



**BANK MUAMALAT MALAYSIA BERHAD**

Company No. 6175-W  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED  
FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED  
30 JUNE 2013 (21 SYAABAN 1434H)**

**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**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013 (21 SYAABAN 1434H)**

		Group		Bank	
		As at	As at	As at	As at
		30.06.2013	31.03.2013	30.06.2013	31.03.2013
Note		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds		1,490,167	3,236,505	1,490,167	3,236,505
Cash and placements with financial institutions		74,267	105,189	74,267	105,189
Financial investments designated at fair value through profit or loss	4(a)	86,083	84,373	81,283	79,573
Financial investments available-for-sale	4(b)	6,541,581	6,466,991	6,541,581	6,466,991
Financial investments held-to-maturity	4(c)	575	575	575	575
Islamic derivative financial assets	5	7,183	4,488	7,183	4,488
Financing of customers	6	10,516,097	10,352,626	10,534,968	10,365,020
Other assets	7	111,848	90,024	96,848	80,493
Statutory deposits with Bank Negara Malaysia		603,721	612,721	603,721	612,721
Investment in subsidiaries		-	-	6,384	6,384
Investment in associate		121	580	1,000	1,000
Intangible assets		37,917	34,546	37,917	34,546
Property, plant and equipment		65,259	65,698	65,104	65,642
Prepaid land lease payment		245	247	245	247
Deferred tax assets	8	18,811	17,027	18,811	17,027
<b>Total assets</b>		<b>19,553,875</b>	<b>21,071,590</b>	<b>19,560,054</b>	<b>21,076,401</b>
<b>LIABILITIES</b>					
Deposits from customers	9	17,167,377	18,744,179	17,175,846	18,750,255
Deposits and placements of banks and other financial institutions	10	10,822	10,774	10,822	10,774
Bills and acceptances payable		217,477	132,750	217,477	132,750
Islamic derivative financial liabilities	5	10,578	8,905	10,578	8,905
Other liabilities	11	80,640	94,267	80,509	95,112
Provision for zakat and taxation	12	6,607	14,505	6,531	14,498
Recourse obligation on financing sold to Cagamas		60,984	61,679	60,984	61,679
Subordinated sukuk	13	400,901	406,055	400,901	406,055
<b>Total liabilities</b>		<b>17,955,386</b>	<b>19,473,114</b>	<b>17,963,648</b>	<b>19,480,028</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		598,489	598,476	596,406	596,373
<b>Total shareholders' equity</b>		<b>1,598,489</b>	<b>1,598,476</b>	<b>1,596,406</b>	<b>1,596,373</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>19,553,875</b>	<b>21,071,590</b>	<b>19,560,054</b>	<b>21,076,401</b>
<b>COMMITMENTS AND CONTINGENCIES</b>					
	22	<b>4,863,890</b>	<b>4,300,031</b>	<b>4,863,890</b>	<b>4,300,031</b>
<b>CAPITAL ADEQUACY *</b>					
Core capital ratio	23	<b>14.1%</b>	14.7%	<b>14.1%</b>	14.6%
Risk-weighted capital ratio	23	<b>18.5%</b>	19.2%	<b>18.4%</b>	19.1%

\* 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 2013.

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

**INTERIM FINANCIAL STATEMENTS**

**INCOME STATEMENTS**

**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

		Group		Bank	
		30 June	30 June	30 June	30 June
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	14	<b>222,560</b>	238,984	<b>222,560</b>	238,984
Income derived from investment of shareholders' funds	15	<b>17,570</b>	16,689	<b>16,194</b>	16,409
Allowance for impairment on financing	16	<b>(16,345)</b>	(346)	<b>(16,345)</b>	(346)
Impairment writeback on investments	17	<b>(1,972)</b>	748	<b>(1,972)</b>	748
Share of loss of associate company		<b>(459)</b>	-	-	-
Other expenses directly attributable to the investment of the depositors and shareholders' funds		<b>(2,172)</b>	(1,933)	<b>(2,172)</b>	(1,933)
<b>Total distributable income</b>		<b>219,182</b>	254,142	<b>218,265</b>	253,862
Income attributable to depositors	18	<b>(109,773)</b>	(100,648)	<b>(109,815)</b>	(100,690)
<b>Total net income</b>		<b>109,409</b>	153,494	<b>108,450</b>	153,172
Personnel expenses		<b>(51,809)</b>	(55,456)	<b>(50,999)</b>	(55,256)
Other overheads and expenditures		<b>(35,048)</b>	(30,463)	<b>(35,175)</b>	(31,300)
Finance cost		<b>(5,269)</b>	(5,206)	<b>(5,145)</b>	(5,122)
<b>Profit before zakat and taxation</b>		<b>17,283</b>	62,369	<b>17,131</b>	61,494
Zakat	19	<b>(382)</b>	(1,537)	<b>(382)</b>	(1,537)
Taxation	20	<b>(2,858)</b>	(15,585)	<b>(2,686)</b>	(15,569)
<b>Profit for the period</b>		<b>14,043</b>	45,247	<b>14,063</b>	44,388

**Earnings per share (sen):**

Basic

**1.4**

**4.5**

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 2013.

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

**INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<b>14,043</b>	45,247	<b>14,063</b>	44,388
Other comprehensive (loss)/income:				
Net unrealised (loss)/gain on revaluation of financial investment available-for-sale	<b>(18,435)</b>	17,204	<b>(18,435)</b>	17,204
Income tax relating to components of other comprehensive income	<b>4,391</b>	(3,913)	<b>4,391</b>	(3,913)
Exchange fluctuation reserve	<b>14</b>	(809)	<b>14</b>	(809)
Other comprehensive (loss)/income for the year, net of tax	<b>(14,030)</b>	12,482	<b>(14,030)</b>	12,482
Total comprehensive income for the year	<b>13</b>	57,729	<b>33</b>	56,870

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 2013.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

		<u>Share Capital</u>		<u>Non-distributable</u>		<u>Distributable</u>	<b>Total Equity</b> <b>RM'000</b>
		<b>Ordinary shares</b> <b>RM'000</b>	<b>Statutory reserve*</b> <b>RM'000</b>	<b>Exchange fluctuation reserve</b> <b>RM'000</b>	<b>Available-for-sale reserve</b> <b>RM'000</b>	<b>Retained profits</b> <b>RM'000</b>	
<b>Group</b>	<b>Note</b>						
<b>At 1 April 2013</b>		<b>1,000,000</b>	<b>398,978</b>	<b>(610)</b>	<b>(25,940)</b>	<b>226,048</b>	<b>1,598,476</b>
Profit for the period		-	-	-	-	14,043	14,043
Other comprehensive loss for the period		-	-	14	(14,044)	-	(14,030)
Total comprehensive income for the period		-	-	14	(14,044)	14,043	13
Transfer to statutory reserve		-	7,032	-	-	(7,032)	-
<b>At 30 June 2013</b>		<b>1,000,000</b>	<b>406,010</b>	<b>(596)</b>	<b>(39,984)</b>	<b>233,059</b>	<b>1,598,489</b>
At 1 April 2012		1,000,000	315,385	83	(56,169)	141,247	1,400,546
Profit for the period		-	-	-	-	45,247	45,247
Other comprehensive income for the period		-	-	(809)	13,291	-	12,482
Total comprehensive income for the period		-	-	(809)	13,291	45,247	57,729
Transfer to statutory reserve		-	22,194	-	-	(22,194)	-
At 30 June 2012		1,000,000	337,579	(726)	(42,878)	164,300	1,458,275

\* 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 2013.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

		<u>Share Capital</u>	<u>Non-distributable</u>		<u>Distributable</u>		
		Ordinary shares	Statutory reserve*	Exchange fluctuation reserve	Available- for-sale reserve	Retained profits	Total Equity
<u>Bank</u>	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2013</b>		<b>1,000,000</b>	<b>397,381</b>	<b>(610)</b>	<b>(25,940)</b>	<b>225,542</b>	<b>1,596,373</b>
Profit for the period		-	-	-	-	14,063	14,063
Other comprehensive loss for the period		-	-	14	(14,044)	-	(14,030)
Total comprehensive income for the period		-	-	14	(14,044)	14,063	33
Transfer to statutory reserve		-	7,032	-	-	(7,032)	-
<b>At 30 June 2013</b>		<b>1,000,000</b>	<b>404,413</b>	<b>(596)</b>	<b>(39,984)</b>	<b>232,573</b>	<b>1,596,406</b>
At 1 April 2012		1,000,000	313,788	83	(56,169)	141,949	1,399,651
Profit for the period		-	-	-	-	44,388	44,388
Other comprehensive income for the period		-	-	(809)	13,291	-	12,482
Total comprehensive income for the period		-	-	(809)	13,291	44,388	56,870
Transfer to statutory reserve		-	22,194	-	-	(22,194)	-
At 30 June 2012		1,000,000	335,982	(726)	(42,878)	164,143	1,456,521

\* 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 2013.

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

**STATEMENTS OF CASH FLOWS**

**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before zakat and taxation	<b>17,283</b>	62,369	<b>17,131</b>	61,494
Adjustment for				
Amortisation of prepaid land and lease payment	<b>1</b>	1	<b>1</b>	1
Amortisation of intangible asset	<b>1,612</b>	-	<b>1,612</b>	-
Depreciation of property, plant and equipment	<b>4,029</b>	4,283	<b>4,024</b>	4,283
(Gain)/loss on disposal of property, plant and equipment	<b>(2,855)</b>	55	<b>(2,855)</b>	55
Amortisation of premium less accretion of discount	<b>749</b>	590	<b>749</b>	590
Net gain from sale of financial held-to-maturity	<b>-</b>	(13,479)	<b>-</b>	(13,479)
Net gain from sale of financial investment available-for-sale	<b>(3,831)</b>	(3,562)	<b>(3,831)</b>	(3,562)
Net gain from sale of financial investment held-for-trading	<b>(308)</b>	(151)	<b>(308)</b>	(151)
Net gain on revaluation of foreign exchange transaction	<b>(9,833)</b>	(4,627)	<b>(9,833)</b>	(4,627)
Net loss from foreign exchange derivatives	<b>4,536</b>	220	<b>4,536</b>	220
Unrealised (gain)/loss on revaluation of islamic profit rate swap	<b>(5,557)</b>	2,691	<b>(5,557)</b>	2,691
Unrealised loss on revaluation of hedged items	<b>13,046</b>	(1,447)	<b>13,046</b>	(1,447)
Impairment writeback on investments	<b>1,972</b>	(748)	<b>1,972</b>	(748)
Allowance for impairment on financing	<b>26,162</b>	4,243	<b>26,162</b>	4,243
Financing written off	<b>2,072</b>	415	<b>2,072</b>	415
Share of loss of associates	<b>459</b>	-	<b>-</b>	-
Finance cost	<b>5,269</b>	5,206	<b>5,145</b>	5,122
Gross dividend income	<b>(3,223)</b>	(1,934)	<b>(3,223)</b>	(1,934)
Operating profit before working capital changes	<b>51,583</b>	54,125	<b>50,843</b>	53,166



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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Increase)/decrease in operating assets:				
Financial investment portfolio	(113)	13,729	(113)	13,729
Islamic derivative financial assets	(7,232)	(884)	(7,232)	(884)
Financing of customers	(204,750)	(437,623)	(211,227)	(437,517)
Statutory deposits with Bank Negara Malaysia	9,000	(25,000)	9,000	(25,000)
Other assets	(7,103)	9,340	(1,673)	11,113
Increase/(decrease) in operating liabilities:				
Deposits from customers	(1,576,802)	(2,388,549)	(1,574,408)	(2,389,359)
Deposits and placements of banks and other financial institutions	48	241	48	241
Islamic derivative financial liabilities	7,229	886	7,229	886
Bills and acceptances payable	84,727	(20,117)	84,727	(20,117)
Other liabilities	(13,870)	19,318	(14,660)	19,064
Recourse obligation on financing sold to Cagamas	(695)	(839)	(695)	(839)
Cash used in operations	(1,657,978)	(2,775,373)	(1,658,161)	(2,775,517)
Tax paid	(17,730)	(14,385)	(17,653)	(14,241)
<b>Net cash used in operating activities</b>	<b>(1,675,708)</b>	<b>(2,789,758)</b>	<b>(1,675,814)</b>	<b>(2,789,758)</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of financial investment securities	2,444,044	1,347,488	2,444,044	1,347,488
Purchase of financial investment securities	(2,532,858)	(1,067,955)	(2,532,858)	(1,067,955)
Proceeds from disposal of property, plant and equipment	3,571	-	3,571	-
Purchase of property, plant and equipment	(4,306)	(5,963)	(4,200)	(5,963)
Purchase of intangible asset	(4,983)	-	(4,983)	-
Acquisition of investment in associates	-	(1,000)	-	(1,000)
Dividend income	3,223	1,934	3,223	1,934
<b>Net cash (used in)/generated from investing activities</b>	<b>(91,309)</b>	<b>274,504</b>	<b>(91,203)</b>	<b>274,504</b>

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013 (21 SYAABAN 1434H)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Dividend paid on subordinated sukuk	<b>(10,243)</b>	(10,244)	<b>(10,243)</b>	(10,244)
<b>Net cash used in financing activities</b>	<b>(10,243)</b>	(10,244)	<b>(10,243)</b>	(10,244)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,777,260)</b>	(2,525,498)	<b>(1,777,260)</b>	(2,525,498)
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,341,694</b>	4,501,556	<b>3,341,694</b>	4,501,556
<b>Cash and cash equivalents at end of the period</b>	<b>1,564,434</b>	1,976,058	<b>1,564,434</b>	1,976,058
<b>Cash and cash equivalents consist of:</b>				
Cash and short term funds	<b>1,490,167</b>	1,879,153	<b>1,490,167</b>	1,879,153
Cash and placements with financial institutions	<b>74,267</b>	96,905	<b>74,267</b>	96,905
	<b>1,564,434</b>	1,976,058	<b>1,564,434</b>	1,976,058

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 2013.

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

**NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 JUNE 2013**  
**(21 SYAABAN 1434H)**

**1. Basis of Preparation**

The unaudited condensed financial statements for the first financial quarter ended 30 June 2013 of Bank Muamalat Malaysia Berhad ("BMMB" or "the Bank") and its subsidiaries (the "Group") have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000) except when otherwise indicated.

The financial statements of the Group and of the Bank are prepared under the historical cost basis except for the following assets and liabilities that are stated at fair values: financial investment available-for sale, financial assets at fair value through profit or loss and islamic derivative financial instruments.

The Group and the Bank present the statements of financial position in order of liquidity.

These condensed consolidated interim financial statements, for the period ended 30 June 2013 have been prepared in accordance with MFRS 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, Bank Negara Malaysia Guidelines (BNM/GP8-i) and the principles of Shariah.

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 2013. 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 2013.

The significant accounting policies and methods of computation applied by the Bank are consistent with those adopted in the most recent audited financial statements for the year ended 31 March 2013 except for adoption of the following MFRSs, amendments to MFRSs, Interpretations of the Issues Committee ("IC Interpretations") and Annual Improvements 2009-2011 Cycle with effective dates of 1 July 2012 and 1 January 2013:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans (Amendments to MFRS 1)*
- MFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)*
- MFRS 13 *Fair Value Measurement*
- MFRS 101 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)*
- MFRS 119 *Employee Benefits (IAS 19 as amended by IASB in June 2011)*

**Annual Improvements 2009-2011 Cycle:**

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards - Repeated application of MFRS 1 and borrowing costs*
- MFRS 101 *Presentation of Financial Statements - Clarification of the requirements for comparative information*
- MFRS 132 *Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*
- MFRS 134 *Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*

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

## 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2013 was not qualified.

## 3. Performance Review and Outlook

### PERFORMANCE REVIEW

The Group posted an unaudited profit before zakat and taxation of RM17.3 million for the three months period ended 30 June 2013, a decline of 72.3% from the previous corresponding period in 2012. The Group's lower financial result was mainly due to a lower income derived from investment of depositors' and shareholders' funds as a result of one-off exceptional gain from disposal of investment securities amounting RM13.5 million in June 2012 and increase in financing loss provision. In addition, the income attributable to depositors increased by RM9 million or 9.0% in line with increase in deposit base by RM1.4 billion as compared with the previous corresponding quarter.

Total assets of the Group stood at RM19.6 billion, declined from RM21.1 billion registered in March 2013. The decline was partly contributed by a significant decrease in cash and short term funds by 54.0%, although net financing assets recorded a positive growth of 2% to RM10.5 billion from RM 10.3 billion as at 31 March 2013.

### OUTLOOK

The Group's commendable performance in the financial year 2013 confirms the effectiveness of its distinctive business model, client focused approach and product positioning in the market, despite being in a competitive operating environment. Strong capitalisation, enhanced risk governance and good liquidity management are believed to be the main elements of growth sustainability in the more challenging economy in the financial year 2014.

Premised on the above condition, the Group continues to foresee a bright prospect to enrich its performance in consumer and business segment. In view of the continuous compressed margin environment, the Group will intensify its focus on fee income generation particularly in the areas of trade finance, treasury activities, investment banking and also place greater initiatives on developing its consumer asset and wealth management businesses. The drive for consumer deposits will continue to be strengthened to further expand and diversify the deposit base.

The Group continues to embrace its long term aspiration to be the preferred Islamic financial institution which requires continuous efforts to improve its service delivery as well as infrastructure to be at the forefront position.

## 4. Financial Investments

	Group		Bank	
	30 June 2013 RM'000	31 March 2013 RM'000	30 June 2013 RM'000	31 March 2013 RM'000
<b>(a) Financial investments designated at fair value through profit or loss</b>				
<b>Unquoted securities in Malaysia:</b>				
Private equity funds	<b>86,083</b>	84,373	<b>81,283</b>	79,573

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

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

At fair value less impairment losses for certain financial investments:

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
<b><u>At fair value</u></b>	<b>RM'000</b>	<b>RM'000</b>
<b>Government securities and treasury bills:</b>		
Malaysian government investment certificates	<u>3,877,111</u>	<u>3,383,061</u>
<b>Quoted securities in Malaysia:</b>		
Quoted shares	<u>49,547</u>	<u>44,182</u>
<b>Unquoted securities:</b>		
Islamic private debt securities in Malaysia	2,520,991	2,942,983
Cagamas bonds	119,429	120,938
Foreign Islamic private debt securities and sukuk	<u>63,178</u>	<u>62,460</u>
	<u>2,703,598</u>	<u>3,126,381</u>
Accumulated impairment loss	<u>(93,306)</u>	<u>(91,264)</u>
	<u>6,536,950</u>	<u>6,462,360</u>
<b><u>At cost</u></b>		
<b>Unquoted securities:</b>		
Shares in Malaysia	<u>4,631</u>	<u>4,631</u>
<b>Total available-for-sale securities</b>	<u>6,541,581</u>	<u>6,466,991</u>

**(c) Held-to-maturity**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
<b><u>At amortised cost</u></b>	<b>RM'000</b>	<b>RM'000</b>
Unquoted Islamic private debt securities in Malaysia	<u>575</u>	<u>575</u>

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

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning/end of period, as previously stated	575	28,522
Redeemed during the year	-	(27,947)
At beginning / end of period, restated	<u>575</u>	<u>575</u>

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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.

	Group and Bank					
	30 June 2013			31 March 2013		
	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
<b>Trading derivatives:</b>						
Foreign exchange contracts						
- Currency forwards						
Less than one year	211,763	3,741	(4,631)	54,230	2,862	(24)
- Currency swaps						
Less than one year	284,845	3,267	(3,382)	213,422	1,500	(1,021)
- Currency spot						
Less than one year	104,937	175	(396)	127,472	126	(134)
	<b>601,545</b>	<b>7,183</b>	<b>(8,409)</b>	<b>395,124</b>	<b>4,488</b>	<b>(1,179)</b>
<b>Hedging derivatives:</b>						
Islamic profit rate swap (IPRS)						
More than one year	875,000	-	(2,169)	875,000	-	(7,726)
Total	<b>1,476,545</b>	<b>7,183</b>	<b>(10,578)</b>	<b>1,270,124</b>	<b>4,488</b>	<b>(8,905)</b>

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

	30 June 2013			31 March 2013		
	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
Islamic profit rate swap (IPRS)	875,000	505	-	575,000	-	(3,837)

**Fair Value hedges**

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

For the three months period ended 30 June 2013, the Group and the Bank recognised a profit of RM5,426,785 (30 June 2012: loss of RM2,691,345) on the hedging instrument. The total net loss on the hedged item attributable to the hedged risk amounted to RM13,045,981 (30 June 2012: profit of RM1,446,562).

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**6. Financing of Customers**

**(a) By type**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash line	191,739	208,538	191,739	208,538
Term financing:				
Home financing	8,987,652	8,398,544	8,987,652	8,398,544
Syndicated financing	171,347	141,177	171,347	141,177
Hire purchase receivables	1,151,368	1,153,637	1,151,368	1,153,637
Leasing receivables	140,971	146,559	140,971	146,559
Other term financing	7,652,643	7,448,331	7,677,514	7,416,747
Trust receipts	104,553	107,256	104,553	107,256
Claims on customers under acceptance credits	658,530	742,214	658,530	742,214
Staff financing	122,607	120,362	122,607	120,362
Revolving credit	599,923	616,204	599,923	616,204
Sukuk	50,950	50,488	50,950	50,488
Ar-Rahnu	56,877	10,678	56,877	60,656
	<b>19,889,160</b>	<b>19,143,988</b>	<b>19,914,031</b>	<b>19,162,382</b>
Less : Unearned income	<b>(9,084,869)</b>	<b>(8,520,066)</b>	<b>(9,084,869)</b>	<b>(8,520,066)</b>
Gross financing	<b>10,804,291</b>	<b>10,623,922</b>	<b>10,829,162</b>	<b>10,642,316</b>
Less : Allowance for impaired financing				
Collective assessment	<b>(242,336)</b>	<b>(242,843)</b>	<b>(242,336)</b>	<b>(242,843)</b>
Individual assessment	<b>(45,858)</b>	<b>(28,453)</b>	<b>(51,858)</b>	<b>(34,453)</b>
Total net financing	<b>10,516,097</b>	<b>10,352,626</b>	<b>10,534,968</b>	<b>10,365,020</b>

**(b) By contract**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bai' Bithaman Ajil (deferred payment sale)	4,292,777	4,237,413	4,292,777	4,237,413
Ijarah (lease)	144,598	147,550	144,598	147,550
Ijarah Thumma Al-Bai (lease ended with purchase)	998,188	1,001,324	998,188	1,001,324
Inah (sale and buyback)	220,677	238,175	220,677	238,175
Tawarruq (commodity murabahah)	3,211,599	2,961,096	3,211,599	2,961,096
Bai' Al-Dayn (purchase of debt)	668,231	753,857	668,231	753,857
Murabahah (cost-plus)	934,201	922,188	934,201	922,188
Istisna' (sale order)	272,561	295,890	272,561	295,890
Qard (benevolent loan)	61,459	66,193	61,524	66,193
Shirkah Mutanaqisah (diminishing partnership)/ Musharakah (profit sharing)	-	236	24,806	18,630
	<b>10,804,291</b>	<b>10,623,922</b>	<b>10,829,162</b>	<b>10,642,316</b>

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

**(c) By type of customer**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic non-banking institutions	<b>459,400</b>	438,890	<b>459,400</b>	438,890
Domestic business enterprises:				
-Small business enterprises	<b>162,812</b>	269,238	<b>162,812</b>	269,238
-Others	<b>2,625,941</b>	2,449,268	<b>2,636,565</b>	2,453,832
Government and statutory bodies	<b>582,084</b>	608,510	<b>596,331</b>	622,340
Individuals	<b>6,958,354</b>	6,841,465	<b>6,958,354</b>	6,841,465
Other domestic entities	<b>2,465</b>	2,885	<b>2,465</b>	2,885
Foreign entities	<b>13,235</b>	13,666	<b>13,235</b>	13,666
	<b>10,804,291</b>	10,623,922	<b>10,829,162</b>	10,642,316

**(d) By profit rate sensitivity**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:				
Home financing	<b>1,149,431</b>	999,855	<b>1,149,431</b>	999,855
Hire purchase receivables	<b>1,001,059</b>	1,003,454	<b>1,001,059</b>	1,003,454
Others	<b>4,683,668</b>	4,580,985	<b>4,708,539</b>	4,585,549
Variable rate:				
Home financing	<b>1,806,184</b>	1,810,632	<b>1,806,184</b>	1,810,632
Others	<b>2,163,949</b>	2,228,996	<b>2,163,949</b>	2,242,826
	<b>10,804,291</b>	10,623,922	<b>10,829,162</b>	10,642,316

**(e) By residual contractual maturity**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	<b>3,060,926</b>	2,360,594	<b>3,071,550</b>	2,360,594
Maturity within one to five years	<b>3,931,337</b>	3,852,107	<b>3,931,337</b>	3,852,107
Maturity more than five years	<b>3,812,028</b>	4,411,221	<b>3,826,275</b>	4,429,615
	<b>10,804,291</b>	10,623,922	<b>10,829,162</b>	10,642,316



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

**(f) By sector**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Agriculture	56,784	51,001	56,784	51,001
Mining & Quarrying	2,854	2,381	2,854	2,381
Manufacturing	648,160	707,878	652,784	712,442
Electricity, gas and water	133,054	134,743	133,054	134,743
Construction	440,610	488,928	440,610	494,928
Purchase of landed property:				
Residential	3,039,840	2,890,830	3,039,840	2,890,830
Non-residential	277,080	269,340	277,080	269,340
Real estate	285,921	129,267	285,921	129,267
Wholesale' retail and restaurant	415,474	475,284	415,474	475,284
Transport, storage and communication	319,734	336,166	319,734	336,166
Finance, takaful and business services	551,130	491,216	551,130	491,216
Purchase of securities	92	92	92	92
Purchase of transport vehicles	1,007,376	1,010,295	1,007,376	1,010,295
Consumption credit	2,933,717	2,909,624	2,933,717	2,909,624
Community, social and personal services	96,133	104,537	116,380	112,367
Government and statutory bodies	596,332	622,340	596,332	622,340
	<b>10,804,291</b>	<b>10,623,922</b>	<b>10,829,162</b>	<b>10,642,316</b>

**(g) By geographical area**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic	10,752,099	10,602,355	10,776,970	10,620,749
Labuan Offshore	52,192	21,567	52,192	21,567
	<b>10,804,291</b>	<b>10,623,922</b>	<b>10,829,162</b>	<b>10,642,316</b>

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

The maximum credit exposure of the financing of customers amounts to RM573.3 million (31 March 2013: RM573.3 million). The cumulative change in fair value of the financings attributable to changes in profit rate risks amounts to a loss of RM4,426,122 (31 March 2013: profit of RM8,619,859) and the change for the current year is a loss of RM13,045,981 (30 June 2013: profit of RM1,446,562). 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 securities issued by entities with similar credit characteristics.

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

**Impaired Financing**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of period	265,368	446,344	271,368	452,344
Classified as impaired during the period	129,658	271,605	129,658	271,605
Reclassified as performing during the period	(33,710)	(143,533)	(33,710)	(143,533)
Recovered during the period	(62,826)	(155,741)	(62,826)	(155,741)
Written off during the period	(7,244)	(153,307)	(7,244)	(153,307)
At end of period	291,246	265,368	297,246	271,368
Ratio of gross impaired financing to total financing	2.7%	2.5%	2.7%	2.5%

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Collective assessment allowance</u></b>				
At beginning of period, as previously stated	242,843	268,297	242,843	268,297
Allowance made during the period	103,377	368,321	103,377	368,321
Amount written-back	(97,605)	(366,720)	(97,605)	(366,720)
Amount written-off	(6,279)	(27,055)	(6,279)	(27,055)
At end of period	242,336	242,843	242,336	242,843
As % of gross financing, less individual assessment allowance	2.3%	2.3%	2.2%	2.3%

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Individual assessment allowance</u></b>				
At beginning of period	28,453	161,904	34,453	167,904
Allowance made during the period	22,455	21,876	22,455	21,876
Amount recovered	(2,065)	(29,874)	(2,065)	(29,874)
Amount written-off	(2,985)	(125,453)	(2,985)	(125,453)
At end of period	45,858	28,453	51,858	34,453

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

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

**(c) Impaired financing by sector**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	<b>52,816</b>	10,220	<b>52,816</b>	10,220
Construction	<b>59,843</b>	57,083	<b>59,843</b>	63,083
Purchase of landed property:				
- Residential	<b>81,919</b>	84,590	<b>81,919</b>	84,590
- Non-residential	<b>6,311</b>	10,313	<b>6,311</b>	10,313
Wholesale and retail and restaurant	<b>14,984</b>	15,620	<b>14,984</b>	15,620
Transport, storage and communication	<b>343</b>	137	<b>343</b>	137
Finance, takaful and business services	<b>9,337</b>	31,020	<b>15,337</b>	31,020
Purchase of securities	<b>17</b>	18	<b>17</b>	18
Purchase of transport vehicles	<b>30,701</b>	29,306	<b>30,701</b>	29,306
Consumption credit	<b>34,541</b>	26,086	<b>34,541</b>	26,086
Community, social and personal service	<b>434</b>	975	<b>434</b>	975
	<b>291,246</b>	265,368	<b>297,246</b>	271,368

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic	<b>284,451</b>	243,801	<b>290,451</b>	249,801
Labuan Offshore	<b>6,795</b>	21,567	<b>6,795</b>	21,567
	<b>291,246</b>	265,368	<b>297,246</b>	271,368

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**7. Other Assets**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits	5,799	6,193	5,797	6,041
Prepayments	1,483	2,662	1,478	2,660
Tax prepayment	9,261	61	9,225	-
Amount due from subsidiaries	-	-	16	91
Foreclosed properties	14,000	14,000	14,000	14,000
Golf club membership	900	900	900	900
Clearing accounts	3,975	654	3,975	654
Other debtors	76,430	65,554	61,457	56,147
	<b>111,848</b>	<b>90,024</b>	<b>96,848</b>	<b>80,493</b>

**8. Deferred Tax Assets**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the year	17,027	62,133
Recognised in the income statement	(2,607)	(35,859)
Recognised in the equity	4,391	(9,247)
Under provision in prior year recognised in equity	<b>18,811</b>	<b>17,027</b>

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

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	24,750	23,608
Deferred tax liabilities	(5,939)	(6,581)
	<b>18,811</b>	<b>17,027</b>

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**8. Deferred Tax Assets (cont'd.)**

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 2012	39,436	12,314	18,546	70,296
Recognised in income statement	(39,436)	2,027	(32)	(37,441)
Recognised in equity	-	-	(9,247)	(9,247)
As at 31 March 2013	-	14,341	9,267	23,608
At 1 April 2013	-	14,341	9,267	23,608
Recognised in income statement	-	(3,358)	109	(3,249)
Recognised in equity	-	-	4,391	4,391
As at 30 June 2013	-	10,983	13,767	24,750

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

	Property, plant and equipment RM'000	Total RM'000
At 1 April 2012	(8,163)	(8,163)
Recognised in income statement	1,582	1,582
As at 31 March 2013	(6,581)	(6,581)
At 1 April 2013	(6,581)	(6,581)
Recognised in income statement	642	642
As at 30 June 2013	(5,939)	(5,939)

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**9. Deposits from Customers**

**(a) By type of deposits**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah Fund</b>				
Demand deposits	2,210,250	2,576,108	2,212,229	2,576,587
Savings deposits	480,265	499,571	480,265	499,571
Negotiable Islamic debt certificate	797,324	856,478	797,324	856,478
Others	321,441	481,664	321,441	481,664
	<b>3,809,280</b>	<b>4,413,821</b>	<b>3,811,259</b>	<b>4,414,300</b>
<b>Mudharabah Fund</b>				
Demand deposits	459,669	325,814	459,669	325,814
Savings deposits	469,363	467,662	469,363	467,662
General investment deposits	11,904,939	12,299,161	11,911,429	12,304,758
Special general investment deposits	524,126	1,237,721	524,126	1,237,721
	<b>13,358,097</b>	<b>14,330,358</b>	<b>13,364,587</b>	<b>14,335,955</b>
	<b>17,167,377</b>	<b>18,744,179</b>	<b>17,175,846</b>	<b>18,750,255</b>

**(b) By type of customer**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	3,409,674	3,102,500	3,409,674	3,102,500
Business enterprises	8,469,284	9,380,933	8,477,753	9,380,933
Individuals	1,298,427	1,318,928	1,298,427	1,318,928
Others	3,989,992	4,941,818	3,989,992	4,947,894
	<b>17,167,377</b>	<b>18,744,179</b>	<b>17,175,846</b>	<b>18,750,255</b>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Due within six months	10,281,253	11,706,967	10,287,743	11,712,564
More than six months to one year	938,439	2,671,003	938,439	2,671,003
More than one year to three years	2,006,697	15,390	2,006,697	15,390
	<b>13,226,389</b>	<b>14,393,360</b>	<b>13,232,879</b>	<b>14,398,957</b>

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**10. Deposit and Placements of Banks and Other Financial Institutions**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non Mudharabah</b>		
Bank Negara Malaysia	<b>10,822</b>	<b>10,774</b>
	<b>10,822</b>	<b>10,774</b>

**11. Other Liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sundry creditors	<b>15,346</b>	672	<b>15,352</b>	1,750
Provision for commitments and contingencies	<b>13,412</b>	25,428	<b>13,412</b>	25,428
Accrued expenses	<b>12,384</b>	15,560	<b>12,339</b>	15,505
Accrual for directors' fees	<b>826</b>	658	<b>826</b>	658
Accrual for audit fees	<b>156</b>	323	<b>142</b>	310
Others	<b>38,516</b>	51,626	<b>38,438</b>	51,461
	<b>80,640</b>	94,267	<b>80,509</b>	95,112

**12. Provision for Zakat and Taxation**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Zakat	<b>6,531</b>	6,149	<b>6,531</b>	6,149
Taxation	<b>76</b>	8,356	<b>-</b>	8,349
	<b>6,607</b>	14,505	<b>6,531</b>	14,498

**13. Subordinated Sukuk**

Subordinated sukuk as at 1 April 2013 relates to the Bank Tier-2 Capital Islamic Subordinated Sukuk of RM400 million issued on 15 June 2011. The sukuk carries a tenure of 10 years from the issue date on a 10 non-callable 5 basis feature with a profit rate of 5.15% per annum. Should the Bank decide not to exercise its option to redeem the sukuk, the sukuk holders will be entitled to a replacement of other capital instrument of the same or better quality and such replacement of capital shall be done prior to or concurrent with the redemption of the sukuk. The RM400 million sukuk qualifies as Tier-2 capital for the purpose of Bank Negara Malaysia capital adequacy requirement.

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**14. Income Derived from Investment of Depositors' Funds and Others**

	Group		Bank	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) General investment deposits	160,992	143,945	160,992	143,945
(b) Other deposits	61,568	95,039	61,568	95,039
	<b>222,560</b>	<b>238,984</b>	<b>222,560</b>	<b>238,984</b>

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

	Group		Bank	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<b>Finance income and hibah</b>				
Income from financing	109,271	89,322	109,271	89,322
Financial investment held-for-trading	6	-	6	-
Financial investments held-for-maturity	-	1,600	-	1,600
Financial investments available-for-sale	37,471	30,093	37,471	30,093
Money at call and deposit with financial institutions	9,429	8,890	9,429	8,890
	<b>156,177</b>	<b>129,905</b>	<b>156,177</b>	<b>129,905</b>
Amortisation of premium less accretion of discounts	(1,180)	(328)	(1,180)	(328)
Total finance income and hibah	<b>154,997</b>	<b>129,577</b>	<b>154,997</b>	<b>129,577</b>
<b>Other operating income</b>				
Net gain from sale of:				
- financial investments held-for-trading	223	91	223	91
- financial investments available-for-sale	470	1,597	470	1,597
- financial investments held-to-maturity	-	8,119	-	8,119
	<b>693</b>	<b>9,807</b>	<b>693</b>	<b>9,807</b>
<b>Fees and commission</b>				
Guarantee fees	590	847	590	847
Processing fees	1,586	216	1,586	216
Service charges and fees	1,787	1,374	1,787	1,374
Commission	1,339	2,124	1,339	2,124
	<b>5,302</b>	<b>4,561</b>	<b>5,302</b>	<b>4,561</b>
<b>Total</b>	<b>160,992</b>	<b>143,945</b>	<b>160,992</b>	<b>143,945</b>
Of which :				
Financing (loss)/income earned on impaired financing	(2,476)	516	(2,476)	516



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**14. Income Derived from Investment of Depositors' Funds and Others (cont'd.)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>				
Income from financing	41,788	58,976	41,788	58,976
Financial investment held-for-trading	2	-	2	-
Financial investments held-for-maturity	-	1,057	-	1,057
Financial investments available-for-sale	14,330	19,869	14,330	19,869
Money at call and deposit with financial institutions	3,606	5,869	3,606	5,869
	<b>59,726</b>	<b>85,771</b>	<b>59,726</b>	<b>85,771</b>
Amortisation of premium less accretion of discounts	(451)	(217)	(451)	(217)
Total finance income and hibah	<b>59,275</b>	<b>85,554</b>	<b>59,275</b>	<b>85,554</b>
<b>Other operating income</b>				
Net gain from sale of:				
- financial investments held-for-trading	85	60	85	60
- financial investments available-for-sale	180	1,054	180	1,054
- financial investments held-to-maturity	-	5,360	-	5,360
	<b>265</b>	<b>6,474</b>	<b>265</b>	<b>6,474</b>
<b>Fees and commission</b>				
Guarantee fees	226	559	226	559
Processing fees	607	143	607	143
Service charges and fees	683	907	683	907
Commission	512	1,402	512	1,402
	<b>2,028</b>	<b>3,011</b>	<b>2,028</b>	<b>3,011</b>
<b>Total</b>	<b>61,568</b>	<b>95,039</b>	<b>61,568</b>	<b>95,039</b>
Of which :				
Financing (loss)/income earned on impaired financing	(947)	341	(947)	341

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**15. Income Derived from Investment of Shareholders' Funds**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>				
Financial investments available-for-sale	<b>6,254</b>	8,722	<b>6,254</b>	8,722
	<b>6,254</b>	8,722	<b>6,254</b>	8,722
Amortisation of premium less accretion of discounts	<b>882</b>	(45)	<b>882</b>	(45)
Total finance income and hibah	<b>7,136</b>	8,677	<b>7,136</b>	8,677
<b>Other operating income</b>				
Net gain from foreign exchange transaction	<b>9,833</b>	4,627	<b>9,833</b>	4,627
Net loss on revaluation from foreign exchange derivatives	<b>(4,536)</b>	(220)	<b>(4,536)</b>	(220)
Net gain from sale of financial investment available-for-sale	<b>3,181</b>	910	<b>3,181</b>	910
Gross dividend income from investment: -unquoted in Malaysia	<b>3,223</b>	1,934	<b>3,223</b>	1,934
Net dividend paid for Islamic profit rate swap	<b>(865)</b>	(253)	<b>(865)</b>	(253)
Unrealised gain/(loss) on revaluation of Islamic profit rate swap	<b>5,557</b>	(2,691)	<b>5,557</b>	(2,691)
Unrealised loss on revaluation from hedged items	<b>(13,046)</b>	1,446	<b>(13,046)</b>	1,446
	<b>3,347</b>	5,753	<b>3,347</b>	5,753
<b>Fees and commission</b>				
Processing fees	<b>32</b>	140	<b>32</b>	140
Corporate advisory fees	<b>798</b>	524	<b>132</b>	542
Service charges and fees	<b>860</b>	423	<b>150</b>	125
Commission	<b>2,383</b>	1,062	<b>2,383</b>	1,062
Others	<b>14</b>	17	<b>14</b>	17
	<b>4,087</b>	2,166	<b>2,711</b>	1,886
<b>Other income</b>				
Rental income	<b>145</b>	148	<b>145</b>	148
Gain/ (loss) on sale of property, plant and equipment	<b>2,855</b>	(55)	<b>2,855</b>	(55)
	<b>3,000</b>	93	<b>3,000</b>	93
<b>Total</b>	<b>17,570</b>	16,689	<b>16,194</b>	16,409

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**16. Allowance for Impairment on Financing**

	Group		Bank	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Allowance for impairment on financing				
(a) Individual assessment allowance				
Made during the period	22,455	4,963	22,455	4,963
Written back during the period	(2,065)	(12,856)	(2,065)	(12,856)
	<u>20,390</u>	<u>(7,893)</u>	<u>20,390</u>	<u>(7,893)</u>
(b) Collective assessment allowance				
Made during the period	103,377	61,249	103,377	61,249
Written back during the period	(97,605)	(49,113)	(97,605)	(49,113)
	<u>5,772</u>	<u>12,136</u>	<u>5,772</u>	<u>12,136</u>
Bad debts on financing:				
Written off	2,072	415	2,072	415
Recovered	(11,889)	(4,312)	(11,889)	(4,312)
	<u>16,345</u>	<u>346</u>	<u>16,345</u>	<u>346</u>

**17. Impairment Writeback on Investments**

	Group		Bank	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Impairment writeback on corporate bonds included under available-for-sale financial investments	1,972	(748)	1,972	(748)
Impairment writeback on corporate bonds included under held-to-maturity financial investments	-	-	-	-
	<u>1,972</u>	<u>(748)</u>	<u>1,972</u>	<u>(748)</u>

**18. Income Attributable to Depositors**

	Group		Bank	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Deposits from customers:				
Mudharabah funds	97,376	76,875	97,418	76,917
Non-Mudharabah funds	11,401	22,194	11,401	22,194
Deposits and placements of banks and other financial institutions:				
Mudharabah funds	-	37	-	37
Non-Mudharabah funds	996	1,542	996	1,542
	<u>109,773</u>	<u>100,648</u>	<u>109,815</u>	<u>100,690</u>

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**19. Zakat**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Provision for zakat for the year	657	1,537	657	1,537
Over provision in prior year	(275)	-	(275)	-
	<b>382</b>	<b>1,537</b>	<b>382</b>	<b>1,537</b>

**20. Taxation**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current income tax	174	17,153	(0)	17,137
Under provision in prior year	77	-	79	-
	<b>251</b>	<b>17,153</b>	<b>79</b>	<b>17,137</b>
Deferred tax:				
Relating to origination and reversal of temporary differences	2,607	(1,568)	2,607	(1,568)
	<b>2,607</b>	<b>(1,568)</b>	<b>2,607</b>	<b>(1,568)</b>
	<b>2,858</b>	<b>15,585</b>	<b>2,686</b>	<b>15,569</b>

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

Domestic current income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the period.

**21. Credit Exposures Arising from Credit Transactions with Connected Parties**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Outstanding credit exposures with connected parties (RM'000)	<b>1,112,621</b>	<b>1,218,329</b>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<b>5.4%</b>	<b>6.0%</b>

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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**22. Commitments and Contingencies**

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

Risk weighted exposures of the Bank as at 30 June 2013 are as follows:

	<b>Group and Bank 30 June 2013</b>		
	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
The commitments and contingencies constitute the following:			
<b>Commitments and contingencies</b>			
Direct credit substitutes	6,312	6,312	6,312
Trade-related contingencies	73,993	14,799	6,891
Transaction related contingencies	500,410	250,205	190,966
Obligations under an on-going underwriting agreement	7,500	3,750	750
Credit extension commitment:			
Maturity within one year	764,879	152,976	136,837
Maturity exceeding one year	2,012,961	1,006,480	279,606
Bills of collection	21,290	-	-
<b>Islamic derivative financial instruments</b>			
Foreign exchange related contracts	601,545	10,561	4,784
Profit rate related contracts	875,000	37,250	7,450
	<b>4,863,890</b>	<b>1,482,333</b>	<b>633,596</b>

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**22. Commitments and Contingencies (cont'd.)**

**Group and Bank**  
**31 March 2013**

	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Total Risk Weighted Amount RM'000</b>
The commitments and contingencies constitute the following:			
<b>Commitments and contingencies</b>			
Direct credit substitutes	16,362	16,362	8,362
Trade-related contingencies	73,372	14,674	4,904
Transaction related contingencies	501,061	250,531	191,325
Obligations under an on-going underwriting agreement	25,000	12,500	2,500
Credit extension commitment:			
Maturity within one year	450,046	90,009	76,294
Maturity exceeding one year	1,944,354	972,177	256,626
Bills of collection	19,712	-	-
<b>Islamic derivative financial instruments</b>			
Foreign exchange related contracts	395,124	6,670	4,341
Profit rate related contracts	875,000	37,250	7,450
	<u>4,300,031</u>	<u>1,400,173</u>	<u>551,802</u>

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**23. Capital Adequacy**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 March</b>	<b>30 June</b>	<b>31 March</b>
	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Computation of Total Risk Weighted Assets ("RWA")</b>				
Total credit RWA	10,067,570	9,687,613	10,047,349	9,680,838
Total market RWA	106,027	57,818	106,027	57,818
Total operational RWA	1,018,729	1,022,010	1,016,560	1,020,708
Total RWA	11,192,326	10,767,441	11,169,936	10,759,364
<b>Computation of Capital Ratio</b>				
<b><u>Tier-I capital</u></b>				
Paid-up ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Retained profits	226,048	226,048	225,542	225,542
<b><u>Other Reserves</u></b>				
Statutory reserve	398,978	398,978	397,381	397,381
Unrealised losses on available for-sale financial instruments	(25,940)	(25,940)	(25,940)	(25,940)
Foreign exchange translation reserve	(610)	(610)	(610)	(610)
<b>Regulatory Adjustment</b>				
Less: Deferred tax assets (net)	(17,027)	(17,027)	(17,027)	(17,027)
Less: Investment in subsidiaries	-	-	(6,384)	(6,384)
<b>Total Common Equity Tier-I Capital</b>	<b>1,581,449</b>	<b>1,581,449</b>	<b>1,572,962</b>	<b>1,572,962</b>
<b>Total Tier-I Capital</b>	<b>1,581,449</b>	<b>1,581,449</b>	<b>1,572,962</b>	<b>1,572,962</b>
<b><u>Tier-II capital</u></b>				
Subordinated sukuk	360,810	365,450	360,810	365,450
Collective assessment allowance*	125,845	121,095	125,592	120,903
<b>Total Tier-II Capital</b>	<b>486,655</b>	<b>486,545</b>	<b>486,402</b>	<b>486,353</b>
<b>Total Capital Base</b>	<b>2,068,104</b>	<b>2,067,994</b>	<b>2,059,364</b>	<b>2,059,315</b>
<b>CET1 Capital</b>	<b>1,581,449</b>	<b>1,581,449</b>	<b>1,572,962</b>	<b>1,572,962</b>
<b>Tier 1 Capital</b>	<b>1,581,449</b>	<b>1,581,449</b>	<b>1,572,962</b>	<b>1,572,962</b>
<b>Total Capital</b>	<b>2,068,104</b>	<b>2,067,994</b>	<b>2,059,364</b>	<b>2,059,315</b>
<b>Ratio (%)</b>				
CET 1 Capital	14.1%	14.7%	14.1%	14.6%
Tier 1 Capital	14.1%	14.7%	14.1%	14.6%
Total Capital	18.5%	19.2%	18.4%	19.1%

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components and Basel II - Risk-weighted Assets) dated 28 November 2012. The Group and Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier I capital ratio and Tier I capital ratio are 3.5% and 4.5% respectively for year 2013. The minimum regulatory capital adequacy requirement remains at 8.0% (31 March 2013: 8.0%) for total capital ratio.

The current year's core capital ratios and risk-weighted capital ratios were computed using reported amounts which form part of the current year financial statements which have been prepared in accordance with MFRS.

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**23. Capital Adequacy (cont'd.)**

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

	<b>Group</b>			
	<b>30 June 2013 RM'000</b>		<b>31 March 2013 RM'000</b>	
	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>
<b>0%</b>	7,280,659	-	9,165,454	-
<b>20%</b>	2,369,708	473,942	2,260,167	452,033
<b>35%</b>	1,022,206	357,772	988,384	345,934
<b>50%</b>	572,790	286,395	747,640	373,820
<b>75%</b>	3,003,785	2,252,839	3,100,378	2,325,285
<b>100%</b>	6,531,975	6,531,975	6,084,959	6,084,959
<b>150%</b>	109,765	164,647	70,388	105,582
<b>Risk weighted assets for credit risk</b>	<b>20,890,888</b>	<b>10,067,570</b>	<b>22,417,370</b>	<b>9,687,613</b>
<b>Risk weighted assets for market risk</b>		<b>106,027</b>		<b>57,818</b>
<b>Risk weighted assets for operational risk</b>		<b>1,018,729</b>		<b>1,022,010</b>
<b>Total risk weighted assets</b>		<b>11,192,326</b>		<b>10,767,441</b>



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**23. Capital Adequacy (cont'd.)**

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

	<b>Bank</b>			
	<b>30 June 2013 RM'000</b>		<b>31 March 2013 RM'000</b>	
	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>	<b>Total exposures after netting and credit risk mitigation RM'000</b>	<b>Total risk weighted assets RM'000</b>
<b>0%</b>	7,280,659	-	9,165,454	-
<b>20%</b>	2,369,708	473,942	2,260,167	452,033
<b>35%</b>	1,022,206	357,772	988,384	345,934
<b>50%</b>	572,790	286,395	747,640	373,820
<b>75%</b>	3,003,785	2,252,839	3,100,379	2,325,283
<b>100%</b>	6,510,435	6,510,435	6,077,556	6,077,556
<b>150%</b>	110,644	165,966	70,808	106,212
<b>Risk weighted assets for credit risk</b>	<b>20,870,227</b>	<b>10,047,349</b>	22,410,388	9,680,838
<b>Risk weighted assets for market risk</b>		<b>106,027</b>		57,818
<b>Risk weighted assets for operational risk</b>		<b>1,016,560</b>		1,020,708
<b>Total risk weighted assets</b>		<b>11,169,936</b>		10,759,364