



BANK MUAMALAT MALAYSIA BERHAD
Company No. 196501000376 (6175-W)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
31 MARCH 2020 (6 SYAABAN 1441H)**

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 31 MARCH 2020 (6 SYAABAN 1441H)

	Note	Group		Bank	
		As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Assets					
Cash and short-term funds		1,578,478	1,011,225	1,578,478	1,011,225
Cash and placements with financial institutions		4,161	53,925	4,161	53,925
Financial investments at fair value through profit or loss	9(i)	270,402	308,793	270,402	308,793
Financial investments at fair value through other comprehensive income	9(ii)	5,522,371	4,604,824	5,519,933	4,602,399
Financial investments at amortised cost	9(iii)	104,522	103,162	104,522	103,162
Islamic derivative financial assets	10	73,594	21,859	73,594	21,859
Financing of customers	11	16,022,017	15,861,238	16,015,701	15,857,343
Other assets	12	49,248	41,670	48,800	40,780
Statutory deposits with Bank Negara Malaysia		414,429	568,768	414,429	568,768
Investment in subsidiaries		-	-	13,159	13,159
Investment properties		53,696	53,063	53,696	53,063
Right-of-use assets		44,172	48,122	37,641	41,466
Intangible assets		80,076	82,538	79,967	82,427
Property, plant and equipment		56,141	56,092	56,113	56,064
Deferred tax assets (net)	13	23,357	13,534	23,056	13,250
Total assets		24,296,664	22,828,813	24,293,652	22,827,683
Liabilities					
Deposits from customers	14	20,299,246	18,940,552	20,311,863	18,955,006
Deposits and placements of banks and other financial institutions	16	56,164	6,303	56,164	6,303
Bills and acceptances payable		7,124	8,444	7,124	8,444
Islamic derivative financial liabilities	10	154,007	77,546	154,007	77,546
Other liabilities	17	60,693	53,284	60,390	52,316
Lease Liabilities		47,737	51,659	39,953	43,823
Provision for zakat and taxation	18	11,086	9,528	10,671	9,272
Recourse obligation on financing sold to Cagamas		455,799	459,633	455,799	459,633
Subordinated sukuk	20(a)	254,175	250,532	254,175	250,532
Senior sukuk	20(b)	509,349	502,517	509,349	502,517
Total liabilities		21,855,380	20,359,998	21,859,495	20,365,392

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020 (6 SYAABAN 1441H) - (CONT'D.)

	Note	Group		Bank	
		As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Shareholders' equity					
Share capital		1,195,000	1,195,000	1,195,000	1,195,000
Reserves		1,246,284	1,273,815	1,239,157	1,267,291
Total shareholders' equity		2,441,284	2,468,815	2,434,157	2,462,291
Total liabilities and shareholders' equity		24,296,664	22,828,813	24,293,652	22,827,683
Restricted investment accounts	15	20,000	20,000	20,000	20,000
Total Islamic banking asset and asset under management		24,316,664	22,848,813	24,313,652	22,847,683
Commitments and contingencies	34	7,800,813	6,596,494	7,800,813	6,596,494
Capital adequacy *					
CET 1 capital ratio	35	15.407%	15.998%	15.308%	15.895%
Total capital ratio	35	18.022%	18.653%	17.929%	18.555%

* 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 December 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

	Note	Group		Bank	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of depositors' funds and others	21	310,376	322,633	310,376	322,633
(Loss)/Income derived from investment of shareholders' funds	22	(35,943)	19,206	(37,611)	19,101
Income derived from investment of investment account funds	23	132	406	132	406
(Allowance for)/Writeback of impairment on financing	24	(26,337)	24,190	(26,337)	29,102
Writeback of impairment losses on financial investments, net	25	487	87	487	1,087
Writeback of/(Allowance for) impairment losses on other financial assets, net	26	186	(4,206)	186	(4,206)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(3,855)	(3,824)	(3,855)	(3,824)
Total distributable income		245,046	358,492	243,378	364,299
Income attributable to depositors	27	(127,159)	(150,290)	(127,238)	(150,394)
Total net income		117,887	208,202	116,140	213,905
Personnel expenses	28	(52,771)	(54,573)	(52,052)	(53,590)
Other overheads and expenditures	29	(44,480)	(49,042)	(44,502)	(49,431)
Finance costs	30	(16,419)	(15,943)	(16,310)	(15,943)
Profit before zakat and taxation		4,217	88,644	3,276	94,941
Zakat	31	(101)	(2,433)	(82)	(2,373)
Taxation	32	(12,571)	(23,277)	(12,252)	(22,934)
(Loss)/Profit for the period		(8,455)	62,934	(9,058)	69,634
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				(0.76)	5.83

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

	Note	Group		Bank	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
(Loss)/Profit for the period		(8,455)	62,934	(9,058)	69,634
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to profit or loss					
Net (loss)/gain on financial investments at fair value through other comprehensive income		(1,644)	33,359	(1,644)	33,946
- Net gain on change in fair value		9,535	60,697	9,535	60,967
- Changes in expected credit losses	9(ii)	(23)	(39)	(23)	(39)
- Income tax effect	13	6,316	(12,659)	6,316	(12,072)
- Realised gain transferred to profit or loss on disposal	21&22	(17,472)	(14,640)	(17,472)	(14,910)
Exchange fluctuation reserve		949	(741)	949	(741)
Items that may not be reclassified subsequently to profit or loss					
Net unrealised (loss)/gain on equity securities at fair value through other comprehensive income		(18,381)	4,962	(18,381)	4,962
Other comprehensive (loss)/income for the period, net of tax		(19,076)	37,580	(19,076)	38,167
Total comprehensive (loss)/income for the period		(27,531)	100,514	(28,134)	107,801

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019.

BANK MUAMALAT MALAYSIA BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

<u>Group</u>	Non-distributable			Distributable		Total Equity RM'000
	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	
At 1 January 2020	1,195,000	18,008	62,676	(133)	1,193,264	2,468,815
Loss for the period	-	-	-	-	(8,455)	(8,455)
Other comprehensive loss for the period	-	(20,025)	-	949	-	(19,076)
Total comprehensive loss for the period	-	(20,025)	-	949	(8,455)	(27,531)
Transfer from regulatory reserve	-	-	(8,566)	-	8,566	-
At 31 March 2020	1,195,000	(2,017)	54,110	816	1,193,375	2,441,284
At 1 January 2019						
- as previously stated	1,195,000	(39,762)	60,394	324	1,079,403	2,295,359
- effect of adopting MFRS 9	-	587	(12,373)	-	(32,668)	(44,454)
At 1 January 2019, as restated	1,195,000	(39,175)	48,021	324	1,046,735	2,250,905
Profit for the period	-	-	-	-	62,934	62,934
Other comprehensive income for the period	-	38,321	-	(741)	-	37,580
Total comprehensive income for the period	-	38,321	-	(741)	62,934	100,514
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(661)	-	-	661	-
Transfer to regulatory reserve	-	-	15,564	-	(15,564)	-
At 31 March 2019	1,195,000	(1,515)	63,585	(417)	1,094,766	2,351,419

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

	Non-distributable			Distributable		Total Equity RM'000
	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	
Bank						
At 1 January 2020	1,195,000	18,008	62,676	(133)	1,186,740	2,462,291
Loss for the period	-	-	-	-	(9,058)	(9,058)
Other comprehensive loss for the period	-	(20,025)	-	949	-	(19,076)
Total comprehensive loss for the period	-	(20,025)	-	949	(9,058)	(28,134)
Transfer from regulatory reserve	-	-	(8,566)	-	8,566	-
At 31 March 2020	1,195,000	(2,017)	54,110	816	1,186,248	2,434,157
At 1 January 2019						
- as previously stated	1,195,000	(39,762)	60,394	324	1,065,269	2,281,225
- effect of adopting MFRS 9	-	-	(12,373)	-	(32,061)	(44,434)
At 1 January 2019, as restated	1,195,000	(39,762)	48,021	324	1,033,208	2,236,791
Profit for the period	-	-	-	-	69,634	69,634
Other comprehensive income for the period	-	38,908	-	(741)	-	38,167
Total comprehensive income for the period	-	38,908	-	(741)	69,634	107,801
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(661)	-	-	661	-
Transfer from regulatory reserve	-	-	15,564	-	(15,564)	-
At 31 March 2019	1,195,000	(1,515)	63,585	(417)	1,087,939	2,344,592

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

	Note	Group		Bank	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		4,217	88,644	3,276	94,941
Adjustment for					
Amortisation of prepaid land and lease payment	29	-	1	-	1
Amortisation of intangible asset	29	8,350	7,957	8,348	7,948
Depreciation of property, plant and equipment	29	2,923	3,920	2,921	3,918
Gain on disposal of property, plant and equipment	21	(128)	(8)	(128)	(8)
Depreciation of right-of-use assets	29	2,966	-	2,859	-
Amortisation of cost on Subordinated Sukuk Issued		50	50	50	50
Intangible asset written off		54	-	54	-
Amortisation of premium, net	21&22	4,546	848	4,546	848
Net gain from sale of financial investments at fair value through other comprehensive income	21&22	(17,472)	(14,640)	(17,472)	(14,909)
Net gain from sale of financial investment designated at FVTPL	21&22	(154)	(565)	(154)	(486)
Unrealised loss/(gain) on revaluation of financial investment designated at FVTPL	21&22	41,896	(4,437)	41,896	(4,974)
Net loss/(gain) on revaluation of foreign exchange transaction	22	23,262	(206)	23,262	(206)
Unrealised loss/(gain) from foreign exchange derivatives	22	(22,740)	(3,680)	(22,740)	(3,680)
Unrealised loss on revaluation of islamic profit rate swap	22	47,467	15,744	47,467	15,744
Unrealised gain on revaluation of hedged items	22	(52,290)	(21,725)	(52,290)	(21,725)
Writeback of impairment losses on financial investments, net	25	(487)	(87)	(487)	(87)
(Writeback of)/allowance for impairment losses on other financial assets, net	26	(186)	4,206	(186)	4,206
Allowance for/ (writeback of) impairment on financing	24	31,608	(3,748)	31,608	(3,737)
Financing written off	24	1,182	(11,657)	1,182	(11,657)
Fair value adjustments of investment properties		-	(1,580)	-	(1,580)
Impairment loss of investment in subsidiaries		-	-	-	(1,000)
Finance cost	30	16,419	15,943	16,310	15,943
Gross dividend income	22	(13)	(22)	-	-
Operating profit before working capital changes		91,470	74,958	90,322	79,550

Bank Muamalat Malaysia Berhad
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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

	Note	Group		Bank	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
(Increase)/decrease in operating assets:					
Financial investment portfolio		(27,860)	37,053	(34,176)	48,442
Islamic derivative financial assets		(28,995)	3,576	(28,995)	3,576
Financing of customers		(157,430)	(334,027)	(155,009)	(339,742)
Statutory deposits with Bank Negara Malaysia		154,339	(4,787)	154,339	(4,787)
Other assets		(35,053)	6,813	(29,181)	(12,089)
Increase/(decrease) in operating liabilities:					
Deposits from customers		1,358,695	(373,143)	1,356,858	(367,138)
Deposits and placements of banks and other financial institutions		49,861	(50,096)	49,861	(50,096)
Islamic derivative financial liabilities		28,995	(3,576)	28,995	(3,576)
Bills and acceptances payable		(1,320)	7,580	(1,320)	7,580
Other liabilities		6,456	27,913	7,109	33,408
Cash generated from/(used in) operations		1,439,158	(607,736)	1,438,803	(604,872)
Finance cost on lease liabilities paid		(670)	-	(561)	-
Zakat paid		-	-	-	-
Tax paid		(14,622)	(4,358)	(14,425)	(4,344)
Net cash generated from/(used in) operating activities		1,423,866	(612,094)	1,423,817	(609,216)
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		1,888,989	4,495,481	1,888,989	4,495,671
Purchase of financial investment in securities		(2,773,850)	(3,598,362)	(2,773,837)	(3,598,518)
Proceeds from disposal of property, plant and equipment		261	72	261	72
Purchase of investment properties		(633)	(422)	(633)	(422)
Purchase of property, plant and equipment		(3,103)	(7,185)	(3,103)	(7,185)
Purchase of intangible asset		(5,942)	(5,493)	(5,942)	(5,383)
Purchase of additional ordinary shares in existing subsidiaries		-	-	-	(3,000)
Dividend income	22	13	22	-	-
Net cash (used in)/generated from investing activities		(894,265)	884,113	(894,265)	881,235

Bank Muamalat Malaysia Berhad
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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (6 SYAABAN 1441H)

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Cash flows from financing activities				
Repayment of lease liability	(2,954)	-	(2,905)	-
Repayment of principal for recourse obligation on financing sold to Cagamas	(3,832)	(3,954)	(3,832)	(3,954)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(5,326)	(5,505)	(5,326)	(5,505)
Net cash used in financing activities	(12,112)	(9,459)	(12,063)	(9,459)
Net increase/(decrease) in cash and cash equivalents	517,489	262,560	517,489	262,560
Cash and cash equivalents at beginning of the period	1,065,150	-	1,065,150	-
Cash and cash equivalents at end of the period	1,582,639	262,560	1,582,639	262,560
Cash and cash equivalents consist of:				
Cash and short term funds	1,578,478	250,624	1,578,478	250,624
Cash and placements with financial institutions	4,161	11,936	4,161	11,936
	1,582,639	262,560	1,582,639	262,560

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019.

BANK MUAMALAT MALAYSIA BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS ENDED 31 MARCH 2020
(26 SYAWAL 1440H)

1. Basis of preparation

The unaudited condensed financial statements for the first financial quarter ended 31 March 2020 of Bank Muamalat Malaysia Berhad ("BMMB" or "the Bank") and its subsidiaries ("the Group") have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and the requirements of the Companies Act, 2016 in Malaysia.

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

The financial statements of the Group and of the Bank are prepared under the historical cost basis except for the following assets and liabilities that are stated at fair values: financial 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 31 March 2020 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). 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 and of the Group for the financial year ended 31 December 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 of the Bank since the financial year ended 31 December 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 December 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
Amendments to MFRS 3: Business Combinations- Definition of Business	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements- Definition of Material	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020

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 101: Classification of Liabilities as Current or Non-current	1 January 2022
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

Revised Financial Reporting Guidelines issued by Bank Negara Malaysia ("BNM")

	Effective date
Capital Adequacy Framework for Islamic Banks (Capital Components)	5 February 2020
Statutory Reserve Requirement	20 March 2020

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2. Auditors' report on preceding annual financial statements

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

3. Significant events

During the first quarter ended 31 March 2020, there have been significant uncertainties noted around Malaysia's economic outlook stemming from the novel coronavirus ("Covid-19") pandemic and the sudden drop in global oil prices.

Following this, Bank Negara Malaysia has issued a directive to all financial institutions in the country to implement the automatic granting of a six (6) months moratorium on qualifying financing as a measure to provide short term relief to eligible customers.

As at the date of this report, based on the Group's and the Bank's assessment, there is no significant impact yet on the results of the Group and the Bank pursuant to Covid-19 pandemic, except for the mark-to-market loss in FVTPL as a result of lower valuation in the investment. The Group and the Bank are continuously monitoring and assessing the developments and its economic impact.

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 first quarter ended 31 March 2020.

5. Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group and of the Bank during the first quarter ended 31 March 2020.

6. Changes in accounting estimates

There were no material changes in estimates during the first quarter ended 31 March 2020.

7. Dividends

There was no dividend payment during the first quarter ended 31 March 2020.

8. Performance review and outlook

The Group posted an unaudited profit before zakat and taxation of RM4.2 million for the three (3) months period ended 31 March 2020, lower by 95.2% from the previous corresponding period in 2019. This is largely attributed to the lower total income from investment of depositors' and shareholders' funds by RM67.7 million or 19.8%; coupled with higher charge in allowance for impairment loss on financing of RM25.7 million, as compared to writeback of RM20.1 million for the same period last year. However, it is partially offset by the lower income attributable to depositors by RM23.1 million or 15.4%, mainly due to the Overnight Policy Rate ("OPR") cuts in January 2020 and March 2020.

Total assets of the Group stood at RM24.3 billion, higher from RM22.8 billion registered in December 2019. This was mainly contributed by the higher financial investment assets, cash and short term funds, and financing assets; in tandem with the increase in deposit of customers as at the end of March 2020.

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8. Performance review and outlook (cont'd.)

OUTLOOK

The emergence of the Covid-19 pandemic, which was known to have originated from Wuhan, China in December 2019, has adversely altered the global economic and financial landscape within the 1Q2020. The virus outbreak throughout the world has resulted in supply chain disruption, closure of factories and businesses, travel restriction order, lower commodity and energy prices, depressed trade activities and mandatory quarantine order. The International Monetary Fund ("IMF") has revised its forecast for global growth to a contraction of -3% for 2020.

Malaysia is not spared from the serious negative economic impact of the Covid-19 pandemic, with the Movement Control Order ("MCO") in force since 18 March 2020. The Government has introduced countervailing stimulus and relief measures against the abrupt halt in economic and financial activities, except for those categorised as "essential services". The packages amounting to RM260.0 billion were introduced to provide aid and support for those badly affected in society and in business, primarily the B40 and M40 income groups as well as the Small and Medium Enterprises ("SME") sector. Bank Negara Malaysia ("BNM") in its recent Economic and Monetary Review 2019 has forecasted Malaysia's gross domestic product ("GDP") to be between -2.0 per cent and 0.5 per cent due to the global and domestic measures to contain the Covid-19 pandemic.

Despite continuous headwinds on both domestic and global fronts that posed greater downside risks to financial institutions' performance this year, Malaysian financial sector has ample liquidity and strong capital buffers to cushion the impact of the pandemic. Financial institutions', however, may continue to face heightened uncertainties with loan/financing growth forecasted to be lower than in 2019. Liquidity is anticipated to stay healthy supported by lower statutory reserve requirement ("SRR") announcement in March 2020 by BNM i.e. to currently stand at 2.0% from 2.5% earlier.

Against this backdrop, the Bank have identified ways to curtail the disruptions faced by the communities that we serve. For a start, the Bank have automatically deferred all financing payments for a period of six(6) months for individual and SME customers to ease their financial burdens. The Bank have also set up the Emergency Management Team ("EMT") that has identified key operational areas and formulating proper action plans to minimize the impact of the pandemic. Our Business Continuity Plan has also been activated to ensure the continuity of key operations and uninterrupted services to our customers.

At Bank Muamalat Malaysia Berhad, our workforce's well-being is also essential to us. In ensuring the safety of our staff, the Bank have introduced Work From Home ("WFH") teams with alternate shifts to mitigate infection risks. Branch operating hours were reduced with enforcement of social distancing within the branch being implemented for the staff as well as the customers, with masks and sanitizers also being distributed as part of our safety precautionary measures. Realizing the importance of digital innovation and process transformation in this time of crisis, the Bank have further enhanced ease of access, usage and seamless banking experience especially in terms of mobile application and internet banking usage.

Moving forward, the Bank will continue to ride on our business plan with revised action plans and initiatives to preserve the quality of assets, ensure intensive recovery plans as well as managing the liquidity. The Bank will continue to empower SMEs by offering the Special Relief Facility under BNM fund to ease their burden in managing cash flows and to maintain their business operations during this challenging business environment. Driving Ar-Rahnu business through enhanced services and wider market reach is deemed as the right more to intensify our gold product in this bullish gold price environment and also part of our effort to remain competitive in the current banking landscape. At the same time, the Bank will also further digitalize our customer base with heightened security measures, as safety of our customers remain our top priorities.

We will continue to work with BNM, the Government, and other players in the industry to ensure collective solutions are implemented to cushion the impact faced by the communities across the society.

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9. Financial investments

	Note	Group		Bank	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Financial investments at fair value through profit or loss	(i)	270,402	308,793	270,402	308,793
Financial investments at fair value through other comprehensive income	(ii)	5,522,371	4,604,824	5,519,933	4,602,399
Financial investments at amortised cost	(iii)	104,522	103,162	104,522	103,162
		5,897,295	5,016,779	5,894,857	5,014,354
(i) Financial investments at fair value through profit or loss					
Unquoted securities in Malaysia:					
Private equity funds		127,118	169,109	127,118	169,109
Islamic private debt securities in Malaysia		143,284	139,684	143,284	139,684
		270,402	308,793	270,402	308,793
(ii) Financial investments at fair value through other comprehensive income					
Government securities and treasury bills:					
Malaysian government investment certificates		4,511,547	3,082,301	4,511,547	3,082,301
Unquoted securities:					
Islamic private debt securities in Malaysia		886,165	1,356,482	886,165	1,356,482
Cagamas bonds		25,724	51,287	25,724	51,287
Foreign Islamic private debt securities and sukuk		-	8,252	-	8,252
		911,889	1,416,021	911,889	1,416,021
Equity instruments:					
Quoted securities in Malaysia:					
Quoted shares		90,616	98,196	90,616	98,196
Unit trusts		2,438	2,425	-	-
		93,054	100,621	90,616	98,196
Unquoted securities:					
Shares in Malaysia		5,881	5,881	5,881	5,881
Total financial assets at fair value through other comprehensive income		5,522,371	4,604,824	5,519,933	4,602,399

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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	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2020				
At 1 January 2020	119	-	37,251	37,370
Allowance made	1	-	-	1
Amount written back in respect of recoveries	(24)	-	-	(24)
Exchange differences	-	-	786	786
At 31 March 2020	96	-	38,037	38,133

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 December 2019				
At 1 April 2019	122	-	33,866	33,988
Allowance made	62	-	3,343	3,405
Amount written back in respect of recoveries	(66)	-	-	(66)
Amount written off	-	-	-	-
Exchange differences	1	-	42	43
At 31 December 2019	119	-	37,251	37,370

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9. Financial investments (cont'd.)

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
(iii) Financial investments at amortised cost				
At amortised cost				
Unquoted Islamic corporate sukuk in Malaysia	145,205	144,309	145,205	144,309
Accumulated impairment losses	(40,683)	(41,147)	(40,683)	(41,147)
Total financial investments at amortised cost	104,522	103,162	104,522	103,162

(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	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2020				
At 1 January 2020	-	41,147	-	41,147
Amount written back in respect of recoveries	-	(464)	-	(464)
At 31 March 2020	-	40,683	-	40,683
At 31 December 2019				
At 1 April 2019	1	41,419	-	41,420
Amount written back in respect of recoveries	(1)	(272)	-	(273)
At 31 December 2019	-	41,147	-	41,147

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 at 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					
	31 March 2020			31 December 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	1,309,469	48,869	(4,584)	1,294,988	2,784	(19,088)
- Currency swaps						
Less than one year	2,181,887	24,705	(47,854)	1,642,880	19,064	(4,299)
- Currency spot						
Less than one year	7,211	20	(9)	27,415	11	(66)
	3,498,567	73,594	(52,447)	2,965,283	21,859	(23,453)
Islamic profit rate swap ("IPRS")						
Unhedged IPRS	75,000	-	(874)	75,000	-	(916)
Hedged IPRS	1,200,000	-	(100,686)	1,200,000	-	(53,177)
Total	4,773,567	73,594	(154,007)	4,240,283	21,859	(77,546)

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

	31 March 2020			31 December 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	-	(100,686)	1,200,000	-	(53,177)

Fair Value hedges

Fair value hedges are used by the Group and the Bank to protect 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 31 March 2020, the Group and the Bank:-

- (i) recognised a net loss of RM47,508,537 (31 December 2019: net loss of RM28,755,380) on the hedging instrument. The total net gain on the hedged items attributable to the hedged risk amounted to RM52,289,664 (31 December 2019: net gain of RM31,261,694).

11. Financing of Customers

(i) By type and Shariah concepts

Group	Ijarah		Inah	Tawarruq	Bai'		Murabahah	Istisna'	Qard	Murabahah to the		Shirkah	Rahnu	Total financing
	Bai' Bithaman Ajil	Thumma Al-Bai			Al-Dayn	Orderer				Mutanaqisah				
31 March 2020	RM'000	RM'000	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	-	-	3,943	309,482	-	-	-	-	-	-	-	-	-	313,425
Term financing:														
Home financing	1,639,641	-	-	2,859,454	-	-	9,984	-	-	-	-	-	-	4,509,079
Syndicated financing	-	-	-	562,732	-	-	-	-	-	-	-	-	-	562,732
Hire purchase receivables	85,207	375,183	-	-	-	-	-	-	-	112,547	-	-	-	572,937
Personal financing	60,828	-	147	3,441,568	-	-	-	-	-	-	-	-	-	3,502,543
Other term financing	185,257	-	3	3,338,083	-	-	56,552	259	-	-	60,953	-	-	3,641,107
Trust receipts	-	-	-	-	55,845	115,361	-	-	-	-	-	-	-	171,206
Claims on customers under acceptance credits	-	-	-	-	131,422	895,481	-	-	-	-	-	-	-	1,026,903
Staff financing	36,209	-	-	61,694	-	-	-	123	-	-	-	-	-	98,026
Revolving credit	-	-	-	1,517,033	-	-	-	-	-	-	-	-	-	1,517,033
Ar-Rahnu	-	-	-	-	-	-	-	-	-	-	-	195,354	-	195,354
Gross financing	2,007,142	375,183	4,093	12,090,046	187,267	1,010,842	66,536	382	112,547	60,953	195,354	195,354	16,110,345	
Fair value changes arising from fair value hedge	-	-	-	83,828	-	-	-	-	-	-	-	-	-	83,828
	2,007,142	375,183	4,093	12,173,874	187,267	1,010,842	66,536	382	112,547	60,953	195,354	195,354	16,194,173	
Less : Allowance for impaired financing														
-Stage 1 - 12 Months ECL	(989)	(714)	(36)	(55,365)	(203)	(855)	(179)	-	(223)	-	(1,513)	-	-	(60,077)
-Stage 2 - Lifetime ECL not credit impaired	(3,681)	(44)	(350)	(11,325)	-	(451)	(8)	-	(1)	-	-	-	-	(15,860)
-Stage 3 - Lifetime ECL credit impaired	(17,823)	(2,290)	(228)	(66,697)	(313)	(7,803)	(70)	-	-	-	(995)	-	-	(96,219)
Total net financing	1,984,649	372,135	3,479	12,040,487	186,751	1,001,733	66,279	382	112,323	60,953	192,846	192,846	16,022,017	

* Included in financing of customers are financing at fair value through profit or loss amounting to RM845,039,327 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

11. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Group	Ijarah				Murabahah to the Purchase				Shirkah Mutanaqisah	Rahnu	Total financing	
	Bai' Bithaman Ajil	Thumma Al-Bai	Inah	Tawarruq	Bai' Al-Dayn	Murabahah	Istisna'	Qard				
31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Cash line	-	-	4,164	300,779	-	-	-	-	-	-	304,943	
Term financing:											-	
Home financing	1,688,503	-	-	2,807,669	-	-	9,996	-	-	-	4,506,168	
Syndicated financing	-	-	-	553,402	-	-	-	-	-	-	553,402	
Hire purchase receivables	88,602	408,059	-	-	-	-	-	-	80,025	-	576,686	
Personal financing	62,283	-	155	3,357,488	-	-	-	-	-	-	3,419,926	
Other term financing*	188,011	-	5	3,311,783	-	-	56,552	286	-	58,532	3,615,169	
Trust receipts	-	-	-	-	37,021	39,252	-	-	-	-	76,273	
Claims on customers under acceptance credits	-	-	-	-	131,139	905,152	-	-	-	-	1,036,291	
Staff financing	37,700	-	-	60,831	-	-	-	114	-	-	98,645	
Revolving credit	-	-	-	1,607,595	-	-	-	-	-	-	1,607,595	
Ar-Rahnu	-	-	-	-	-	-	-	-	-	170,293	170,293	
Total gross financing	2,065,099	408,059	4,324	11,999,547	168,160	944,404	66,548	400	80,025	58,532	170,293	15,965,391
Fair value changes arising from fair value hedge	-	-	-	47,689	-	-	-	-	-	-	-	47,689
	2,065,099	408,059	4,324	12,047,236	168,160	944,404	66,548	400	80,025	58,532	170,293	16,013,080
Less : Allowance for impaired financing												
At amortised cost												
-Stage 1 - 12 Months ECL	(930)	(623)	(76)	(45,410)	(150)	(840)	(148)	-	-	-	(3,165)	(51,342)
-Stage 2 - Lifetime ECL not credit impaired	(2,664)	(62)	(76)	(10,473)	-	(482)	(9)	-	-	-	-	(13,766)
-Stage 3 - Lifetime ECL credit impaired	(16,985)	(1,938)	(228)	(59,261)	-	(7,715)	(71)	-	-	-	(536)	(86,734)
Total net financing	2,044,520	405,436	3,944	11,932,092	168,010	935,367	66,320	400	80,025	58,532	166,592	15,861,238

* Included in other term financing is a financing at fair value through profit or loss amounting RM806,507,439 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

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11. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank	Ijarah		Inah	Tawarruq	Bai'		Istisna'	Qard	Murabahah		Total financing
	Bai' Bithaman Ajil	Thumma Al-Bai			Al-Dayn	Murabahah			to the Purchase Order	Rahnu	
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line	-	-	3,943	309,482	-	-	-	-	-	-	313,425
Term financing:											
Home financing	1,639,641	-	-	2,859,454	-	-	9,984	-	-	-	4,509,079
Syndicated financing	-	-	-	562,732	-	-	-	-	-	-	562,732
Hire purchase receivables	85,207	375,183	-	-	-	-	-	-	112,547	-	572,937
Personal financing	60,828	-	147	3,441,568	-	-	-	-	-	-	3,502,543
Other term financing	185,257	-	3	3,338,083	-	-	56,552	54,896	-	-	3,634,791
Trust receipts	-	-	-	-	55,845	115,361	-	-	-	-	171,206
Claims on customers under acceptance credits	-	-	-	-	131,422	895,481	-	-	-	-	1,026,903
Staff financing	36,209	-	-	61,694	-	-	-	123	-	-	98,026
Revolving credit	-	-	-	1,517,033	-	-	-	-	-	-	1,517,033
Ar-Rahnu	-	-	-	-	-	-	-	-	-	195,354	195,354
Gross financing	2,007,142	375,183	4,093	12,090,046	187,267	1,010,842	66,536	55,019	112,547	195,354	16,104,029
Fair value changes arising from fair value hedge	-	-	-	83,828	-	-	-	-	-	-	83,828
	2,007,142	375,183	4,093	12,173,874	187,267	1,010,842	66,536	55,019	112,547	195,354	16,187,857
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(989)	(714)	(36)	(55,365)	(203)	(855)	(179)	-	(223)	(1,513)	(60,077)
-Stage 2 - Lifetime ECL not credit impaired	(3,681)	(44)	(350)	(11,325)	-	(451)	(8)	-	(1)	-	(15,860)
-Stage 3 - Lifetime ECL credit impaired	(17,823)	(2,290)	(228)	(66,697)	(313)	(7,803)	(70)	-	-	(995)	(96,219)
Total net financing	1,984,649	372,135	3,479	12,040,487	186,751	1,001,733	66,279	55,019	112,323	192,846	16,015,701

* Included in financing of customers are financing at fair value through profit or loss amounting to RM838,724,408 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

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11. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank 31 December 2019	Bai'	Ijarah	Inah	Tawarruq	Bai'	Murabahah	Istisna'	Qard	Murabahah to	Rahnu	Total
	Bithaman Ajil	Thumma			AI-Dayn				the Purchase		
	RM'000	AI-Bai	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line	-	-	4,164	300,779	-	-	-	-	-	-	304,943
Term financing:											
Home financing	1,688,503	-	-	2,807,669	-	-	9,996	-	-	-	4,506,168
Syndicated financing	-	-	-	553,402	-	-	-	-	-	-	553,402
Hire purchase receivables	88,602	408,059	-	-	-	-	-	-	80,025	-	576,686
Personal financing	62,283	-	155	3,357,488	-	-	-	-	-	-	3,419,926
Other term financing*	188,011	-	5	3,311,783	-	-	56,552	54,923	-	-	3,611,274
Trust receipts	-	-	-	-	37,021	39,252	-	-	-	-	76,273
Claims on customers under acceptance credits	-	-	-	-	131,139	905,152	-	-	-	-	1,036,291
Staff financing	37,700	-	-	60,831	-	-	-	114	-	-	98,645
Revolving credit	-	-	-	1,607,595	-	-	-	-	-	-	1,607,595
Ar-Rahnu	-	-	-	-	-	-	-	-	-	170,293	170,293
Total gross financing	2,065,099	408,059	4,324	11,999,547	168,160	944,404	66,548	55,037	80,025	170,293	15,961,496
Fair value changes arising from fair value hedge	-	-	-	47,689	-	-	-	-	-	-	47,689
	2,065,099	408,059	4,324	12,047,236	168,160	944,404	66,548	55,037	80,025	170,293	16,009,185
Less : Allowance for impaired financing											
At amortised cost											
-Stage 1 - 12 Months ECL	(930)	(623)	(76)	(45,410)	(150)	(840)	(148)	-	-	(3,165)	(51,342)
-Stage 2 - Lifetime ECL not credit impaired	(2,664)	(62)	(76)	(10,473)	-	(482)	(9)	-	-	-	(13,766)
-Stage 3 - Lifetime ECL credit impaired	(16,985)	(1,938)	(228)	(59,261)	-	(7,715)	(71)	-	-	(536)	(86,734)
Total net financing	2,044,520	405,436	3,944	11,932,092	168,010	935,367	66,320	55,037	80,025	166,592	15,857,343

* Included in other term financing are financing at fair value through profit or loss amounting RM802,613,520 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

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11. Financing of customers (cont'd.)

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

	Group		Bank	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Uses of Qard fund:				
Staff financing	123	114	123	114
Other term financing	258	286	54,896	54,923
	381	400	55,019	55,037

(ii) By type of customer

	Group		Bank	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Domestic non-banking institutions	325,076	510,337	325,076	510,337
Domestic business enterprises:				
-Small business enterprises	303,097	329,959	303,097	329,959
-Others	4,144,188	3,936,293	4,137,873	3,932,398
Government and statutory bodies	962,495	959,703	962,495	959,703
Individuals	10,364,849	10,218,154	10,364,849	10,218,154
Other domestic entities	3,951	3,916	3,951	3,916
Foreign entities	6,688	7,029	6,688	7,029
Gross Financing	16,110,344	15,965,391	16,104,029	15,961,496

(iii) By profit rate sensitivity

	Group		Bank	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
Home financing	251,936	265,103	251,936	265,103
Hire purchase receivables	572,936	576,686	572,936	576,686
Others	3,325,368	3,410,858	3,319,053	3,406,963
Variable rate:				
Home financing	4,301,222	4,283,076	4,301,222	4,283,076
Others	7,658,882	7,429,668	7,658,882	7,429,668
Gross Financing	16,110,344	15,965,391	16,104,029	15,961,496

(iv) By residual contractual maturity

	Group		Bank	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Maturity				
- within one year	4,470,448	4,459,918	4,470,448	4,459,918
- more than one to five years	5,346,620	5,215,272	5,346,620	5,215,272
- more than five years	6,293,276	6,290,201	6,286,961	6,286,306
Gross Financing	16,110,344	15,965,391	16,104,029	15,961,496

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11. Financing of customers (cont'd.)

(v) By sector

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Agriculture	98,003	95,810	98,003	95,810
Mining and quarrying	3,628	4,022	3,628	4,022
Manufacturing	741,584	759,403	741,584	759,403
Electricity, gas and water	114,128	111,836	114,128	111,836
Construction	477,001	406,526	477,001	406,526
Household	10,371,538	10,225,184	10,371,538	10,225,184
Real estate	1,274,707	1,232,208	1,274,707	1,232,208
Wholesale, retail and restaurant	1,126,416	1,010,609	1,126,416	1,010,609
Transport, storage and communication	67,048	64,563	67,048	64,564
Finance, takaful and business services	591,923	811,806	591,924	811,806
Community, social and personal services	281,873	283,722	275,557	279,826
Government and statutory bodies	962,495	959,702	962,495	959,702
Gross Financing	16,110,344	15,965,391	16,104,029	15,961,496

(vi) By geographical area

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Domestic	16,110,344	15,965,391	16,104,029	15,961,496
Gross Financing	16,110,344	15,965,391	16,104,029	15,961,496

Included in the financing of customers is financing given to one corporate customer and a number of identified structured personal financing customers which are hedged by profit rate derivatives. The hedging has achieved the criteria for hedge accounting whilst the financing are carried at fair value.

The maximum credit exposure of the financing of customers amounts to RM700 million (31 December 2019: RM700 million). The cumulative change in fair value of the financing attributable to changes in profit rate risk amounts to a gain of RM83,828,499 (31 December 2019: a gain of RM47,689,468) and the change in fair value for the current year is a gain of RM36,139,031 (31 December 2019: a gain of RM24,644,380). 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	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020/ At 1 April 2019	209,166	221,216	209,166	221,216
Classified as impaired during the period	64,635	235,837	64,635	235,837
Reclassified as performing during the period	(30,251)	(123,108)	(30,251)	(123,108)
Recovered during the period	(13,096)	(63,943)	(13,096)	(63,943)
Written off during the period	(11,737)	(60,836)	(11,737)	(60,836)
Gross impaired financing	218,717	209,166	218,717	209,166
Less: Stage 3 - Lifetime ECL credit impaired	(96,219)	(86,734)	(96,219)	(86,734)
Net impaired financing	122,498	122,432	122,498	122,432

Calculation ratio of impaired financing:

Gross financing of customers	16,110,345	15,965,391	16,104,029	15,961,496
Less: Stage 3 - Lifetime ECL credit impaired	(96,219)	(86,734)	(96,219)	(86,734)
Net financing of customers	16,014,126	15,878,657	16,007,810	15,874,762
Ratio of gross impaired financing to total financing	1.36%	1.31%	1.36%	1.31%
Net impaired financing ratio	0.76%	0.77%	0.77%	0.77%

(ii) Impaired financing by sector

	Group		Bank	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Manufacturing	2,477	2,807	2,477	2,807
Construction	4,745	4,778	4,745	4,778
Household	170,332	163,559	170,332	163,559
Real estate	19,101	18,474	19,101	18,474
Wholesale, retail and restaurant	13,105	10,379	13,105	10,379
Transport, storage and communication	7,862	7,833	7,862	7,833
Finance, takaful and business services	718	966	718	966
Community, social and personal service	377	370	377	370
	218,717	209,166	218,717	209,166

(iii) Impaired financing by geographical area

	Group		Bank	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Domestic	218,717	209,166	218,717	209,166

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11. Financing of customers (cont'd.)

Impaired financing (cont'd.)

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

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2020				
At 1 January 2020	51,342	13,766	86,734	151,842
Transfer to Stage 1	3,799	(2,826)	(973)	-
Transfer to Stage 2	(765)	12,048	(11,283)	-
Transfer to Stage 3	(99)	(1,375)	1,474	-
Allowance (write back)/made	(1,013)	(5,674)	32,922	26,235
New financial assets originated	17,033	-	1	17,034
Financial assets derecognised	(10,221)	(79)	(1,783)	(12,083)
Amount written off/realised	-	-	(10,873)	(10,873)
Other movements	1	-	-	1
At 31 March 2020	60,077	15,860	96,219	172,156
At 31 December 2019				
At 1 April 2019	55,886	7,448	93,952	157,286
Transfer to Stage 1	15,195	(9,961)	(5,234)	-
Transfer to Stage 2	(1,953)	48,707	(46,754)	-
Transfer to Stage 3	(628)	(5,550)	6,178	-
Allowance (write back)/made	(29,312)	(26,565)	107,405	51,528
New financial assets originated	41,566	1,300	-	42,866
Financial assets derecognised	(29,415)	(1,613)	(10,773)	(41,801)
Amount written off/realised	-	-	(58,040)	(58,040)
Other movements	3	-	-	3
At 31 December 2019	51,342	13,766	86,734	151,842

12. Other assets

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Deposits	6,104	7,129	6,004	7,030
Prepayments	8,302	6,265	8,132	6,177
Foreclosed properties	9,665	9,665	9,665	9,665
Golf club membership	600	600	600	600
Other receivables	18,662	11,476	18,662	11,476
Other debtors	9,243	9,713	9,065	9,010
	52,576	44,848	52,128	43,958
Less: Accumulated impairment losses	(3,328)	(3,178)	(3,328)	(3,178)
	49,248	41,670	48,800	40,780

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13. Deferred tax assets & liabilities

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January 2020/ At 1 April 2019	13,534	18,403	13,250	18,235
Recognised in the profit or loss (Note 32)	3,507	1,287	3,490	1,171
Recognised in other comprehensive income	6,316	(6,156)	6,316	(6,156)
At 31 March 2020/ At 31 December 2019	23,357	13,534	23,056	13,250

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	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Deferred tax assets, net	23,357	13,534	23,056	13,250
Deferred tax liabilities, net	-	-	-	-
	23,357	13,534	23,056	13,250

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

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Deferred tax assets	29,524	25,827	29,223	25,543
Deferred tax liabilities	(6,167)	(12,293)	(6,167)	(12,293)
	23,357	13,534	23,056	13,250

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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 assets at FVOCI reserve RM'000	Leases 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 January 2020	12,092	-	900	6,211	6,265	359	25,827
Recognised in profit or loss	2,210	-	6	106	700	7	3,029
Recognised in other comprehensive income		-	668	-	-	-	668
At 31 March 2020	14,302	-	1,574	6,317	6,965	366	29,524

	ECL RM'000	Financial assets at FVOCI reserve RM'000	Leases 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	726	5,303	9,353	322	27,333
Recognised in profit or loss	971	-	174	908	(3,088)	37	(998)
Recognised in other comprehensive income	-	(508)	-	-	-	-	(508)
At 31 December 2019	12,092	-	900	6,211	6,265	359	25,827

Deferred tax liabilities of the Group :

	Financial assets at FVOCI RM'000	Financial assets at FVTPL RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2020	(5,648)	-	(6,645)	(12,293)
Recognised in profit and loss	-	-	478	478
Recognised in other comprehensive income	-	5,648	-	5,648
At 31 March 2020	(5,648)	5,648	(6,167)	(6,167)

	Financial assets at FVOCI RM'000	Financial assets at FVTPL RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 April 2019	-	(65)	(8,865)	(8,930)
Recognised in profit or loss	-	65	2,220	2,285
Recognised in other comprehensive income	(5,648)	-	-	(5,648)
As at 31 December 2019	(5,648)	-	(6,645)	(12,293)

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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 assets at FVOCI reserve RM'000	Leases 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 January 2020	12,092	-	616	6,211	6,265	359	25,543
Recognised in profit or loss	2,210	-	(11)	106	700	7	3,012
Recognised in other comprehensive income	-	668	-	-	-	-	668
At 31 March 2020	<u>14,302</u>	<u>668</u>	<u>605</u>	<u>6,317</u>	<u>6,965</u>	<u>366</u>	<u>29,223</u>

	ECL RM'000	Financial assets at FVOCI reserve RM'000	Leases 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	493	5,303	9,353	322	27,100
Recognised in profit or loss	971	-	123	908	(3,088)	37	(1,049)
Recognised in other comprehensive income	-	(508)	-	-	-	-	(508)
As at 31 December 2019	<u>12,092</u>	<u>-</u>	<u>616</u>	<u>6,211</u>	<u>6,265</u>	<u>359</u>	<u>25,543</u>

Deferred tax liabilities of the Bank:

	Financial investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2020	(5,648)	(6,645)	(12,293)
Recognised in profit and loss	-	478	478
Recognised in other comprehensive income	5,648	-	5,648
At 31 March 2020	<u>-</u>	<u>(6,167)</u>	<u>(6,167)</u>

	Financial investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 April 2019	-	(8,865)	(8,865)
Recognised in profit or loss	-	2,220	2,220
Recognised in other comprehensive income	(5,648)	-	(5,648)
As at 31 December 2019	<u>(5,648)</u>	<u>(6,645)</u>	<u>(12,293)</u>

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14. Deposits from customers

(a) By type of deposits

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Savings Deposit				
Qard	1,018,909	938,576	1,018,909	938,576
Tawarruq	613,779	521,960	613,779	521,960
Demand Deposit				
Qard	3,121,750	2,885,821	3,124,067	2,889,975
Tawarruq	1,776,967	1,549,520	1,776,967	1,549,520
Term Deposit				
Negotiable Islamic debt certificate	383,697	629,709	383,697	629,709
General investment deposits	61,393	63,701	61,393	63,701
Short term accounts	5,623,941	2,513,814	5,623,941	2,513,814
Fixed term accounts tawarruq	7,659,795	9,796,765	7,670,095	9,807,065
Other deposits	39,015	40,686	39,015	40,686
	20,299,246	18,940,552	20,311,863	18,955,006

(b) By type of customer

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Government and statutory bodies	6,770,175	4,083,378	6,770,175	4,083,378
Business enterprises	5,937,341	7,708,280	5,949,958	7,722,734
Individuals	2,308,513	2,158,738	2,308,513	2,158,738
Domestic non-bank financial institutions	4,151,006	3,143,472	4,151,006	3,143,472
Domestic banking financial institutions	188,935	434,885	188,935	434,885
Others	943,276	1,411,799	943,276	1,411,799
	20,299,246	18,940,552	20,311,863	18,955,006

The maturity structure of term deposits are as follows :

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Due within six months	11,631,107	11,454,317	11,641,407	11,464,617
More than six months to one year	1,945,466	1,497,843	1,945,466	1,497,843
More than one year to three years	152,064	51,612	152,064	51,612
More than three years to five years	188	217	188	217
	13,728,825	13,003,989	13,739,125	13,014,289

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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 December 2019: RM20,000,000) 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	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Wakalah				
Maturity				
- within one year	20,000	20,000	20,000	20,000
	20,000	20,000	20,000	20,000

(ii) By types of customer are as follows:

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Individuals	15,000	15,000	15,000	15,000
Others	5,000	5,000	5,000	5,000
	20,000	20,000	20,000	20,000

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

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Restricted investment accounts				
Shirkah Mutanaqisah Financing	20,000	20,000	20,000	20,000
Total investment	20,000	20,000	20,000	20,000

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

	Group and Bank 31 March 2020		Group and Bank 31 December 2019	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Investment account of customers	70.0%	6.2%	70.0%	6.2%

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16. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Bank Negara Malaysia	6,110	6,303
Other financial institutions	50,054	-
	56,164	6,303

17. Other liabilities

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Sundry creditors	815	1,325	815	572
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 17(a))	6,499	6,088	6,499	6,088
Provision for bonus	11,576	11,574	11,353	11,350
Accrued expenses	16,593	13,447	16,605	13,556
Accrual for directors' fees	233	-	233	-
Accrual for audit fees	872	1,234	846	1,212
Other liabilities	24,105	19,616	24,039	19,538
	60,693	53,284	60,390	52,316

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

Group and Bank	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 31 March 2020			
At 1 January 2020	3,064	93	2,931	6,088
Transfer to Stage 1	126	(101)	(25)	-
Transfer to Stage 2	(19)	109	(90)	-
Transfer to Stage 3	(22)	(15)	37	-
Allowance made	443	14	57	514
New financing originated or purchased	330	-	-	330
Financing derecognised	(294)	(2)	(129)	(425)
Amount written-off/realised	-	-	(9)	(9)
At 31 March 2020	3,628	98	2,772	6,498
At 31 December 2019				
At 1 April 2019	3,406	121	3,371	6,898
Transfer to Stage 1	180	(150)	(30)	-
Transfer to Stage 2	(51)	193	(142)	-
Transfer to Stage 3	(4)	(146)	150	-
Allowance made	(286)	105	182	1
New financing originated or purchased	495	-	-	495
Financing derecognised	(676)	(30)	(461)	(1,167)
Amount written-off/realised	-	-	(139)	(139)
At 31 December 2019	3,064	93	2,931	6,088

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18. Provision for zakat and taxation

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Zakat	4,283	4,182	4,190	4,108
Taxation	6,803	5,346	6,481	5,164
	11,086	9,528	10,671	9,272

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 (15 June 2021), 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 (25 November 2021), whichever is earlier. The dividend is payable semi-annually in May and November.

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

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of:				
(a) Fixed term deposits	116,580	177,289	116,580	177,289
(b) Other deposits	193,796	145,344	193,796	145,344
	<u>310,376</u>	<u>322,633</u>	<u>310,376</u>	<u>322,633</u>

(a) Income derived from investment of fixed term deposits

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Finance income and hibah				
Income from financing	85,826	126,003	85,826	126,003
Financial investments designated at FVTPL	670	1,547	670	1,547
Financial assets at fair value through other comprehensive income	17,728	29,601	17,728	29,601
Financial assets at amortised cost	225	(74)	225	(74)
Money at call and deposit with financial institutions	2,233	4,374	2,233	4,374
	<u>106,682</u>	<u>161,451</u>	<u>106,682</u>	<u>161,451</u>
Amortisation of premium less accretion of discounts	(1,584)	(502)	(1,584)	(502)
Total finance income and hibah	<u>105,098</u>	<u>160,949</u>	<u>105,098</u>	<u>160,949</u>
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	58	267	58	267
- financial investments at fair value through other comprehensive income	6,471	8,054	6,471	8,054
Unrealised gain on revaluation from financial investments designated at FVTPL	682	328	682	328
	<u>7,211</u>	<u>8,649</u>	<u>7,211</u>	<u>8,649</u>
Fees and commission				
Guarantee fees	175	190	175	190
Processing fees	243	1,296	243	1,296
Service charges and fees	1,270	2,451	1,270	2,451
Commission	2,583	3,755	2,583	3,755
	<u>4,271</u>	<u>7,692</u>	<u>4,271</u>	<u>7,692</u>
Total	<u>116,580</u>	<u>177,289</u>	<u>116,580</u>	<u>177,289</u>

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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	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Finance income and hibah				
Income from financing	142,674	103,298	142,674	103,298
Financial investments designated at FVTPL	1,114	1,269	1,114	1,269
Financial assets at fair value through other comprehensive income	29,470	24,267	29,470	24,267
Financial assets at amortised cost	373	(60)	373	(60)
Money at call and deposit with financial institutions	3,712	3,585	3,712	3,585
	<u>177,343</u>	<u>132,359</u>	<u>177,343</u>	<u>132,359</u>
Amortisation of premium less accretion of discounts	(2,633)	(412)	(2,633)	(412)
Total finance income and hibah	<u>174,710</u>	<u>131,947</u>	<u>174,710</u>	<u>131,947</u>
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	96	219	96	219
- financial investments at fair value through other comprehensive income	10,758	6,603	10,758	6,603
Unrealised gain on revaluation from financial investments designated at FVTPL	1,133	269	1,133	269
	<u>11,987</u>	<u>7,091</u>	<u>11,987</u>	<u>7,091</u>
Fees and commission				
Guarantee fees	290	156	290	156
Processing fees	404	1,062	404	1,062
Service charges and fees	2,111	2,009	2,111	2,009
Commission	4,294	3,079	4,294	3,079
	<u>7,099</u>	<u>6,306</u>	<u>7,099</u>	<u>6,306</u>
Total	<u>193,796</u>	<u>145,344</u>	<u>193,796</u>	<u>145,344</u>

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22. (Loss)/Income derived from investment of shareholders' funds

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	2,678	3,488	2,678	3,488
Financial assets at amortised cost				
Money at call and deposit with financial institutions	384	419	384	419
	3,062	3,907	3,062	3,907
Amortisation of premium less				
Accretion of discounts	(329)	66	(329)	66
Total finance income and hibah	2,733	3,973	2,733	3,973
Other operating income				
Net (loss)/gain from foreign exchange transaction	(23,262)	206	(23,262)	206
Unrealised gain on revaluation from foreign exchange derivatives	22,740	3,680	22,740	3,680
Net gain from sale of fair value through profit and loss securities	-	79	-	-
Unrealised (loss)/gain on revaluation from financial investments designated at FVTPL	(43,711)	3,840	(43,711)	4,377
Net gain from sale of financial investments at fair value through other comprehensive income	243	(17)	243	253
Gross dividend income from investment:				
-shares in Malaysia	13	22	-	-
Net dividend paid for Islamic profit rate swap	(2,554)	(2,158)	(2,554)	(2,158)
Unrealised loss on revaluation of Islamic profit rate swap	(47,467)	(15,744)	(47,467)	(15,744)
Unrealised gain on revaluation from hedged items	52,290	21,725	52,290	21,725
	(41,708)	11,633	(41,721)	12,339
Fees and commission				
Corporate advisory fees	244	464	153	131
Service charges and fees	1,601	572	38	64
Commission	640	687	640	687
	2,485	1,723	831	882
Other income				
Rental income	419	290	418	320
Profit on sale of fixed assets	128	7	128	7
Fair value adjustments of investment properties	-	1,580	-	1,580
	547	1,877	546	1,907
Total	(35,943)	19,206	(37,611)	19,101

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23. Income derived from investment of investment account funds

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Finance income and hibah				
Investment of account funds	-	4	-	4
Fees and commission				
Service charges and fees	132	402	132	402
Total	132	406	132	406

24. Allowance for/(Writeback of) impairment on financing

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Allowance for/(Writeback of) impairment on financing of customer:				
- individual allowance made	1,267	6,378	1,267	6,378
- individual allowance written back	(502)	(12,733)	(502)	(12,733)
- collective allowance made	60,656	48,153	60,656	48,164
- collective allowance written back	(29,813)	(45,547)	(29,813)	(45,547)
Impaired financing written off	1,182	(11,657)	1,182	(11,657)
Impaired financing recovered	(6,453)	(8,785)	(6,453)	(13,707)
	26,337	(24,190)	26,337	(29,102)

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25. Writeback of impairment losses on financial investments, net

	Group		Bank	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Impairment write back on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	(23)	(38)	(23)	(38)
Impairment write back on corporate bonds included under Amortised Cost ("AC")	(464)	(49)	(464)	(49)
Impairment write back on investment in subsidiary	-	-	-	(1,000)
	(487)	(87)	(487)	(1,087)

26. (Writeback of)/Allowance for impairment losses on other financial assets, net

	Group		Bank	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Cash and short term funds				
- ECL , net	(336)	172	(336)	172
Other assets				
- ECL , net	150	4,034	150	4,034
	(186)	4,206	(186)	4,206

27. Income attributable to depositors

	Group		Bank	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	227	354	227	354
Non-Mudharabah funds	126,226	149,862	126,305	149,966
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	706	74	706	74
	127,159	150,290	127,238	150,394

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28. Personnel expenses

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Salary and wages	39,428	35,539	38,855	35,016
Contribution to defined contribution plan	6,607	6,973	6,525	6,889
Social security contributions	435	392	421	392
Allowances and bonuses	896	5,418	860	5,059
Others	5,405	6,251	5,391	6,234
	52,771	54,573	52,052	53,590

29. Other overheads and expenditures

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Promotion				
Advertisement and publicity	1,470	2,161	1,470	2,161
Others	751	1,866	749	1,863
Establishment				
Rental	3	3,059	3	2,909
Depreciation of property, plant and equipment	2,923	3,920	2,921	3,918
Depreciation of right-of-use assets	2,966	-	2,859	-
Amortisation of intangible assets	8,350	7,957	8,348	7,948
Amortisation of prepaid land lease payment	-	1	-	1
Information technology expenses	12,946	12,913	12,909	12,913
Repair and maintenance	765	1,078	665	982
Hire of equipment	906	1,026	843	930
Takaful	1,949	1,882	1,949	1,882
Utilities expenses	1,174	1,291	1,168	1,285
Security expenses	1,948	2,691	1,948	2,691
Others	1,119	1,299	1,119	1,298
General expenses				
Auditors' fees	99	721	99	721
Professional fees	1,192	1,539	1,036	1,421
Legal expenses	121	783	121	783
Telephone	446	498	446	496
Stationery and printing	338	637	335	631
Postage and courier	423	577	423	577
Travelling	270	430	269	430
Directors remuneration and Shariah Committee allowance	1,215	630	1,205	614
Others	3,106	2,082	3,617	2,977
	44,480	49,042	44,502	49,431

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30. Finance cost

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Group / Bank				
Dividend paid- subordinated sukuk	3,625	3,584	3,625	3,584
Dividend paid- senior sukuk	6,800	6,799	6,800	6,799
Financing sold to Cagamas	5,324	5,559	5,324	5,559
Finance cost of lease liabilities	670	-	561	-
	16,419	15,943	16,310	15,943

31. Zakat

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Provision for zakat for the year	109	2,433	82	2,373
Over provision in prior year	(8)	-	-	-
	101	2,433	82	2,373

32. Taxation

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Current income tax	16,060	17,608	15,742	16,147
Under/(Over) provision in prior year	18	(596)	-	-
	16,078	17,012	15,742	16,147
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,507)	6,265	(3,490)	6,787
	(3,507)	6,265	(3,490)	6,787
	12,571	23,277	12,252	22,934

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 December 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	
	31 March 2020 RM'000	31 December 2019 RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>1,352,960</u>	<u>1,613,373</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>5.4%</u>	<u>6.7%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>
	Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>1,407,599</u>	<u>1,668,011</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>5.6%</u>	<u>7.0%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transaction and Exposures with Connected Parties, which are effective on 1 January 2008.

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					
	31 March 2020			31 December 2019		
The commitments and contingencies constitute the following:	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000
Contingent liabilities						
Direct credit substitutes	206,634	206,634	177,996	231,450	231,450	205,352
Trade-related contingencies	35,100	7,020	951	38,679	7,736	1,494
Transaction-related contingencies	418,070	209,035	208,588	428,543	214,272	201,091
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	1,459,446	291,889	288,075	879,658	175,932	171,477
- Maturity exceeding one (1) year	907,996	453,998	418,885	777,881	388,941	373,034
Islamic derivative financial instruments						
Foreign exchange related contracts	3,498,567	111,912	75,492	2,965,283	58,660	28,638
Profit rate related contract	1,275,000	71,188	14,238	1,275,000	71,188	14,238
	7,800,813	1,351,676	1,184,225	6,596,494	1,148,179	995,324

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35. Capital adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 6 February 2020 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 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0% and 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). 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	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Computation of Total Risk Weighted Assets ("RWA")				
Total credit RWA	13,521,416	13,089,369	13,502,499	13,073,524
Total market RWA	58,273	35,361	58,273	35,361
Total operational RWA	1,206,457	1,218,544	1,194,835	1,206,121
Total RWA	14,786,146	14,343,274	14,755,607	14,315,006
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	1,193,264	1,193,264	1,186,740	1,186,740
Other Reserves				
Regulatory reserve	54,110	62,676	54,110	62,676
FVOCI reserve	(2,017)	18,008	(2,017)	18,008
Foreign exchange translation reserve	816	(133)	816	(133)
Regulatory Adjustment				
Deferred tax assets	(29,524)	(25,827)	(29,223)	(25,543)
Investment property gain	(5,542)	(5,542)	(5,542)	(5,542)
Regulatory reserve	(54,110)	(62,676)	(54,110)	(62,676)
FVOCI reserve	-	(9,905)	-	(9,904)
Investment in subsidiaries	-		(13,159)	(13,159)
Intangible asset (net of deferred tax liabilities)	(73,909)	(70,244)	(73,800)	(70,134)
Total Common Equity Tier-I Capital	2,278,088	2,294,621	2,258,815	2,275,333
Total Tier-I Capital	2,278,088	2,294,621	2,258,815	2,275,333
<u>Tier-II capital</u>				
Subordinated sukuk	254,175	250,532	254,175	250,532
Loss provision and regulatory reserve*	130,047	127,785	130,047	127,785
Add: Investment property gain	2,494	2,494	2,494	2,494
Total Tier-II Capital	386,716	380,811	386,716	380,811
Total Capital Base	2,664,804	2,675,432	2,645,531	2,656,144
Ratio (%)				
CET 1 Capital	15.407%	15.998%	15.308%	15.895%
Tier 1 Capital	15.407%	15.998%	15.308%	15.895%
Total Capital	18.022%	18.653%	17.929%	18.555%

* Tier 2 Capital 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			
	31 March 2020 RM'000	Total risk weighted assets RM'000	31 December 2019 RM'000	Total risk weighted assets RM'000
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	7,282,945	-	5,902,452	-
20%	1,809,078	361,817	1,818,548	363,710
35%	2,903,768	1,016,319	3,110,625	1,088,719
50%	1,140,822	570,411	1,195,617	597,808
75%	3,302,846	2,477,135	3,175,251	2,381,439
100%	9,041,359	9,041,359	8,592,299	8,592,299
150%	36,251	54,377	43,596	65,394
Risk weighted assets for credit risk	25,517,069	13,521,416	23,838,388	13,089,369
Risk weighted assets for market risk		58,273		35,361
Risk weighted assets for operational risk		1,206,457		1,218,544
Total risk weighted assets		14,786,146		14,343,274

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35. Capital adequacy (cont'd.)

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

	Bank			
	31 March 2020 RM'000		31 December 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%	7,282,945	-	5,902,452	-
20%	1,809,078	361,817	1,818,548	363,710
35%	2,903,768	1,016,319	3,110,625	1,088,719
50%	1,140,822	570,411	1,195,617	597,808
75%	3,302,846	2,477,135	3,175,251	2,381,439
100%	9,031,916	9,031,916	8,582,297	8,582,297
150%	29,935	44,903	39,701	59,551
Risk weighted assets for credit risk	25,501,310	13,502,499	23,824,491	13,073,524
Risk weighted assets for market risk		58,273		35,361
Risk weighted assets for operational risk		1,194,835		1,206,121
Total risk weighted assets		14,755,607		14,315,006

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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 require 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	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 March 2020				
Non-financial assets				
Investment properties	-	-	53,696	53,696
Financial assets				
Financial investments designated at fair value through profit and loss	-	10,403	259,999	270,402
Financial investments fair value through other comprehensive income	93,054	5,423,436	5,881	5,522,371
Derivative financial assets	-	73,594	-	73,594
Total financial assets measured at fair value	93,054	5,507,433	265,880	5,866,367
Financial liabilities				
Derivative financial liabilities	-	154,007	-	154,007
Total financial liabilities measured at fair value	-	154,007	-	154,007

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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.)	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 December 2019				
Non-financial assets				
Investment properties	-	-	53,063	53,063
Financial assets				
Financial investments designated at fair value through profit or loss	-	10,321	298,472	308,793
Financial investments at FVOCI	100,621	4,498,322	5,881	4,604,824
Derivative financial assets	-	21,859	-	21,859
Total financial assets measured at fair value	100,621	4,530,502	304,353	4,935,476
Financial liabilities				
Derivative financial liabilities	-	77,546	-	77,546
Total financial liabilities measured at fair value	-	77,546	-	77,546

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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	
31 March 2020				
Non-financial assets				
Investment properties	-	-	53,696	53,696
Financial assets				
Financial investments designated at fair value through profit and loss	-	10,403	259,999	270,402
Financial investments fair value through other comprehensive income	90,616	5,423,436	5,881	5,519,933
Derivative financial assets	-	73,594	-	73,594
Total financial assets measured at fair value	90,616	5,507,433	265,880	5,863,929
Financial liabilities				
Derivative financial liabilities	-	154,007	-	154,007
Total financial liabilities measured at fair value	-	154,007	-	154,007

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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
31 December 2019		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
Non-financial assets				
Investment properties	-	-	53,063	53,063
Financial assets				
Financial investments designated at fair value through profit and loss	-	10,321	298,472	308,793
Financial investments at FVOCI	98,196	4,498,322	5,881	4,602,399
Derivative financial assets	-	21,859	-	21,859
Total financial assets measured at fair value	98,196	4,530,502	304,353	4,933,051
Financial liabilities				
Derivative financial liabilities	-	77,546	-	77,546
Total financial liabilities measured at fair value	-	77,546	-	77,546

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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	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January 2020	304,353	321,050	304,353	321,050
Loss recognised in profit or loss	(42,690)	(2,954)	(42,690)	(2,954)
Purchases	-	500	-	500
Sales/ redeemed	(5,048)	(14,779)	(5,048)	(14,779)
Foreign exchange translation difference	9,265	536	9,265	536
At 31 March 2020	265,880	304,353	265,880	304,353

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	
	31 March 2020 RM'000	31 December 2019 RM'000
Total loss recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	(42,690)	(2,954)

	Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Total loss recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	(42,690)	(2,954)

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37. Segment information (cont'd.)

(a) Business segments (cont'd.)

The Bank is organised into three (3) major business segments:

- (i) Business banking - this segment comprises the full range of products and services offered to business customers in the region, ranging from large corporates and the public sector and also commercial enterprises. The products and services offered include long-term financing such as project financing, short-term credit (e.g Muamalat Cashline and trade financing), and fee-based services (e.g cash management).
- (ii) Consumer banking - this segment comprises the full range of products and services offered to individual customers in Malaysia, including savings accounts, current accounts, fixed term accounts, remittance services, internet banking services, cash management services, consumer financing such as mortgage financing, personal financing, hire purchases financing, micro financing, wealth management and bancatakaful products.
- (iii) Treasury and investment banking - this segment comprises the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and trading of capital market securities.

Investment banking focuses on business needs of mainly large corporate customers and financial institutions, which include corporate advisory services, bond issuances, Initial Public Offerings ("IPOs") and debt restructuring advisory services. It also explores investment opportunities via private equity investments for the Bank.

Other business segments include rental services, none of which is of sufficient size to be reported separately.

Group	Business banking	Consumer banking	Treasury and investment banking	Others	Total
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	75,107	164,707	25,992	8,759	274,565
Total income	33,064	92,337	(17,730)	39,735	147,406
(Allowance for)/writeback of impairment on financing	(512)	(25,825)	-	-	(26,337)
Writeback of impairment on investments	-	-	487	-	487
Allowance for impairment on other financial assets, net	-	-	336	(150)	186
Other expenses	-	-	-	(3,855)	(3,855)
Total net income	32,552	66,512	(16,907)	35,730	117,887
Total overhead expenses					(113,670)
Profit before zakat and taxation					4,217
Zakat					(101)
Taxation					(12,571)
Profit for the period					(8,455)

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37. Segment information (cont'd.)

(a) Business segments (cont'd.)

Group	Business	Consumer	Treasury and	Others	Total
31 March 2019	banking	banking	investment	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	73,368	169,525	85,619	13,733	342,245
Total income	33,546	82,311	25,967	50,131	191,955
Writeback of impairment on financing	11,214	12,958	18	-	24,190
Writeback of impairment on investments	-	-	87	-	87
Allowance for impairment on other financial assets, net	-	-	(309)	(3,897)	(4,206)
Other expenses	-	-	-	(3,824)	(3,824)
Total net income	44,760	95,269	25,763	42,410	208,202
Total overhead expenses					(119,558)
Profit before zakat and taxation					88,644
Zakat					(2,433)
Taxation					(23,277)
Profit for the period					62,934

Bank	Business	Consumer	Treasury and	Others	Total
31 March 2020	banking	banking	investment	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	75,107	164,707	24,324	8,759	272,897
Total Income	33,064	92,337	(19,477)	39,735	145,659
(Allowance for)/writeback of impairment on financing	(512)	(25,825)	-	-	(26,337)
Writeback of impairment on investments	-	-	487	-	487
Allowance for impairment on other financial assets, net	-	-	336	(150)	186
Other expenses	-	-	-	(3,855)	(3,855)
Total net income	32,552	66,512	(18,654)	35,730	116,140
Total overhead expenses					(112,864)
Profit before zakat and taxation					3,276
Zakat					(82)
Taxation					(12,252)
Profit for the period					(9,058)

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37. Segment information (cont'd.)

(a) Business segments (cont'd.)

Bank	Business	Consumer	Treasury and	Others	Total
31 March 2019	banking	banking	investment	banking	Others
	RM'000	RM'000	banking	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	73,368	169,525	85,514	13,733	342,140
Total Income	33,546	82,311	25,758	50,131	191,746
Writeback of impairment on financing	11,214	12,958	4,930	-	29,102
Writeback of impairment on investments	-	-	1,087	-	1,087
Allowance for impairment on other financial assets, net	-	-	(309)	(3,897)	(4,206)
Other expenses	-	-	-	(3,824)	(3,824)
Total net income	44,760	95,269	31,466	42,410	213,905
Total overhead expenses					(118,964)
Profit before zakat and taxation					94,941
Zakat					(2,373)
Taxation					(22,934)
Profit for the period					69,634

38. Comparatives

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