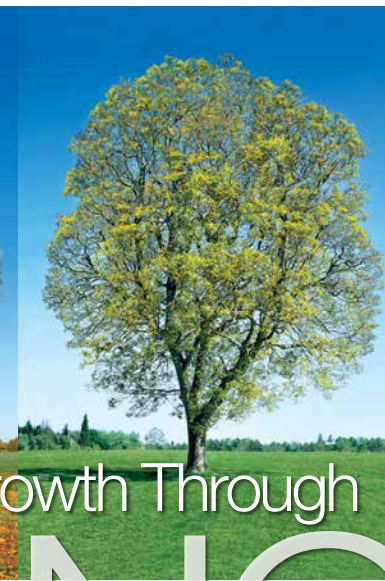
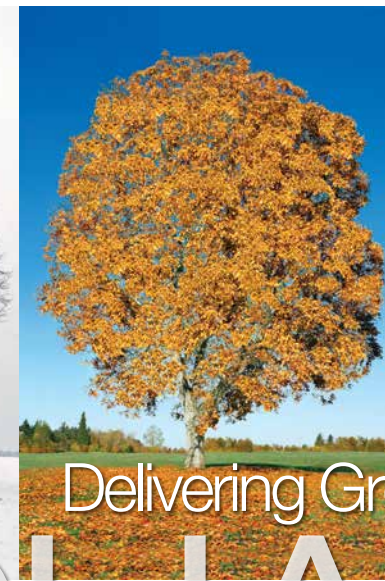


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Bank Muamalat Malaysia Berhad (6175-W)
Menara Bumiputra, Jalan Melaka, 50100 Kuala Lumpur



Delivering Growth Through

CHANGE

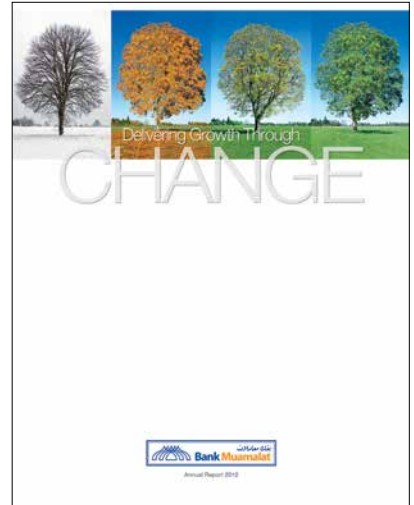


Annual Report 2012

A large, dark silhouette of a tree stands on the left side of the page, set against a background of a sunset sky with soft orange and blue tones. Below the tree, a dark silhouette of a mountain range is visible, and in the distance, a body of water with a small boat can be seen.

CONTENTS

- 04 10 Years Financial Highlights
- 06 Statements of Financial Position
- 07 Statements of Comprehensive Income
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Delivering Growth through Change

Change is inevitable, necessary, and even desirable. Everything is in the process of becoming something else. Indeed, the most important thing as an organisation grows is that it may need to change to become more profitable or to adapt to market changes. Bank Muamalat Malaysia Berhad's 5 year business plan to bring in the changes is consistent with the objective of taking the organisation to greater heights with Islamic financing in Malaysia continuing to develop robustly, Bank Muamalat Malaysia Berhad is well positioned to achieving its vision of becoming the preferred Islamic financial services provider. This year's cover reflects the continuity of our growth as we continue to propel our organisation towards a brighter future.

OURVISION

TO BECOME THE PREFERRED ISLAMIC
FINANCIAL SERVICES PROVIDER

OURMISSION

TO DELIVER BEST VALUE TO THE
STAKEHOLDERS

SHAREDVALUES

CARE

RESPECT

INTEGRITY

INNOVATIVE

SERVICE ORIENTED



Bank Muamalat Malaysia Berhad's (the Bank) logo and identity is essentially formed by a dynamic line in a continuous motion. The principal objective of efficiency and dynamism are reflected by this single line. The single line signifies an efficient, clear and focused vision. This reflects the strong relationship between the bank and its customers.

The dome is a basic design element of Islamic architecture. It is used to signify the place for prayers and shelter. This represents the products and services that the Bank can offer to its customers. The five domes are representative of the five tenets of Islam and the five times Muslims are called to pray. The five points are also used in relation to the five principles of the Rukun Negara, giving a truly Malaysian objective to its existence. The linkage of the five domes with a single line signifies networking of the Bank and the relationship between Bank, customers and its external environment.

This networking and togetherness translate the very meaning of Muamalat itself, which is "relationship between mankind".

An hour glass embedded in the centre within the logo design stands for the time which is the essence of a bank. Investments grow overtime.

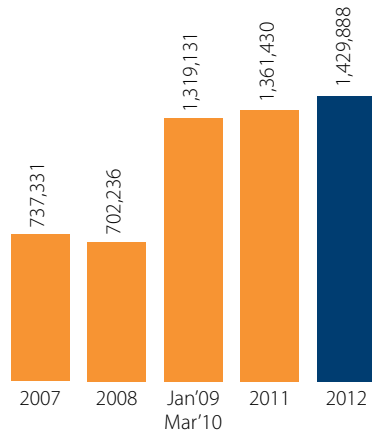
Two colours are used within the logo. Sultan blue, a royal colour is used to provide a feeling of strength and confidence. Orange is a warm and exciting colour. It gives light and signifies growth. The orange is used to signify the warmth of the Bank which is in continuous growth, never static but always dynamic.

10 YEARS FINANCIAL HIGHLIGHTS (2002-2012) – GROUP

	2002	2003	2004	2005	2006	2007	2008	Jan 2009- Mar 2010	2011	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total Shareholders Fund	349,434	353,020	507,564	523,683	713,126	737,331	702,236	1,319,131	1,361,430	1,429,888
Profit/(Loss) Before Tax	15,640	7,267	(26,819)	41,251	103,409	64,238	44,068	142,061	204,311	124,144
Profit/(Loss) After Tax	9,617	3,586	(28,720)	32,328	72,520	48,138	31,951	98,834	133,577	84,984
Total Assets	6,565,769	7,315,942	8,070,831	10,269,647	13,450,636	13,808,090	14,398,645	16,733,420	18,308,711	20,468,469
Total Deposits	6,029,351	6,846,533	7,455,010	9,373,971	12,178,691	12,172,868	12,447,970	14,920,856	16,216,173	18,151,087
Total Financing	2,312,405	2,272,526	2,887,415	4,154,021	5,373,343	5,870,585	6,427,747	7,037,126	7,148,160	9,038,483
No. of Branches	40	40	41	42	43	48	48	49	51	58
No. of Service Centres/ Kiosk	–	7	7	6	6	3	5	6	4	2
No. of Offshore Branches/ Labuan	1	1	1	1	1	1	1	1	1	1
No. of Staff	1,174	1,244	1,241	1,145	1,380	1,454	1,419	1,584	1,763	1,929
RETURN ON ASSET (%)	0.26	0.10	(0.35)	0.45	0.87	0.47	0.31	0.73	1.17	0.64
RETURN ON EQUITY (%)	4.61	2.07	(6.23)	8.00	16.72	8.86	6.12	11.24	15.24	8.90

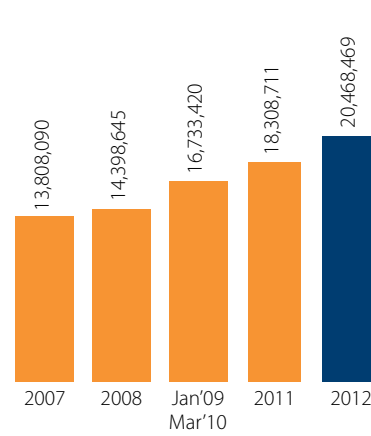
TOTAL SHAREHOLDERS FUND

(RM Million)



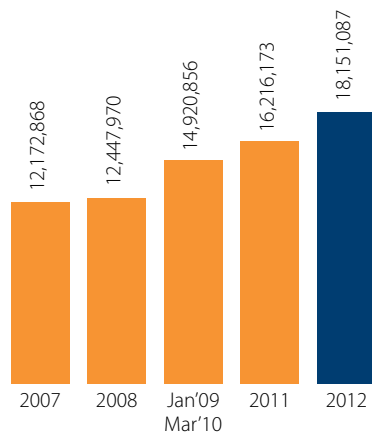
TOTAL ASSETS

(RM Million)



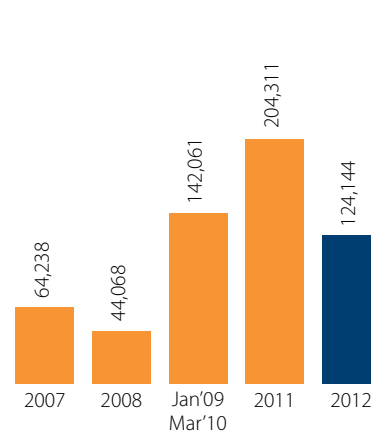
TOTAL DEPOSITS

(RM Million)



PBT

(RM Million)



STATEMENTS OF FINANCIAL POSITION

As at 31 March 2012 (8 Jamadil Awal 1433H)

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Assets				
Cash and short-term funds	4,391,223	6,199,953	4,391,223	6,199,953
Cash and placements with financial institutions	110,333	251,012	110,333	251,012
Financial investment held-to-maturity	74,494	28,585	74,494	28,585
Financial investment available-for-sale	6,144,018	4,370,987	6,139,218	4,360,187
Islamic derivative financial assets	4,150	5,177	4,150	5,177
Financing of customers	9,038,483	7,148,160	9,050,805	7,166,034
Other assets	44,371	70,700	37,394	63,645
Statutory deposits with Bank Negara Malaysia	527,721	94,121	527,721	94,121
Deferred tax assets	52,353	38,240	52,353	38,240
Investment in subsidiaries	–	–	6,384	6,484
Property, plant and equipment	81,072	101,521	81,072	101,516
Prepaid land lease payment	251	255	251	255
Total assets	20,468,469	18,308,711	20,475,398	18,315,209
Liabilities				
Deposits from customers	18,151,087	16,216,173	18,158,747	16,222,790
Deposits and placements of banks and other financial institutions	11,896	14,993	11,896	14,993
Islamic derivative financial liabilities	5,630	3,986	5,630	3,986
Bills and acceptances payable	310,324	291,375	310,324	291,375
Other liabilities	133,044	164,398	133,218	164,422
Provision for zakat and taxation	20,521	5,228	20,511	5,228
Subordinated bonds	406,079	251,128	406,079	251,128
Total liabilities	19,038,581	16,947,281	19,046,405	16,953,922
Shareholders' equity				
Share capital	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	429,888	361,430	428,993	361,287
Total shareholders' equity	1,429,888	1,361,430	1,428,993	1,361,287
Total liabilities and shareholders' equity	20,468,469	18,308,711	20,475,398	18,315,209
Commitments and contingencies	4,287,269	5,820,824	4,287,269	5,820,824
Capital adequacy *				
Core capital ratio	14.4%	15.2%	14.4%	15.2%
Risk-weighted capital ratio	19.7%	19.2%	19.7%	19.2%

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

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2012 (8 Jamadil Awal 1433H)

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income derived from investment of depositors' funds and others	838,499	757,951	838,499	757,951
Income derived from investment of shareholders' funds	55,092	63,632	54,401	63,547
Allowance for impairment on financing	(41,451)	(36,127)	(47,541)	(36,127)
Provision for commitments and contingencies	-	(32,861)	-	(32,861)
Impairment writeback on investments	10,317	59,617	16,217	59,699
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(20,752)	(18,345)	(20,752)	(18,345)
TOTAL DISTRIBUTABLE INCOME	841,705	793,867	840,914	793,864
Income attributable to depositors	(364,565)	(300,499)	(364,736)	(300,641)
TOTAL NET INCOME	477,140	493,368	476,178	493,223
Personnel expenses	(170,947)	(157,577)	(170,256)	(156,871)
Other overheads and expenditures	(158,571)	(115,855)	(159,204)	(115,940)
Finance cost	(23,478)	(15,625)	(36,030)	(15,625)
PROFIT BEFORE ZAKAT AND TAXATION	124,144	204,311	123,487	204,787
Zakat	(3,087)	(8,174)	(3,087)	(8,174)
Taxation	(36,073)	(62,560)	(36,030)	(62,599)
NET PROFIT FOR THE YEAR/PERIOD	84,984	133,577	84,370	134,014
Other comprehensive income/(loss):				
Net gain/(loss) on revaluation of financial investment available-for-sale	(24,215)	18,386	(24,354)	18,376
Income tax relating to components of other comprehensive income	8,159	(5,526)	8,159	(5,526)
Exchange fluctuation reserve	(470)	1,083	(470)	1,083
Other comprehensive (loss)/income for the year, net of tax	(16,526)	13,943	(16,665)	13,933
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	68,458	147,520	67,705	147,947
Earnings per share attributable to share holders of the Bank (sen) (basic and diluted):	8.5	13.4		

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

STATEMENTS OF CHANGES IN EQUITY

As at 31 March 2012 (8 Jamadil Awal 1433H)

Group	Attributable to Shareholders of the Bank					
	Non-distributable					Total equity RM'000
	Ordinary shares RM'000	Statutory reserve* RM'000	Exchange fluctuation reserve RM'000	Available-for-sale reserve RM'000	Distributable retained profits RM'000	
At 1 April 2011	1,000,000	272,893	553	(40,113)	128,097	1,361,430
Total comprehensive income for the year	–	–	(470)	(16,056)	84,984	68,458
Transfer to statutory reserve	–	42,492	–	–	(42,492)	–
At 31 March 2012	1,000,000	315,385	83	(56,169)	170,589	1,429,888
At 1 April 2010	1,000,000	206,105	(530)	(52,973)	61,308	1,213,910
Total comprehensive income for the year	–	–	1,083	12,860	133,577	147,520
Transfer to statutory reserve	–	66,788	–	–	(66,788)	–
At 31 March 2011	1,000,000	272,893	553	(40,113)	128,097	1,361,430

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BANK MUAMALAT MALAYSIA BERHAD (6175-W)

Bank	Attributable to Shareholders of the Bank					
	Non-distributable					Total equity RM'000
	Ordinary shares RM'000	Statutory reserve* RM'000	Exchange fluctuation reserve RM'000	Available-for-sale reserve RM'000	Distributable retained profits RM'000	
At 1 April 2011	1,000,000	271,603	553	(39,974)	129,105	1,361,287
Total comprehensive income for the year	–	–	(470)	(16,194)	84,370	67,706
Transfer to statutory reserve	–	42,185	–	–	(42,185)	–
At 31 March 2012	1,000,000	313,788	83	(56,168)	171,290	1,428,993
At 1 April 2010	1,000,000	204,596	(530)	(52,824)	62,098	1,213,340
Total comprehensive income for the year	–	–	1,083	12,850	134,014	147,947
Transfer to statutory reserve	–	67,007	–	–	(67,007)	–
At 31 March 2011	1,000,000	271,603	553	(39,974)	129,105	1,361,287

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2012 (8 Jamadil Awal 1433H)

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from operating activities				
Profit before zakat and taxation	124,144	204,311	123,487	204,787
Adjustment for				
Amortisation of prepaid land lease payment (Note 30)	4	5	4	5
Depreciation of property, plant and equipment (Note 30)	16,205	13,638	16,200	13,612
Gain on disposal of property, plant and equipment (Note 23)	(66)	–	(66)	–
Property, plant and equipment written-off (Note 30)	31,595	748	31,595	748
Amortisation of premium less accretion of discount (Note 22 and 23)	3,976	14,584	3,976	14,584
Net gain from sale of financial investment available-for-sale (Note 22 and 23)	(22,948)	(2,202)	(22,948)	(2,202)
Net gain from sale of financial investment held-for-trading (Note 22)	(2,561)	(1,170)	(2,561)	(1,170)
Net gain on revaluation of foreign exchange transaction (Note 23)	(11,819)	(14,013)	(11,819)	(14,013)
Net gain from foreign exchange derivatives (Note 23)	(1,060)	(2,523)	(1,060)	(2,523)
Unrealised loss on revaluation of islamic profit rate swap (Note 23)	2,474	158	2,474	158
Impairment writeback on investments (Note 25)	(10,317)	(59,617)	(16,317)	(59,617)
Impairment loss/(writeback) of investment in subsidiaries (Note 25)	–	–	100	(82)
Allowance for impairment on financing (Note 24)	68,814	45,403	74,814	45,403
Financing written off	1,100	8,494	1,100	8,494
Provision for commitment and contingencies	–	32,861	–	32,861
Finance cost (Note 31)	23,478	15,625	23,231	15,625
Gross dividend income (Note 23)	(8,864)	(2,000)	(8,864)	(2,000)
Operating profit before working capital changes	214,155	254,302	213,346	254,670
(Increase)/decrease in operating assets:				
Islamic derivative financial assets	2,087	15,088	2,087	15,088
Financing of customers	(1,961,494)	(674,386)	(1,961,942)	(691,907)
Statutory deposits with Bank Negara Malaysia	(433,600)	(6,300)	(433,600)	(6,300)
Other assets	(30,677)	(52,928)	(30,891)	(35,571)
Increase/(decrease) in operating liabilities:				
Deposits from customers	1,934,914	1,250,916	1,935,957	1,250,541
Deposits and placements of banks and other financial institutions	(3,097)	(1,368)	(3,097)	(1,368)
Islamic derivative financial liabilities	427	(12,795)	427	(12,795)
Bills and acceptances payable	18,949	199,151	18,949	199,151
Other liabilities	(41,316)	96,618	(41,373)	96,654
Cash (used in)/generated from operations	(299,652)	1,068,298	(300,137)	1,068,163
Zakat paid	(5,228)	(3,402)	(5,228)	(3,402)
Tax paid	(9,805)	(66,768)	(9,567)	(66,619)
Net cash (used in)/generated from operating activities	(314,685)	998,128	(314,932)	998,142

STATEMENTS OF CASH FLOWS

As at 31 March 2012 (8 Jamadil Awal 1433H)

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash flows from investing activities				
Proceed of financial investment in securities	5,561,248	4,439,477	5,561,248	4,439,477
Purchase of financial investment in securities	(7,310,152)	(4,716,830)	(7,310,152)	(4,716,830)
Proceed from disposal of property, plant and equipment	127	32	127	18
Purchase of property, plant and equipment (Note 12)	(27,412)	(31,860)	(27,412)	(31,860)
Dividend income	8,864	2,000	8,864	2,000
Net cash used in investing activities	(1,767,325)	(307,181)	(1,767,325)	(307,195)
Cash flows from financing activities				
Dividend paid on islamic subordinated bonds	(17,399)	(15,365)	(17,152)	(15,365)
Redemption of subordinated bonds	(250,000)	–	(250,000)	–
Additional issuance of subordinated sukuk	400,000	–	400,000	–
Net cash generated from/(used in) financing activities	132,601	(15,365)	132,848	(15,365)
Net (decrease)/increase in cash and cash equivalents	(1,949,409)	675,582	(1,949,409)	675,582
Cash and cash equivalents at beginning of year	6,450,965	5,775,383	6,450,965	5,775,383
Cash and cash equivalents at end of year	4,501,556	6,450,965	4,501,556	6,450,965
Cash and cash equivalents consist of:				
Cash and short term funds - Note 4 (a)	4,391,223	6,199,953	4,391,223	6,199,953
Cash and placements with financial institutions - Note 4 (b)	110,333	251,012	110,333	251,012
	4,501,556	6,450,965	4,501,556	6,450,965

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BANK MUAMALAT MALAYSIA BERHAD (6175-W)

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

NOTES TO THE FINANCIAL STATEMENTS

1. (A) CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash and balances with banks and other financial institutions	162,535	169,013	162,535	169,013
Money at call and interbank placements with remaining maturity not exceeding one month	4,228,688	6,030,940	4,228,688	6,030,940
	4,391,223	6,199,953	4,391,223	6,199,953

(B) CASH AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Licensed Islamic banks	110,333	251,021	110,333	251,021

2. FINANCIAL INVESTMENT

	Group and Bank	
	2012 RM'000	2011 RM'000
(a) HELD-TO-MATURITY		
At amortised cost		
Unquoted Islamic private debt securities in Malaysia	30,008	30,071
Unquoted foreign Islamic private debt securities and sukuk	45,972	–
Unquoted shares in Malaysia	575	575
	76,555	30,646
Accumulated impairment loss	(2,061)	(2,061)
Total held-to-maturity securities	74,494	28,585

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL INVESTMENT (CONT'D.)

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

	Group and Bank	
	2012	2011
	RM'000	RM'000
Unquoted Islamic private debt securities in Malaysia	27,947	28,010
Unquoted foreign Islamic private debt securities and sukuk	45,972	–
Unquoted shares in Malaysia	575	575
	74,494	28,585

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(b) AVAILABLE-FOR-SALE

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

	Group		Bank	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Government securities and treasury bills:				
Malaysian government investment certificates	3,737,482	1,972,826	3,737,482	1,972,826
Money market instruments:				
Negotiable islamic debt certificates	55,570	–	55,570	–
Quoted securities in Malaysia:				
Quoted shares	48,023	24,994	48,023	24,994
Unit trust	–	9,910	–	9,910
	48,023	34,904	48,023	34,904
Unquoted securities:				
Islamic private debt securities in Malaysia	2,092,914	2,153,416	2,092,914	2,153,416
Cagamas bonds	116,266	136,245	116,266	136,245
Foreign islamic private debt securities and sukuk	84,332	58,691	84,332	58,691
Shares in Malaysia	9,431	14,905	4,631	4,105
	2,302,943	2,363,257	2,298,143	2,352,457
Total available-for-sale securities	6,144,018	4,370,987	6,139,218	4,360,187

2. FINANCIAL INVESTMENT (CONT'D.)

(b) AVAILABLE-FOR-SALE (CONT'D.)

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

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Maturity within one year	55,570	–	55,570	–

3. FINANCING OF CUSTOMERS

(i) BY TYPE

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash line	181,842	367,763	181,842	367,763
Term financing				
– Home financing	6,469,716	4,828,099	6,469,716	4,828,099
– Syndicated financing	86,143	143,617	86,143	143,617
– Hire purchase receivables	1,165,170	1,397,081	1,165,170	1,397,081
– Leasing receivables	176,859	191,584	176,859	191,584
– Other term financing	6,688,931	4,294,681	6,707,253	4,312,555
Trust receipts	116,428	147,916	116,428	147,916
Claims on customers under acceptance credits	722,131	779,186	722,131	779,186
Staff financing	111,101	94,761	111,101	94,761
Revolving credit	491,233	356,088	491,233	356,088
	16,209,554	12,600,776	16,227,876	12,618,650
Less : Unearned income	(6,715,082)	(4,753,075)	(6,715,082)	(4,753,075)
	9,494,472	7,847,701	9,512,794	7,865,575
Less : Financing sold to Cagamas	(64,910)	(364,308)	(64,910)	(364,308)
	9,429,562	7,483,393	9,447,884	7,501,267
Gross financing				
Less : Allowance for impaired financing:				
– Collective assessment allowance	(229,175)	(226,702)	(229,175)	(226,702)
– Individual assessment allowance	(161,904)	(108,531)	(167,904)	(108,531)
	9,038,483	7,148,160	9,050,805	7,166,034

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCING OF CUSTOMERS (CONT'D.)

(ii) BY CONTRACT

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Bai' Bithaman Ajil (deferred payment sale)	3,947,411	2,465,728	3,947,411	2,465,728
Ijarah (lease)	287,697	260,690	287,697	260,690
Ijarah Thumma Al-Bai (lease ended with purchase)	1,024,090	1,207,059	1,024,090	1,207,059
Inah (sale and buyback)	263,365	449,754	263,365	449,754
Tawarruq (commodity murabahah)	1,979,340	1,301,019	1,979,340	1,301,019
Bai Al Dayn (purchase of debt)	732,250	805,213	732,250	805,213
Murabahah (cost-plus)	714,268	652,739	714,268	652,739
Istisna' (sale order)	453,524	301,566	453,524	301,566
Qard (benevolent loan)	27,309	16,344	27,309	16,344
Shirkah Mutanaqisah (diminishing partnership)/ Musharakah (profit sharing)	308	23,281	18,630	41,155
	9,429,562	7,483,393	9,447,884	7,501,267

(iii) BY TYPE OF CUSTOMER

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Domestic non-banking institutions	445,254	37,042	445,254	37,042
Domestic business enterprises				
– Small business enterprises	420,518	728,478	420,518	728,478
– Others	2,648,898	2,336,206	2,653,772	2,347,158
Government and statutory bodies	602,147	135,190	615,595	142,112
Individuals	5,292,442	4,224,569	5,292,442	4,224,569
Other domestic entities	5,340	5,520	5,340	5,520
Foreign entities	14,963	16,388	14,963	16,388
	9,429,562	7,483,393	9,447,884	7,501,267

3. FINANCING OF CUSTOMERS (CONT'D.)

(iv) BY PROFIT RATE SENSITIVITY

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Fixed rate:				
Home financing	717,689	485,065	717,689	485,065
Hire purchase receivables	1,017,029	1,201,348	1,017,029	1,201,348
Others	4,279,145	2,764,311	4,284,019	2,769,263
Variable rate:				
Home financing	1,536,955	1,114,763	1,536,955	1,114,763
Others	1,878,744	1,917,906	1,892,192	1,930,828
	9,429,562	7,483,393	9,447,884	7,501,267

(v) BY SECTOR

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Agriculture	50,424	75,846	50,424	75,846
Mining and quarrying	2,032	4,049	2,032	4,049
Manufacturing	571,540	670,143	576,414	675,095
Electricity, gas and water	129,063	144,710	129,063	144,710
Construction	701,667	775,252	701,667	781,252
Purchase of landed property:				
– Residential	2,324,901	1,649,817	2,324,901	1,649,817
– Non-residential	232,143	255,494	232,143	255,494
Real estate	126,348	16,937	126,348	16,937
Wholesale, retail and restaurant	649,352	601,139	649,352	601,139
Transport, storage and communication	309,664	155,913	309,664	155,913
Finance, takaful and business services	529,448	154,028	529,448	154,028
Purchase of securities	119	86	119	86
Purchase of transport vehicles	1,024,737	1,207,546	1,024,737	1,207,546
Consumption credit	1,932,640	1,316,730	1,932,640	1,316,730
Community, social and personal service	229,889	384,158	243,337	391,080
Government and statutory bodies	615,595	71,545	615,595	71,545
	9,429,562	7,483,393	9,447,884	7,501,267

NOTES TO THE FINANCIAL STATEMENTS

3. FINANCING OF CUSTOMERS (CONT'D.)

(vi) BY RESIDUAL CONTRACTUAL MATURITY

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Maturity				
within one year	2,081,549	2,470,365	2,081,549	2,470,365
more than one to five years	3,399,490	2,866,870	3,399,490	2,866,870
more than five years	3,948,523	2,146,158	3,966,845	2,164,032
	9,429,562	7,483,393	9,447,884	7,501,267

(vii) BY GEOGRAPHICAL AREA

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Domestic	9,385,810	7,388,918	9,404,132	7,406,792
Labuan Offshore	43,752	94,475	43,752	94,475
	9,429,562	7,483,393	9,447,884	7,501,267

(viii) BY ECONOMIC PURPOSE

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Purchase of securities	119	86	119	86
Purchase of transport vehicles	1,024,737	1,207,546	1,024,737	1,207,546
Purchase of landed properties of which:				
– residential	2,326,294	1,651,418	2,326,294	1,651,418
– non-residential	232,570	255,963	232,570	255,963
Purchase of fixed assets (excluding landed properties)	1,278,061	448,398	1,278,061	448,398
Personal use	1,932,640	1,316,730	1,932,640	1,316,730
Working capital	375,431	239,508	375,431	239,508
Other purposes	1,524,563	1,552,965	1,542,885	1,564,839
	9,429,562	7,483,393	9,447,884	7,501,267

4. IMPAIRED FINANCING

(i) MOVEMENTS IN THE IMPAIRED FINANCING

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At 1 April 2011/2010	378,343	591,988	378,343	591,988
Classified as impaired during the year	371,687	457,633	377,687	457,633
Reclassified as performing during the year	(174,373)	(265,609)	(174,373)	(265,609)
Recovered during the year	(115,245)	(142,588)	(115,245)	(142,588)
Written off during the year	(14,068)	(263,081)	(14,068)	(263,081)
As at 31 March	446,344	378,343	452,344	378,343
Ratio of gross impaired financing to total financing	4.7%	4.8%	4.8%	4.8%

(ii) MOVEMENTS IN THE ALLOWANCE FOR IMPAIRED FINANCING

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Collective assessment				
At 1 April 2011/2010	226,702	223,218	226,702	223,218
Allowance made during the year (Note 24)	240,131	250,047	240,131	250,047
Amount written-back (Note 24)	(224,690)	(224,291)	(224,690)	(224,291)
Amount written-off	(12,968)	(22,272)	(12,968)	(22,272)
As at 31 March	229,175	226,702	229,175	226,702
As % of gross financing, less individual assessment allowance	2.5%	3.1%	2.5%	3.1%

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Individual assessment allowance				
At 1 April 2011/2010	108,531	324,997	108,531	324,997
Allowance made during the year (Note 24)	64,029	89,776	70,029	89,776
Amount recovered (Note 24)	(10,656)	(70,129)	(10,656)	(70,129)
Amount written-off	–	(236,113)	–	(236,113)
As at 31 March	161,904	108,531	167,904	108,531

NOTES TO THE FINANCIAL STATEMENTS

4. IMPAIRED FINANCING (CONT'D.)

(iii) IMPAIRED FINANCING BY SECTOR

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Manufacturing	40,874	24,660	40,874	24,660
Construction	175,116	71,810	175,116	71,810
Purchase of landed property:				
– Residential	100,192	159,345	100,192	159,345
– Non-residential	8,128	12,206	8,128	12,206
Real estate	9,342	–	9,342	–
Wholesale and retail and restaurant	32,082	33,360	32,082	33,360
Transport, storage and communication	80	45	80	45
Finance, takaful and business services	10,292	9,713	16,292	9,713
Purchase of securities	50	84	50	84
Purchase of transport vehicles	36,543	34,933	36,543	34,933
Consumption credit	30,555	23,928	30,555	23,928
Community, social and personal service	3,090	8,259	3,090	8,259
	446,344	378,343	452,344	378,343

(iv) IMPAIRED FINANCING BY GEOGRAPHICAL AREA

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Domestic	439,870	372,045	445,870	372,045
Labuan Offshore	6,474	6,298	6,474	6,298
	446,344	378,343	452,344	378,343

(v) IMPAIRED FINANCING BY ECONOMIC PURPOSE

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Purchase of securities	50	84	50	84
Purchase of transport vehicles	36,543	34,933	36,543	34,933
Purchase of landed properties of which:				
– residential	100,192	159,345	100,192	159,345
– non-residential	8,128	12,206	8,128	12,206
Purchase of fixed assets (excluding landed properties)	4,101	1,553	4,101	1,553
Personal use	30,555	23,928	30,555	23,928
Construction	175,116	71,810	175,116	71,810
Working capital	265	867	265	867
Other purposes	91,394	73,617	97,394	73,617
	446,344	378,343	452,344	378,343

5. COMMITMENTS AND CONTINGENCIES

- (i) 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 are as follows:

	Group and Bank					
	31 March 2012			31 March 2011		
	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Total Risk Weighted Amount RM'000
The commitments and contingencies constitute the following:						
Contingent liabilities						
Direct credit substitutes	1,208	1,208	1,208	11	11	11
Trade-related contingencies	65,352	13,070	5,739	45,914	9,183	9,025
Transaction related contingencies	616,105	308,053	248,935	871,491	435,745	371,611
Obligations under an on-going underwriting agreement	41,000	20,500	4,100	65,000	32,500	6,500
Housing financing sold directly and indirectly to Cagamas with recourse	64,910	64,910	33,962	364,308	364,308	174,040
Commitments						
Credit extension commitment:						
– Maturity within one year	349,478	69,896	65,135	323,002	64,600	55,443
– Maturity exceeding one year	2,184,119	1,092,060	376,999	2,242,093	1,121,047	391,538
Bills of collection	19,883	–	–	37,009	–	–
Islamic derivative financial instruments						
Foreign exchange related contracts	870,214	5,001	3,783	1,796,996	2,131	1,608
Profit rate related contract	75,000	6,000	1,200	75,000	6,000	1,200
	4,287,269	1,580,698	741,061	5,820,824	2,035,525	1,010,976

NOTES TO THE FINANCIAL STATEMENTS

6. CAPITAL ADEQUACY

(a) The core capital ratios and risk-weighted capital ratios of the Group and the Bank are as follows:

	Group		Bank	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Computation of total risk-weighted assets ("RWA")				
Total credit RWA	8,854,238	7,948,103	8,840,877	7,934,560
Total market RWA	115,622	75,061	115,622	75,061
Total operational RWA	1,006,091	960,106	998,498	953,244
Total RWA	9,975,951	8,983,270	9,954,997	8,962,865
Computation of capital ratios				
<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	272,893	313,788	271,603
Retained profits	170,589	128,097	171,290	129,105
Less: Deferred tax assets (net)	(52,353)	(38,240)	(52,353)	(38,240)
Total Tier-I Capital	1,433,621	1,362,750	1,432,725	1,362,468
<u>Tier-II capital</u>				
Subordinated bonds	406,079	250,000	406,079	250,000
Collective assessment	128,332	114,833	128,332	114,833
Total Tier-II Capital	534,411	364,833	534,411	364,833
Less: Investment in subsidiaries	-	-	(6,384)	(6,484)
Capital Base	1,968,032	1,727,583	1,960,752	1,720,817
Core capital	1,433,621	1,362,750	1,432,725	1,362,468
Capital base	1,968,032	1,727,583	1,960,752	1,720,817
Core capital ratios	14.4%	15.2%	14.4%	15.2%
Risk-weighted capital ratio	19.7%	19.2%	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 RM100.8 million.(2011: RM111.9 million)