

BANK MUAMALAT MALAYSIA BERHAD

Company No. 6175-W
(Incorporated in Malaysia)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
30 JUNE 2019 (26 SYAWAL 1440H)**

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 (26 SYAWAL 1440H)

		Group		Bank	
		As at 30.06.2019 RM'000	As at 31.03.2019 RM'000	As at 30.06.2019 RM'000	As at 31.03.2019 RM'000
Note					
Assets					
		234,609	830,571	234,609	830,571
		6,656	11,937	6,656	11,937
	9(i)	353,739	660,799	353,045	658,866
	9(ii)	4,726,287	4,936,032	4,723,902	4,933,767
	9(iii)	103,053	103,310	103,053	103,310
	10	7,711	24,853	7,711	24,853
	11	15,385,723	15,330,895	15,383,036	15,333,281
	12	76,176	81,625	75,497	83,531
		658,539	699,275	658,539	699,275
		-	-	12,559	12,559
		45,723	45,303	45,723	45,303
		40,432	-	33,418	-
		84,766	84,684	84,649	84,560
		56,839	58,361	56,825	58,360
		220	223	220	223
	13	3,287	17,742	2,933	17,742
Total assets		21,783,760	22,885,610	21,782,375	22,898,138
Liabilities					
	14	17,946,851	19,144,118	17,960,042	19,167,905
	16	14,778	6,747	14,778	6,747
		8,817	15,678	8,817	15,678
	10	50,401	48,162	50,401	48,162
	17	89,350	78,450	88,491	74,156
	18	1,271	6,670	1,233	6,597
		43,460	-	35,430	-
	13	-	65	-	-
		467,092	471,102	467,092	471,102
	20(a)	250,418	254,025	250,418	254,025
	20(b)	502,331	509,174	502,331	509,174
Total liabilities		19,374,769	20,534,191	19,379,033	20,553,546

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 (26 SYAWAL 1440H) - (CONT'D.)

	Note	Group		Bank	
		As at 30.06.2019 RM'000	As at 31.03.2019 RM'000	As at 30.06.2019 RM'000	As at 31.03.2019 RM'000
Shareholders' equity					
Share capital		1,195,000	1,195,000	1,195,000	1,195,000
Reserves		1,213,991	1,156,419	1,208,342	1,149,592
Total shareholders' equity		2,408,991	2,351,419	2,403,342	2,344,592
Total liabilities and shareholders' equity		21,783,760	22,885,610	21,782,375	22,898,138
Restricted investment accounts	15	20,000	20,444	20,000	20,944
Total Islamic banking asset and asset under management		21,803,760	22,906,054	21,802,375	22,919,082
Commitments and contingencies	34	7,082,957	9,264,470	7,082,957	9,264,470
Capital adequacy *					
CET 1 capital ratio	35	16.06%	15.80%	15.96%	15.68%
Total capital ratio	35	18.81%	18.59%	18.71%	18.47%

* 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 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF PROFIT OR LOSS

FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

		Group		Bank	
		30 June	30 June	30 June	30 June
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	21	298,549	302,190	298,549	302,190
Income derived from investment of shareholders' funds	22	10,405	14,574	10,275	16,015
Income derived from investment of investment account funds	23	5	101	5	101
Allowance for impairment on financing	24	(11,088)	(12,437)	(11,088)	(12,422)
Writeback of impairment losses on financial investments, net	25	286	269	286	269
Writeback of impairment losses on other financial assets, net	26	192	-	192	-
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(2,771)	(2,165)	(2,771)	(2,165)
Total distributable income		295,578	302,532	295,448	303,988
Income attributable to depositors	27	(137,998)	(147,718)	(138,068)	(147,828)
Total net income		157,580	154,814	157,380	156,160
Personnel expenses	28	(59,352)	(49,061)	(58,724)	(48,604)
Other overheads and expenditures	29	(48,821)	(45,142)	(49,020)	(45,245)
Finance costs	30	(16,510)	(16,082)	(16,400)	(16,082)
Profit before zakat and taxation		32,897	44,529	33,236	46,229
Zakat	31	(841)	(1,174)	(831)	(1,173)
Taxation	32	(6,995)	(12,022)	(6,863)	(11,876)
Profit for the period		25,061	31,333	25,542	33,180

Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):

2.14 2.78

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 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

	Note	Group		Bank	
		30 June 2019 RM'000	30 June 2018 RM'000 Restated	30 June 2019 RM'000	30 June 2018 RM'000 Restated
Profit for the period		25,061	31,333	25,542	33,180
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss					
Net gain/(loss) on financial assets at fair value through other comprehensive income		41,590	(36,757)	41,590	(36,757)
Realised gain transferred to statement of profit or loss upon disposal	21&22	(2,569)	(31)	(2,569)	(31)
Income tax relating to components of other comprehensive income	13	(10,521)	11,838	(10,521)	11,251
Changes in expected credit losses	9(ii)	24	(46)	24	(46)
Exchange fluctuation reserve		670	2,021	670	2,021
Items that may not be reclassified subsequently to profit or loss					
Net unrealised gain/(loss) on equity securities at FVOCI		5,470	(9,424)	5,470	(9,424)
Other comprehensive income/(loss) for the period, net of tax		34,664	(32,399)	34,664	(32,986)
Total comprehensive income/(loss) for the period		59,725	(1,066)	60,206	194

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 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

	Non-distributable			Distributable		
	Ordinary shares RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total Equity RM'000
Group						
At 1 April 2019						
- as previously stated	1,195,000	(1,514)	63,585	(417)	1,094,765	2,351,419
- effect of adopting MFRS 16 (note 38 (i))	-	-	-	-	(2,153)	(2,153)
At 1 April 2019, as restated	1,195,000	(1,514)	63,585	(417)	1,092,612	2,349,266
Profit for the period	-	-	-	-	25,061	25,061
Other comprehensive income for the period	-	33,994	-	670	-	34,664
Total comprehensive income for the period	-	33,994	-	670	25,061	59,725
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(617)	-	-	617	-
Transfer from regulatory reserve	-	-	(79)	-	79	-
At 30 June 2019	1,195,000	31,863	63,506	253	1,118,369	2,408,991
At 1 April 2018						
- as previously stated	1,195,000	(27,616)	1,530	(1,779)	1,132,781	2,299,916
- effect of adopting MFRS 9	-	(2,027)	51,437	-	(201,059)	(151,649)
At 1 April 2018, as restated	1,195,000	(29,643)	52,967	(1,779)	931,722	2,148,267
Profit for the period	-	-	-	-	31,333	31,333
Other comprehensive loss for the period	-	(34,420)	-	2,021	-	(32,399)
Total comprehensive loss for the period	-	(34,420)	-	2,021	31,333	(1,066)
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(968)	-	-	968	-
Transfer to regulatory reserve	-	-	8,020	-	(8,020)	-
At 30 June 2018	1,195,000	(65,031)	60,987	242	956,003	2,147,201

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 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

	Non-distributable			Distributable		
	Ordinary shares RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total Equity RM'000
Bank						
At 1 April 2019						
- as previously stated	1,195,000	(1,513)	63,585	(417)	1,087,937	2,344,592
- effect of adopting MFRS 16 (note 38 (i))	-	-	-	-	(1,456)	(1,456)
At 1 April 2019, as restated	1,195,000	(1,513)	63,585	(417)	1,086,481	2,343,136
Profit for the period	-	-	-	-	25,542	25,542
Other comprehensive income for the period	-	33,994	-	670	-	34,664
Total comprehensive income for the period	-	33,994	-	670	25,542	60,206
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(617)	-	-	617	-
Transfer from regulatory reserve	-	-	(79)	-	79	-
At 30 June 2019	1,195,000	31,864	63,506	253	1,112,719	2,403,342
At 1 April 2018						
- as previously stated	1,195,000	(29,473)	1,530	(1,779)	1,123,420	2,288,698
- effect of adopting MFRS 9	-	418	51,437	-	(203,514)	(151,659)
At 1 April 2018, as restated	1,195,000	(29,055)	52,967	(1,779)	919,906	2,137,039
Profit for the period	-	-	-	-	33,180	33,180
Other comprehensive loss for the period	-	(35,007)	-	2,021	-	(32,986)
Total comprehensive loss for the period	-	(35,007)	-	2,021	33,180	194
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(968)	-	-	968	-
Transfer to regulatory reserve	-	-	8,020	-	(8,020)	-
At 30 June 2018	1,195,000	(65,030)	60,987	242	946,034	2,137,233

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 2019.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS

FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

		Group		Bank	
	Note	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		32,897	44,529	33,236	46,229
Adjustment for					
Amortisation of prepaid land and lease payment	29	1	1	1	1
Amortisation of intangible asset	29	8,250	7,215	8,244	7,165
Depreciation of property, plant and equipment	29	3,483	3,803	3,482	3,799
Depreciation of right-of-use assets	29	2,375	-	2,252	-
Amortisation of cost on Subordinated Sukuk Issued		50	50	50	50
Fixed asset written off		25	-	25	-
Accretion of discount	21&22	(112)	(593)	(112)	(593)
Net gain from sale of financial investments at fair value through other comprehensive income	21&22	(2,569)	(31)	(2,569)	(31)
Net gain from sale of financial investment designated at FVTPL	21&22	(115)	(88)	(119)	(88)
Unrealised (gain)/loss on revaluation of financial investment designated at FVTPL	21&22	(7,606)	28	(7,751)	(2,005)
Net (gain)/loss on revaluation of foreign exchange transaction	22	(4,054)	32	(4,054)	32
Net loss/(gain) from foreign exchange derivatives	22	3,977	(2,258)	3,977	(2,258)
Unrealised loss on revaluation of islamic profit rate swap	22	15,404	4,429	15,404	4,429
Unrealised gain on revaluation of hedged items	22	(15,318)	(7,533)	(15,318)	(7,533)
Gain from derecognition fair value of hedged items	22	-	(1,916)	-	(1,916)
Writeback of impairment losses on financial investments, net	25	(286)	(269)	(286)	(269)
Writeback of impairment losses on other financial assets, net	26	(192)	-	(192)	-
Allowance for impairment on financing	24	17,690	9,843	17,690	9,828
Financing written off	24	4	4,068	4	4,068
Finance cost	30	16,510	16,082	16,400	16,082
Gross dividend income	22	(20)	(12)	(1,000)	-
Operating profit before working capital changes		70,394	77,380	69,364	76,990

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS

FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

	Note	Group		Bank	
		30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
(Increase)/decrease in operating assets:					
Investment accounts due from designated financial institution		-	62	-	62
Financial investment portfolio		1,682	(28,954)	1,682	(26,961)
Islamic derivative financial assets		13,164	44,341	13,164	44,341
Financing of customers		(60,127)	(223,357)	(55,055)	(227,150)
Statutory deposits with Bank Negara Malaysia		40,736	(12,930)	40,736	(12,930)
Other assets		(35,094)	3,803	(24,059)	7,380
Increase/(decrease) in operating liabilities:					
Deposits from customers		(1,197,265)	(1,418,359)	(1,207,861)	(1,420,161)
Deposits and placements of banks and other financial institutions		8,032	600,580	8,032	600,580
Islamic derivative financial liabilities		(13,165)	(44,341)	(13,165)	(44,341)
Bills and acceptances payable		(6,861)	11,254	(6,861)	11,254
Other liabilities		56,898	16,803	52,144	15,819
Cash used in from operations		(1,121,606)	(973,718)	(1,121,879)	(975,117)
Zakat paid		(6,250)	(6,118)	(6,195)	(5,587)
Tax paid		(2,741)	(8,753)	(2,692)	(7,877)
Net cash used in operating activities		(1,130,597)	(988,589)	(1,130,766)	(988,581)
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		2,993,344	1,395,026	2,992,253	1,395,026
Purchase of financial investment in securities		(2,419,835)	(1,411,501)	(2,419,714)	(1,411,498)
Purchase of investment properties		(420)	-	(420)	-
Purchase of property, plant and equipment		(2,336)	(4,980)	(2,325)	(4,979)
Purchase of intangible asset		(8,333)	(5,355)	(8,333)	(5,355)
Dividend income	22	20	12	1,000	-
Net cash generated from/(used in) investing activities		562,440	(26,798)	562,461	(26,806)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS

FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (26 SYAWAL 1440H)

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividend paid on Islamic subordinated sukuk	(21,000)	(21,000)	(21,000)	(21,000)
Repayment of lease liability	(2,670)	-	(2,522)	-
Repayment of principal for recourse obligation on financing sold to Cagamas	(3,956)	(3,562)	(3,956)	(3,562)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(5,460)	(5,632)	(5,460)	(5,632)
Net cash used in financing activities	(33,086)	(30,194)	(32,938)	(30,194)
Net decrease in cash and cash equivalents	(601,243)	(1,045,581)	(601,243)	(1,045,581)
Cash and cash equivalents at beginning of the period	842,508	1,587,681	842,508	1,587,681
Cash and cash equivalents at end of the period	241,265	542,100	241,265	542,100
Cash and cash equivalents consist of:				
Cash and short term funds	234,609	542,100	234,609	542,100
Cash and placements with financial institutions	6,656	-	6,656	-
	241,265	542,100	241,265	542,100

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 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 JUNE 2019
(26 SYAWAL 1440H)

1. Basis of preparation

The unaudited condensed financial statements for the first financial quarter ended 30 June 2019 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") 134: Interim Financial Reporting.

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 investments at fair value through other comprehensive income ("FVOCI"), financial investments at fair value through profit or loss ("FVTPL") 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 2019 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") 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 2019. 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 financial year ended 31 March 2019.

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 financial year ended 31 March 2019 except for adoption of the following MFRSs and Interpretations of the Issues Committee ("IC Interpretations") with effective dates as follows:

Description	Effective for annual periods beginning on or after
MFRS 16: Leases	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019

The Group and the Bank have not applied the following accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Bank. The Group and the Bank intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

BANK MUAMALAT MALAYSIA BERHAD
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1. Basis of Preparation (cont'd.)

The adoption of the above new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations do not have any significant financial impact to the Group's and the Bank's financial statements, except for as disclosed below:

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a lease liability to make lease payments and a right-of-use asset representing the right to use the underlying asset during the lease term, to be included in property, plant and equipment. Lessees will be required to separately recognise the finance cost on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from the current accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish operating and finance leases.

Transition to MFRS 16

On 1 April 2019, the Group and the Bank has applied MFRS 16 for the first time using the modified retrospective method and will not restate comparative information. Instead, the Group and the Bank will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of retained profits at the date of initial application.

The Group and the Bank elected the following transition practical expedients on a lease-by-lease basis for measurement purposes at first time application of the standard:

- a) The Group and the Bank applied the standard to contracts that were previously identified as leases applying MFRS 117 and IFRIC 4;
- b) The Group and the Bank elected to use the exemptions proposed by the Standard on lease contracts for which the lease terms end within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value;
- c) For leases where the Group and the Bank are lessees, the Group and the Bank elected not to separate the non-lease components from lease components, and instead account for both components as a single lease component;
- d) A single discount rate was applied for those portfolio of leases with reasonably similar characteristics such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment;
- e) The Group and the Bank used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The financial impact of the adoption of MFRS 16 on the financial statements of the Group and of the Bank are disclosed in Note 38.

BANK MUAMALAT MALAYSIA BERHAD
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1. Basis of Preparation (cont'd.)

MFRS 16 Leases (cont'd.)

Right-of-Use Assets

At inception of a contract, the Group and the Bank assesses whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent remeasurement of the contract on the basis of their relative stand-alone selling prices. The Group and the Bank combines lease and non-lease components, in cases where splitting the non-lease component is not possible.

The Group and the Bank recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group and the Bank is reasonably certain to exercise that option. Unless the Group and the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

Lease Liabilities

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank use the incremental funding rate at the lease commencement date if the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2019 was not qualified.

3. Significant events

There was no significant event during the financial year first quarter ended 30 June 2019.

4. Seasonal or cyclical factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors during the financial year first quarter ended 30 June 2019.

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5. Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Bank during the first quarter ended 30 June 2019.

6. Changes in accounting estimates

There were no material changes in estimates during the first quarter ended 30 June 2019.

7. Dividends

There was no dividend payment during the first quarter ended 30 June 2019.

8. Performance review and outlook

The Group posted an unaudited profit before zakat and taxation of RM32.9 million for the three (3) months period ended 30 June 2019, lower by 26.1% from the previous corresponding period in 2018. This is largely attributed to the lower total income from investment of depositors' and shareholders' funds by RM7.9 million or 2.5%; coupled with higher overheads and finance cost by RM14.0 million and RM0.5 million, respectively. However, this drop is cushioned by the lower charge in allowance for impairment loss on financing of RM11.1 million, as compared to RM12.4 million for the same period last year.

Total assets of the Group stood at RM21.8 billion, lower from RM22.9 billion registered in March 2019. This is mainly contributed by the lower financial investment asset in tandem with the decrease in deposit of customers, however, the group experienced higher financing assets as at the end of June 2019.

OUTLOOK

Global growth remained sluggish mainly due to the intensified trade war between US and China with global technology supply chain remained threatened by possible sanction by US, uncertainty in Brexit-related issue as well as rising geopolitical tensions that may dampen energy prices. Against this backdrop, global growth is forecasted at 3.2% in 2019 (2018: 3.6%) with downside risk to the growth remained on disruptions of trade and technology supply chain.

Malaysia's economy is expected to see moderate but steady growth despite risks from the escalating trade war between US and China. Moving forward, Malaysia's gross domestic product ("GDP") is to grow around 4.3 to 4.8%, according to the BNM Report 2018 with domestic demand remained as the engine of growth.

Despite the internal and external market volatilities, Malaysian financial sector remains supportive of domestic economy with total outstanding financing grew at a year-to-date average of 4.9% compared to 4.6% in 2018. The Bank also believes that the demand in Islamic Banking industry will continue to facilitate Malaysian banking growth, evidenced by its financing growth that has been outpacing the development of the conventional banks.

Against this backdrop, the Bank will continue to ride on its business plan, following on selective areas of growth to ensure it remains competitive in the current banking landscape. The Bank will also maintain its concentration on growth in retail assets with plan to diversify its market segment to government servants and GLC companies. At the same time, corporate and commercial segments will continue to leverage on the existing customers whilst penetrating their supply/ client chain.

In managing its balance sheet, the Bank plans to optimise its return and manage its risks by further improving its asset quality as well as focusing on CASA growth to manage its cost of fund. Realising the importance of digital innovation and process transformation, the Bank will also enhance its ease of access, usage and seamless banking experience as well as to further digitalise the customer base, especially in terms of mobile application and internet banking usage.

Leveraging on being a member of Global Alliance for Banking on Values ("GABV"), the Bank aims to not only be the preferred Islamic financial institution but also aspires to be the champion in the ethical banking and provides the platform for a better social, environmental and economic value.

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9. Financial investments

		Group 30 June 2019 RM'000	31 March 2019 RM'000	Bank 30 June 2019 RM'000	31 March 2019 RM'000
Financial investments at fair value through profit or loss	(i)	353,739	660,799	353,045	658,866
Financial investments at fair value through other comprehensive income	(ii)	4,726,287	4,936,032	4,723,902	4,933,767
Financial investments at amortised cost	(iii)	103,053	103,310	103,053	103,310
		5,183,079	5,700,141	5,180,000	5,695,943

		Group 30 June 2019 RM'000	31 March 2019 RM'000	Bank 30 June 2019 RM'000	31 March 2019 RM'000
(i) Financial investments at fair value through profit or loss					
Quoted securities in Malaysia:					
Quoted shares		694	1,933	-	-
Unquoted securities in Malaysia:					
Private equity funds		194,958	188,478	194,958	188,478
Malaysian government investment certificates		9	101,542	9	101,542
Bank Negara Malaysia bills and notes		21,969	234,750	21,969	234,750
Islamic private debt securities in Malaysia		136,109	134,096	136,109	134,096
		353,739	660,799	353,045	658,866

		Group 30 June 2019 RM'000	31 March 2019 RM'000	Bank 30 June 2019 RM'000	31 March 2019 RM'000
(ii) Financial investments at fair value through other comprehensive income					
Government securities and treasury bills:					
Malaysian government investment certificates		2,902,596	2,912,118	2,902,596	2,912,118
Unquoted securities:					
Islamic private debt securities in Malaysia		1,631,298	1,835,869	1,631,298	1,835,869
Cagamas bonds		56,164	55,948	56,164	55,948
Foreign Islamic private debt securities and sukuk		22,814	22,444	22,814	22,444
		1,710,276	1,914,261	1,710,276	1,914,261
Equity instruments:					
Quoted securities in Malaysia:					
Quoted shares		105,649	102,007	105,649	102,007
Unit trusts		2,385	2,265	-	-
		108,034	104,272	105,649	102,007
Unquoted securities:					
Shares in Malaysia		5,381	5,381	5,381	5,381
Total financial assets at fair value through other comprehensive income		4,726,287	4,936,032	4,723,902	4,933,767

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9. Financial investments (cont'd)

(ii) Financial investments at fair value through other comprehensive income (cont'd.)

- (a) Movements in the allowances for impairment losses on debt instruments at fair value through other comprehensive income are as follows for the Group and the Bank:

	Stage 1	Stage 2	Stage 3	
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
At 30 June 2019				
At 1 April 2019	122	-	33,866	33,988
Allowance made	46	-	-	46
Amount written back in respect of recoveries	(22)	-	-	(22)
Exchange differences	-	-	180	180
At 30 June 2019	146	-	33,866	34,012

	Group		Bank	
	30 June 2019	31 March 2019	30 June 2018	31 March 2019
	RM'000	RM'000	RM'000	RM'000

(iii) Financial investments at amortised cost

At amortised cost

Unquoted Islamic corporate sukuk in Malaysia	144,162	144,730	144,162	144,730
Accumulated impairment losses	(41,109)	(41,420)	(41,109)	(41,420)
Total financial investments at amortised cost	103,053	103,310	103,053	103,310

- (a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows for the Group and the Bank:

	Stage 1	Stage 2	Stage 3	
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
At 30 June 2019				
At 1 April 2019	1	41,419	-	41,420
Amount written back in respect of recoveries	(1)	(310)	-	(311)
At 30 June 2019	-	41,109	-	41,109

10. 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 2019			31 March 2019		
	Contract/ notional amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives:						
Foreign exchange contracts						
- Currency forwards						
Less than one year	1,231,473	4,714	(3,013)	1,322,983	13,765	(7,963)
- Currency swaps						
Less than one year	1,618,340	2,992	(5,417)	1,858,525	8,835	(12,946)
- Currency spot						
Less than one year	24,344	5	(22)	363,985	2,253	(708)
	2,874,157	7,711	(8,452)	3,545,493	24,853	(21,617)
Islamic profit rate swap ("IPRS")						
Unhedged IPRS	950,000	-	(2,374)	950,000	-	(2,123)
Hedged IPRS	1,200,000	-	(39,575)	1,200,000	-	(24,422)
Total	5,024,157	7,711	(50,401)	5,695,493	24,853	(48,162)

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 2019			31 March 2019		
	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)	1,200,000	-	(39,575)	1,200,000	-	(24,422)

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 period ended 30 June 2019, the Group and the Bank:-

- (i) recognised a net loss of RM15,350,120 (31 March 2019: RM22,110,559) on the hedging instrument. The total net gain on the hedged items attributable to the hedged risk amounted to RM15,318,305 (31 March 2019: RM33,297,224); and
- (ii) Derecognition of fair value of hedged items attributable to the hedged risk is nil (31 March 2019: RM2,101,533) due to the derecognition of the hedged items.

11. Financing of Customers

(i) By type and Shariah concepts

Group	Bai'	Ijarah			Bai'					Shirkah		Total
30 June 2019	Bithaman Ajil	Thumma	Inah	Tawarruq	Al-Dayn	Murabahah	Istisna'	Qard	Kafalah	Mutanaqisah	Rahnu	financing
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line	-	-	4,087	352,071	-	-	-	-	-	-	-	356,158
Term financing:												
Home financing	1,775,122	-	-	2,729,377	-	-	10,079	-	-	-	-	4,514,578
Syndicated financing	-	10,387	-	635,251	-	-	-	-	-	-	-	645,638
Hire purchase receivables	94,924	485,005	-	-	-	11,686	-	-	-	-	-	591,615
Personal financing	65,897	-	176	3,257,011	-	-	-	-	-	-	-	3,323,084
Other term financing	206,652	-	12	3,182,432	-	-	64,800	332	86	53,325	-	3,507,639
Trust receipts	-	-	-	-	49,312	39,525	-	-	-	-	-	88,837
Claims on customers under acceptance credits	-	-	-	-	74,456	822,695	-	-	-	-	-	897,151
Staff financing	40,336	-	-	59,114	-	-	-	1,002	-	-	-	100,452
Revolving credit	-	-	-	1,345,165	-	-	-	-	-	-	-	1,345,165
Ar-Rahnu	-	-	-	-	-	-	-	-	-	-	131,288	131,288
Gross financing	2,182,931	495,392	4,275	11,560,421	123,768	873,906	74,879	1,334	86	53,325	131,288	15,501,605
Fair value changes arising from fair value hedge	-	-	-	35,439	-	-	-	-	-	-	-	35,439
	2,182,931	495,392	4,275	11,595,860	123,768	873,906	74,879	1,334	86	53,325	131,288	15,537,044
Less : Allowance for impaired financing												
-Stage 1 - 12 Months ECL	(1,117)	(863)	(72)	(47,771)	(104)	(634)	(176)	(10)	-	-	(2,446)	(53,193)
-Stage 2 - Lifetime ECL not credit impaired	(2,917)	(108)	(139)	(3,509)	(254)	-	(11)	-	-	-	-	(6,938)
-Stage 3 - Lifetime ECL credit impaired	(19,880)	(3,023)	(101)	(60,112)	(4)	(5,876)	(67)	-	-	-	(2,127)	(91,190)
Total net financing	2,159,017	491,398	3,963	11,484,468	123,406	867,396	74,625	1,324	86	53,325	126,715	15,385,723

* Included in financing of customers are financing at fair value through profit or loss amounting to RM789,094,011.

11. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Kafalah RM'000	Shirkah Mutanaqisah RM'000	Rahnu RM'000	Total financing RM'000
31 March 2019												
Cash line	-	-	4,665	342,103	-	-	-	-	-	-	-	346,768
Term financing:												-
Home financing	1,815,631	-	-	2,718,034	-	-	10,149	-	-	-	-	4,543,814
Syndicated financing	-	10,303	-	643,264	-	-	-	-	-	-	-	653,567
Hire purchase receivables	85,059	496,573	-	-	-	-	-	-	-	-	-	581,632
Personal financing	67,928	-	282	3,299,171	-	-	-	-	-	-	-	3,367,381
Other term financing*	212,416	-	19	3,032,451	-	-	73,068	362	434	51,054	-	3,369,804
Trust receipts	-	-	-	-	-	98,692	-	-	-	-	-	98,692
Claims on customers under acceptance credits	-	-	-	-	946,466	-	-	-	-	-	-	946,466
Staff financing	41,807	-	-	58,499	-	-	-	491	-	-	-	100,797
Revolving credit	-	-	-	1,329,468	-	-	-	-	-	-	-	1,329,468
Ar-Rahnu	-	-	-	-	-	-	-	-	-	-	126,747	126,747
Total gross financing	2,222,841	506,876	4,966	11,422,990	946,466	98,692	83,217	853	434	51,054	126,747	15,465,136
Fair value changes arising from fair value hedge	-	-	-	23,045	-	-	-	-	-	-	-	23,045
	2,222,841	506,876	4,966	11,446,035	946,466	98,692	83,217	853	434	51,054	126,747	15,488,181
Less : Allowance for impaired financing												
At amortised cost												
-Stage 1 - 12 Months ECL	(1,195)	(960)	(75)	(50,035)	(661.00)	(133.00)	(199)	(11)	-	-	(2,617)	(55,886)
-Stage 2 - Lifetime ECL not credit impaired	(3,115)	(128)	(136)	(3,858)	(209)	-	(2)	-	-	-	-	(7,448)
-Stage 3 - Lifetime ECL credit impaired	(17,474)	(2,873)	(305)	(64,254)	-	(5,956)	(66)	-	(220)	-	(2,804)	(93,952)
Total net financing	2,201,057	502,915	4,450	11,327,888	945,596	92,603	82,950	842	214	51,054	121,326	15,330,895

* Included in financing of customers are financing at fair value through profit or loss amounting to RM774,461,089.

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11. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank 30 June 2019	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Kafalah RM'000	Rahnu RM'000	Total financing RM'000
Cash line	-	-	4,087	352,071	-	-	-	-	-	-	356,158
Term financing:											
Home financing	1,775,122	-	-	2,729,377	-	-	10,079	-	-	-	4,514,578
Syndicated financing	-	10,387	-	635,251	-	-	-	-	-	-	645,638
Hire purchase receivables	94,924	485,005	-	-	-	11,686	-	-	-	-	591,615
Personal financing	65,897	-	176	3,257,011	-	-	-	-	-	-	3,323,084
Other term financing	206,652	-	12	3,182,432	-	-	64,800	50,970	86	-	3,504,952
Trust receipts	-	-	-	-	49,312	39,525	-	-	-	-	88,837
Claims on customers under acceptance credits	-	-	-	-	74,456	822,695	-	-	-	-	897,151
Staff financing	40,336	-	-	59,114	-	-	-	1,002	-	-	100,452
Revolving credit	-	-	-	1,345,165	-	-	-	-	-	-	1,345,165
Ar-Rahnu	-	-	-	-	-	-	-	-	-	131,288	131,288
Gross financing	2,182,931	495,392	4,275	11,560,421	123,768	873,906	74,879	51,972	86	131,288	15,498,918
Fair value changes arising from fair value hedge	-	-	-	35,439	-	-	-	-	-	-	35,439
	2,182,931	495,392	4,275	11,595,860	123,768	873,906	74,879	51,972	86	131,288	15,534,357
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(1,117)	(863)	(72)	(47,771)	(104)	(634)	(176)	(10)	-	(2,446)	(53,193)
-Stage 2 - Lifetime ECL not credit impaired	(2,917)	(108)	(139)	(3,509)	(254)	-	(11)	-	-	-	(6,938)
-Stage 3 - Lifetime ECL credit impaired	(19,880)	(3,023)	(101)	(60,112)	(4)	(5,876)	(67)	-	-	(2,127)	(91,190)
Total net financing	2,159,017	491,398	3,963	11,484,468	123,406	867,396	74,625	51,962	86	126,715	15,383,036

* Included in financing of customers are financing at fair value through profit or loss amounting to RM786,409,092.

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11. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Kafalah RM'000	Rahnu RM'000	Total financing RM'000
31 March 2019											
Cash line	-	-	4,665	342,103	-	-	-	-	-	-	346,768
Term financing:											
Home financing	1,815,631	-	-	2,718,034	-	-	10,149	-	-	-	4,543,814
Syndicated financing	-	10,303	-	643,264	-	-	-	-	-	-	653,567
Hire purchase receivables	85,059	496,573	-	-	-	-	-	-	-	-	581,632
Personal financing	67,928	-	282	3,299,171	-	-	-	-	-	-	3,367,381
Other term financing*	212,416	-	19	3,032,451	-	-	73,068	53,802	434	-	3,372,190
Trust receipts	-	-	-	-	63,155	35,537	-	-	-	-	98,692
Claims on customers under acceptance credits	-	-	-	-	94,639	851,827	-	-	-	-	946,466
Staff financing	41,807	-	-	58,499	-	-	-	491	-	-	100,797
Revolving credit	-	-	-	1,329,468	-	-	-	-	-	-	1,329,468
Ar-Rahnu	-	-	-	-	-	-	-	-	-	126,747	126,747
Total gross financing	2,222,841	506,876	4,966	11,422,990	157,794	887,364	83,217	54,293	434	126,747	15,467,522
Fair value changes arising from fair value hedge	-	-	-	23,045	-	-	-	-	-	-	23,045
	2,222,841	506,876	4,966	11,446,035	157,794	887,364	83,217	54,293	434	126,747	15,490,567
Less : Allowance for impaired financing											
At amortised cost											
-Stage 1 - 12 Months ECL	(1,195)	(960)	(75)	(50,035)	(661)	(133)	(199)	(11)	-	(2,617)	(55,886)
-Stage 2 - Lifetime ECL not credit impaired	(3,115)	(128)	(136)	(3,858)	(209)	-	(2)	-	-	-	(7,448)
-Stage 3 - Lifetime ECL credit impaired	(17,474)	(2,873)	(305)	(64,254)	-	(5,956)	(66)	-	(220)	(2,804)	(93,952)
Total net financing	2,201,057	502,915	4,450	11,327,888	156,924	881,275	82,950	54,282	214	121,326	15,333,281

* Included in financing of customers are financing at fair value through profit or loss amounting to RM776,847,089.

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11. Financing of customers (cont'd.)

(i) By type and Shariah concepts (cont'd.)

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Uses of Qard fund:				
Staff financing	1,002	491	1,002	491
Other term financing	332	362	50,970	53,802
	1,334	853	51,972	54,293

(ii) By type of customer

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Domestic non-banking institutions	748,161	641,457	748,161	641,457
Domestic business enterprises:				
-Small business enterprises	346,134	46,070	346,134	46,070
-Others	3,456,748	3,830,580	3,454,061	3,832,966
Government and statutory bodies	916,465	931,692	916,465	931,692
Individuals	10,011,151	9,991,495	10,011,151	9,991,495
Other domestic entities	4,847	5,228	4,847	5,228
Foreign entities	18,099	18,614	18,099	18,614
Gross Financing	15,501,605	15,465,136	15,498,918	15,467,522

(iii) By profit rate sensitivity

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Fixed rate:				
Home financing	284,743	294,984	284,743	294,984
Hire purchase receivables	591,615	581,632	591,615	581,632
Others	3,271,900	3,305,713	3,269,213	3,308,099
Variable rate:				
Home financing	4,271,473	4,290,170	4,271,473	4,290,170
Others	7,081,874	6,992,637	7,081,874	6,992,637
Gross Financing	15,501,605	15,465,136	15,498,918	15,467,522

(iv) By residual contractual maturity

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Maturity				
- within one year	4,057,016	4,076,604	4,057,016	4,076,604
- more than one to five years	5,112,484	4,999,965	5,112,484	5,002,351
- more than five years	6,332,105	6,388,567	6,329,418	6,388,567
Gross Financing	15,501,605	15,465,136	15,498,918	15,467,522

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11. Financing of customers (cont'd.)

(v) By sector

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Agriculture	21,625	22,348	21,625	22,348
Mining and quarrying	4,915	4,954	4,915	4,954
Manufacturing	702,486	683,164	702,486	684,847
Electricity, gas and water	128,068	139,810	128,068	139,810
Construction	305,481	363,630	305,481	363,630
Household	10,018,872	10,000,044	10,018,872	10,000,044
Real estate	1,331,856	1,319,460	1,331,856	1,319,460
Wholesale, retail and restaurant	778,237	842,281	778,237	842,281
Transport, storage and communication	68,115	78,100	68,114	78,099
Finance, takaful and business services	861,407	752,865	861,407	752,865
Community, social and personal services	328,639	303,743	325,953	304,447
Government and statutory bodies	951,904	954,737	951,904	954,737
Gross Financing	15,501,605	15,465,136	15,498,918	15,467,522

(vi) By geographical area

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Domestic	15,501,605	15,465,136	15,498,918	15,467,522
Gross Financing	15,501,605	15,465,136	15,498,918	15,467,522

Included in financing of customers is a financing 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 RM700 million (31 March 2019: RM1.2 billion). The cumulative change in fair value of the financings attributable to changes in profit rate risks amounts to a gain of RM35,439,290 (31 March 2019: RM23,045,089) and the change for the current year is a gain of RM12,394,202 (31 March 2019: RM26,767,470). 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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11. Financing of customers (cont'd.)

Impaired financing

(i) Movements in the impaired financing

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
At beginning of period				
- as previously stated	221,216	285,416	221,216	290,349
- effect of adopting MFRS 9	-	108,084	-	103,151
Gross impaired financing	221,216	393,500	221,216	393,500
Classified as impaired during the period	86,200	476,380	86,200	476,380
Reclassified as performing during the period	(40,011)	(285,459)	(40,011)	(285,459)
Recovered during the period	(22,732)	(149,878)	(22,732)	(149,878)
Written off during the period	(23,711)	(213,327)	(23,711)	(213,327)
Gross impaired financing	220,962	221,216	220,962	221,216
Less: Stage 3-Lifetime ECL credit impaired	(91,190)	(93,952)	(91,190)	(93,952)
Net impaired financing and advances	129,772	127,264	129,772	127,264
Calculation ratio of impaired financing:				
Gross financing of customers	15,501,606	15,465,136	15,498,917	15,467,522
Less: Stage 3 - Lifetime ECL credit impaired	(91,190)	(93,952)	(91,190)	(93,952)
Net financing of customers	15,410,416	15,371,184	15,407,727	15,373,570
Ratio of gross impaired financing to total financing	1.43%	1.43%	1.43%	1.43%
Net impaired financing ratio	0.84%	0.83%	0.84%	0.83%

(ii) Impaired financing by sector

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Manufacturing	392	362	392	362
Construction	5,903	6,820	5,903	6,820
Household	172,911	171,310	172,911	171,310
Real estate	19,127	19,186	19,127	19,186
Wholesale, retail and restaurant	11,588	11,754	11,588	11,754
Transport, storage and communication	7,752	7,915	7,752	7,915
Finance, takaful and business services	2,575	3,165	2,575	3,165
Community, social and personal service	714	704	714	704
	220,962	221,216	220,962	221,216

(iii) Impaired financing by geographical area

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Domestic	220,962	221,216	220,962	221,216

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11. Financing of customers (cont'd.)

Impaired financing (cont'd.)

(iv) Movements in the loss allowance for financing of customers

	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 30 June 2019				
At 1 April 2019	55,886	7,448	93,952	157,286
Transfer to Stage 1	5,352	(3,494)	(1,858)	-
Transfer to Stage 2	(606)	18,066	(17,460)	-
Transfer to Stage 3	(416)	(1,948)	2,364	-
Allowance (writeback)/made	(9,958)	(11,012)	39,814	18,844
New financial assets originated	12,233	506	-	12,739
Financial assets derecognised	(9,299)	(546)	(2,880)	(12,725)
	(1)	(2,082)	(22,742)	(24,825)
Other movements	2	-	-	2
At 30 June 2019	53,193	6,938	91,190	151,321

At 31 March 2019

At 1 April 2018, as previously stated	-	-	-	-
Effect of adopting MFRS 9	64,460	17,354	270,971	352,785
At 1 April 2018, as restated	64,460	17,354	270,971	352,785
Transfer to Stage 1	101,019	(7,444)	(93,575)	-
Transfer to Stage 2	(2,300)	98,819	(96,519)	-
Transfer to Stage 3	(2,036)	(5,797)	7,833	-
Allowance (writeback)/made	(50,497)	(90,261)	177,608	36,850
New financial assets originated	29,381	3,001	8,264	40,646
Financial assets derecognised	(22,011)	(3,930)	(39,646)	(65,587)
Amount written-off/realised	(62,134)	(4,294)	(140,984)	(207,412)
Other movements	4	-	-	4
At 31 March 2019	55,886	7,448	93,952	157,286

12. Other assets

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Deposits	7,526	7,504	7,427	7,404
Prepayments	5,537	8,999	5,393	8,814
Tax prepayment	49,270	48,956	49,385	48,810
Amount due from subsidiaries	-	-	(54)	-
Golf club membership	600	600	600	600
Other receivables	9,634	7,581	9,634	7,581
Other debtors	8,130	12,506	7,633	14,843
	80,697	86,146	80,018	88,052
Less: Accumulated impairment losses	(4,521)	(4,521)	(4,521)	(4,521)
	76,176	81,625	75,497	83,531

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13. Deferred tax assets & liabilities

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
At 1 April, as previously stated	17,677	15,020	17,742	15,607
Effect of MFRS 16/MFRS 9 adoption	690	49,940	457	49,940
At 1 April, as restated	18,367	64,960	18,199	65,548
Recognised in the income statement (Note 32)	(4,558)	(38,525)	(4,745)	(39,047)
Recognised in the equity	(10,521)	(8,758)	(10,521)	(8,758)
At end of the period	3,287	17,677	2,933	17,742

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 as follows:

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets, net	3,287	17,742	2,933	17,742
Deferred tax liabilities, net	-	(65)	-	-
	3,287	17,677	2,933	17,742

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	29,856	26,607	29,502	26,607
Deferred tax liabilities	(26,569)	(8,930)	(26,569)	(8,865)
	3,287	17,677	2,933	17,742

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13. Deferred tax asset & liabilities (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 :

	ECL RM'000	Financial investments at FVOCI & FVTPL RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 April 2019	11,121	508	5,303	9,353	322	26,607
Recognised in income statement	989	355	280	2,145	(11)	3,758
Recognised in other comprehensive income	-	(508)	-	-	-	(508)
At 30 June 2019	12,110	354	5,583	11,498	311	29,856

	ECL RM'000	Financial investments at FVOCI RM'000	Financial investments at AFS RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 April 2018, as previously stated	-	-	9,266	4,153	10,568	248	24,235
Effect of adopting MFRS 9	49,940	9,266	(9,266)	-	-	-	49,940
At 1 April 2018, restated	49,940	9,266	-	4,153	10,568	248	74,175
Recognised in income statement	(38,819)	-	-	1,150	(1,215)	74	(38,810)
Recognised in other comprehensive income	-	(8,758)	-	-	-	-	(8,758)
At 31 March 2019	11,121	508	-	5,303	9,353	322	26,607

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

Deferred tax liabilities of the Group :

	Right of Use assets RM'000	Financial investments at FVOCI & FVTPL RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 April 2019, as previously stated	-	(65)	(8,865)	(8,930)
Effect of adopting MFRS 16	690	-	-	690
At 1 April 2019, as restated	690	(65)	(8,865)	(8,240)
Recognised in income statement	(8,710)	65	329	(8,316)
Recognised in other comprehensive income	-	(10,013)	-	(10,013)
At 30 June 2019	(8,020)	(10,013)	(8,536)	(26,569)

	Financial investments at FVTPL RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 April 2018	(587)	(8,628)	(9,215)
Recognised in income statement	522	(237)	285
At 31 March 2019	(65)	(8,865)	(8,930)

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13. Deferred tax asset & liabilities (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 Bank:

	ECL RM'000	Financial investments at FVOCI RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 April 2019	11,121	508	5,303	9,353	322	26,607
Recognised in income statement	989	-	280	2,145	(11)	3,403
Recognised in other comprehensive income	-	(508)	-	-	-	(508)
At 30 June 2019	12,110	-	5,583	11,498	311	29,502

	ECL RM'000	Financial investments at FVOCI RM'000	Financial investments at AFS RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 April 2018, as previously stated	-	-	9,266	4,153	10,568	248	24,235
Effect of adopting MFRS 9	49,940	9,266	(9,266)	-	-	-	49,940
At 1 April 2018, as restated	49,940	9,266	-	4,153	10,568	248	74,175
Recognised in income statement	(38,819)	-	-	1,150	(1,215)	74	(38,810)
Recognised in other comprehensive income	-	(8,758)	-	-	-	-	(8,758)
At 31 March 2019	11,121	508	-	5,303	9,353	322	26,607

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

Deferred tax liabilities of the Bank:

	Right of Use assets RM'000	Financial investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 April 2019, as previously stated	-	-	(8,865)	(8,865)
Effect of adopting MFRS 16	457	-	-	457
At 1 April 2019, as restated	457	-	(8,865)	(8,408)
Recognised in income statement	(8,478)	-	330	(8,148)
Recognised in other comprehensive income	-	(10,013)	-	(10,013)
At 30 June 2019	(8,021)	(10,013)	(8,535)	(26,569)

	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 April 2018, as	(8,628)	(8,628)
Recognised in income statement	(237)	(237)
At 31 March 2019	(8,865)	(8,865)

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14. Deposits from customers

(a) By type of deposits

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Saving Deposit				
Qard	1,049,341	1,039,081	1,049,341	1,039,081
Tawarruq	391,680	354,575	391,680	354,575
Demand Deposit				
Qard	2,807,201	3,104,620	2,808,592	3,111,107
Tawarruq	973,852	844,916	973,852	844,916
Term Deposit				
Negotiable Islamic debt certificate	1,051,074	908,842	1,051,074	908,842
General investment deposits	93,140	94,877	93,140	94,877
Short term accounts	2,323,280	2,199,402	2,323,280	2,199,402
Fixed term accounts tawarruq	9,223,302	10,564,188	9,235,102	10,581,488
Other deposits	33,981	33,617	33,981	33,617
	17,946,851	19,144,118	17,960,042	19,167,905

(b) By type of customer

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	4,223,561	4,712,851	4,223,561	4,712,851
Business enterprises	6,846,604	7,330,308	6,859,796	7,354,095
Individuals	2,207,066	2,040,314	2,207,066	2,040,314
Domestic non-bank financial institutions	2,791,164	3,342,090	2,791,164	3,342,090
Domestic banking financial institutions	585,271	404,126	585,270	404,126
Others	1,293,185	1,314,429	1,293,185	1,314,429
	17,946,851	19,144,118	17,960,042	19,167,905

The maturity structure of term deposits are as follow :

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Due within six months	10,419,714	11,150,968	10,431,514	11,168,268
More than six months to one year	1,983,061	2,337,193	1,983,061	2,337,193
More than one year to three years	287,641	278,727	287,641	278,727
More than three years to five years	380	421	380	421
	12,690,796	13,767,309	12,702,596	13,784,609

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15. Investment accounts of customers

Restricted investment accounts ("RIA") is an arrangement between the Bank and investment account holders where the Bank acts as the investment agent to manage and administer the RIA and its underlying assets. RIA amounting to RM20,000,000 (31 March 2019: RM20,944,000) is accounted for as off balance sheet as the Bank has no right and obligation in respect of the assets related to the RIA or to the residual cash flows from those assets except for the Wakalah performance incentive fee income generated by the Bank for managing the RIA.

(i) Investment account analysed by maturity portfolio are as follows:

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Wakalah				
Maturity				
- within one year	20,000	20,444	20,000	20,944
	20,000	20,444	20,000	20,944

(ii) By types of customer are as follows:

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Business enterprise	-	-	-	500
Individuals	18,000	18,043	18,000	18,043
Others	2,000	2,401	2,000	2,401
	20,000	20,444	20,000	20,944

(iii) The allocation of investment asset are as follows:

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Restricted investment accounts				
Term financing	-	444	-	944
Ar-Rahnu	20,000	20,000	20,000	20,000
Total investment	20,000	20,444	20,000	20,944

(iv) Investment account holders ("IAH") profit sharing ratio and rate of return are as follows:

	Group and Bank		Group and Bank	
	30 June 2019		31 March 2019	
	Average profit sharing ratio	Average rate of return	Average profit sharing ratio	Average rate of return
	(%)	(%)	(%)	(%)
Investment account of customers	87.5%	7.0%	91.0%	6.8%

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16. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June	31 March
	2019	2019
	RM'000	RM'000
Bank Negara Malaysia	6,512	6,747
Others financial institutions	8,266	-
	14,778	6,747

17. Other liabilities

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
Sundry creditors	2,442	5,062	1,832	1,134
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 17(a))	6,705	6,898	6,705	6,898
Accrual for bonus	1,556	23,211	1,134	22,789
Accrued expenses	9,629	14,905	9,913	15,061
Accrual for directors' fees	270	60	270	60
Accrual for audit fees	1,201	1,096	1,174	1,075
Other liabilities	67,547	27,218	67,463	27,139
	89,350	78,450	88,491	74,156

(a) Movements in the allowances for impairment losses on loan commitments and financial guarantee contracts are as follo

	Stage 1	Stage 2	Stage 3	
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
Group and Bank				
At 30 June 2019				
At 1 April 2019	3,406	121	3,371	6,898
Transfer to Stage 1	107	(107)	-	-
Transfer to Stage 2	(29)	124	(95)	-
Transfer to Stage 3	(1)	(7)	8	-
Allowance made	182	73	30	285
New financing originated	112	-	-	112
Financing derecognised	(197)	(6)	(248)	(451)
Amount written-off/realised	-	-	(139)	(139)
At 30 June 2019	3,580	198	2,927	6,705
At 31 March 2019				
At 1 April 2018, as previously stated	-	-	-	-
Effect of adopting MFRS 9	4,172	2,815	4,760	11,747
At 1 April 2018, as restated	4,172	2,815	4,760	11,747
Transfer to Stage 1	1,569	(1,089)	(480)	-
Transfer to Stage 2	(102)	812	(710)	-
Transfer to Stage 3	(6)	(111)	117	-
Allowance made	1,106	539	2,575	4,220
New financing originated	122	-	-	122
Financing derecognised	(2,573)	(2,845)	(1,676)	(7,094)
Amount written-off/realised	(896)	-	(1,216)	(2,112)
Other movements	14	-	1	15
At 31 March 2019	3,406	121	3,371	6,898

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18. Provision for zakat and taxation

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Zakat	1,253	6,661	1,233	6,597
Taxation	18	9	-	-
	1,271	6,670	1,233	6,597

19. Recourse obligation on financing sold to Cagamas

This represents the proceeds received from house financing sold directly to Cagamas Berhad with recourse to the Bank. Under these agreements, the Bank undertakes to administer the financing on behalf of Cagamas Berhad and to buy-back any financing which are regarded as defective based on prudential criteria set by Cagamas Berhad. These financial liabilities are stated at amortised cost.

20. Sukuk

(a) Subordinated sukuk

On 15 June 2016, the Bank set up a RM1.0 billion Sukuk programme of which RM250.0 million was subscribed up to the closing date. The Sukuk programme has loss absorption features to meet Basel III criteria and qualifies as Tier 2 capital for the purpose of Bank Negara Malaysia capital adequacy requirement.

The subordinated sukuk bears profit/dividend at 5.8% per annum, up to the date of early redemption in full of such sukuk or maturity date, whichever is earlier. The dividend is payable semi-annually in June and December.

(b) Senior sukuk

On 25 November 2016, the Bank has issued RM500.0 million (5 years maturity) of senior sukuk respectively through a RM2.0 billion Senior Sukuk Programme.

The Senior Sukuk bears profit/dividend at 5.5% per annum, up to the date of early redemption in full of such sukuk or maturity date, whichever is earlier. The dividend is payable semi-annually in May and November each year.

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21. Income derived from investment of depositors' funds and others

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) Fixed term deposits	152,639	165,373	152,639	165,373
(b) Other deposits	145,910	136,817	145,910	136,817
	298,549	302,190	298,549	302,190

(a) Income derived from investment of fixed term deposits

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	116,358	121,397	116,358	121,397
Financial investments designated at FVTPL	1,074	888	1,074	888
Financial assets at fair value through other comprehensive income	22,932	32,679	22,932	32,679
Financial assets at amortised cost	310	528	310	528
Money at call and deposit with financial institutions	3,676	3,653	3,676	3,653
	144,350	159,145	144,350	159,145
Amortisation of premium	(197)	(80)	(197)	(80)
Total finance income and hibah	144,153	159,065	144,153	159,065
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	61	48	61	48
- financial investments at fair value through other comprehensive income	1,613	15	1,613	15
Unrealised gain/(loss) on revaluation from Financial investments designated at FVTPL	219	(41)	219	(41)
	1,893	22	1,893	22
Fees and commission				
Guarantee fees	192	176	192	176
Safekeeping fees	2,056	1,819	2,056	1,819
Processing fees	265	82	265	82
Service charges and fees	1,437	1,285	1,437	1,285
Commission	2,643	2,924	2,643	2,924
	6,593	6,286	6,593	6,286
Total	152,639	165,373	152,639	165,373

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21. Income derived from investment of depositors' funds and others (cont'd.)

(b) Income derived from investment of other deposits

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	111,229	100,435	111,229	100,435
Financial investments designated at FVTPL	1,027	735	1,027	735
Financial assets at fair value through other comprehensive income	21,922	27,037	21,922	27,037
Financial assets at amortised cost	297	437	297	437
Money at call and deposit with financial institutions	3,513	3,021	3,513	3,021
	137,988	131,665	137,988	131,665
Amortisation of premium less accretion of discounts	(189)	(67)	(189)	(67)
Total finance income and hibah	137,799	131,598	137,799	131,598
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	58	40	58	40
- financial investments at fair value through other comprehensive income	1,542	13	1,542	13
Unrealised gain/(loss) on revaluation from investments designated at FVTPL	209	(34)	209	(34)
	1,809	19	1,809	19
Fees and commission				
Guarantee fees	183	145	183	145
Safekeeping fees	1,966	1,505	1,966	1,505
Processing fees	253	68	253	68
Service charges and fees	1,374	1,063	1,374	1,063
Commission	2,526	2,419	2,526	2,419
	6,302	5,200	6,302	5,200
Total	145,910	136,817	145,910	136,817

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22. Income derived from investment of shareholders' funds

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	2,535	3,239	2,535	3,239
Financial assets at amortised cost				
Money at call and deposit with financial institutions	423	400	423	400
	2,958	3,639	2,958	3,639
Accretion of discounts	498	740	498	740
Total finance income and hibah	3,456	4,379	3,456	4,379
Other operating income				
Net gain/(loss) from foreign exchange transaction	4,054	(32)	4,054	(32)
Unrealised (loss)/gain on revaluation from foreign exchange derivatives	(3,977)	2,258	(3,977)	2,258
Net loss from sale of fair value through profit and loss securities	(4)	-	-	-
Unrealised gain on revaluation from financial investments designated at FVTPL	7,178	47	7,323	2,080
(Loss)/gain from sale of financial investments at fair value through other comprehensive income	(586)	3	(586)	3
Gross dividend income from investment:				
-shares in Malaysia	20	12	-	-
-subsidiary	-	-	1,000	-
Net dividend paid for Islamic profit rate swap	(2,079)	(1,017)	(2,079)	(1,017)
Unrealised loss on revaluation of Islamic profit rate swap	(15,404)	(4,429)	(15,404)	(4,429)
Unrealised gain on revaluation from hedged items	15,318	7,533	15,318	7,533
Gain from derecognition fair value of hedged items	-	1,916	-	1,916
	4,520	6,291	5,649	8,312
Fees and commission				
Corporate advisory fees	572	2,546	307	2,369
Service charges and fees	1,101	501	77	68
Commission	612	613	612	613
	2,285	3,660	996	3,050
Other income				
Rental income	144	244	174	274
	144	244	174	274
Total	10,405	14,574	10,275	16,015

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23. Income derived from investment of investment account funds

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Investment of account funds	4	2	4	2
Fees and commission				
Service charges and fees	1	99	1	99
Total	5	101	5	101

24. Allowance for impairment on financing

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Allowance for/(Writeback of) impairment losses on financing of customer:				
- individual allowance made	3,117	-	3,117	-
- individual allowance written back	(2,606)	-	(2,606)	-
- collective allowance made	54,546	79,363	54,546	79,348
- collective allowance written back	(37,367)	(69,520)	(37,367)	(69,520)
Impaired financing written off	4	4,068	4	4,068
Impaired financing recovered	(6,606)	(1,474)	(6,606)	(1,474)
	11,088	12,437	11,088	12,422

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25. Impairment (writeback)/loss on investments

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Impairment loss/(write back) on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	24	(269)	24	(269)
Impairment write back on corporate bonds included under Amortised Cost ("AC")	(310)	-	(310)	-
	(286)	(269)	(286)	(269)

26. Writeback of impairment losses on other financial assets, net

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Cash and short term funds - ECL , net	(192)	-	(192)	-
	(192)	-	(192)	-

27. Income attributable to depositors

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	348	430	348	430
Non-Mudharabah funds	137,451	144,396	137,521	144,506
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	199	2,892	199	2,892
	137,998	147,718	138,068	147,828

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28. Personnel expenses

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Salary and wages	35,765	32,457	35,273	32,092
Contribution to defined contribution plan	7,446	5,966	7,378	5,924
Social security contributions	389	389	375	375
Allowances and bonuses	9,507	3,202	9,470	3,181
Mutual Separation Scheme	183	179	183	179
Others	6,062	6,868	6,045	6,853
	59,352	49,061	58,724	48,604

29. Other overheads and expenditures

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Promotion				
Advertisement and publicity	2,470	3,135	2,470	3,135
Others	1,388	1,524	1,385	1,522
Establishment				
Rental	163	3,310	163	3,149
Depreciation of property, plant and equipment	3,483	3,803	3,482	3,799
Depreciation of right-of-use assets	2,375	-	2,252	-
Amortisation of intangible assets	8,250	7,215	8,244	7,165
Amortisation of prepaid land lease payment	1	1	1	1
Information technology expenses	14,357	12,188	14,357	12,188
Repair and maintenance	1,167	739	1,075	645
Hire of equipment	885	617	789	530
Takaful	1,775	1,846	1,775	1,846
Utilities expenses	1,329	1,232	1,321	1,226
Security expenses	2,731	2,563	2,731	2,563
Others	949	1,036	949	1,036
General expenses				
Auditors' fees	99	109	99	109
Professional fees	606	295	644	403
Legal expenses	750	388	750	388
Telephone	438	511	438	509
Stationery and printing	426	457	423	452
Postage and courier	415	344	415	344
Travelling	411	478	410	477
Directors remuneration and Shariah Committee allowance	1,190	1,032	1,178	1,023
Others	3,163	2,319	3,669	2,735
	48,821	45,142	49,020	45,245

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30. Finance cost

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Group / Bank				
Dividend paid- subordinated sukuk	3,625	3,615	3,625	3,615
Dividend paid- senior sukuk	6,875	6,898	6,875	6,898
Financing sold to Cagamas	5,405	5,569	5,405	5,569
Finance cost of lease liabilities	605	-	495	-
	16,510	16,082	16,400	16,082

31. Zakat

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	841	1,174	831	1,173
	841	1,174	831	1,173

32. Taxation

	Group		Bank	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current income tax	2,437	5,515	2,118	5,496
Over provision in prior year	-	127	-	-
	2,437	5,642	2,118	5,496
Deferred tax:				
Relating to origination and reversal of temporary differences	4,210	6,380	4,397	6,380
Over provision in prior year	348	-	348	-
	4,558	6,380	4,745	6,380
	6,995	12,022	6,863	11,876

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 24% (31 March 2019: 24%) of the estimated assessable profit for the period.

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33. Credit exposures arising from credit transactions with connected parties

	Group	
	30 June 2019 RM'000	30 June 2018 RM'000
Outstanding credit exposures with connected parties (RM'000)	1,548,030	1,394,617
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.8%	5.6%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-
	Bank	
	30 June 2019 RM'000	30 June 2018 RM'000
Outstanding credit exposures with connected parties (RM'000)	1,598,668	1,436,770
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	7.0%	5.8%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-

The credit exposures above are derived on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties for Islamic Banks, which are effective on 16 July 2014.

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 mentioned 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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34. Commitments and contingencies

- (i) In the normal course of business, the Group and 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 Group and the Bank are as follows:

	Group and Bank					
	30 June 2019			31 March 2019		
	Principal	Credit	Total risk	Principal	Credit	Total risk
The commitments and contingencies constitute the following:	amount	equivalent	weighted	amount	equivalent	weighted
	RM'000	amount	amount	RM'000	amount	amount
		RM'000	RM'000		RM'000	RM'000
Contingent liabilities						
Direct credit substitutes	233,932	233,932	202,308	203,424	203,424	169,198
Trade-related contingencies	49,349	9,870	1,232	83,279	16,656	7,763
Transaction related contingencies	429,911	214,956	201,724	425,159	212,580	199,194
Commitments						
Credit extension commitment:						
- Maturity within one year	580,706	116,141	104,802	624,707	124,941	123,594
- Maturity exceeding one year	764,902	382,451	371,101	2,232,408	1,116,204	350,760
Islamic derivative financial instruments						
Foreign exchange related contracts	2,874,157	45,366	27,206	3,545,493	63,942	39,235
Profit rate related contract	2,150,000	77,625	15,525	2,150,000	85,938	17,188
	7,082,957	1,080,341	923,898	9,264,470	1,823,685	906,932

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35. Capital adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 2 February 2018 issued the Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Islamic banks. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier 1 (CET1) Ratio	Tier 1 Capital Ratio	Total Capital Ratio
4.50%	6.00%	8.00%

*Excluding Capital Conservation Buffer of 2.5% of total risk - weighted assets ("RWA") which is subject to phase-in arrangement effective on 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA and any other capital buffers which may be introduced by BNM.

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM ON 2 February 2018 for islamic banks.

The sum of the above is further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital is not subjected to any further capital charges in the computation of RWA.

(b) Compliance and Application of Capital Adequacy Ratios

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Bank (Risk Weighted Assets) both issued on 2 February 2018. The total risk weighted assets are computed based on the following approaches:

- (i) Credit risk under Internal Ratings-Based Approach;
- (ii) Market risk under Standardised Approach; and
- (iii) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1, and Total Capital are 4.5%,

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35. Capital adequacy (cont'd.)

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

	Group		Bank	
	30 June 2019 RM'000	31 March 2019 RM'000	30 June 2019 RM'000	31 March 2019 RM'000
Computation of Total Risk Weighted Assets ("RWA")				
Total credit RWA	12,499,080	12,560,247	12,483,803	12,560,708
Total market RWA	51,483	31,021	51,483	31,021
Total operational RWA	1,188,777	1,190,113	1,176,381	1,176,241
Total RWA	13,739,340	13,781,381	13,711,667	13,767,970
Computation of Capital Ratio				
<u>Tier-I capital</u>				
Share capital	1,195,000	1,195,000	1,195,000	1,195,000
Retained profits	1,092,612	1,094,765	1,086,481	1,087,937
<u>Other Reserves</u>				
Regulatory reserve	63,506	63,585	63,506	63,585
Unrealised gain/(loss) on fair value through other comprehensive income	31,863	(1,514)	31,864	(1,513)
Foreign exchange translation reserve	253	(417)	253	(417)
<u>Regulatory Adjustment</u>				
Deferred tax assets (net)	(29,856)	(26,607)	(29,502)	(26,607)
Investment property gain	-	(7,460)	-	(7,460)
Regulatory reserve	(63,506)	(63,585)	(63,506)	(63,585)
Unrealised losses on fair value through other comprehensive income	(17,525)	-	(17,525)	-
Property revaluation gains	(7,460)	-	(7,460)	-
Investment in subsidiaries	-	-	(12,559)	(12,559)
Intangible asset (net of deferred tax liabilities)	(58,197)	(75,754)	(58,080)	(75,695)
Total Common Equity Tier-I Capital	2,206,690	2,178,013	2,188,472	2,158,686
Total Tier-I Capital	2,206,690	2,178,013	2,188,472	2,158,686
<u>Tier-II capital</u>				
Subordinated sukuk	250,418	254,025	250,418	254,025
Loss provision/loss provision and regulatory reserve*	123,637	126,918	123,637	126,918
Add: Investment property gain	3,357	3,357	3,357	3,357
Total Tier-II Capital	377,412	384,300	377,412	384,300
Total Capital Base	2,584,102	2,562,313	2,565,884	2,542,986
Ratio (%)				
CET 1 Capital	16.06%	15.80%	15.96%	15.68%
Tier 1 Capital	16.06%	15.80%	15.96%	15.68%
Total Capital	18.81%	18.59%	18.71%	18.47%

* Tier 2 Capital for 2018 comprise collective allowance on non-impaired financing customers and regulatory reserve.

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35. Capital adequacy (cont'd.)

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) issued on 4 August 2017 and 2 March 2017, respectively. The Group and the Bank have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement for Islamic Bank Common Equity Tier I capital, Tier I capital, and Total Capital are 4.5%, 6.0% and 8.0% of total RWA respectively for the current period (31 March 2019: 4.5%, 6.0% and 8.0% of total RWA).

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.

(b) Credit risk disclosure by risk weights of the Group are as follows:

	Group			
	30 June 2019 RM'000		31 March 2019 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%	5,234,495	-	7,029,256	-
20%	1,910,039	382,008	2,093,458	418,692
35%	3,389,188	1,186,216	2,932,351	1,026,323
50%	1,341,050	670,525	1,378,176	689,088
75%	2,528,862	1,896,647	2,954,416	2,215,812
100%	8,298,075	8,298,075	8,148,106	8,148,106
150%	43,740	65,610	41,484	62,226
Risk weighted assets for credit risk	22,745,449	12,499,080	24,577,247	12,560,247
Risk weighted assets for market risk		51,483		31,021
Risk weighted assets for operational risk		1,188,777		1,190,113
Total risk weighted assets		13,739,340		13,781,381

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35. Capital adequacy (cont'd.)

(b) Credit risk disclosure by risk weights of the Bank are as follows:

	Bank			
	30 June 2019 RM'000		31 March 2019 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%	5,234,495	-	7,029,256	-
20%	1,910,039	382,008	2,093,458	418,692
35%	3,389,188	1,186,216	2,932,351	1,026,323
50%	1,341,050	670,525	1,378,176	689,088
75%	2,528,862	1,896,647	2,954,416	2,215,812
100%	8,287,869	8,287,869	8,147,888	8,147,888
150%	40,359	60,539	41,936	62,905
Risk weighted assets for credit risk	22,731,862	12,483,803	24,577,481	12,560,708
Risk weighted assets for market risk		51,483		31,021
Risk weighted assets for operational risk		1,176,381		1,176,241
Total risk weighted assets		13,711,667		13,767,970

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36. Fair values of financial instruments

(a) Financial instruments measured at fair value

Determination of fair value and the fair value hierarchy

MFRS 7 Financial Instruments: Disclosures requires the classification of financial instruments held at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of financial instruments:

Level 1 - quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - valuation techniques based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (ie. prices) or indirectly (ie. derived from prices), are used; and

Level 3 - valuation techniques using significant unobservable inputs: inputs used are not based on observable market data and the unobservable inputs have a significant impact on the instrument's valuation.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, profit rate yield curves, estimates of future cash flows and other factors. Changes in these assumptions could materially affect the fair values derived. The Bank generally uses widely recognised valuation techniques with market observable inputs for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

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36. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following Table shows the financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	Quoted Market Price Level 1 RM'000	<u>Valuation technique using</u>		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
30 June 2019				
Non-financial assets				
Investment properties	-	-	45,723	45,723
Financial assets				
Financial investments designated at fair value through profit and loss	694	32,235	320,810	353,739
Financial investments fair value through other comprehensive income	108,034	4,609,528	8,725	4,726,287
Derivative financial assets	-	7,711	-	7,711
Total financial assets measured at fair value	108,728	4,649,474	329,535	5,087,737
Financial liabilities				
Derivative financial liabilities	-	50,401	-	50,401
Total financial liabilities measured at fair value	-	50,401	-	50,401

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36. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Group (cont'd.)	Valuation technique using			Total
	Quoted	Observable	Unobservable	
	Market Price	Inputs	Inputs	
	Level 1	Level 2	Level 3	
31 March 2019	RM'000	RM'000	RM'000	RM'000
Non-financial assets				
Investment properties	-	-	45,303	45,303
Financial assets				
Financial investments designated at fair value through profit and loss	1,933	346,541	312,325	660,799
Financial investments at FVOCI	104,272	4,823,035	8,725	4,936,032
Derivative financial assets	-	24,853	-	24,853
Total financial assets measured at fair value	106,205	5,194,429	321,050	5,621,684
Financial liabilities				
Derivative financial liabilities	-	48,162	-	48,162
Total financial liabilities measured at fair value	-	48,162	-	48,162

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36. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Bank	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
30 June 2019				
Non-financial assets				
Investment properties	-	-	45,723	45,723
Financial assets				
Financial investments designated at fair value through profit and loss	-	32,235	320,810	353,045
Financial investments fair value through other comprehensive income	105,649	4,609,528	8,725	4,723,902
Derivative financial assets	-	7,711	-	7,711
Total financial assets measured at fair value	105,649	4,649,474	329,535	5,084,658
Financial liabilities				
Derivative financial liabilities	-	50,401	-	50,401
Total financial liabilities measured at fair value	-	50,401	-	50,401

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36. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Bank (cont'd.)	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 March 2019				
Non-financial assets				
Investment properties	-	-	45,303	45,303
Financial assets				
Financial investments designated at fair value through profit and loss	-	346,541	312,325	658,866
Financial investments at FVOCI	102,007	4,823,035	8,725	4,933,767
Derivative financial assets	-	24,853	-	24,853
Total financial assets measured at fair value	102,007	5,194,429	321,050	5,617,486
Financial liabilities				
Derivative financial liabilities	-	48,162	-	48,162
Total financial liabilities measured at fair value	-	48,162	-	48,162

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36. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Reconciliation of financing assets at fair value measurements in Level 3 of the fair value hierarchy:

	Group		Bank	
	30 June	31 March	30 June	31 March
	2019	2019	2019	2019
	RM'000	RM'000	RM'000	RM'000
At 1 April 2019	321,050	169,999	321,050	169,999
Gain recognised in				
statements of profit or loss	8,772	35,688	8,772	35,688
Sales/ redeemed	(2,652)	(17,588)	(2,652)	(17,588)
Reclassification	-	123,847	-	123,847
Foreign exchange				
translation difference	2,365	9,104	2,365	9,104
At 30 June 2019	329,535	321,050	329,535	321,050

The reason for the transfer was due to impairment of the securities which resulted in the inability to obtain market prices for the securities as at reporting date.

	Group	
	30 June	31 March
	2019	2019
	RM'000	RM'000
Total gain recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	8,772	35,688

	Bank	
	30 June	31 March
	2019	2019
	RM'000	RM'000
Total gain recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	8,772	35,688

37. Comparatives

Certain comparative figures have been reclassified to confirm to current year's presentation.

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38. Financial effects arising from adoption of MFRS 16 Leases

- (i) The adoption of MFRS 16 resulted in the following financial effects to the statement of financial position of the Bank.

Statement of Financial Position

Group

	1 April 2019 as previously stated RM'000	Impact of adopting MFRS 16 RM'000	1 April 2019 restated RM'000
ASSETS			
Cash and short-term funds	830,571	-	830,571
Cash and placements with financial institutions	11,937	-	11,937
Financial investments at fair value through profit or loss	660,799	-	660,799
Financial investments at fair value through other comprehensive income	4,936,032	-	4,936,032
Financial investments at amortised cost	103,310	-	103,310
Islamic derivative financial assets	24,853	-	24,853
Financing of customers	15,330,895	-	15,330,895
Other assets	81,625	-	81,625
Statutory deposits with BNM	699,275	-	699,275
Investment properties	45,303	-	45,303
Right-of-use assets	-	42,807	42,807
Intangible assets	84,684	-	84,684
Property, plant and equipment	58,361	-	58,361
Prepaid land lease payment	223	-	223
Deferred tax assets (net)	17,742	690	18,432
Total assets	22,885,610	43,496	22,929,106
LIABILITIES			
Deposits from customers	19,144,118	-	19,144,118
Deposits and placements of banks and other financial institutions	6,747	-	6,747
Bills and acceptances payable	15,678	-	15,678
Islamic derivative financial liabilities	48,162	-	48,162
Other liabilities	78,450	-	78,450
Provision for zakat and taxation	6,670	-	6,670
Lease Liabilities	-	45,650	45,650
Deferred tax liabilities (net)	65	-	65
Recourse obligation on financing sold to Cagamas	471,102	-	471,102
Subordinated sukuk	254,025	-	254,025
Senior sukuk	509,174	-	509,174
Total liabilities	20,534,191	45,650	20,579,841
SHAREHOLDERS' EQUITY			
Share capital	1,195,000	-	1,195,000
Retained profits	1,094,765	(2,153)	1,092,612
Other reserves	61,654	-	61,654
Total shareholders' equity	2,351,419	(2,153)	2,349,266
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,885,610	43,496	22,929,106

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38. Financial Effects arising from Adoption of MFRS 16 Leases

- (i) The adoption of MFRS 16 resulted in the following financial effects to the statement of financial position of the Bank.

Statement of Financial Position

Bank

	1 April 2019 as previously stated RM'000	Impact of adopting MFRS 16 RM'000	1 April 2019 restated RM'000
ASSETS			
Cash and short-term funds	830,571	-	830,571
Cash and placements with financial institutions	11,937	-	11,937
Financial investments at fair value through profit or loss	658,866	-	658,866
Financial investments at fair value through other comprehensive income	4,933,767	-	4,933,767
Financial investments at amortised cost	103,310	-	103,310
Islamic derivative financial assets	24,853	-	24,853
Financing of customers	15,333,281	-	15,333,281
Other assets	83,531	-	83,531
Statutory deposits with BNM	699,275	-	699,275
Investment in subsidiaries	12,559	-	12,559
Investment properties	45,303	-	45,303
Right-of-use assets	-	35,669	35,669
Intangible assets	84,560	-	84,560
Property, plant and equipment	58,360	-	58,360
Prepaid land lease payment	223	-	223
Deferred tax assets (net)	17,742	457	18,199
Total assets	22,898,138	36,126	22,934,264
LIABILITIES			
Deposits from customers	19,167,905	-	19,167,905
Deposits and placements of banks and other financial institutions	6,747	-	6,747
Bills and acceptances payable	15,678	-	15,678
Islamic derivative financial liabilities	48,162	-	48,162
Other liabilities	74,156	-	74,156
Provision for zakat and taxation	6,597	-	6,597
Lease Liabilities	-	37,582	37,582
Recourse obligation on financing sold to Cagamas	471,102	-	471,102
Subordinated sukuk	254,025	-	254,025
Senior sukuk	509,174	-	509,174
Total liabilities	20,553,546	37,582	20,591,128
SHAREHOLDERS' EQUITY			
Share capital	1,195,000	-	1,195,000
Retained profits	1,087,937	(1,456)	1,086,481
Other reserves	61,655	-	61,655
Total shareholders' equity	2,344,592	(1,456)	2,343,136
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,898,138	36,126	22,934,264

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38. Financial effects arising from adoption of MFRS 16 Leases (cont'd.)

- (ii) The following table analyses the impact of transition to MFRS 16 and the impact of capital adequacy ratios of the Group and of the Bank:

Statement of Financial Position

	1 April 2019 as previously stated RM'000	Impact of adopting MFRS 16 RM'000	1 April 2019 restated RM'000
Group			
CET1 Capital	2,178,013	(2,843)	2,175,170
Tier 1 Capital	2,178,013	(2,843)	2,175,170
Total Capital	2,562,313	(2,843)	2,559,470
 Risk Weighted Assets	 13,781,381	 43,407	 13,824,788
 CET1 Capital Ratio	 15.80%	 -0.07%	 15.73%
Tier 1 Capital Ratio	15.80%	-0.07%	15.73%
Total Capital Ratio	18.59%	-0.08%	18.51%
 Bank			-
CET1 Capital	2,158,686	(1,913)	2,156,773
Tier 1 Capital	2,158,686	(1,913)	2,156,773
Total Capital	2,542,986	(1,913)	2,541,073
 Risk Weighted Assets	 13,767,970	 36,126	 13,804,096
 CET1 Capital Ratio	 15.68%	 -0.06%	 15.62%
Tier 1 Capital Ratio	15.68%	-0.06%	15.62%
Total Capital Ratio	18.47%	-0.06%	18.41%