>139,721</b>
Of which :				
Financing income earned on impaired financing	516	646	516	646

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**15. Income Derived From Investment Of Depositors' Funds And Others (Cont'd.)**

**(b) Income derived from investment of other deposits**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
<b>Finance income and hibah</b>				
Income from financing	58,976	43,060	58,976	43,060
Financial investment held-for-maturity	1,057	23	1,057	23
Financial investment available-for-sale	19,869	13,863	19,869	13,863
Money at call and deposit with financial institutions	5,869	11,030	5,869	11,030
	<b>85,771</b>	<b>67,976</b>	<b>85,771</b>	<b>67,976</b>
Amortisation of premium less accretion of discounts	<b>(217)</b>	<b>(766)</b>	<b>(217)</b>	<b>(766)</b>
Total finance income and hibah	<b>85,554</b>	<b>67,210</b>	<b>85,554</b>	<b>67,210</b>
<b>Other operating income</b>				
Net gain from sale of:				
- financial investment held-for-trading	60	27	60	27
- financial investment available-for-sale	1,054	4,136	1,054	4,136
- financial investment held-to-maturity	5,360	-	5,360	-
	<b>6,474</b>	<b>4,163</b>	<b>6,474</b>	<b>4,163</b>
<b>Fees and commission</b>				
Guarantee fees	559	191	559	191
Processing fees	143	75	143	75
Service charges and fees	907	649	907	649
Commission	1,402	652	1,402	652
	<b>3,011</b>	<b>1,567</b>	<b>3,011</b>	<b>1,567</b>
<b>Total</b>	<b>95,039</b>	<b>72,940</b>	<b>95,039</b>	<b>72,940</b>
Of which :				
Financing income earned on impaired financing	341	337	341	337

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**16. Income Derived From Investment Of Shareholders' Funds**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
<b>Finance income and hibah</b>				
Financial investment available-for-sale	8,722	5,943	8,722	5,943
	<b>8,722</b>	5,943	<b>8,722</b>	5,943
Amortisation of premium less accretion of discounts	(45)	801	(45)	801
Total finance income and hibah	<b>8,677</b>	6,744	<b>8,677</b>	6,744
<b>Other operating income</b>				
Net gain from foreign exchange transaction	4,627	5,431	4,627	5,431
Net loss on revaluation from foreign exchange derivatives	(220)	(2,149)	(220)	(2,149)
Net gain/(loss) from sale of financial investment available-for-sale	910	(1,883)	910	(1,883)
Net dividend paid for islamic profit rate swap	(253)	(335)	(253)	(335)
Unrealised loss on revaluation of islamic profit rate swap	(1,245)	(1,866)	(1,245)	(1,866)
Gross dividend income	1,934	2,955	1,934	2,955
	<b>5,753</b>	2,153	<b>5,753</b>	2,153
<b>Fees and commission</b>				
Processing fees	140	420	140	420
Corporate advisory fees	524	260	542	256
Service charges and fees	423	247	125	125
Commission	1,062	165	1,062	165
Others	17	573	17	573
	<b>2,166</b>	1,665	<b>1,886</b>	1,539
<b>Other income</b>				
Rental income	148	76	148	76
Profit on sale of property, plant and equipment	(55)	-	(55)	-
	<b>93</b>	76	<b>93</b>	76
<b>Total</b>	<b>16,689</b>	10,638	<b>16,409</b>	10,512

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**17. Allowance For Impairment On Financing**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000 (restated)	30 June 2012 RM'000	30 June 2011 RM'000 (restated)
Allowance for impaired financing				
(a) Individual assessment allowance				
Made during the period	4,963	26,125	4,963	26,125
Written back during the period	(12,856)	(2,258)	(12,856)	(2,258)
	<b>(7,893)</b>	23,867	<b>(7,893)</b>	23,867
(b) Collective assessment allowance				
Made during the period	61,249	67,126	61,249	67,126
Written back during the period	(49,113)	(74,749)	(49,113)	(74,749)
	<b>12,136</b>	(7,623)	<b>12,136</b>	(7,623)
Bad debts on financing:				
Written off	415	675	415	675
Recovered	(4,312)	(9,021)	(4,312)	(9,021)
	<b>346</b>	7,898	<b>346</b>	7,898

**18. Impairment (write back)/loss on investments**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Impairment loss/(writeback) on corporate bonds included under available-for-sale financial investment	(748)	457	(748)	457
	<b>(748)</b>	457	<b>(748)</b>	457

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**19. Income Attributable To Depositors**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Deposits from customers:				
Mudharabah funds	76,875	73,294	76,917	73,331
Non-Mudharabah funds	22,194	13,443	22,194	13,443
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	37	1	37	1
Non-Mudharabah funds	1,542	1,092	1,542	1,092
	<b>100,648</b>	<b>87,830</b>	<b>100,690</b>	<b>87,867</b>

**20. Zakat**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Provision for zakat for the year	1,537	1,026	1,537	1,026

**21. Taxation**

	Group		Bank	
	30 June 2012 RM'000	30 June 2011 RM'000 (restated)	30 June 2012 RM'000	30 June 2011 RM'000 (restated)
Current income tax	17,153	10,828	17,137	10,818
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,568)	1,013	(1,568)	1,013
	<b>(1,568)</b>	<b>1,013</b>	<b>(1,568)</b>	<b>1,013</b>
	<b>15,585</b>	<b>11,841</b>	<b>15,569</b>	<b>11,831</b>

Income tax expense is recognised in each interim period based on the best estimate of the annual income tax rate expected for the full financial year. The effective tax rate for the current interim period was higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes.

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**21. Taxation (Cont'd.)**

Domestic current income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

**22. Credit Exposures Arising From Credit Transactions With Connected Parties**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2012</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Outstanding credit exposures with connected parties (RM'000)	<u><b>1,096,240</b></u>	<u>1,113,171</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u><b>6.5%</b></u>	<u>6.7%</u>

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

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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**23. 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 2012 are as follows:

	<b>Group and Bank</b>		
	<b>30 June 2012</b>		
	<b>Principal</b>	<b>Credit</b>	<b>Risk</b>
	<b>Amount</b>	<b>Equivalent</b>	<b>Weighted</b>
	<b>RM'000</b>	<b>Amount</b>	<b>Assets</b>
		<b>RM'000</b>	<b>RM'000</b>
The commitments and contingencies constitute the following:			
<b>Commitments and contingencies</b>			
Direct credit substitutes	1,208	1,208	1,208
Trade-related contingencies	56,435	11,287	3,701
Transaction related contingencies	575,314	287,657	229,194
Obligations under an on-going underwriting agreement	41,000	20,500	4,100
Housing financing sold directly and indirectly to Cagamas with recourse	64,070	64,070	28,195
Credit extension commitment:			
Maturity within one year	462,373	92,475	85,136
Maturity exceeding one year	2,144,201	1,072,100	362,132
Bills of collection	32,586	-	-
<b>Islamic derivative financial instruments</b>			
Foreign exchange related contracts	1,209,964	7,722	2,426
Profit rate related contracts	75,000	6,000	1,200
	<b>4,662,151</b>	<b>1,563,019</b>	<b>717,292</b>

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**23. Commitments And Contingencies (Cont'd.)**

**Group and Bank**  
**31 March 2012**

	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Total Risk Weighted Amount RM'000</b>
The commitments and contingencies constitute the following:			
<b>Commitments and contingencies</b>			
Direct credit substitutes	1,208	1,208	1,208
Trade-related contingencies	65,352	13,070	5,739
Transaction related contingencies	616,105	308,053	248,935
Obligations under an on-going underwriting agreement	41,000	20,500	4,100
Housing financing sold directly and indirectly to Cagamas with recourse	64,910	64,910	33,962
Credit extension commitment:			
Maturity within one year	349,478	69,896	65,135
Maturity exceeding one year	2,184,119	1,092,060	376,999
Bills of collection	19,883	-	-
<b>Islamic derivative financial instruments</b>			
Foreign exchange related contracts	870,214	5,001	3,783
Profit rate related contracts	75,000	6,000	1,200
	4,287,269	1,580,698	741,061

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**24. Capital Adequacy**

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

	Group		Bank	
	30 June 2012 RM'000	31 March 2012 RM'000	30 June 2012 RM'000	31 March 2012 RM'000
<b>Computation of Total Risk Weighted Assets ("RWA")</b>				
Total credit RWA	9,140,463	8,854,238	9,125,335	8,840,877
Total market RWA	126,868	115,622	126,868	115,622
Total operational RWA	1,018,294	1,006,091	1,016,464	998,498
<b>Total RWA</b>	<b>10,285,625</b>	<b>9,975,951</b>	<b>10,268,667</b>	<b>9,954,997</b>
<b>Computation of Capital Ratio</b>				
<u>Tier-I capital</u>				
Paid-up ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Statutory reserve	315,385	315,385	313,788	313,788
Retained profits	141,247	170,589	141,948	171,290
Less: Deferred tax assets (net)	(62,133)	(52,353)	(62,133)	(52,353)
<b>Total Tier-I Capital</b>	<b>1,394,499</b>	<b>1,433,621</b>	<b>1,393,603</b>	<b>1,432,725</b>
<u>Tier-II capital</u>				
Subordinated sukuk	400,901	406,079	400,901	406,079
Collective assessment allowance*	150,669	128,332	150,669	128,332
<b>Total Tier-II Capital</b>	<b>551,570</b>	<b>534,411</b>	<b>551,570</b>	<b>534,411</b>
Less: Investment in subsidiary	-	-	(6,384)	(6,384)
Less: Investment in associates	-	-	-	-
<b>Capital Base</b>	<b>1,946,069</b>	<b>1,968,032</b>	<b>1,938,789</b>	<b>1,960,752</b>
Core Capital	1,394,499	1,433,621	1,393,603	1,432,725
Capital Base	1,946,069	1,968,032	1,938,789	1,960,752
Core Capital Ratio	13.6%	14.4%	13.6%	14.4%
Risk- Weighted capital ratio	18.9%	19.7%	18.9%	19.7%

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 RM121.95 million.

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**24. Capital Adequacy (Cont'd)**

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

	<b>Group</b>			
	<b>30 June</b>		<b>31 March</b>	
	<b>2012</b>		<b>2012</b>	
	<b>RM'000</b>		<b>RM'000</b>	
	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>
<b>0%</b>	6,669,817	-	9,387,217	-
<b>20%</b>	2,373,633	474,727	2,238,923	447,785
<b>35%</b>	984,744	344,660	829,206	290,222
<b>50%</b>	964,433	482,216	931,978	465,989
<b>75%</b>	3,243,105	2,432,329	3,332,019	2,499,014
<b>100%</b>	5,296,251	5,295,251	4,989,859	4,989,859
<b>150%</b>	73,187	111,280	107,580	161,369
<b>Risk weighted assets for credit risk</b>	<b>19,605,170</b>	<b>9,140,463</b>	21,816,782	8,854,238
<b>Risk weighted assets for market risk</b>		<b>126,868</b>		115,622
<b>Risk weighted assets for operational risk</b>		<b>1,018,294</b>		1,006,091
<b>Total risk weighted assets</b>		<b>10,285,625</b>		<b>9,975,951</b>

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**24. Capital Adequacy (Cont'd)**

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

	<b>Bank</b>			
	<b>30 June</b>		<b>31 March</b>	
	<b>2012</b>		<b>2012</b>	
	<b>RM'000</b>		<b>RM'000</b>	
	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>
0%	6,669,817	-	9,387,217	-
20%	2,373,633	474,727	2,238,923	447,785
35%	984,744	344,660	829,206	290,222
50%	964,433	482,216	931,978	465,989
75%	3,243,105	2,432,329	3,332,019	2,499,014
100%	5,280,123	5,280,123	4,976,498	4,976,498
150%	73,187	111,280	107,580	161,369
<b>Risk weighted assets for credit risk</b>	<b>19,589,042</b>	<b>9,125,335</b>	21,803,421	8,840,877
<b>Risk weighted assets for market risk</b>		<b>126,868</b>		115,622
<b>Risk weighted assets for operational risk</b>		<b>1,016,464</b>		998,498
<b>Total risk weighted assets</b>		<b>10,268,667</b>		<b>9,954,997</b>

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**25. Changes in Accounting Policies due to full adoption of MFRS 139**

- (a) The changes in accounting policies as described above which resulted in adjustments to opening retained profits of the Group and the Bank are as follows:

	<b>Group and Bank</b>	
	<b>30 June 2012 RM'000</b>	<b>31 March 2012 RM'000</b>
Effect of adopting new policy on collective impairment allowance		
- Impairment assessment	<b>(892)</b>	(39,121)
- Deferred tax assets	<b>223</b>	9,780
	<b>(669)</b>	(29,341)

The following are effects arising from the above changes in accounting policies to the opening statements of financial position of the Group and the Bank respectively.

	<b>As at 1 April 2011</b>		
	<b>As previously reported RM'000</b>	<b>Effect on full adoption of MFRS 139 RM'000</b>	<b>As restated RM'000</b>
<b>Statements of financial position</b>			
<b>Group</b>			
Financing of Customers	7,148,160	(17,526)	7,130,634
Deferred tax assets	38,240	4,382	42,622
Shareholder's Equity	1,361,430	(13,144)	1,348,286
<b>Bank</b>			
Financing of Customers	7,166,034	(17,526)	7,148,508
Deferred tax assets	38,240	4,382	42,622
Shareholder's Equity	1,361,287	(13,144)	1,348,143

	<b>As at 31 March 2012</b>		
	<b>As previously reported RM'000</b>	<b>Effect on full adoption of MFRS 139 RM'000</b>	<b>As restated RM'000</b>
<b>Statements of financial position</b>			
<b>Group</b>			
Financing of Customers	9,038,483	(39,122)	8,999,361
Deferred tax assets	52,353	9,780	62,133
Shareholder's Equity	1,429,888	(29,342)	1,400,546
<b>Bank</b>			
Financing of Customers	9,050,805	(39,122)	9,011,683
Deferred tax assets	52,353	9,780	62,133
Shareholder's Equity	1,428,993	(29,342)	1,399,651

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**25. Changes in Accounting Policies due to full adoption of MFRS 139 (cont'd)**

(b) Estimates

The estimates at at 1 April 2011 and at 31 March 2012 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 April 2011, the date of transition to MFRS and as of 31 March 2012.

(c) Reconciliation of equity

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below: (cont'd)

	FRS as at 1 April 2011 RM'000	Adjustments RM'000	MFRS as at 1 April 2011 RM'000	FRS as at 30 June 2011 RM'000	Adjustments RM'000	MFRS as at 30 June 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
<b>Group</b>									
<b>ASSETS</b>									
Cash and short-term funds	6,199,953	-	6,199,953	4,742,052	-	4,742,052	4,391,223	-	4,391,223
Cash and placements with financial institutions	251,012	-	251,012	166,089	-	166,089	110,333	-	110,333
Financial investment held-to-maturity	28,585	-	28,585	28,224	-	28,224	74,494	-	74,494
Financial investment available-for-sale	4,370,987	-	4,370,987	4,018,597	-	4,018,597	6,144,018	-	6,144,018
Islamic derivative financial assets	5,177	-	5,177	1,301	-	1,301	4,150	-	4,150
Financing of customers	7,148,160	(17,526)	7,130,634	7,257,974	(13,476)	7,244,498	9,038,483	(39,122)	8,999,361
Other assets	70,700	-	70,700	102,066	-	102,066	44,371	-	44,371
Statutory deposits with Bank Negara Malaysia	94,121	-	94,121	298,221	-	298,221	527,721	-	527,721
Deferred tax assets (net)	38,240	4,382	42,622	38,240	3,369	41,609	52,353	9,780	62,133
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
Property, plant and equipment	101,521	-	101,521	105,618	-	105,618	81,072	-	81,072
Prepaid land lease payment	255	-	255	254	-	254	251	-	251
	<b>18,308,711</b>	<b>(13,144)</b>	<b>18,295,567</b>	<b>16,758,636</b>	<b>(10,107)</b>	<b>16,748,529</b>	<b>20,468,469</b>	<b>(29,342)</b>	<b>20,439,127</b>

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**25. Changes in Accounting Policies due to full adoption of MFRS 139 (cont'd)**

(c) Reconciliation of equity (cont'd)

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below: (cont'd)

	FRS as at 1 April 2011 RM'000	Adjustments RM'000	MFRS as at 1 April 2011 RM'000	FRS as at 30 June 2011 RM'000	Adjustments RM'000	MFRS as at 30 June 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
<b>Group</b>									
<b>LIABILITIES</b>									
Deposits from customers	16,216,173	-	16,216,173	14,423,332	-	14,423,332	18,151,087	-	18,151,087
Deposits and placements of banks and other financial institutions	14,993	-	14,993	12,547	-	12,547	11,896	-	11,896
Islamic derivative financial liabilities	3,986	-	3,986	4,143	-	4,143	5,630	-	5,630
Bills and acceptances payable	291,375	-	291,375	99,234	-	99,234	310,324	-	310,324
Other liabilities	164,398	-	164,398	164,659	-	164,659	133,044	-	133,044
Provision for zakat and taxation	5,228	-	5,228	6,267	-	6,267	20,521	-	20,521
Subordinated bonds / sukuk	251,128	-	251,128	650,000	-	650,000	406,079	-	406,079
	<b>16,947,281</b>	-	<b>16,947,281</b>	<b>15,360,182</b>	-	<b>15,360,182</b>	<b>19,038,581</b>	-	<b>19,038,581</b>
<b>SHAREHOLDERS' EQUITY</b>									
Share capital	1,000,000	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Reserves	361,430	(13,144)	348,286	398,454	(10,107)	388,347	429,888	(29,342)	400,546
<b>Total shareholders' equity</b>	<b>18,308,711</b>	<b>(13,144)</b>	<b>18,295,567</b>	<b>16,758,636</b>	<b>(10,107)</b>	<b>16,748,529</b>	<b>20,468,469</b>	<b>(29,342)</b>	<b>20,439,127</b>

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**25. Changes in Accounting Policies due to full adoption of MFRS 139 (cont'd)**

(c) Reconciliation of equity (cont'd)

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below: (cont'd)

	FRS as at 1 April 2011 RM'000	Adjustments RM'000	MFRS as at 1 April 2011 RM'000	FRS as at 30 June 2011 RM'000	Adjustments RM'000	MFRS as at 30 June 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
<b>Bank</b>									
<b>ASSETS</b>									
Cash and short-term funds	6,199,953	-	6,199,953	4,742,052	-	4,742,052	4,391,223	-	4,391,223
Cash and placements with financial institutions	251,012	-	251,012	166,089	-	166,089	110,333	-	110,333
Financial investment held-to-maturity	28,585	-	28,585	28,224	-	28,224	74,494	-	74,494
Financial investment available-for-sale	4,360,187	-	4,360,187	4,007,797	-	4,007,797	6,139,218	-	6,139,218
Islamic derivative financial assets	5,177	-	5,177	1,301	-	1,301	4,150	-	4,150
Financing of customers	7,166,034	(17,526)	7,148,508	7,274,886	(13,476)	7,261,410	9,050,805	(39,122)	9,011,683
Other assets	63,645	-	63,645	95,130	-	95,130	37,394	-	37,394
Statutory deposits with Bank Negara Malaysia	94,121	-	94,121	298,221	-	298,221	527,721	-	527,721
Deferred tax assets (net)	38,240	4,382	42,622	38,240	3,369	41,609	52,353	9,780	62,133
Investment in subsidiaries	6,484	-	6,484	6,484	-	6,484	6,384	-	6,384
Property, plant and equipment	101,516	-	101,516	105,614	-	105,614	81,072	-	81,072
Prepaid land lease payment	255	-	255	254	-	254	251	-	251
	<b>18,315,209</b>	<b>(13,144)</b>	<b>18,302,065</b>	<b>16,764,292</b>	<b>(10,107)</b>	<b>16,754,186</b>	<b>20,475,398</b>	<b>(29,342)</b>	<b>20,446,056</b>

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**25. Changes in Accounting Policies due to full adoption of MFRS 139 (cont'd)**

(c) Reconciliation of equity (cont'd)

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below: (cont'd)

	FRS as at 1 April 2011 RM'000	Adjustments RM'000	MFRS as at 1 April 2011 RM'000	FRS as at 30 June 2011 RM'000	Adjustments RM'000	MFRS as at 30 June 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
<b>Bank</b>									
<b>LIABILITIES</b>									
Deposits from customers	16,222,790	-	16,222,790	14,429,870	-	14,429,870	18,158,747	-	18,158,747
Deposits and placements of banks and other financial institutions	14,993	-	14,993	12,547	-	12,547	11,896	-	11,896
Islamic derivative financial liabilities	3,986	-	3,986	4,143	-	4,143	5,630	-	5,630
Bills and acceptances payable	291,375	-	291,375	99,234	-	99,234	310,324	-	310,324
Other liabilities	164,422	-	164,422	164,752	-	164,752	133,218	-	133,218
Provision for zakat and taxation	5,228	-	5,228	6,253	-	6,253	20,511	-	20,511
Subordinated bonds / sukuk	251,128	-	251,128	650,000	-	650,000	406,079	-	406,079
	<b>16,953,922</b>	-	<b>16,953,922</b>	<b>15,366,799</b>	-	<b>15,366,799</b>	<b>19,046,405</b>	-	<b>19,046,405</b>
<b>SHAREHOLDERS' EQUITY</b>									
Share capital	1,000,000	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Reserves	361,287	(13,144)	348,143	397,493	(10,107)	387,386	428,993	(29,342)	399,651
<b>Total shareholders' equity</b>	<b>18,315,209</b>	<b>(13,144)</b>	<b>18,302,065</b>	<b>16,764,292</b>	<b>(10,107)</b>	<b>16,754,186</b>	<b>20,475,398</b>	<b>(29,342)</b>	<b>20,446,056</b>

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**25. Changes in Accounting Policies due to full adoption of MFRS 139 (cont'd)**

(d) Reconciliation of total comprehensive income for the period ended 30 June 2011 and for the year ended 31 March 2012

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below: (cont'd)

	FRS as at 30 June 2011 RM'000	Adjustments RM'000	MFRS as at 30 June 2011 RM'000	FRS as at 31 March 2012 RM'000	Adjustments RM'000	MFRS as at 31 March 2012 RM'000
<b>Group</b>						
Income derived from investment of depositors' funds and others	212,661	-	212,661	838,499	-	838,499
Income derived from investment of shareholders' funds	10,638	-	10,638	55,092	-	55,092
Allowance for impairment on financing	(11,948)	4,050	(7,898)	(41,451)	(21,596)	(63,047)
Impairment writeback on investments	(457)	-	(457)	10,317	-	10,317
Provision for commitments and contingencies	-	-	-	-	-	-
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(4,679)	-	(4,679)	(20,752)	-	(20,752)
<b>Total distributable income</b>	<b>206,215</b>	<b>4,050</b>	<b>210,265</b>	<b>841,705</b>	<b>(21,596)</b>	<b>820,109</b>
Income attributable to depositors	(87,830)	-	(87,830)	(364,565)	-	(364,565)
<b>Total net income</b>	<b>118,385</b>	<b>4,050</b>	<b>122,435</b>	<b>477,140</b>	<b>(21,596)</b>	<b>455,544</b>
Personnel expenses	(44,999)	-	(44,999)	(170,947)	-	(170,947)
Other overheads and expenditures	(27,697)	-	(27,697)	(158,571)	-	(158,571)
Finance cost	(4,911)	-	(4,911)	(23,478)	-	(23,478)
<b>Profit before zakat and taxation</b>	<b>40,778</b>	<b>4,050</b>	<b>44,828</b>	<b>124,144</b>	<b>(21,596)</b>	<b>102,548</b>
Zakat	(1,026)	-	(1,026)	(3,087)	-	(3,087)
Taxation	(10,828)	(1,013)	(11,841)	(36,073)	5,399	(30,674)
<b>Profit for the period</b>	<b>28,924</b>	<b>3,037</b>	<b>31,961</b>	<b>84,984</b>	<b>(16,197)</b>	<b>68,787</b>
<b>Other comprehensive income/(loss):</b>						
Net unrealised gain/(loss) on revaluation of financial investment available-for-sale	7,945	-	7,945	(24,215)	-	(24,215)
Income tax relating to components of other comprehensive income	(221)	-	(221)	8,159	-	8,159
Exchange fluctuation reserve	376	-	376	(470)	-	(470)
Other comprehensive income/ (loss)/for the period, net of tax	<b>8,100</b>	<b>-</b>	<b>8,100</b>	<b>(16,526)</b>	<b>-</b>	<b>(16,526)</b>
<b>Total comprehensive income for the period</b>	<b>37,024</b>	<b>3,037</b>	<b>40,061</b>	<b>68,458</b>	<b>(16,197)</b>	<b>52,261</b>

**BANK MUAMALAT MALAYSIA BERHAD**  
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**25. Changes in Accounting Policies due to full adoption of MFRS 139 (cont'd)**

(d) Reconciliation of total comprehensive income for the period ended 30 June 2011 and for the year ended 31 March 2012 (cont'd)

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below: (cont'd)

	FRS as at 30 June 2011 RM'000	Adjustments RM'000	MFRS as at 30 June 2011 RM'000	FRS as at 31 March 2012 RM'000	Adjustments RM'000	MFRS as at 31 March 2012 RM'000
<b>Bank</b>						
Income derived from investment of depositors' funds and others	212,661	-	212,661	838,499	-	838,499
Income derived from investment of shareholders' funds	10,512	-	10,512	54,401	-	54,401
Allowance for impairment on financing	(11,948)	4,050	(7,898)	(47,451)	(21,596)	(69,047)
Impairment writeback on investments	(457)	-	(457)	16,217	-	16,217
Provision for commitments and contingencies	-	-	-	-	-	-
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(4,679)	-	(4,679)	(20,752)	-	(20,752)
<b>Total distributable income</b>	<b>206,089</b>	<b>4,050</b>	<b>210,139</b>	<b>840,914</b>	<b>(21,596)</b>	<b>819,318</b>
Income attributable to depositors	(87,867)	-	(87,867)	(364,736)	-	(364,736)
<b>Total net income</b>	<b>118,222</b>	<b>4,050</b>	<b>122,272</b>	<b>476,178</b>	<b>(21,596)</b>	<b>454,582</b>
Personnel expenses	(44,814)	-	(44,814)	(170,256)	-	(170,256)
Other overheads and expenditures	(27,676)	-	(27,676)	(159,204)	-	(159,204)
Finance cost	(4,975)	-	(4,975)	(23,231)	-	(23,231)
<b>Profit before zakat and taxation</b>	<b>40,757</b>	<b>4,050</b>	<b>44,807</b>	<b>123,487</b>	<b>(21,596)</b>	<b>101,891</b>
Zakat	(1,026)	-	(1,026)	(3,087)	-	(3,087)
Taxation	(10,818)	(1,013)	(11,831)	(36,030)	5,399	(30,631)
<b>Profit for the period</b>	<b>28,913</b>	<b>3,037</b>	<b>31,950</b>	<b>84,370</b>	<b>(16,197)</b>	<b>68,173</b>
<b>Other comprehensive income/(loss):</b>						
Net unrealised gain/(loss) on revaluation of financial investment available-for-sale	7,137	-	7,137	(24,354)	-	(24,354)
Income tax relating to components of other comprehensive income	(221)	-	(221)	8,159	-	8,159
Exchange fluctuation reserve	376	-	376	(470)	-	(470)
Other comprehensive income/ (loss)/for the period, net of tax	<b>7,292</b>	<b>-</b>	<b>7,292</b>	<b>(16,665)</b>	<b>-</b>	<b>(16,665)</b>
<b>Total comprehensive income for the period</b>	<b>36,205</b>	<b>3,037</b>	<b>39,242</b>	<b>67,705</b>	<b>(16,197)</b>	<b>51,508</b>