



BANK MUAMALAT MALAYSIA BERHAD

Company No. 6175-W
(Incorporated in Malaysia)

**UNAUDITED
FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED
31 DECEMBER 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 31 DECEMBER 2012 (17 SAFAR 1434)

Group	Note	Unaudited	Audited	
		As at 31.12.2012 RM'000	As at 31.03.2012 RM'000 (restated)	As at 01.04.2011 RM'000 (restated)
ASSETS				
Cash and short-term funds		1,421,781	4,391,223	6,199,953
Cash and placements with financial institutions		25,993	110,333	251,012
Financial investments designated at fair value through profit and loss	4(a)	95,845	45,972	-
Financial investments held-to-maturity	4(b)	575	28,522	28,585
Financial investments available-for-sale	4(c)	6,393,521	6,144,018	4,370,987
Islamic derivative financial assets	5	4,983	4,150	5,177
Financing of customers	6	10,012,080	8,999,361	7,130,634
Other assets	9	60,233	44,371	70,700
Statutory deposits with Bank Negara Malaysia		607,721	527,721	94,121
Deferred tax assets	10	28,458	62,133	42,622
Investment in associate companies	8	835	-	-
Property, plant and equipment		92,357	81,072	101,521
Prepaid land lease payment		248	251	255
Total assets		18,744,630	20,439,127	18,295,567
LIABILITIES				
Deposits from customers	11	16,457,567	18,151,087	16,216,173
Deposits and placements of banks and other financial institutions	12	8,367	11,896	14,993
Islamic derivative financial liabilities	5	4,836	5,630	3,986
Bills and acceptances payable		232,062	310,324	291,375
Other liabilities	13	88,800	133,044	164,398
Provision for zakat and taxation	14	9,464	20,521	5,228
Subordinated sukuk	15	400,962	406,079	251,128
Total liabilities		17,202,058	19,038,581	16,947,281
SHAREHOLDERS' EQUITY				
Share capital		1,000,000	1,000,000	1,000,000
Reserves		542,572	400,546	348,286
Total shareholders' equity		1,542,572	1,400,546	1,348,286
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		18,744,630	20,439,127	18,295,567
COMMITMENTS AND CONTINGENCIES				
	24	3,802,700	4,287,269	5,820,824
CAPITAL ADEQUACY *				
Core capital ratio	25	13.2%	14.4%	15.2%
Risk-weighted capital ratio	25	18.2%	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 31 DECEMBER 2012 (17 SAFAR 1434)

Bank	Note	Unaudited	Audited	
		As at 31.12.2012 RM'000	As at 31.03.2012 RM'000 (restated)	As at 01.04.2011 RM'000 (restated)
ASSETS				
Cash and short-term funds		1,421,781	4,391,223	6,199,953
Cash and placements with financial institutions		25,993	110,333	251,012
Financial investments designated at fair value through profit and loss	4(a)	95,845	45,972	-
Financial investments held-to-maturity	4(b)	575	28,522	28,585
Financial investments available-for-sale	4(c)	6,388,721	6,139,218	4,360,187
Islamic derivative financial assets	5	4,983	4,150	5,177
Financing of customers	6	10,024,572	9,011,683	7,148,508
Other assets	9	51,024	37,394	63,645
Statutory deposits with Bank Negara Malaysia		607,721	527,721	94,121
Deferred tax assets (net)	10	28,458	62,133	42,622
Investment in subsidiaries		6,384	6,384	6,484
Investment in associate companies	8	1,000	-	-
Property, plant and equipment		92,318	81,072	101,516
Prepaid land lease payment		248	251	255
Total assets		18,749,623	20,446,056	18,302,065
LIABILITIES				
Deposits from customers	11	16,464,087	18,158,747	16,222,790
Deposits and placements of banks and other financial institutions	12	8,367	11,896	14,993
Islamic derivative financial liabilities	5	4,836	5,630	3,986
Bills and acceptances payable		232,062	310,324	291,375
Other liabilities	13	88,646	133,218	164,422
Provision for zakat and taxation	14	9,453	20,511	5,228
Subordinated sukuk	15	400,962	406,079	251,128
Total liabilities		17,208,413	19,046,405	16,953,922
SHAREHOLDERS' EQUITY				
Share capital		1,000,000	1,000,000	1,000,000
Reserves		541,210	399,651	348,143
Total shareholders' equity		1,541,210	1,399,651	1,348,143
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
		18,749,623	20,446,056	18,302,065
COMMITMENTS AND CONTINGENCIES				
	24	3,802,700	4,287,269	5,820,824
CAPITAL ADEQUACY *				
Core capital ratio	25	13.3%	14.4%	15.2%
Risk-weighted capital ratio	25	18.2%	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 NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)

<u>Group</u>	Note	3 months ended		9 months ended	
		31 December 2012 RM'000	31 December 2011 RM'000 (restated)	31 December 2012 RM'000	31 December 2011 RM'000 (restated)
Income derived from investment of depositors' funds and others	16	232,332	203,955	690,113	622,071
Income derived from investment of shareholders' funds	17	18,998	15,460	54,437	41,007
Writeback of/(allowance for) impairment on financing	18	(2,706)	(9,654)	11,972	(46,151)
Impairment (loss)/writeback on investments	19	1,988	5,825	(4,791)	24,518
Share of loss of associate company		(144)	-	(165)	-
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(2,357)	(4,206)	(7,027)	(13,547)
Total distributable income		248,111	211,380	744,539	627,898
Income attributable to depositors	20	(108,684)	(87,980)	(311,335)	(258,807)
Total net income		139,427	123,400	433,204	369,091
Personnel expenses		(43,782)	(46,267)	(145,154)	(134,530)
Other overheads and expenditures		(38,087)	(29,184)	(99,803)	(125,104)
Finance cost		(5,322)	(5,282)	(15,844)	(18,252)
Profit before zakat and taxation		52,236	42,667	172,403	91,205
Zakat	21	(1,589)	(865)	(4,572)	(2,542)
Taxation	22	(13,966)	(9,348)	(47,385)	(31,415)
Profit / (loss) for the period		36,681	32,454	120,446	57,248

Earnings per share (sen):

Basic

12.0

5.7

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 NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)

<u>Bank</u>	Note	3 months ended		9 months ended	
		31 December 2012 RM'000	31 December 2011 RM'000 (restated)	31 December 2012 RM'000	31 December 2011 RM'000 (restated)
Income derived from investment of depositors' funds and others	16	232,332	203,955	690,113	622,071
Income derived from investment of shareholders' funds	17	18,814	15,372	53,789	40,738
Writeback of/(allowance for) impairment on financing	18	(2,706)	(9,654)	11,972	(46,151)
Impairment (loss)/writeback on investments	19	1,988	5,825	(4,791)	24,518
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(2,357)	(4,206)	(7,027)	(13,547)
Total distributable income		248,071	211,291	744,056	627,628
Income attributable to depositors	20	(108,725)	(88,023)	(311,462)	(258,926)
Total net income		139,346	123,268	432,594	368,702
Personnel expenses		(43,342)	(46,104)	(144,252)	(133,999)
Other overheads and expenditures		(38,223)	(29,311)	(100,963)	(125,270)
Finance cost		(5,183)	(5,178)	(15,483)	(18,109)
Profit before zakat and taxation		52,598	42,675	171,896	91,325
Zakat	21	(1,589)	(865)	(4,572)	(2,542)
Taxation	22	(13,958)	(9,343)	(47,345)	(31,376)
Profit / (loss) for the period		37,049	32,467	119,979	57,407

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 NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)

<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	
As at 1 April 2012							
As previously stated		1,000,000	315,385	83	(56,169)	170,589	1,429,888
- Effect of full adoption of MFRS 139	26(a)	-	-	-	-	(29,342)	(29,342)
At 1 April 2012, as restated		1,000,000	315,385	83	(56,169)	141,247	1,400,546
Other comprehensive income/(loss) for the period		-	-	(662)	22,242	-	21,580
Profit for the period		-	-	-	-	120,446	120,446
Transfer to statutory reserve		-	59,989	-	-	(59,989)	-
At 31 December 2012		1,000,000	375,374	(579)	(33,927)	201,704	1,542,572
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	26(a)	-	-	-	-	(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/(loss) for the period		-	-	1,498	(20,588)	-	(19,090)
Profit for the period, as restated	26(d)	-	-	-	-	57,248	57,248
Transfer to statutory reserve		-	32,403	-	-	(32,403)	-
At 31 December 2011		1,000,000	305,296	2,051	(60,701)	139,798	1,386,444

* 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 NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)

	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	
Bank							
At 1 April 2012							
As previously stated		1,000,000	313,788	83	(56,168)	171,290	1,428,993
- Effect of full adoption of MFRS 139	26(a)	-	-	-	-	(29,342)	(29,342)
At 1 April 2012, as restated		1,000,000	313,788	83	(56,168)	141,948	1,399,651
Other comprehensive income/(loss) for the period		-	-	(662)	22,242	-	21,580
Profit for the period		-	-	-	-	119,979	119,979
Transfer to statutory reserve		-	59,989	-	-	(59,989)	-
At 31 December 2012		1,000,000	373,777	(579)	(33,926)	201,938	1,541,210
At 1 April 2011							
As previously stated		1,000,000	271,603	553	(39,974)	129,105	1,361,287
- Effect of full adoption of MFRS 139	26(a)	-	-	-	-	(13,144)	(13,144)
At 1 April 2011, as restated		1,000,000	271,603	553	(39,974)	115,961	1,348,143
Other comprehensive income/(loss) for the period		-	-	1,498	(21,398)	-	(19,900)
Profit for the period, as restated	26(d)	-	-	-	-	57,407	57,407
Transfer to statutory reserve		-	32,483	-	-	(32,483)	-
At 31 December 2011		1,000,000	304,086	2,051	(61,372)	140,885	1,385,650

* 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 NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)**

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000 (restated)	31 December 2012 RM'000	31 December 2011 RM'000 (restated)
Cash flows from operating activities				
Profit before zakat and taxation	172,403	91,205	171,896	91,325
Adjustment for				
Amortisation of prepaid land and lease payment	3	3	3	3
Depreciation of property, plant and equipment	15,987	12,020	15,985	12,016
Loss/(gain) on disposal of property, plant and equipment	55	(34)	55	(34)
Property, plant and equipment written off	-	31,594	-	31,594
Amortisation of premium less accretion of discount	(11)	3,745	(11)	3,745
Net gain from sale of financial held-to-maturity	(13,493)	-	(13,493)	-
Net gain from sale of financial investment available-for-sale	(8,307)	(20,236)	(8,307)	(20,236)
Net gain from sale of financial investment held-for-trading	(567)	(601)	(567)	(601)
Net gain on revaluation of foreign exchange transaction	(13,373)	(10,065)	(13,373)	(10,065)
Net (gain)/loss from foreign exchange derivatives	(2,438)	275	(2,438)	275
Unrealised loss on revaluation of islamic profit rate swap	1,082	2,515	1,082	2,515
Impairment writeback on investments	4,791	(24,518)	4,791	(24,518)
(Writeback of)/allowance for impairment on financing	(2,214)	65,365	(2,214)	65,365
Financing written off	3,699	833	3,699	833
Share of profit of associates	165	-	-	-
Finance cost	15,844	18,252	15,483	18,109
Gross dividend income	(1,934)	(8,864)	(1,934)	(8,864)
Operating profit before working capital changes	171,692	161,490	170,657	161,463

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

**STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)**

	Group		Bank	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
(Increase)/decrease in operating assets:				
Financial investment portfolio	(11,524)	28,065	(11,524)	28,065
Islamic derivative financial assets	1,605	(4,401)	1,605	(4,401)
Financing of customers	(1,014,476)	(965,950)	(1,014,646)	(965,275)
Statutory deposits with Bank Negara Malaysia	(80,000)	(345,600)	(80,000)	(345,600)
Other assets	3,431	(18,997)	5,662	(20,163)
Increase/(decrease) in operating liabilities:				
Deposits from customers	(1,693,520)	(1,578,372)	(1,694,660)	(1,578,178)
Deposits and placements of banks and other financial institutions	(3,529)	281,771	(3,529)	281,771
Islamic derivative financial liabilities	(1,605)	4,401	(1,605)	4,401
Bills and acceptances payable	(78,262)	120,824	(78,262)	120,824
Other liabilities	(44,724)	(28,697)	(44,685)	(28,558)
Cash used in operations	(2,750,912)	(2,345,466)	(2,750,987)	(2,345,651)
Zakat paid	(3,087)	(5,228)	(3,087)	(5,228)
Tax paid	(32,829)	(9,609)	(32,796)	(9,567)
Net cash used in operating activities	(2,786,828)	(2,360,303)	(2,786,870)	(2,360,446)
Cash flows from investing activities				
Proceeds from disposal of financial investment securities	4,764,006	4,349,879	4,764,006	4,349,879
Purchase of financial investment securities	(4,984,080)	(5,590,657)	(4,984,080)	(5,590,657)
Proceeds from disposal of property, plant and equipment	-	68	-	68
Purchase of property, plant and equipment	(27,327)	(21,852)	(27,286)	(21,852)
Acquisition of investment in associates	(1,000)	-	(1,000)	-
Dividend income	1,934	8,864	1,934	8,864
Net cash used in investing activities	(246,467)	(1,253,699)	(246,425)	(1,253,699)

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

**STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2012 (17 SAFAR 1434)**

	Group		Bank	
	31 December RM'000 2012	31 December RM'000 2011	31 December RM'000 2012	31 December RM'000 2011
Cash flows from financing activities				
Dividend paid on subordinated sukuk	(20,487)	(18,252)	(20,487)	(18,109)
Redemption of subordinated bonds	-	(250,000)	-	(250,000)
Additional issuance of subordinated sukuk	-	400,000	-	400,000
Net cash (used in)/generated from financing activities	(20,487)	131,748	(20,487)	131,891
Net decrease in cash and cash equivalents	(3,053,782)	(3,482,254)	(3,053,782)	(3,482,254)
Cash and cash equivalents at beginning of the period	4,501,556	6,447,295	4,501,556	6,447,295
Cash and cash equivalents at end of the period	1,447,774	2,965,041	1,447,774	2,965,041
Cash and cash equivalents consist of:				
Cash and short term funds	1,421,781	2,946,033	1,421,781	2,946,033
Cash and placements with financial institutions	25,993	19,008	25,993	19,008
	1,447,774	2,965,041	1,447,774	2,965,041

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)

NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2012

1. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 31 December 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 2013. 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 the 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 Note 26. 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
(Incorporated in Malaysia)

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 compared 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 full adoption of MFRS 139 are disclosed in Note 26. 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 posted an unaudited profit before zakat and taxation of RM172.4 million for the nine months period ended 31 December 2012, an increase of 89.0% from the previous corresponding period in 2011. The Group's stronger financial performance mainly contributed by higher income derived from investment of depositors' and shareholders' funds and marked reduction in financing loss allowance. This however has been offset by higher income attributable to depositors and higher personnel expenses.

Total assets of the Group stood at RM18.7 billion, a decline from RM20.4 billion registered in March 2012. The decline was partly contributed by a significant decrease in cash and short term funds by 67.6%, offset by positive growth in net financing assets which has increased by 11.3% to RM10.0 billion from RM 9.0 billion as at 31 March 2012.

OUTLOOK

Challenging business environment does not stop the Bank from continuously striving to improve its competitive position. New initiatives were introduced and will be regularly monitored to improve service delivery, increase operational efficiency and increase business coverage with the aim of delivering pre-eminent services to the customers. As competition remains intense, the Bank will continue to focus in growing its CASA base and expand its fee businesses, whilst at the same time continue to explore opportunities to diversify its revenue stream beyond normal banking services.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

4. Financial Investments

	Group and Bank		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
(a) Financial investments designated at fair value through profit and loss			
Unquoted securities outside Malaysia:			
Private equity funds	95,845	45,972	-
(b) Held-to-maturity			
At amortised cost			
Unquoted Islamic private debt securities in Malaysia	-	30,008	30,071
Unquoted shares in Malaysia	575	575	575
	575	30,583	30,646
Accumulated impairment loss	-	(2,061)	(2,061)
Total held-to-maturity securities	575	28,522	28,585

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

	Group and Bank		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
Unquoted Islamic private debt securities in Malaysia	-	27,947	28,010
Unquoted shares in Malaysia	575	575	575
	575	28,522	28,585

(ii) The reconciliation of movement of the unquoted held-to-maturity securities are as follows:

	Group and Bank		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
At beginning/end of period, as previously stated	74,494	74,494	28,585
Effect of reclassification of investment held-to-maturity to investment designated at fair value through profit and loss	(45,972)	(45,972)	-
Disposed during the period	(27,947)	-	-
At beginning / end of period, restated	575	28,522	28,585

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4. Financial Investments (cont'd)

(c) Available-for-sale

At fair value less impairment losses for certain financial investments:

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Government securities and treasury bills:			
Malaysian government investment certificates	3,328,063	3,737,482	1,972,826
Money market instruments:			
Negotiable Islamic debt certificates	-	55,570	-
Quoted securities in Malaysia:			
Quoted shares	51,768	48,023	24,994
Unit trust	-	-	9,910
	51,768	48,023	34,904
Unquoted securities:			
Islamic private debt securities in Malaysia	2,859,846	2,092,914	2,153,416
Cagamas bonds	96,617	116,266	136,245
Foreign Islamic private debt securities and sukuk	47,796	84,332	58,691
Shares in Malaysia	9,431	9,431	14,905
	3,013,690	2,302,943	2,363,257
Total available-for-sale securities	6,393,521	6,144,018	4,370,987

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4. Financial Investments (cont'd)

(c) Available-for-sale (cont'd)

At fair value less impairment losses for certain financial investments:

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Government securities and treasury bills:			
Malaysian government investment certificates	3,328,063	3,737,482	1,972,826
Money market instruments:			
Negotiable Islamic debt certificates	-	55,570	-
Quoted securities in Malaysia:			
Quoted shares	51,768	48,023	24,994
Unit trust	-	-	9,910
	51,768	48,023	34,904
Unquoted securities:			
Islamic private debt securities in Malaysia	2,859,846	2,092,914	2,153,416
Cagamas bonds	96,617	116,266	136,245
Foreign Islamic private debt securities and sukuk	47,796	84,332	58,691
Shares in Malaysia	4,631	4,631	4,105
	3,008,890	2,298,143	2,352,457
Total available-for-sale securities	6,388,721	6,139,218	4,360,187

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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 changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk.

	31 December 2012			Group and Bank 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
Trading derivatives:									
Foreign exchange contracts									
- Currency forwards									
Less than one year	25,009	4,841	(92)	110,486	1,983	(272)	52,994	770	(302)
- Currency swaps									
Less than one year	122,320	133	(15)	569,975	2,082	(1,383)	256,702	1,384	(558)
- Currency spot									
Less than one year	70,952	9	(29)	189,753	85	(86)	1,487,300	3,023	(2,968)
	218,281	4,983	(136)	870,214	4,150	(1,741)	1,796,996	5,177	(3,828)
Hedging derivatives:									
Islamic profit rate swap (IPRS)									
More than one year	75,000	-	(4,700)	75,000	-	(3,889)	75,000	-	(158)
Total	293,281	4,983	(4,836)	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:

	31 December 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)	75,000		(811)	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 nine months period ended 31 December 2012, the Group and the Bank recognised a net loss of RM811,059 (December 2011: RM3,023,043) on the hedging instrument. The total net gain on the hedged item attributable to the hedged risk amounted to RM270,839 (December 2011: RM2,437,489).

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6. Financing Of Customers

(a) By type

	Group		
	31 December 2012 RM'000	31 March 2012 RM'000 (restated)	1 April 2011 RM'000 (restated)
Cash line	209,461	181,842	367,763
Term financing:			
Home financing	7,891,431	6,469,716	4,828,099
Syndicated financing	146,504	86,143	143,617
Hire purchase receivables	1,162,367	1,165,170	1,397,081
Leasing receivables	150,625	176,859	191,584
Other term financing	7,643,938	6,688,931	4,294,681
Trust receipts	114,286	116,428	147,916
Claims on customers under acceptance credits	593,525	722,131	779,186
Staff financing	117,888	111,101	94,761
Revolving credit	481,392	491,233	356,088
Sukuk	50,959	-	-
	18,562,376	16,209,554	12,600,776
Less : Unearned income	(8,212,402)	(6,715,082)	(4,753,075)
	10,349,974	9,494,472	7,847,701
Less : Financing sold to Cagamas	(62,416)	(64,910)	(364,308)
Gross financing	10,287,558	9,429,562	7,483,393
Less : Allowance for impaired financing			
Collective assessment	(239,730)	(268,297)	(244,228)
Individual assessment	(35,748)	(161,904)	(108,531)
Total net financing	10,012,080	8,999,361	7,130,634

	Bank		
	31 December 2012 RM'000	31 March 2012 RM'000 (restated)	1 April 2011 RM'000 (restated)
Cash line	209,461	181,842	367,763
Term financing:			
Home financing	7,891,431	6,469,716	4,828,099
Syndicated financing	146,504	86,143	143,617
Hire purchase receivables	1,162,367	1,165,170	1,397,081
Leasing receivables	150,625	176,859	191,584
Other term financing	7,662,430	6,707,253	4,312,555
Trust receipts	114,286	116,428	147,916
Claims on customers under acceptance credits	593,525	722,131	779,186
Staff financing	117,888	111,101	94,761
Revolving credit	481,392	491,233	356,088
Sukuk	50,959	-	-
	18,580,868	16,227,876	12,618,650
Less : Unearned income	(8,212,402)	(6,715,082)	(4,753,075)
	10,368,466	9,512,794	7,865,575
Less : Financing sold to Cagamas	(62,416)	(64,910)	(364,308)
Gross financing	10,306,050	9,447,884	7,501,267
Less : Allowance for impaired financing			
Collective assessment	(239,730)	(268,297)	(244,228)
Individual assessment	(41,748)	(167,904)	(108,531)
Total net financing	10,024,572	9,011,683	7,148,508

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6. Financing Of Customers (cont'd)

(b) By contract

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Bai' Bithaman Ajil (deferred payment sale)	4,333,378	3,947,411	2,465,728
Ijarah (lease)	152,638	287,697	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,009,932	1,024,090	1,207,059
Inah (sale and buyback)	240,375	263,365	449,754
Tawarruq (commodity murabahah)	2,779,852	1,979,340	1,301,019
Bai' Al-Dayn (purchase of debt)	607,258	732,250	805,213
Murabahah (cost-plus)	798,204	714,268	652,739
Istisna' (sale order)	299,706	453,524	301,566
Qard (benevolent loan)	66,078	27,309	16,344
Shirkah Mutanaqisah (diminishing partnership)/ Musharakah (profit sharing)	137	308	23,281
	10,287,558	9,429,562	7,483,393

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Bai' Bithaman Ajil (deferred payment sale)	4,333,378	3,947,411	2,465,728
Ijarah (lease)	152,638	287,697	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,009,932	1,024,090	1,207,059
Inah (sale and buyback)	240,375	263,365	449,754
Tawarruq (commodity murabahah)	2,779,852	1,979,340	1,301,019
Bai' Al-Dayn (purchase of debt)	607,258	732,250	805,213
Murabahah (cost-plus)	798,204	714,268	652,739
Istisna' (sale order)	299,706	453,524	301,566
Qard (benevolent loan)	66,078	27,309	16,344
Shirkah Mutanaqisah (diminishing partnership)/ Musharakah (profit sharing)	18,629	18,630	41,155
	10,306,050	9,447,884	7,501,267

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6. Financing Of Customers (cont'd)

(c) By type of customer

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Domestic non-banking institutions	427,459	445,254	37,042
Domestic business enterprises:			
-Small business enterprises	373,079	420,518	728,478
-Others	2,374,791	2,648,898	2,336,206
Government and statutory bodies	599,056	602,147	135,190
Individuals	6,496,004	5,292,442	4,224,569
Other domestic entities	3,351	5,340	5,520
Foreign entities	13,818	14,963	16,388
	10,287,558	9,429,562	7,483,393

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Domestic non-banking institutions	427,459	445,254	37,042
Domestic business enterprises:			
-Small business enterprises	373,079	420,518	728,478
-Others	2,379,591	2,653,772	2,347,158
Government and statutory bodies	612,748	615,595	142,112
Individuals	6,496,004	5,292,442	4,224,569
Other domestic entities	3,351	5,340	5,520
Foreign entities	13,818	14,963	16,388
	10,306,050	9,447,884	7,501,267

(d) By profit rate sensitivity

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Fixed rate:			
Home financing	834,196	717,689	485,065
Hire purchase receivables	1,011,367	1,017,029	1,201,348
Others	4,739,885	4,279,145	2,764,311
Variable rate:			
Home financing	1,773,586	1,536,955	1,114,763
Others	1,928,524	1,878,744	1,917,906
	10,287,558	9,429,562	7,483,393

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6. Financing Of Customers (cont'd)

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

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Fixed rate:			
Home financing	834,196	717,689	485,065
Hire purchase receivables	1,011,367	1,017,029	1,201,348
Others	4,744,685	4,284,019	2,769,263
Variable rate:			
Home financing	1,773,586	1,536,955	1,114,763
Others	1,942,216	1,892,192	1,930,828
	10,306,050	9,447,884	7,501,267

(e) By residual contractual maturity

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Maturity within one year	2,907,123	2,081,549	2,470,365
Maturity within one to five years	3,861,215	3,399,490	2,866,870
Maturity more than five years	3,519,220	3,948,523	2,146,158
	10,287,558	9,429,562	7,483,393

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Maturity within one year	2,907,123	2,081,549	2,470,365
Maturity within one to five years	3,861,215	3,399,490	2,866,870
Maturity more than five years	3,537,712	3,966,845	2,164,032
	10,306,050	9,447,884	7,501,267

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6. Financing Of Customers (cont'd)

(f) By sector

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Agriculture	50,727	50,424	75,846
Mining & Quarrying	2,935	2,032	4,049
Manufacturing	608,244	571,540	670,143
Electricity, gas and water	136,642	129,063	144,710
Construction	483,976	701,667	775,252
Purchase of landed property:			
Residential	2,684,337	2,324,901	1,649,817
Non-residential	258,833	232,143	255,494
Real estate	127,841	126,348	16,937
Wholesale' retail and restaurant	569,912	649,352	601,139
Transport, storage and communication	341,371	309,664	155,913
Finance, takaful and business services	489,736	529,448	154,028
Purchase of securities	91	119	86
Purchase of transport vehicles	1,017,716	1,024,737	1,207,546
Consumption credit	2,785,358	1,932,640	1,316,730
Community, social and personal services	105,901	229,889	384,158
Government and statutory bodies	623,938	615,595	71,545
	10,287,558	9,429,562	7,483,393

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Agriculture	50,727	50,424	75,846
Mining & Quarrying	2,935	2,032	4,049
Manufacturing	613,044	576,414	675,095
Electricity, gas and water	136,642	129,063	144,710
Construction	483,976	701,667	781,252
Purchase of landed property:			
Residential	2,684,337	2,324,901	1,649,817
Non-residential	258,833	232,143	255,494
Real estate	127,841	126,348	16,937
Wholesale' retail and restaurant	569,912	649,352	601,139
Transport, storage and communication	341,371	309,664	155,913
Finance, takaful and business services	489,736	529,448	154,028
Purchase of securities	91	119	86
Purchase of transport vehicles	1,017,716	1,024,737	1,207,546
Consumption credit	2,785,358	1,932,640	1,316,730
Community, social and personal services	119,593	243,337	391,080
Government and statutory bodies	623,938	615,595	71,545
	10,306,050	9,447,884	7,501,267

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6. Financing Of Customers (cont'd)

(g) By geographical area

	Group		
	31 December 2012 RM'000	31 March 2012 RM'000	1 April 2011 RM'000
Domestic	10,261,694	9,385,810	7,388,918
Labuan Offshore	25,864	43,752	94,475
	10,287,558	9,429,562	7,483,393
		Bank	
	31 December 2012 RM'000	31 March 2012 RM'000	1 April 2011 RM'000
Domestic	10,280,186	9,404,132	7,406,792
Labuan Offshore	25,864	43,752	94,475
	10,306,050	9,447,884	7,501,267

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 subject to hedge accounting amounts to RM73.3 million. The cumulative changes in fair value of the financing attributable to changes in profit rate risks amounts to a profit of RM985,783 and the change for the current period is a loss of RM270,839 (9 months period ended 31 December 2011: RM2,437,489). 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

	Group		
	31 December 2012 RM'000	31 March 2012 RM'000	1 April 2011 RM'000
At beginning of period	446,344	378,343	591,988
Classified as impaired during the period	224,876	371,687	457,633
Reclassified as performing during the period	(109,562)	(174,373)	(265,609)
Recovered during the period	(118,369)	(115,245)	(142,588)
Written off during the period	(153,307)	(14,068)	(263,081)
At end of period	289,982	446,344	378,343
Ratio of gross impaired financing to total financing	2.8%	4.7%	4.8%

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7. Impaired Financing (cont'd)

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

	Bank		
	31 December 2012 RM'000	31 March 2012 RM'000	1 April 2011 RM'000
At beginning of period	452,344	378,343	591,988
Classified as impaired during the period	224,876	377,687	457,633
Reclassified as performing during the period	(109,562)	(174,373)	(265,609)
Recovered during the period	(118,369)	(115,245)	(142,588)
Written off during the period	(153,307)	(14,068)	(263,081)
At end of period	295,982	452,344	378,343
Ratio of gross impaired financing to total financing	2.9%	4.8%	4.8%

(b) Movements in the allowance for impaired financing

	Group		
	31 December 2012 RM'000	31 March 2012 RM'000 (restated)	1 April 2011 RM'000 (restated)
<u>Collective assessment allowance</u>			
At beginning of period, as previously stated	229,175	226,702	223,218
- Effect of adopting MFRS 139 (Note 26 (a))	39,122	17,526	-
At beginning of period, as restated	268,297	244,228	223,218
Allowance made during the period	278,798	261,727	267,573
Amount written-back	(280,310)	(224,690)	(224,291)
Amount written-off	(27,055)	(12,968)	(22,272)
At end of period	239,730	268,297	244,228
As % of gross financing, less individual assessment allowance	2.3%	2.9%	3.3%

	Bank		
	31 December 2012 RM'000	31 March 2012 RM'000 (restated)	1 April 2011 RM'000 (restated)
<u>Collective assessment allowance</u>			
At beginning of period, as previously stated	229,175	226,702	223,218
- Effect of adopting MFRS 139 (Note 26 (a))	39,122	17,526	-
At beginning of period, as restated	268,297	244,228	223,218
Allowance made during the period	278,798	261,727	267,573
Amount written-back	(280,310)	(224,690)	(224,291)
Amount written-off	(27,055)	(12,968)	(22,272)
At end of period	239,730	268,297	244,228
As % of gross financing, less individual assessment allowance	2.3%	2.9%	3.3%

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7. Impaired Financing (cont'd)

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

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
<u>Individual assessment allowance</u>			
At beginning of period	161,904	108,531	324,997
Allowance made during the period	21,320	64,029	89,776
Amount recovered	(22,022)	(10,656)	(70,129)
Amount written-off	(125,454)	-	(236,113)
At end of period	35,748	161,904	108,531

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
<u>Individual assessment allowance</u>			
At beginning of period	167,904	108,531	324,997
Allowance made during the period	21,320	70,029	89,776
Amount recovered	(22,022)	(10,656)	(70,129)
Amount written-off	(125,454)	-	(236,113)
At end of period	41,748	167,904	108,531

(c) Impaired financing by sector

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Manufacturing	11,989	40,874	24,660
Construction	75,116	175,116	71,810
Purchase of landed property:			
- Residential	87,401	100,192	159,345
- Non-residential	12,128	8,128	12,206
Real estate	-	9,342	-
Wholesale and retail and restaurant	19,958	32,082	33,360
Transport, storage and communication	143	80	45
Finance, takaful and business services	28,135	10,292	9,713
Purchase of securities	19	50	84
Purchase of transport vehicles	29,349	36,543	34,933
Consumption credit	24,555	30,555	23,928
Community, social and personal service	1,189	3,090	8,259
	289,982	446,344	378,343

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7. Impaired Financing (cont'd)

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

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Manufacturing	11,989	40,874	24,660
Construction	75,116	175,116	71,810
Purchase of landed property:			
- Residential	87,401	100,192	159,345
- Non-residential	12,128	8,128	12,206
Real estate	-	9,342	-
Wholesale and retail and restaurant	19,958	32,082	33,360
Transport, storage and communication	143	80	45
Finance, takaful and business services	34,135	16,292	9,713
Purchase of securities	19	50	84
Purchase of transport vehicles	29,349	36,543	34,933
Consumption credit	24,555	30,555	23,928
Community, social and personal service	1,189	3,090	8,259
	295,982	452,344	378,343

(d) Impaired financing by geographical area

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Domestic	264,118	439,870	372,045
Labuan Offshore	25,864	6,474	6,298
	289,982	446,344	378,343

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Domestic	270,118	445,870	372,045
Labuan Offshore	25,864	6,474	6,298
	295,982	452,344	378,343

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8. Investment in associate companies

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Acquisition of a new associate	1,000	-	-
Share of loss of associates	(165)	-	-
	835	-	-

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Acquisition of a new associate	1,000	-	-

Details of the associates are as follows:-

Name	Principal activities	Paid up capital 31 December 2012	Percentage of equity held		
			31 December 2012 %	31 March 2012 %	1 April 2011 %
Pos Ar-Rahnu Sdn Bhd	Islamic Pawn broking	RM 5,000,000	20	-	-

9. Other Assets

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Deposits	6,420	5,388	4,606
Prepayments	4,631	2,823	2,428
Tax prepayment	170	265	15,726
Foreclosed properties	14,000	14,000	14,000
Other debtors	35,012	21,895	33,940
	60,233	44,371	70,700

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9. Other Assets (cont'd)

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Deposits	6,267	5,238	4,451
Prepayments	4,626	2,822	2,409
Tax prepayment	-	-	15,611
Amount due from subsidiaries	43	797	5,534
Foreclosed properties	14,000	14,000	14,000
Other debtors	26,088	14,537	21,640
	51,024	37,394	63,645

10. Deferred tax assets (net)

	31 December 2012 RM'000	Group and Bank 31 March 2012 RM'000 (restated)	1 April 2011 RM'000 (restated)
At 1 April, as previously stated	52,353	38,240	27,915
Effect of full adoption of MFRS 139 (Note 26 (a))	9,780	4,382	35,038
At 1 April, as restated	62,133	42,622	62,953
Recognised in income statement	(27,092)	11,352	(25,857)
Recognised in equity	(6,583)	8,159	5,526
As at 31 December	28,458	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:

	31 December 2012 RM'000	Group and Bank 31 March 2012 RM'000	1 April 2011 RM'000
Deferred tax assets	35,483	70,296	51,237
Deferred tax liabilities	(7,025)	(8,163)	(8,615)
	28,458	62,133	42,622

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10. 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 statement	5,022	6,362	(35,043)	(23,659)
Recognised in 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 (Note 26 (a))	4,382	-	-	4,382
	33,090	8,215	9,932	51,237
Recognised in income statement	6,346	4,099	455	10,900
Recognised in 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 (Note 26 (a))	9,780	-	-	9,780
	39,436	12,314	18,546	70,296
Recognised in income statement	(29,656)	1,498	(72)	(28,230)
Recognised in equity	-	-	(6,583)	(6,583)
As at 31 December 2012	9,780	13,812	11,891	35,483

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 income statement	(2,198)	(2,198)
At 31 March 2011	(8,615)	(8,615)
At 1 April 2011	(8,615)	(8,615)
Recognised in income statement	452	452
At 31 March 2012	(8,163)	(8,163)
At 1 April 2012	(8,163)	(8,163)
Recognised in income statement	1,138	1,138
At 31 December 2012	(7,025)	(7,025)

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11. Deposits From Customers

(a) By type of deposits

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Non-Mudharabah Fund			
Demand deposits	2,643,380	2,565,993	2,733,552
Savings deposits	503,791	469,668	474,723
Negotiable Islamic debt certificate	1,702,314	2,830,628	1,505,815
Others	226,655	536,112	17,582
	5,076,140	6,402,401	4,731,672
Mudharabah Fund			
Demand deposits	347,607	472,685	217,094
Savings deposits	469,578	355,220	222,945
General investment deposits	9,765,041	9,846,015	9,581,971
Special general investment deposits	799,201	1,074,766	1,462,491
	11,381,427	11,748,686	11,484,501
	16,457,567	18,151,087	16,216,173

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Non-Mudharabah Fund			
Demand deposits	2,649,901	2,573,653	2,740,169
Savings deposits	503,791	469,668	474,723
Negotiable Islamic debt certificate	1,702,314	2,830,628	1,505,815
Others	226,655	536,112	17,582
	5,082,661	6,410,061	4,738,289
Mudharabah Fund			
Demand deposits	347,607	472,685	217,094
Savings deposits	469,578	355,220	222,945
General investment deposits	9,765,040	9,846,015	9,581,971
Special general investment deposits	799,201	1,074,766	1,462,491
	11,381,426	11,748,686	11,484,501
	16,464,087	18,158,747	16,222,790

(b) By type of customer

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Government and statutory bodies	2,014,484	3,810,127	3,779,352
Business enterprises	8,285,875	7,195,021	6,648,290
Individuals	1,336,757	1,153,015	1,025,204
Others	4,820,451	5,992,924	4,763,327
	16,457,567	18,151,087	16,216,173

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11. Deposits From Customers (cont'd)

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

	Bank		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
Government and statutory bodies	2,014,484	3,810,127	3,779,352
Business enterprises	8,285,875	7,195,021	6,648,290
Individuals	1,336,757	1,153,015	1,025,204
Others	4,826,971	6,000,584	4,769,944
	16,464,087	18,158,747	16,222,790

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

	Group and Bank		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
Due within six months	10,007,658	11,928,972	11,124,254
More than six months to one year	2,243,464	1,813,119	1,405,514
More than one year to three years	15,433	9,319	20,555
	12,266,555	13,751,410	12,550,323

12. Deposit And Placements Of Banks And Other Financial Institutions

	Group and Bank		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
Non Mudharabah			
Bank Negara Malaysia	8,367	11,896	14,993
	8,367	11,896	14,993

13. Other Liabilities

	Group		
	31 December	31 March	1 April
	2012	2012	2011
	RM'000	RM'000	RM'000
Sundry creditors	4,313	1,410	7,788
Provision for commitments and contingencies (Note (a))	40,273	40,273	40,273
Accruals	32,123	29,749	42,653
Others	12,091	61,612	73,684
	88,800	133,044	164,398

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13. Other Liabilities (cont'd)

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Sundry creditors	4,317	1,599	7,764
Provision for commitments and contingencies (Note (a))	40,273	40,273	40,273
Accruals	31,965	29,734	42,575
Others	12,092	61,612	73,810
	88,646	133,218	164,422

(a) The provision relates to bank guarantees issued by the Bank that have a high likelihood to result in claims from the beneficiaries.

14. Provision For Zakat And Taxation

	31 December 2012 RM'000	Group 31 March 2012 RM'000	1 April 2011 RM'000
Zakat	4,572	3,087	5,228
Taxation	4,892	17,434	-
	9,464	20,521	5,228

	31 December 2012 RM'000	Bank 31 March 2012 RM'000	1 April 2011 RM'000
Zakat	4,572	3,087	5,228
Taxation	4,881	17,424	-
	9,453	20,511	5,228

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

Group and Bank	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Income derived from investment of:				
(a) General investment deposits	146,003	154,328	442,538	396,757
(b) Other deposits	86,329	49,627	247,575	225,314
	232,332	203,955	690,113	622,071

(a) Income derived from investment of general investment deposits

	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Finance income and hibah				
Income from financing	99,895	100,480	295,855	249,425
Financial investment held-for-trading	8	3	8	3
Financial investments held-for-maturity	802	49	28	125
Financial investments available-for-sale	29,590	32,641	97,824	78,818
Money at call and deposit with financial institutions	8,080	15,794	25,222	48,827
	138,375	148,965	418,937	377,198
Amortisation of premium less accretion of discounts	674	(665)	(503)	(2,872)
Total finance income and hibah	139,049	148,300	418,434	374,326
Other operating income				
Net gain/ (loss) from sale of:				
- financial investments held-for-trading	139	205	363	383
- financial investments available-for-sale	1,664	1,029	1,897	11,248
- financial investments held-to-maturity	(89)	-	8,652	-
- financing to customer	27	-	(1,965)	-
	1,741	1,234	8,947	11,631
Fees and commission				
Guarantee fees	351	1,140	1,704	1,996
Processing fees	1,389	108	2,279	470
Service charges and fees	1,409	1,583	4,487	4,111
Commission	2,064	1,963	6,687	4,223
	5,213	4,794	15,157	10,800
Total	146,003	154,328	442,538	396,757
Of which :				
Financing income earned on impaired financing	265	951	1,579	1,514

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16. Income Derived From Investment Of Depositors' Funds And Others (cont'd)

(b) Income derived from investment of other deposits

	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Finance income and hibah				
Income from financing	58,957	33,705	165,513	141,646
Financial investment held-for-trading	5	2	5	2
Financial investments held-for-maturity	437	16	16	71
Financial investments available-for-sale	17,624	11,295	54,727	44,760
Money at call and deposit with financial institutions	4,788	3,788	14,109	27,727
	81,811	48,806	234,370	214,206
Amortisation of premium less accretion of discounts	359	(32)	(281)	(1,631)
Total finance income and hibah	82,170	48,774	234,089	212,575
Other operating income				
Net gain/ (loss) from sale of:				
- financial investments held-for-trading	82	89	204	218
- financial investments available-for-sale	934	(1,019)	1,061	6,387
- financial investments held-to-maturity	88	-	4,841	-
- financing to customer	(16)	-	(1,099)	-
	1,088	(930)	5,007	6,605
Fees and commission				
Guarantee fees	217	513	953	1,134
Processing fees	791	5	1,275	267
Service charges and fees	836	503	2,510	2,335
Commission	1,227	760	3,741	2,398
	3,071	1,783	8,479	6,134
Total	86,329	49,627	247,575	225,314
Of which :				
Financing income earned on impaired financing	169	452	883	860

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17. Income Derived From Investment Of Shareholders' Funds

Group	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Finance income and hibah				
Financial investments available-for-sale	8,208	5,769	23,928	17,029
	8,208	5,769	23,928	17,029
Amortisation of premium less accretion of discounts	606	(46)	795	758
Total finance income and hibah	8,814	5,723	24,723	17,787
Other operating income				
Net gain from foreign exchange transaction	4,895	13,067	13,373	10,118
Net gain/ (loss) on revaluation from foreign exchange derivatives	2,644	(10,634)	2,438	(328)
Net gain from sale of financial investment available-for-sale	1,067	818	5,349	2,601
Net dividend paid for Islamic profit rate swap	(267)	(223)	(785)	(802)
Unrealised gain/ (loss) on revaluation of Islamic profit rate swap	5	(672)	(1,082)	(2,515)
Gross dividend income	-	5,909	1,934	8,864
	8,344	8,265	21,227	17,938
Fees and commission				
Processing fees	85	265	1,239	1,063
Corporate advisory fees	326	128	3,205	1,535
Service charges and fees	314	297	1,052	720
Commission	969	667	2,529	1,085
Others	14	13	55	599
	1,708	1,368	8,080	5,002
Other income				
Rental income	132	93	462	245
Gain/ (loss) on sale of property, plant and equipment	-	8	(55)	35
	132	103	407	280
Total	18,998	15,460	54,437	41,007

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17. Income Derived From Investment Of Shareholders' Funds (cont'd)

Bank	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Finance income and hibah				
Financial investments available-for-sale	8,208	5,769	23,928	17,029
	<u>8,208</u>	<u>5,769</u>	<u>23,928</u>	<u>17,029</u>
Amortisation of premium less accretion of discounts	606	(46)	795	758
Total finance income and hibah	<u>8,814</u>	<u>5,723</u>	<u>24,723</u>	<u>17,787</u>
Other operating income				
Net gain from foreign exchange transaction	4,895	13,067	13,373	10,118
Net gain/ (loss) on revaluation from exchange derivatives	2,644	(10,634)	2,438	(328)
Net gain from sale of financial investment available-for-sale	1,067	818	5,349	2,601
Net dividend paid for Islamic profit rate swap	(267)	(223)	(785)	(802)
Unrealised gain/ (loss) on revaluation of Islamic profit rate swap	5	(672)	(1,082)	(2,515)
Gross dividend income	-	5,909	1,934	8,864
	<u>8,344</u>	<u>8,265</u>	<u>21,227</u>	<u>17,938</u>
Fees and commission				
Processing fees	85	265	1,239	1,063
Corporate advisory fees	325	126	3,223	1,529
Service charges and fees	131	211	386	457
Commission	969	667	2,529	1,085
Others	14	13	55	599
	<u>1,524</u>	<u>1,282</u>	<u>7,432</u>	<u>4,733</u>
Other income				
Rental income	132	93	462	245
Gain/ (loss) on sale of property, plant and equipment	-	8	(55)	35
	<u>132</u>	<u>102</u>	<u>407</u>	<u>280</u>
Total	<u>18,814</u>	<u>15,372</u>	<u>53,789</u>	<u>40,738</u>

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18. Allowance For Impairment On Financing

Group	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000 (restated)	31 December 2012 RM'000	31 December 2011 RM'000 (restated)
(Writeback of)/allowance for impairment on financing				
(a) Individual assessment allowance				
Made during the period	6,619	21,651	21,320	66,030
Written back during the period	(4,467)	(4,095)	(22,022)	(17,327)
	<u>2,152</u>	<u>17,558</u>	<u>(702)</u>	<u>48,704</u>
(b) Collective assessment allowance				
Made during the period	111,531	50,119	278,798	193,305
Written back during the period	(109,338)	(53,220)	(280,310)	(176,644)
	<u>2,193</u>	<u>(3,101)</u>	<u>(1,512)</u>	<u>16,661</u>
Bad debts on financing:				
Written off	3,216	59	3,699	833
Recovered	(4,855)	(4,860)	(13,457)	(20,046)
	<u>2,706</u>	<u>9,654</u>	<u>(11,972)</u>	<u>46,151</u>

Bank	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000 (restated)	31 December 2012 RM'000	31 December 2011 RM'000 (restated)
(Writeback of)/allowance for impairment on financing				
(a) Individual assessment allowance				
Made during the period	6,619	21,651	21,320	66,030
Written back during the period	(4,467)	(4,095)	(22,022)	(17,327)
	<u>2,152</u>	<u>17,558</u>	<u>(702)</u>	<u>48,703</u>
(b) Collective assessment allowance				
Made during the period	111,531	50,119	278,798	193,305
Written back during the period	(109,338)	(53,220)	(280,310)	(176,644)
	<u>2,193</u>	<u>(3,101)</u>	<u>(1,512)</u>	<u>16,661</u>
Bad debts on financing:				
Written off	3,216	59	3,699	833
Recovered	(4,855)	(4,860)	(13,457)	(20,046)
	<u>2,706</u>	<u>9,654</u>	<u>(11,972)</u>	<u>46,151</u>

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19. Impairment write back on investments

Group	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Impairment loss/(writeback) on corporate bonds included under available-for-sale financial investments	(1,988)	(5,825)	6,852	(24,518)
Impairment writeback on corporate bonds included under held-to-maturity financial investments	-	-	(2,061)	-
	(1,988)	(5,825)	4,791	(24,518)

Bank	3 months ended		9 months ended	
	31 December 2012 RM'000	31 December 2011 RM'000	31 December 2012 RM'000	31 December 2011 RM'000
Impairment loss/(writeback) on corporate bonds included under available-for-sale financial investments	(1,988)	(5,825)	6,852	(24,518)
Impairment writeback on corporate bonds included under held-to-maturity financial investments	-	-	(2,061)	-
	(1,988)	(5,825)	4,791	(24,518)

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20. Income Attributable To Depositors

Group	3 months ended		9 months ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	88,656	68,715	244,372	212,235
Non-Mudharabah funds	18,350	15,731	61,579	41,083
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	43	97	95	99
Non-Mudharabah funds	1,634	3,436	5,289	5,390
	108,684	87,980	311,335	258,807

Bank	3 months ended		9 months ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	88,698	68,758	244,499	212,353
Non-Mudharabah funds	18,350	15,731	61,579	41,084
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	43	97	95	99
Non-Mudharabah funds	1,634	3,436	5,289	5,390
	108,725	88,023	311,462	258,926

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21. Zakat

Group and Bank	3 months ended		9 months ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	1,589	865	4,572	2,542

22. Taxation

Group	3 months ended		9 months ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Current income tax	15,988	7,536	48,870	30,336
(Over)/under provision in prior year	(24)	153	(28,578)	(22,449)
	<u>15,964</u>	<u>7,689</u>	<u>20,292</u>	<u>7,887</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,998)	(359)	(2,563)	(2,660)
Under provision in prior years	-	2,018	29,656	26,188
	<u>(1,998)</u>	<u>1,659</u>	<u>27,093</u>	<u>23,528</u>
	<u>13,966</u>	<u>9,348</u>	<u>47,385</u>	<u>31,415</u>

Bank	3 months ended		9 months ended	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Current income tax	15,980	7,531	48,816	30,297
(Over)/under provision in prior year	(24)	153	(28,564)	(22,449)
	<u>15,956</u>	<u>7,684</u>	<u>20,252</u>	<u>7,848</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,998)	(359)	(2,563)	(2,660)
Under provision in prior years	-	2,018	29,656	26,188
	<u>(1,998)</u>	<u>1,659</u>	<u>27,093</u>	<u>23,528</u>
	<u>13,958</u>	<u>9,343</u>	<u>47,345</u>	<u>31,376</u>

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22. Taxation (cont'd)

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.

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

23. Credit Exposures Arising From Credit Transactions With Connected Parties

	Group and Bank	
	31 December	31 March
	2012	2012
	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>959,246</u>	<u>1,113,171</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>4.8%</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 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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24. 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 31 December 2012 are as follows:

	Group and Bank 31 December 2012		
	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	6,337	6,337	6,337
Trade-related contingencies	100,087	20,017	8,161
Transaction related contingencies	532,494	266,247	205,783
Obligations under an on-going underwriting agreement	25,000	12,500	2,500
Housing financing sold directly and indirectly to Cagamas with recourse	62,416	62,416	30,546
Credit extension commitment:			
Maturity within one year	733,010	146,602	112,720
Maturity exceeding one year	1,985,625	992,812	276,690
Bills of collection	64,450	-	-
Islamic derivative financial instruments			
Foreign exchange related contracts	218,281	354	295
Profit rate related contracts	75,000	6,000	1,200
	3,802,700	1,513,285	644,232

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24. Commitments And Contingencies (cont'd)

Group and Bank
31 March 2012

	Principal Amount RM'000	Credit Equivalent Amount RM'000	Total Risk Weighted Amount RM'000
The commitments and contingencies constitute the following:			
Commitments and contingencies			
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	-	-
Islamic derivative financial instruments			
Foreign exchange related contracts	870,214	5,001	3,783
Profit rate related contracts	75,000	6,000	1,200
	<u>4,287,269</u>	<u>1,580,698</u>	<u>741,061</u>

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24. Commitments And Contingencies (cont'd)

Group and Bank
1 April 2011

	Principal Amount RM'000	Credit Equivalent Amount RM'000	Total Risk Weighted Amount RM'000
The commitments and contingencies constitute the following:			
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	-	-
Islamic derivative financial instruments			
Foreign exchange related contracts	1,796,996	2,131	1,608
Profit rate related contracts	75,000	6,000	1,200
	5,820,824	2,035,525	1,010,976

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25. Capital Adequacy

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

	Group			Bank		
	31 December 2012 RM'000	31 March 2012 RM'000	1 April 2011 RM'000	31 December 2012 RM'000	31 March 2012 RM'000	1 April 2011 RM'000
Computation of Total Risk Weighted Assets ("RWA")						
Total credit RWA	9,459,043	8,854,238	7,948,103	9,443,663	8,840,877	7,934,560
Total market RWA	58,020	115,622	75,061	58,020	115,622	75,061
Total operational RWA	1,014,958	1,006,091	960,106	1,014,619	998,498	953,244
Total RWA	10,532,021	9,975,951	8,983,270	10,516,302	9,954,997	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	1,000,000	1,000,000
Statutory reserve	315,385	315,385	272,893	313,788	313,788	271,603
Retained profits	141,248	170,589	128,097	141,949	171,290	129,105
Less: Deferred tax assets (net)	(62,133)	(52,353)	(38,240)	(62,133)	(52,353)	(38,240)
Total Tier-I Capital	1,394,500	1,433,621	1,362,750	1,393,604	1,432,725	1,362,468
<u>Tier-II capital</u>						
Subordinated sukuk	400,962	406,079	250,000	400,962	406,079	250,000
Collective assessment allowance*	125,999	128,332	114,833	125,999	128,332	114,833
Total Tier-II Capital	526,961	534,411	364,833	526,961	534,411	364,833
Less: Investment in subsidiary	-	-	-	(6,384)	(6,384)	(6,484)
Capital Base	1,921,461	1,968,032	1,727,583	1,914,181	1,960,752	1,720,817
Core Capital	1,394,500	1,433,621	1,362,750	1,393,604	1,432,725	1,362,468
Capital Base	1,921,461	1,968,032	1,727,583	1,914,181	1,960,752	1,720,817
Core Capital Ratio	13.2%	14.4%	15.2%	13.3%	14.4%	15.2%
Risk- Weighted capital ratio	18.2%	19.7%	19.2%	18.2%	19.7%	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 RM113.7 million.

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25. Capital Adequacy (Cont'd)

Credit risk disclosure by risk weights of the Group as at 31 December, are as follows :

	Group			
	31 December 2012 RM'000	Total risk weighted assets RM'000	31 March 2012 RM'000	Total risk weighted assets RM'000
	Total exposures after netting and credit risk mitigation RM'000		Total exposures after netting and credit risk mitigation RM'000	
0%	7,347,910	-	9,387,217	-
20%	1,912,471	382,494	2,238,923	447,785
35%	962,618	336,916	829,206	290,222
50%	810,602	405,301	931,978	465,989
75%	3,246,169	2,434,627	3,332,019	2,499,014
100%	5,798,686	5,798,686	4,989,859	4,989,859
150%	67,346	101,019	107,580	161,369
Risk weighted assets for credit risk	20,145,802	9,459,043	21,816,782	8,854,238
Risk weighted assets for market risk		58,020		115,622
Risk weighted assets for operational risk		1,014,958		1,006,091
Total risk weighted assets		10,532,021		9,975,951

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25. Capital Adequacy (Cont'd)

Credit risk disclosure by risk weights of the Bank as at 31 December, are as follows :

	Bank			
	31 December 2012 RM'000			31 March 2012 RM'000
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	7,347,910	-	9,387,217	-
20%	1,912,471	382,494	2,238,923	447,785
35%	962,618	336,916	829,206	290,222
50%	810,602	405,301	931,978	465,989
75%	3,246,169	2,434,627	3,332,019	2,499,014
100%	5,783,058	5,783,058	4,976,498	4,976,498
150%	67,511	101,267	107,580	161,369
Risk weighted assets for credit risk	20,130,339	9,443,663	21,803,421	8,840,877
Risk weighted assets for market risk		58,020		115,622
Risk weighted assets for operational risk		1,014,619		998,498
Total risk weighted assets		10,516,302		9,954,997

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

- (a) The changes in accounting policies which resulted in retrospective application by the Group and the Bank are as follows:

	Group and Bank	
	31 December 2012 RM'000	31 March 2012 RM'000
Effect of adopting new policy on collective impairment allowance under MFRS 139		
- Impairment assessment	(892)	(39,122)
- Deferred tax assets	223	9,780
	(669)	(29,342)

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.

	As at 31 March 2012		
	As previously reported RM'000	Effect on full adoption of MFRS 139 RM'000	As restated RM'000
Statements of financial position			
Group			
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
Bank			
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

	As at 1 April 2011		
	As previously reported RM'000	Effect on full adoption of MFRS 139 RM'000	As restated RM'000
Statements of financial position			
Group			
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
Bank			
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

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26. 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 and the Bank 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 31 Dec 2011 RM'000	Adjustments RM'000	MFRS as at 31 Dec 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
Group									
ASSETS									
Cash and short-term funds	6,199,953	-	6,199,953	2,946,033	-	2,946,033	4,391,223	-	4,391,223
Cash and placements with financial institutions	251,012	-	251,012	19,008	-	19,008	110,333	-	110,333
Financial investments held-to-maturity	28,585	-	28,585	75,744	-	75,744	28,522	-	28,522
Financial investments available-for-sale	4,370,987	-	4,370,987	5,538,709	-	5,538,709	6,144,018	-	6,144,018
Islamic derivative financial assets	5,177	-	5,177	6,280	-	6,280	4,150	-	4,150
Financing of customers	7,148,160	(17,526)	7,130,634	8,057,992	(27,604)	8,030,388	9,038,483	(39,122)	8,999,361
Other assets	70,700	-	70,700	117,161	-	117,161	44,371	-	44,371
Statutory deposits with Bank Negara Malaysia	94,121	-	94,121	439,721	-	439,721	527,721	-	527,721
Deferred tax assets (net)	38,240	4,382	42,622	20,591	6,901	27,492	52,353	9,780	62,133
Investment in subsidiaries	-	-	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	-	-	45,972	-	45,972
Property, plant and equipment	101,521	-	101,521	79,724	-	79,724	81,072	-	81,072
Prepaid land lease payment	255	-	255	252	-	252	251	-	251
	18,308,711	(13,144)	18,295,567	17,301,215	(20,703)	17,280,512	20,468,469	(29,342)	20,439,127

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26. 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 31 Dec 2011 RM'000	Adjustments RM'000	MFRS as at 31 Dec 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
Group									
LIABILITIES									
Deposits from customers	16,216,173	-	16,216,173	14,593,400	-	14,593,400	18,151,087	-	18,151,087
Deposits and placements of banks and other financial institutions	14,993	-	14,993	296,764	-	296,764	11,896	-	11,896
Islamic derivative financial liabilities	3,986	-	3,986	7,934	-	7,934	5,630	-	5,630
Bills and acceptances payable	291,375	-	291,375	412,199	-	412,199	310,324	-	310,324
Other liabilities	164,398	-	164,398	181,199	-	181,199	133,044	-	133,044
Provision for zakat and taxation	5,228	-	5,228	2,572	-	2,572	20,521	-	20,521
Subordinated sukuk	251,128	-	251,128	400,000	-	400,000	406,079	-	406,079
	16,947,281	-	16,947,281	15,894,068	-	15,894,069	19,038,581	-	19,038,581
SHAREHOLDERS' EQUITY									
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	407,147	(20,703)	386,444	429,888	(29,342)	400,546
Total shareholders' equity	18,308,711	(13,144)	18,295,567	17,301,215	(20,703)	17,280,513	20,468,469	(29,342)	20,439,127

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

(c) Reconciliation of equity (cont'd)

	FRS as at 1 April 2011 RM'000	Adjustments RM'000	MFRS as at 1 April 2011 RM'000	FRS as at 31 Dec 2011 RM'000	Adjustments RM'000	MFRS as at 31 Dec 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
Bank									
ASSETS									
Cash and short-term funds	6,199,953	-	6,199,953	2,946,033	-	2,946,033	4,391,223	-	4,391,223
Cash and placements with financial institutions	251,012	-	251,012	19,008	-	19,008	110,333	-	110,333
Financial investments held-to-maturity	28,585	-	28,585	75,744	-	75,744	28,522	-	28,522
Financial investments available-for-sale	4,360,187	-	4,360,187	5,527,909	-	5,527,909	6,139,218	-	6,139,218
Islamic derivative financial assets	5,177	-	5,177	6,280	-	6,280	4,150	-	4,150
Financing of customers	7,166,034	(17,526)	7,148,508	8,075,190	(27,604)	8,047,586	9,050,805	(39,122)	9,011,683
Other assets	63,645	-	63,645	110,459	-	110,459	37,394	-	37,394
Statutory deposits with Bank Negara Malaysia	94,121	-	94,121	439,721	-	439,721	527,721	-	527,721
Deferred tax assets (net)	38,240	4,382	42,622	20,591	6,901	27,492	52,353	9,780	62,133
Investment in subsidiaries	6,484	-	6,484	6,484	-	6,484	6,384	-	6,384
Investment in associates	-	-	-	-	-	-	45,972	-	45,972
Property, plant and equipment	101,516	-	101,516	79,724	-	79,724	81,072	-	81,072
Prepaid land lease payment	255	-	255	252	-	252	251	-	251
	18,315,209	(13,144)	18,302,065	17,307,395	(20,703)	17,286,693	20,475,398	(29,342)	20,446,056

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26. 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 31 Dec 2011 RM'000	Adjustments RM'000	MFRS as at 31 Dec 2011 RM'000	FRS as at 1 April 2012 RM'000	Adjustments RM'000	MFRS as at 1 April 2012 RM'000
Bank									
LIABILITIES									
Deposits from customers	16,222,790	-	16,222,790	14,600,211	-	14,600,211	18,158,747	-	18,158,747
Deposits and placements of banks and other financial institutions	14,993	-	14,993	296,764	-	296,764	11,896	-	11,896
Islamic derivative financial liabilities	3,986	-	3,986	7,934	-	7,934	5,630	-	5,630
Bills and acceptances payable	291,375	-	291,375	412,199	-	412,199	310,324	-	310,324
Other liabilities	164,422	-	164,422	181,392	-	181,392	133,218	-	133,218
Provision for zakat and taxation	5,228	-	5,228	2,542	-	2,542	20,511	-	20,511
Subordinated sukuk	251,128	-	251,128	400,000	-	400,000	406,079	-	406,079
	16,953,922	-	16,953,922	15,901,042	-	15,901,042	19,046,405	-	19,046,405
SHAREHOLDERS' EQUITY									
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	406,353	(20,703)	385,650	428,993	(29,342)	399,651
Total shareholders' equity	18,315,209	(13,144)	18,302,065	17,307,395	(20,703)	17,286,692	20,475,398	(29,342)	20,446,056

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

(d) Reconciliation of total comprehensive income for the period ended 31 December 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 31 Dec 2011 RM'000	Adjustments RM'000	MFRS as at 31 Dec 2011 RM'000	FRS as at 31 March 2012 RM'000	Adjustments RM'000	MFRS as at 31 March 2012 RM'000
Group						
Income derived from investment of depositors' funds and others	622,071	-	622,071	838,499	-	838,499
Income derived from investment of shareholders' funds	41,007	-	41,007	55,092	-	55,092
Allowance for impairment on financing	(36,073)	(10,078)	(46,151)	(41,451)	(21,596)	(63,047)
Impairment writeback on investments	24,518	-	24,518	10,317	-	10,317
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(13,547)	-	(13,547)	(20,752)	-	(20,752)
Total distributable income	637,976	(10,078)	627,898	841,705	(21,596)	820,109
Income attributable to depositors	(258,807)	-	(258,807)	(364,565)	-	(364,565)
Total net income	379,169	(10,078)	369,091	477,140	(21,596)	455,544
Personnel expenses	(134,530)	-	(134,530)	(170,947)	-	(170,947)
Other overheads and expenditures	(125,104)	-	(125,104)	(158,571)	-	(158,571)
Finance cost	(18,252)	-	(18,252)	(23,478)	-	(23,478)
Profit before zakat and taxation	101,283	(10,078)	91,205	124,144	(21,596)	102,548
Zakat	(2,542)	-	(2,542)	(3,087)	-	(3,087)
Taxation	(33,934)	2,520	(31,415)	(36,073)	5,399	(30,674)
Profit for the period	64,807	(7,558)	57,248	84,984	(16,197)	68,787
Other comprehensive income/(loss):						
Net unrealised loss on revaluation of financial investments available-for-sale	(28,987)	-	(28,987)	(24,215)	-	(24,215)
Income tax relating to components of other comprehensive income	8,399	-	8,399	8,159	-	8,159
Exchange fluctuation reserve	1,498	-	1,498	(470)	-	(470)
Other comprehensive loss for the period, net of tax	(19,090)	-	(19,090)	(16,526)	-	(16,526)
Total comprehensive income for the period	45,717	(7,558)	38,158	68,458	(16,197)	52,261

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

(d) Reconciliation of total comprehensive income for the period ended 31 December 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 31 Dec 2011 RM'000	Adjustments RM'000	MFRS as at 31 Dec 2011 RM'000	FRS as at 31 March 2012 RM'000	Adjustments RM'000	MFRS as at 31 March 2012 RM'000
Bank						
Income derived from investment of depositors' funds and others	622,071	-	622,071	838,499	-	838,499
Income derived from investment of shareholders' funds	40,738	-	40,738	54,401	-	54,401
Allowance for impairment on financing	(36,073)	(10,078)	(46,151)	(47,451)	(21,596)	(69,047)
Impairment writeback on investments	24,518	-	24,518	16,217	-	16,217
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(13,547)	-	(13,547)	(20,752)	-	(20,752)
Total distributable income	637,707	(10,078)	627,629	840,914	(21,596)	819,318
Income attributable to depositors	(258,926)	-	(258,926)	(364,736)	-	(364,736)
Total net income	378,781	(10,078)	368,703	476,178	(21,596)	454,582
Personnel expenses	(133,999)	-	(133,999)	(170,256)	-	(170,256)
Other overheads and expenditures	(125,270)	-	(125,270)	(159,204)	-	(159,204)
Finance cost	(18,109)	-	(18,109)	(23,231)	-	(23,231)
Profit before zakat and taxation	101,403	(10,078)	91,325	123,487	(21,596)	101,891
Zakat	(2,542)	-	(2,542)	(3,087)	-	(3,087)
Taxation	(33,896)	2,520	(31,376)	(36,030)	5,399	(30,631)
Profit for the period	64,965	(7,558)	57,407	84,370	(16,197)	68,173
Other comprehensive income/(loss):						
Net unrealised loss on revaluation of financial investments available-for-sale	(29,797)	-	(29,797)	(24,354)	-	(24,354)
Income tax relating to components of other comprehensive income	8,399	-	8,399	8,159	-	8,159
Exchange fluctuation reserve	1,498	-	1,498	(470)	-	(470)
Other comprehensive loss for the period, net of tax	(19,900)	-	(19,900)	(16,665)	-	(16,665)
Total comprehensive income for the period	45,065	(7,558)	37,507	67,705	(16,197)	51,508

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27. Reclassification of investment held-to-maturity to investment designated at fair value through profit and loss

- (a) The changes in accounting policies which resulted in retrospective application by the Group and the Bank are as follows:

	Group and Bank	
	31 December	31 March
	2012	2012
	RM'000	RM'000
Effect of reclassification of investment held-to-maturity to investment designated at fair value through profit and loss		
Held-to-maturity		
At beginning/end of period, as previously stated		
Unquoted Islamic private debt securities in Malaysia	27,947	27,947
Foreign Islamic private debt securities and sukuk	45,972	45,972
Unquoted shares in Malaysia	575	575
Effect of reclassification of investment held-to-maturity to investment designated at fair value through profit and loss	(45,972)	(45,972)
At beginning / end of period, restated	28,522	28,522
Financial investments designated at fair value through profit and loss		
At beginning/end of period, as previously stated	-	-
Effect of reclassification of investment held-to-maturity to investment designated at fair value through profit and loss	45,972	45,972
At beginning/ end period, restated	45,972	45,972