



**BANK MUAMALAT MALAYSIA BERHAD**

Company No. 196501000376 (6175-W)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED  
31 MARCH 2021 (17 SYAABAN 1442H)**

Company No. 196501000376 (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 2021 (17 SYAABAN 1442H)**

|  |        | Group                               |  | Bank                                |  |
|--|--------|-------------------------------------|--|-------------------------------------|--|
|  |        | As at<br>31 March<br>2021<br>RM'000 | As at<br>31 December<br>2020<br>RM'000 | As at<br>31 March<br>2021<br>RM'000 | As at<br>31 December<br>2020<br>RM'000 |
|  | Note   |                                     |  |                                     |  |
| <b>Assets</b>  |        |                                     |  |                                     |  |
| Cash and short-term funds  |        | 686,291                             | 2,933,172                              | 686,291                             | 2,933,172                              |
| Cash and placements with financial institutions                        |        | 11,306                              | 30,417                                 | 11,306                              | 30,417                                 |
| Financial investments at fair value through profit or loss             | 8(i)   | 315,445                             | 313,337                                | 315,445                             | 313,337                                |
| Financial investments at fair value through other comprehensive income | 8(ii)  | 4,222,029                           | 3,798,965                              | 4,219,553                           | 3,796,498                              |
| Financial investments at amortised cost                                | 8(iii) | 106,518                             | 105,544                                | 106,518                             | 105,544                                |
| Islamic derivative financial assets                                    | 9      | 30,353                              | 47,820                                 | 30,353                              | 47,820                                 |
| Financing of customers   | 10     | 18,657,646                          | 18,115,817                             | 18,649,900                          | 18,110,202                             |
| Other assets   | 11     | 93,158                              | 113,171                                | 91,243                              | 112,345                                |
| Statutory deposits with Bank Negara Malaysia                           |        | 90,478                              | 95,255                                 | 90,478                              | 95,255                                 |
| Investment in subsidiaries   |        | -                                   | -                                      | 13,159                              | 13,159                                 |
| Investment properties  |        | 55,890                              | 55,889                                 | 55,890                              | 55,889                                 |
| Right-of-use assets  |        | 37,151                              | 37,746                                 | 31,119                              | 31,588                                 |
| Intangible assets  |        | 62,642                              | 65,193                                 | 62,429                              | 64,977                                 |
| Property, plant and equipment  |        | 53,681                              | 55,191                                 | 53,646                              | 55,156                                 |
| Deferred tax assets  | 12     | 13,215                              | 352                                    | 12,846                              | -                                      |
| <b>Total assets</b>  |        | <b>24,435,803</b>                   | <b>25,767,869</b>                      | <b>24,430,176</b>                   | <b>25,765,359</b>                      |
| <b>Liabilities</b>   |        |                                     |  |                                     |  |
| Deposits from customers  | 13     | 20,124,208                          | 21,501,366                             | 20,136,047                          | 21,514,158                             |
| Deposits and placements of banks and other financial institutions      | 14     | 190,313                             | 98,346                                 | 190,313                             | 98,346                                 |
| Bills and acceptances payable  |        | 9,586                               | 6,310                                  | 9,586                               | 6,310                                  |
| Islamic derivative financial liabilities                               | 9      | 96,594                              | 167,334                                | 96,594                              | 167,334                                |
| Other liabilities  | 15     | 96,352                              | 88,541                                 | 96,240                              | 89,073                                 |
| Lease Liabilities  |        | 41,100                              | 41,641                                 | 33,532                              | 34,018                                 |
| Provision for zakat and taxation                                       | 16     | 5,840                               | 4,378                                  | 5,532                               | 4,280                                  |
| Deferred tax liabilities   | 12     | -                                   | 11,826                                 | -                                   | 11,826                                 |
| Recourse obligation on financing sold to Cagamas                       |        | 440,111                             | 444,141                                | 440,111                             | 444,141                                |
| Subordinated sukuk   | 18(a)  | 254,245                             | 250,642                                | 254,245                             | 250,642                                |
| Senior sukuk   | 18(b)  | 509,561                             | 502,692                                | 509,561                             | 502,692                                |
| <b>Total liabilities</b>   |        | <b>21,767,910</b>                   | <b>23,117,217</b>                      | <b>21,771,761</b>                   | <b>23,122,820</b>                      |

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

**INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 (17 SYAABAN 1442H) - (CONT'D.)**

|   |    | Group                               |  | Bank                                |  |
|---|----|-------------------------------------|--|-------------------------------------|--|
|   |    | As at<br>31 March<br>2021<br>RM'000 | As at<br>31 December<br>2020<br>RM'000 | As at<br>31 March<br>2021<br>RM'000 | As at<br>31 December<br>2020<br>RM'000 |
| <b>Shareholders' equity</b>                           |    |                                     |  |                                     |  |
| Share capital   |    | 1,195,000                           | 1,195,000                              | 1,195,000                           | 1,195,000                              |
| Reserves  |    | 1,472,893                           | 1,455,652                              | 1,463,415                           | 1,447,539                              |
| <b>Total shareholders' equity</b>                     |    | <b>2,667,893</b>                    | <b>2,650,652</b>                       | <b>2,658,415</b>                    | <b>2,642,539</b>                       |
| <b>Total liabilities and<br/>shareholders' equity</b> |    | <b>24,435,803</b>                   | <b>25,767,869</b>                      | <b>24,430,176</b>                   | <b>25,765,359</b>                      |
| <b>Commitments and contingencies</b>                  | 32 | <b>6,635,594</b>                    | <b>6,917,484</b>                       | <b>6,635,594</b>                    | <b>6,917,484</b>                       |
| <b>Capital adequacy *</b>                             |    |                                     |  |                                     |  |
| CET 1 capital ratio                                   | 33 | <b>14.647%</b>                      | 15.486%                                | <b>14.534%</b>                      | 15.385%                                |
| Total capital ratio                                   | 33 | <b>17.000%</b>                      | 17.955%                                | <b>16.888%</b>                      | 17.858%                                |

\* 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 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

|  |             | <b>Group</b>    |                 | <b>Bank</b>     |                 |
|--|-------------|-----------------|-----------------|-----------------|-----------------|
|  |             | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> |
|  |             | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|  | <b>Note</b> | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   |
| Income derived from investment of depositors' funds and others                                   | 19          | <b>270,991</b>  | 310,376         | <b>270,991</b>  | 310,376         |
| Income/(Loss) derived from investment of shareholders' funds                                     | 20          | <b>5,540</b>    | (35,943)        | <b>3,226</b>    | (37,611)        |
| Income derived from investment of investment account funds                                       | 21          | <b>136</b>      | 132             | <b>136</b>      | 132             |
| Allowance for impairment on financing  | 22          | <b>(25,650)</b> | (26,337)        | <b>(25,650)</b> | (26,337)        |
| Writeback of impairment losses on financial investments, net                                     | 23          | <b>91</b>       | 487             | <b>91</b>       | 487             |
| Writeback of impairment losses on other financial assets, net                                    | 24          | <b>39</b>       | 186             | <b>39</b>       | 186             |
| Other expenses directly attributable to the investment of the depositors and shareholders' funds |             | <b>(5,456)</b>  | (3,855)         | <b>(5,456)</b>  | (3,855)         |
| <b>Total distributable income</b>  |             | <b>245,691</b>  | 245,046         | <b>243,377</b>  | 243,378         |
| Income attributable to depositors  | 25          | <b>(79,740)</b> | (127,159)       | <b>(79,786)</b> | (127,238)       |
| <b>Total net income</b>  |             | <b>165,951</b>  | 117,887         | <b>163,591</b>  | 116,140         |
| Personnel expenses   | 26          | <b>(61,039)</b> | (52,771)        | <b>(60,482)</b> | (52,052)        |
| Other overheads and expenditures   | 27          | <b>(36,888)</b> | (44,480)        | <b>(37,004)</b> | (44,502)        |
| Finance costs  | 28          | <b>(16,125)</b> | (16,419)        | <b>(16,021)</b> | (16,310)        |
| <b>Profit before zakat and taxation</b>  |             | <b>51,899</b>   | 4,217           | <b>50,084</b>   | 3,276           |
| Zakat  | 29          | <b>(1,311)</b>  | (101)           | <b>(1,252)</b>  | (82)            |
| Taxation   | 30          | <b>(13,753)</b> | (12,571)        | <b>(13,362)</b> | (12,252)        |
| <b>Profit/(Loss) for the period</b>  |             | <b>36,835</b>   | (8,455)         | <b>35,470</b>   | (9,058)         |
| <b>Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):</b>    |             |                 |                 | <b>11.87</b>    | <b>(3.03)</b>   |

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 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

|   | Note    | Group                      |                            | Bank                       |                            |
|---|---------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |         | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>Profit/(Loss) for the period</b>   |         | <b>36,835</b>              | <b>(8,455)</b>             | <b>35,470</b>              | <b>(9,058)</b>             |
| <b>Other comprehensive (loss)/income:</b>   |         |                            |                            |                            |                            |
| <b>Items that may be reclassified subsequently to profit or loss</b>                      |         |                            |                            |                            |                            |
| Loss on financial investments at fair value through other comprehensive income            |         | (19,010)                   | (1,644)                    | (19,010)                   | (1,644)                    |
| - Net gain on change in fair value  |         | (25,279)                   | 9,535                      | (25,279)                   | 9,535                      |
| - Changes in expected credit losses   | 8(ii)   | (10)                       | (23)                       | (10)                       | (23)                       |
| - Income tax effect   | 12      | 6,279                      | 6,316                      | 6,279                      | 6,316                      |
| - Realised gain transferred to profit or loss on disposal                                 | 19 & 21 | -                          | (17,472)                   | -                          | (17,472)                   |
| Exchange fluctuation reserve  |         | 1,325                      | 949                        | 1,325                      | 949                        |
| <b>Items that may not be reclassified subsequently to profit or loss</b>                  |         |                            |                            |                            |                            |
| Net unrealised loss on equity securities at fair value through other comprehensive income |         | (1,909)                    | (18,381)                   | (1,909)                    | (18,381)                   |
| <b>Other comprehensive loss for the period, net of tax</b>                                |         | <b>(19,594)</b>            | <b>(19,076)</b>            | <b>(19,594)</b>            | <b>(19,076)</b>            |
| <b>Total comprehensive gain/ (loss) for the period</b>                                    |         | <b>17,241</b>              | <b>(27,531)</b>            | <b>15,876</b>              | <b>(28,134)</b>            |

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 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

| <u>Group</u>  | <u>Non-distributable</u>                |   |  |  | <u>Distributable</u>                     | <u>Total Equity</u><br><u>RM'000</u> |
|---|---|---|--|--|--|--------------------------------------|
|   | <u>Ordinary shares</u><br><u>RM'000</u> | <u>Fair Value Through Other Comprehensive Income Reserve</u><br><u>RM'000</u> | <u>Regulatory reserve</u><br><u>RM'000</u> | <u>Exchange fluctuation reserve</u><br><u>RM'000</u> | <u>Retained profits</u><br><u>RM'000</u> |                                      |
| <b>At 1 January 2021</b>  | <b>1,195,000</b>                        | <b>18,240</b>   | <b>45,411</b>                              | <b>(968)</b>   | <b>1,392,969</b>                         | <b>2,650,652</b>                     |
| Profit for the period   | -                                       | -   | -  | -  | 36,835                                   | 36,835                               |
| Other comprehensive loss for the period   | -                                       | (20,919)  | -  | 1,325  | -  | (19,594)                             |
| Total comprehensive loss for the period   | -                                       | (20,919)  | -  | 1,325  | 36,835                                   | 17,241                               |
| Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition | -                                       | 1,025   | -  | -  | (1,025)                                  | -                                    |
| Transfer from regulatory reserve  | -                                       | -   | -  | -  | -  | -                                    |
| <b>At 31 March 2021</b>   | <b>1,195,000</b>                        | <b>(1,654)</b>  | <b>45,411</b>                              | <b>357</b>   | <b>1,428,779</b>                         | <b>2,667,893</b>                     |
| 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 income for the period   | -                                       | (20,025)  | -  | 949  | -  | (19,076)                             |
| Total comprehensive income for the period   | -                                       | (20,025)  | -  | 949  | (8,455)                                  | (27,531)                             |
| Transfer to regulatory reserve  | -                                       | -   | (8,566)                                    | -  | 8,566                                    | -                                    |
| At 31 March 2020  | 1,195,000                               | (2,017)   | 54,110                                     | 816  | 1,193,375                                | 2,441,284                            |

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 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

|   | Non-distributable            |   |                                 | Distributable                                |                               |                           |
|---|------------------------------|---|---------------------------------|--|-------------------------------|---------------------------|
|   | Ordinary<br>shares<br>RM'000 | Fair Value<br>Through Other<br>Comprehensive<br>Income<br>Reserve<br>RM'000 | Regulatory<br>reserve<br>RM'000 | Exchange<br>fluctuation<br>reserve<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>Bank</b>   |                              |   |                                 |  |                               |                           |
| <b>At 1 January 2021</b>  | <b>1,195,000</b>             | <b>18,240</b>   | <b>45,411</b>                   | <b>(967)</b>                                 | <b>1,384,855</b>              | <b>2,642,539</b>          |
| Profit for the period   | -                            | -   | -                               | -  | 35,470                        | 35,470                    |
| Other comprehensive loss for the period   | -                            | (20,919)  | -                               | 1,325  | -                             | (19,594)                  |
| Total comprehensive loss for the period   | -                            | (20,919)  | -                               | 1,325  | 35,470                        | 15,876                    |
| Transfer of fair value changes recognised for<br>equity instrument (elected as FVOCI) upon<br>derecognition | -                            | 1,025   | -                               | -  | (1,025)                       | -                         |
| <b>At 31 March 2021</b>   | <b>1,195,000</b>             | <b>(1,654)</b>  | <b>45,411</b>                   | <b>358</b>                                   | <b>1,419,300</b>              | <b>2,658,415</b>          |
| <b>At 1 January 2020</b>  | <b>1,195,000</b>             | <b>18,008</b>   | <b>62,676</b>                   | <b>(133)</b>                                 | <b>1,186,740</b>              | <b>2,462,291</b>          |
| Loss for the period   | -                            | -   | -                               | -  | (9,058)                       | (9,058)                   |
| Other comprehensive income for the period   | -                            | (20,025)  | -                               | 949  | -                             | (19,076)                  |
| Total comprehensive income for the period   | -                            | (20,025)  | -                               | 949  | (9,058)                       | (28,134)                  |
| Transfer from regulatory reserve  | -                            | -   | (8,566)                         | -  | 8,566                         | -                         |
| <b>At 31 March 2020</b>   | <b>1,195,000</b>             | <b>(2,017)</b>  | <b>54,110</b>                   | <b>816</b>                                   | <b>1,186,248</b>              | <b>2,434,157</b>          |

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 2020.



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

**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

|  |         | Group                      |                            | Bank                       |                            |
|--|---------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | Note    | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>Cash flows from operating activities</b>  |         |                            |                            |                            |                            |
| Profit before zakat and taxation   |         | <b>51,899</b>              | 4,217                      | <b>50,084</b>              | 3,276                      |
| Adjustment for   |         |                            |                            |                            |                            |
| Fair value gain of financial liabilities   | 20      | <b>(8,587)</b>             | -                          | <b>(8,587)</b>             | -                          |
| Amortisation of intangible asset   | 27      | <b>5,304</b>               | 8,350                      | <b>5,304</b>               | 8,348                      |
| Depreciation of property, plant and equipment  | 27      | <b>2,911</b>               | 2,923                      | <b>2,909</b>               | 2,921                      |
| Gain on disposal of property, plant and equipment  | 20      | -                          | (128)                      | -                          | (128)                      |
| Depreciation of right-of-use assets  | 27      | <b>3,044</b>               | 2,966                      | <b>2,919</b>               | 2,859                      |
| Amortisation of cost on Subordinated Sukuk Issued  |         | <b>50</b>                  | 50                         | <b>50</b>                  | 50                         |
| Fixed asset written off  |         | <b>10</b>                  | -                          | <b>10</b>                  | -                          |
| Intangible asset written off   |         | -                          | 54                         | -                          | 54                         |
| Amortisation of premium (net)  | 19 & 20 | <b>7,678</b>               | 4,546                      | <b>7,678</b>               | 4,546                      |
| Net gain from sale of financial investments at fair value through other comprehensive income | 19 & 20 | -                          | (17,472)                   | -                          | (17,472)                   |
| Net gain from sale of financial investment designated at FVTPL                               | 19 & 20 | <b>(71)</b>                | (154)                      | <b>(71)</b>                | (154)                      |
| Unrealised loss on revaluation of financial investment designated at FVTPL                   | 19 & 20 | <b>4,377</b>               | 41,896                     | <b>4,377</b>               | 41,896                     |
| Net loss on revaluation of foreign exchange transaction                                      | 20      | <b>16,932</b>              | 23,262                     | <b>16,932</b>              | 23,262                     |
| Net gain from foreign exchange derivatives   | 20      | <b>(18,849)</b>            | (22,740)                   | <b>(18,849)</b>            | (22,740)                   |
| Unrealised (gain)/loss on revaluation of islamic profit rate swap                            | 20      | <b>(34,423)</b>            | 47,467                     | <b>(34,423)</b>            | 47,467                     |
| Unrealised loss/(gain) on revaluation of hedged items  | 20      | <b>36,253</b>              | (52,290)                   | <b>36,253</b>              | (52,290)                   |
| Writeback of impairment losses on financial investments, net                                 | 23      | <b>(91)</b>                | (487)                      | <b>(91)</b>                | (487)                      |
| Writeback of impairment on other financial assets, net                                       | 24      | <b>(39)</b>                | (186)                      | <b>(39)</b>                | (186)                      |
| Net allowance for impairment on financing  | 22      | <b>30,808</b>              | 31,608                     | <b>30,808</b>              | 31,608                     |
| Financing written off  | 22      | <b>26</b>                  | 1,182                      | <b>26</b>                  | 1,182                      |
| Finance cost   | 28      | <b>16,125</b>              | 16,419                     | <b>16,021</b>              | 16,310                     |
| Gross dividend income  | 20      | <b>(10)</b>                | (13)                       | -                          | -                          |
| Operating profit before working capital changes  |         | <b>113,347</b>             | 91,470                     | <b>111,311</b>             | 90,322                     |

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

**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

|   |      | Group                      |                            | Bank                       |                            |
|---|------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | Note | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| (Increase)/decrease in operating assets:                          |      |                            |                            |                            |                            |
| Financial investment portfolio                                    |      | (56,690)                   | (27,860)                   | (56,691)                   | (34,176)                   |
| Islamic derivative financial assets                               |      | 36,317                     | (28,995)                   | 36,317                     | (28,995)                   |
| Financing of customers  |      | (601,216)                  | (157,430)                  | (599,085)                  | (155,009)                  |
| Statutory deposits with Bank Negara Malaysia                      |      | 4,777                      | 154,339                    | 4,777                      | 154,339                    |
| Other assets  |      | (25,737)                   | (35,053)                   | (24,634)                   | (29,181)                   |
| (Decrease)/Increase in operating liabilities:                     |      |                            |                            |                            |                            |
| Deposits from customers   |      | (1,377,158)                | 1,358,695                  | (1,378,111)                | 1,356,858                  |
| Deposits and placements of banks and other financial institutions |      | 100,555                    | 49,861                     | 100,555                    | 49,861                     |
| Islamic derivative financial liabilities                          |      | (36,317)                   | 28,995                     | (36,317)                   | 28,995                     |
| Bills and acceptances payable                                     |      | 3,276                      | (1,320)                    | 3,276                      | (1,320)                    |
| Other liabilities   |      | 10,278                     | 6,456                      | 9,616                      | 7,109                      |
| Cash (used in)/generated from operations                          |      | (1,828,568)                | 1,439,158                  | (1,828,986)                | 1,438,803                  |
| Finance cost on lease liabilities paid                            | 28   | (560)                      | (670)                      | (456)                      | (561)                      |
| Zakat paid  |      | -                          | -                          | -                          | -                          |
| Tax paid  |      | (4,295)                    | (14,622)                   | (4,036)                    | (14,425)                   |
| <b>Net cash (used in)/generated from operating activities</b>     |      | <b>(1,833,423)</b>         | <b>1,423,866</b>           | <b>(1,833,478)</b>         | <b>1,423,817</b>           |
| <b>Cash flows from investing activities</b>                       |      |                            |                            |                            |                            |
| Proceeds from disposal of financial investment in securities      |      | 1,083,012                  | 1,888,989                  | 1,083,012                  | 1,888,989                  |
| Purchase of financial investment in securities                    |      | (1,499,262)                | (2,773,850)                | (1,499,252)                | (2,773,837)                |
| Proceeds from disposal of property, plant and equipment           |      | -                          | 261                        | -                          | 261                        |
| Purchase of investment properties                                 |      | -                          | (633)                      | -                          | (633)                      |
| Purchase of property, plant and equipment                         |      | (1,409)                    | (3,103)                    | (1,409)                    | (3,103)                    |
| Purchase of intangible asset                                      |      | (2,756)                    | (5,942)                    | (2,756)                    | (5,942)                    |
| Dividend income   | 20   | 10                         | 13                         | -                          | -                          |
| <b>Net cash used in investing activities</b>                      |      | <b>(420,405)</b>           | <b>(894,265)</b>           | <b>(420,405)</b>           | <b>(894,265)</b>           |

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**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

|  | <b>Group</b>       |                  | <b>Bank</b>        |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | <b>31 March</b>    | <b>31 March</b>  | <b>31 March</b>    | <b>31 March</b>  |
|  | <b>2021</b>        | <b>2020</b>      | <b>2021</b>        | <b>2020</b>      |
|  | <b>RM'000</b>      | <b>RM'000</b>    | <b>RM'000</b>      | <b>RM'000</b>    |
| <b>Cash flows from financing activities</b>                                    |                    |                  |                    |                  |
| Repayment of lease liability   | (2,991)            | (2,954)          | (2,936)            | (2,905)          |
| Repayment of principal for recourse obligation on financing sold to Cagamas    | (4,028)            | (3,832)          | (4,028)            | (3,832)          |
| Repayment of finance cost for recourse obligation on financing sold to Cagamas | (5,145)            | (5,326)          | (5,145)            | (5,326)          |
| <b>Net cash used in financing activities</b>                                   | <b>(12,164)</b>    | <b>(12,112)</b>  | <b>(12,109)</b>    | <b>(12,063)</b>  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                    | <b>(2,265,992)</b> | <b>517,489</b>   | <b>(2,265,992)</b> | <b>517,489</b>   |
| <b>Cash and cash equivalents at beginning of the period</b>                    | <b>2,963,589</b>   | <b>1,065,150</b> | <b>2,963,589</b>   | <b>1,065,150</b> |
| <b>Cash and cash equivalents at end of the period</b>                          | <b>697,597</b>     | <b>1,582,639</b> | <b>697,597</b>     | <b>1,582,639</b> |
| <b>Cash and cash equivalents consist of:</b>                                   |                    |                  |                    |                  |
| Cash and short term funds  | 686,291            | 1,578,478        | 686,291            | 1,578,478        |
| Cash and placements with financial institutions                                | 11,306             | 4,161            | 11,306             | 4,161            |
|  | <b>697,597</b>     | <b>1,582,639</b> | <b>697,597</b>     | <b>1,582,639</b> |

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 2020.

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**NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS ENDED 31 MARCH 2021 (17 SYAABAN 1442H)**

**1. Basis of preparation**

The unaudited condensed financial statements for the first financial quarter ended 31 March 2021 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 2021 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 2020. 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 2020.

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 2020 except for adoption of the following MFRSs and Interpretations of the Issues Committee ("IC Interpretations") with effective dates as follows:

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**1. Basis of preparation (cont'd.)**

| <b>Description</b>   | <b>Effective for annual periods<br/>beginning on or after</b> |
|--|---|
| Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139<br>Profit Rate Benchmark Reform - (Phase 2) | 1 January 2021  |

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.

| <b>Description</b>  | <b>Effective for annual periods<br/>beginning on or after</b> |
|---|---|
| Amendments to MFRS 101: Classification of Liabilities as<br>Current or Non-current  | 1 January 2022  |
| Amendments to MFRS 3: Business Combinations-<br>Reference to the Conceptual Framework   | 1 January 2022  |
| Amendments to MFRS 116: Property, Plant and Equipment<br>Proceeds before Intended Use   | 1 January 2022  |
| Amendments to MFRS 137: Provisions, Contingent Liabilities<br>and Contingent Assets-Onerous Contracts-<br>Cost of Fulfilling a Contract | 1 January 2022  |
| MFRS 17: Insurance Contracts  | 1 January 2023  |
| Amendments to MFRS 10 and MFRS 128: Sale or<br>Contribution of Assets between an Investor and its<br>Associate or Joint Venture         | To be announced<br>by MASB                                    |

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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 2020 was not qualified.

**3. 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 2021.

**4. 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 2021.

**5. Changes in accounting estimates**

There were no material changes in estimates during the first quarter ended 31 March 2021.

**6. Dividends**

There was no dividend payment during the first quarter ended 31 March 2021.

**7. Performance review and outlook**

The Group posted an unaudited profit before zakat and taxation of RM51.90 million for the three (3) months period ended 31 March 2021, as compared with RM4.22 million recorded in the previous corresponding period in March 2020. The better performance mainly attributed to increased in total net income by 41% to RM165.95 million from RM117.89 million registered in March 2020. The increase in total net income largely contributed by reduction in total income distributable to depositors by RM47.42 million or 37%, arising from lower funding cost following several cuts in Overnight Policy Rate ("OPR") in the year 2020. In addition, total expenditures have been well contained as reflected from marginal increase of 0.7% in total personnel cost and other overheads from RM97.25 million in previous corresponding quarter to RM97.93 million in current reporting quarter.

Total assets of the Group stood at RM24.44 billion, a reduction from RM25.77 billion registered in December 2020. This was mainly contributed to substantially lower balance in cash and short term funds by RM2.25 billion, however offset by positive growth in net financing of customers by RM541.83 million (3%) and financial investments held at fair value through other comprehensive income by RM423.06 million (11%) respectively. Total deposits from customers also recorded a decline by 6.4%, in tandem with the decrease in total cash and short term funds.

The Group's capital ratios remained stable with CET 1 Capital and Total Capital Ratios stood at 14.65% and 17.00% respectively.

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**7. Performance review and outlook (cont'd.)**

**OUTLOOK**

The International Monetary Fund (IMF), in its April 2021 issue of the World Economic Outlook report, has recently raised its projections for global economic growth for 2021 to 6.0% (versus earlier forecast of 5.5% in January 2021), citing aggressive stimulus spending by the US and other rich nations and the accelerating rollout of Covid-19 vaccines.

Meanwhile, BNM in its latest Economic and Monetary Review report 2020, projected Malaysian economy to rebound to between 6.0% and 7.5% in 2021. The projection will be underpinned by the recovery in the global demand and gradual improvement in domestic economic activities. The growth will be mainly influenced by the pandemic containment measures as well as the rollout of the vaccine. According to Moody's, the growth forecast of 6.0-7.5% could see further upside if the National Covid-19 Immunisation Programme roll-out proceeds faster than anticipated as this would allow the economy to open much quicker.

Domestically, banking sector is viewed as a sound proxy of the impending economic recovery as business and spending outlook normalises with the rolling out of vaccination efforts. Even if loans/financings and net interest income growths remain tepid, banks could still continue to yield earnings growth having implemented leaner cost structures amidst the tight operating environments during the height of MCO. In addition, despite challenging credit risk outlook, banks continue to be well-positioned to support economic recovery, thanks to ample capital and liquidity buffers of strong Common Equity Tier 1 (CET1) ratio of 14.8% and robust liquidity coverage ratio of 148.0%.

Against the recent domestic development, the Bank shall continue to execute its business plan with strategies re-prioritized to ensure good risk management, preservation of the quality of assets, intensive recovery plans as well as efficient management of liquidity. As the current economic environment remains unprecedented, we will closely monitor the situation and continue to assess our performance to ensure possible ramifications on the earnings and to ensure it is also in line with the ongoing implementation of RISE24<sup>1</sup>, i.e. the Bank's 5-Year Strategic Business Plan that is being executed in year 2020 until 2024. The Bank will also continue to leverage on digital and advancement of technology to automate processes efficiently and to provide more seamless delivery of banking services, digitally.

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<sup>1</sup> RISE24 is a 5-Year Strategic Business Plan that focuses on seven (7) Strategic Focus Areas, embedded with risk and compliance culture and overarched by the value-based principles. The business plan will be supported by twenty-four (24) key strategies and will be implemented between years 2020 to 2024.

**7. Performance review and outlook (cont'd.)**

**OUTLOOK (cont'd.)**

Recognising the emerging risks associated with the current economic conditions, the Bank has taken the necessary steps to mitigate and minimise these risks, in accordance with BNM's guidelines. The Bank will continue to exercise effective Risk and Compliance Management programmes for a more robust enforcement of regulatory requirements including managing legal and reputational risks. The Bank is also focus on streamlining its business activities for continuous business resilience. Action plans are in place to cushion the impact of any potential adverse effects on the Bank's financial performance and balance sheet.

Moving forward, the bank anticipated a better growth for FY2021, with overall asset is expected to grow around 10% on the back of better prospect in overall domestic economic expansion. The bank also forecasted its gross financing to grow 13% for FY2021 as the bank foresees more opportunity to grow in retail financing with expectation that the current low interest rate environment, that is beneficial for retail consumers, will remain until end of 2021.



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**8. Financial investments**

|  |       | Group            |                     | Bank             |                     |
|--|-------|------------------|---------------------|------------------|---------------------|
|  |       | 31 March<br>2021 | 31 December<br>2020 | 31 March<br>2021 | 31 December<br>2020 |
|  | Note  | RM'000           | RM'000              | RM'000           | RM'000              |
| Financial investments at fair value through profit or loss                         | (i)   | 315,445          | 313,337             | 315,445          | 313,337             |
| Financial investments at fair value through other comprehensive income             | (ii)  | 4,222,029        | 3,798,965           | 4,219,553        | 3,796,498           |
| Financial investments at amortised cost  | (iii) | 106,518          | 105,544             | 106,518          | 105,544             |
|  |       | <b>4,643,992</b> | <b>4,217,846</b>    | <b>4,641,516</b> | <b>4,215,379</b>    |
|  |       |                  |                     |                  |                     |
|  |       | Group            |                     | Bank             |                     |
|  |       | 31 March<br>2021 | 31 December<br>2020 | 31 March<br>2021 | 31 December<br>2020 |
|  |       | RM'000           | RM'000              | RM'000           | RM'000              |
| <b>(i) Financial investments at fair value through profit or loss</b>              |       |                  |                     |                  |                     |
| <b>Unquoted securities in Malaysia:</b>  |       |                  |                     |                  |                     |
| Private equity funds   |       | 166,460          | 165,252             | 166,460          | 165,252             |
| Bank Negara Malaysia bills and notes   |       | 14               | -                   | 14               | -                   |
| Islamic private debt securities in Malaysia  |       | 148,971          | 148,085             | 148,971          | 148,085             |
|  |       | <b>315,445</b>   | <b>313,337</b>      | <b>315,445</b>   | <b>313,337</b>      |
|  |       |                  |                     |                  |                     |
|  |       | Group            |                     | Bank             |                     |
|  |       | 31 March<br>2021 | 31 December<br>2020 | 31 March<br>2021 | 31 December<br>2020 |
|  |       | RM'000           | RM'000              | RM'000           | RM'000              |
| <b>(ii) Financial investments at fair value through other comprehensive income</b> |       |                  |                     |                  |                     |
| <b>Debt instruments:</b>   |       |                  |                     |                  |                     |
| <b>Government securities and treasury bills:</b>                                   |       |                  |                     |                  |                     |
| Malaysian government investment certificates                                       |       | 3,513,039        | 2,655,932           | 3,513,039        | 2,655,932           |
| <b>Unquoted securities:</b>  |       |                  |                     |                  |                     |
| Islamic private debt securities in Malaysia  |       | 574,570          | 658,829             | 574,570          | 658,829             |
| Cagamas sukuk  |       | 20,625           | 25,792              | 20,625           | 25,792              |
| Foreign Islamic private debt securities and sukuk                                  |       | -                | -                   | -                | -                   |
|  |       | <b>595,195</b>   | <b>684,621</b>      | <b>595,195</b>   | <b>684,621</b>      |
| <b>Money market instruments:</b>   |       |                  |                     |                  |                     |
| Negotiable Islamic debt certificates   |       | -                | 349,370             | -                | 349,370             |
| <b>Equity instruments:</b>   |       |                  |                     |                  |                     |
| <b>Quoted securities in Malaysia:</b>  |       |                  |                     |                  |                     |
| Quoted shares  |       | 102,049          | 101,944             | 102,049          | 101,944             |
| Unit trusts  |       | 7,115            | 2,467               | 4,639            | -                   |
|  |       | <b>109,164</b>   | <b>453,781</b>      | <b>106,688</b>   | <b>451,314</b>      |
| <b>Unquoted securities:</b>  |       |                  |                     |                  |                     |
| Shares in Malaysia   |       | 4,631            | 4,631               | 4,631            | 4,631               |
| <b>Total financial assets at fair value through other comprehensive income</b>     |       | <b>4,222,029</b> | <b>3,798,965</b>    | <b>4,219,553</b> | <b>3,796,498</b>    |

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**8. Financial investments (cont'd)**

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

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

|   | Stage 1       | Stage 2                                | Stage 3                            |           |
|---|---------------|--|------------------------------------|-----------|
|   | 12 Months ECL | Lifetime ECL<br>not credit<br>impaired | Lifetime ECL<br>credit<br>impaired | Total ECL |
|   | RM'000        | RM'000                                 | RM'000                             | RM'000    |
| <b>At 31 March 2021</b>                         |               |  |                                    |           |
| At 1 January 2021                               | 81            | -                                      | 38,241                             | 38,322    |
| Allowance made                                  | 1             | -                                      | -                                  | 1         |
| Amount written back in respect<br>of recoveries | (11)          | -                                      | -                                  | (11)      |
| Exchange differences                            | -             | -                                      | 443                                | 443       |
| At 31 March 2021                                | 71            | -                                      | 38,684                             | 38,755    |

|   | Stage 1       | Stage 2                                | Stage 3                            |           |
|---|---------------|--|------------------------------------|-----------|
|   | 12 Months ECL | Lifetime ECL<br>not credit<br>impaired | Lifetime ECL<br>credit<br>impaired | Total ECL |
|   | RM'000        | RM'000                                 | RM'000                             | RM'000    |
| <b>At 31 December 2020</b>                      |               |  |                                    |           |
| At 1 January 2020                               | 119           | -                                      | 37,251                             | 37,370    |
| Allowance made                                  | 20            | -                                      | -                                  | 20        |
| Amount written back in<br>respect of recoveries | (58)          | -                                      | -                                  | (58)      |
| Amount written off                              | -             | -                                      | 1,250                              | 1,250     |
| Exchange differences                            | -             | -                                      | (260)                              | (260)     |
| At 31 December 2020                             | 81            | -                                      | 38,241                             | 38,322    |

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**8. Financial investments (cont'd.)**

|  | <b>Group and Bank</b> |                         |
|--|-----------------------|-------------------------|
|  | <b>31 March 2021</b>  | <b>31 December 2020</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>           |
| <b>(iii) Financial investments at amortised cost</b> |                       |                         |
| <b>At amortised cost</b>                             |                       |                         |
| Unquoted Islamic corporate sukuk in Malaysia         | <b>146,409</b>        | 145,515                 |
| Accumulated impairment losses                        | <b>(39,891)</b>       | (39,971)                |
| Total financial investments at amortised cost        | <b>106,518</b>        | 105,544                 |

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

|  | <b>Stage 1</b>       | <b>Stage 2</b>                          | <b>Stage 3</b>                      |                  |
|--|----------------------|---|-------------------------------------|------------------|
|  | <b>12 Months ECL</b> | <b>Lifetime ECL not credit impaired</b> | <b>Lifetime ECL credit impaired</b> | <b>Total ECL</b> |
|  | <b>RM'000</b>        | <b>RM'000</b>                           | <b>RM'000</b>                       | <b>RM'000</b>    |
| <b>At 31 March 2021</b>                      |                      |   |                                     |                  |
| At 1 January 2021                            | -                    | 39,971                                  | -                                   | 39,971           |
| Amount written back in respect of recoveries | -                    | (80)                                    | -                                   | (80)             |
| At 31 March 2021                             | -                    | 39,891                                  | -                                   | 39,891           |
|  |                      |   |                                     |                  |
|  | <b>Stage 1</b>       | <b>Stage 2</b>                          | <b>Stage 3</b>                      |                  |
|  | <b>12 Months ECL</b> | <b>Lifetime ECL not credit impaired</b> | <b>Lifetime ECL credit impaired</b> | <b>Total ECL</b> |
|  | <b>RM'000</b>        | <b>RM'000</b>                           | <b>RM'000</b>                       | <b>RM'000</b>    |
| <b>At 31 December 2020</b>                   |                      |   |                                     |                  |
| At 1 January 2020                            | -                    | 41,147                                  | -                                   | 41,147           |
| Amount written back in respect of recoveries | -                    | (1,176)                                 | -                                   | (1,176)          |
| At 31 December 2020                          | -                    | 39,971                                  | -                                   | 39,971           |

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**9. 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 2021                             |                  |                       | 31 December 2020                          |                  |                       |
|                                   | Contract/<br>notional<br>amount<br>RM'000 | Fair value       |                       | Contract/<br>Notional<br>Amount<br>RM'000 | Fair value       |                       |
|                                   |   | Assets<br>RM'000 | Liabilities<br>RM'000 |   | Assets<br>RM'000 | Liabilities<br>RM'000 |
| <b>Trading derivatives:</b>       |   |                  |                       |   |                  |                       |
| Foreign exchange contracts        |   |                  |                       |   |                  |                       |
| - Currency forwards               |   |                  |                       |   |                  |                       |
| Less than one year                | 1,466,434                                 | 20,592           | (3,851)               | 1,509,931                                 | 4,084            | (43,920)              |
| - Currency swaps                  |   |                  |                       |   |                  |                       |
| Less than one year                | 1,571,968                                 | 9,748            | (19,626)              | 1,679,710                                 | 40,343           | (15,826)              |
| - Currency spot                   |   |                  |                       |   |                  |                       |
| Less than one year                | 36,873                                    | 13               | (24)                  | 136,881                                   | 3,393            | (73)                  |
|                                   | <b>3,075,275</b>                          | <b>30,353</b>    | <b>(23,501)</b>       | <b>3,326,522</b>                          | <b>47,820</b>    | <b>(59,819)</b>       |
| Islamic profit rate swap ("IPRS") |   |                  |                       |   |                  |                       |
| Unhedged IPRS                     | -   | -                | -                     | -   | -                | -                     |
| Hedged IPRS                       | 1,200,000                                 | -                | (73,093)              | 1,200,000                                 | -                | (107,515)             |
| <b>Total</b>                      | <b>4,275,275</b>                          | <b>30,353</b>    | <b>(96,594)</b>       | <b>4,526,522</b>                          | <b>47,820</b>    | <b>(167,334)</b>      |

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

|                                 | 31 March 2021                             |                  |                       | 31 December 2020                          |                  |                       |
|---------------------------------|---|------------------|-----------------------|---|------------------|-----------------------|
|                                 | Contract/<br>notional<br>amount<br>RM'000 | Fair value       |                       | Contract/<br>Notional<br>Amount<br>RM'000 | Fair value       |                       |
|                                 |   | Assets<br>RM'000 | Liabilities<br>RM'000 |   | Assets<br>RM'000 | Liabilities<br>RM'000 |
| Islamic profit rate swap (IPRS) | 1,200,000                                 | -                | (73,093)              | 1,200,000                                 | -                | (107,515)             |

**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 2021, the Group and the Bank:-

- (i) recognised a net loss of RM30,491,762 (31 December 2020: net loss of RM54,337,986) on the hedging instrument. The total net gain on the hedged items attributable to the hedged risk amounted to RM36,252,754 (31 December 2020: net gain of RM59,900,904).

## 10. Financing of Customers

## (i) By type and Shariah concepts

| Group   | Bai'<br>Bithaman Ajil<br>RM'000 | Ijarah<br>Thumma<br>Al-Bai<br>RM'000 | Inah<br>RM'000 | Tawarruq<br>RM'000 | Bai'<br>Al-Dayn<br>RM'000 | Murabahah<br>RM'000 | Istisna'<br>RM'000 | Qard<br>RM'000 | Murabahah to<br>the Purchase<br>Orderer<br>RM'000 | Shirkah<br>Mutanaqisah<br>RM'000 | Rahnu<br>(Qard)<br>RM'000 | Total<br>financing<br>RM'000 |
|---|---------------------------------|--------------------------------------|----------------|--------------------|---------------------------|---------------------|--------------------|----------------|---|----------------------------------|---------------------------|------------------------------|
| 31 March 2021                                       |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           |                              |
| Cash line   | -                               | -                                    | 1,612          | 540,395            | -                         | -                   | -                  | -              | -   | -                                | -                         | 542,007                      |
| Term financing:                                     |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           |                              |
| Home financing                                      | 1,540,221                       | -                                    | -              | 3,536,572          | -                         | -                   | 9,321              | -              | -   | -                                | -                         | 5,086,114                    |
| Syndicated financing                                | -                               | -                                    | -              | 573,004            | -                         | -                   | -                  | -              | -   | -                                | -                         | 573,004                      |
| Hire purchase receivables                           | 75,523                          | 289,190                              | -              | -                  | -                         | 13                  | -                  | -              | 273,867   | -                                | -                         | 638,593                      |
| Personal financing                                  | 56,642                          | -                                    | 25             | 4,703,948          | -                         | -                   | -                  | -              | -   | -                                | -                         | 4,760,615                    |
| Other term financing                                | 162,759                         | -                                    | -              | 3,626,287          | -                         | -                   | 39,036             | 205            | -   | 81,407                           | -                         | 3,909,694                    |
| Trust receipts                                      | -                               | -                                    | -              | -                  | 25,755                    | 42,543              | -                  | -              | -   | -                                | -                         | 68,298                       |
| Claims on customers under<br>acceptance credits     | -                               | -                                    | -              | -                  | 193,960                   | 974,476             | -                  | -              | -   | -                                | -                         | 1,168,436                    |
| Staff financing                                     | 33,234                          | -                                    | -              | 61,941             | -                         | -                   | -                  | 128            | -   | -                                | -                         | 95,303                       |
| Revolving credit                                    | -                               | -                                    | -              | 1,683,055          | -                         | -                   | -                  | -              | -   | -                                | -                         | 1,683,055                    |
| Ar-Rahnu  | -                               | -                                    | -              | 280,274            | -                         | -                   | -                  | -              | -   | -                                | 5,516                     | 285,790                      |
| Gross financing                                     | 1,868,379                       | 289,190                              | 1,637          | 15,005,476         | 219,715                   | 1,017,032           | 48,357             | 333            | 273,867   | 81,407                           | 5,516                     | 18,810,909                   |
| Fair value changes arising<br>from fair value hedge | -                               | -                                    | -              | 62,561             | -                         | -                   | -                  | -              | -   | -                                | -                         | 62,561                       |
|   | 1,868,379                       | 289,190                              | 1,637          | 15,068,037         | 219,715                   | 1,017,032           | 48,357             | 333            | 273,867   | 81,407                           | 5,516                     | 18,873,470                   |
| Less : Allowance for<br>impaired financing          |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           |                              |
| -Stage 1 - 12 Months ECL                            | (1,599)                         | (456)                                | (41)           | (97,470)           | (222)                     | 271,870             | (337)              | (3)            | (273,393)   | -                                | (61)                      | (101,712)                    |
| -Stage 2 - Lifetime ECL not credit impaired         | (3,179)                         | (21)                                 | (98)           | -                  | (171)                     | (5,377)             | (384)              | -              | (474)   | -                                | -                         | (9,704)                      |
| -Stage 3 - Lifetime ECL credit impaired             | (17,035)                        | (1,800)                              | (53)           | (85,292)           | -                         | (43)                | (66)               | -              | -   | -                                | (119)                     | (104,408)                    |
| Total net financing                                 | 1,846,566                       | 286,913                              | 1,445          | 14,885,275         | 219,322                   | 1,283,482           | 47,570             | 330            | -   | 81,407                           | 5,336                     | 18,657,646                   |

\* Included in financing of customers are financing at fair value through profit or loss amounting to RM844,172,300 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

## 10. Financing of Customers (cont'd.)

## (i) By type and Shariah concepts

| Group   | Bai'<br>Bithaman Ajil<br>RM'000 | Ijarah<br>Thumma<br>Al-Bai<br>RM'000 | Inah<br>RM'000 | Tawarruq<br>RM'000 | Bai'<br>Al-Dayn<br>RM'000 | Murabahah<br>RM'000 | Istisna'<br>RM'000 | Qard<br>RM'000 | Murabahah to<br>the Purchase<br>Orderer<br>RM'000 | Shirkah<br>Mutanaqisah<br>RM'000 | Rahnu<br>(Qard)<br>RM'000 | Total<br>financing<br>RM'000 |
|---|---------------------------------|--------------------------------------|----------------|--------------------|---------------------------|---------------------|--------------------|----------------|---|----------------------------------|---------------------------|------------------------------|
| 31 December 2020                                    |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           |                              |
| Cash line   | -                               | -                                    | 3,535          | 566,558            | -                         | -                   | -                  | -              | -   | -                                | -                         | 570,093                      |
| Term financing:                                     |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           | -                            |
| Home financing                                      | 1,580,358                       | -                                    | -              | 3,276,125          | -                         | -                   | 9,600              | -              | -   | -                                | -                         | 4,866,083                    |
| Syndicated financing                                | -                               | -                                    | -              | 550,719            | -                         | -                   | -                  | -              | -   | -                                | -                         | 550,719                      |
| Hire purchase receivables                           | 79,331                          | 317,223                              | -              | -                  | -                         | -                   | -                  | -              | 240,256   | -                                | -                         | 636,810                      |
| Personal financing                                  | 58,309                          | -                                    | 27             | 4,334,639          | -                         | -                   | -                  | -              | -   | -                                | -                         | 4,392,975                    |
| Other term financing*                               | 166,385                         | -                                    | 1              | 3,583,927          | -                         | -                   | 39,048             | 237            | -   | 76,757                           | -                         | 3,866,355                    |
| Trust receipts                                      | -                               | -                                    | -              | -                  | 22,581                    | 70,397              | -                  | -              | -   | -                                | -                         | 92,978                       |
| Claims on customers under<br>acceptance credits     | -                               | -                                    | -              | -                  | 162,297                   | 882,001             | -                  | -              | -   | -                                | -                         | 1,044,298                    |
| Staff financing                                     | 34,558                          | -                                    | -              | 62,620             | -                         | -                   | -                  | 105            | -   | -                                | -                         | 97,283                       |
| Revolving credit                                    | -                               | -                                    | -              | 1,794,063          | -                         | -                   | -                  | -              | -   | -                                | -                         | 1,794,063                    |
| Ar-Rahnu  | -                               | -                                    | -              | 287,032            | -                         | -                   | -                  | -              | -   | -                                | 17,504                    | 304,536                      |
| Total gross financing ^                             | 1,918,941                       | 317,223                              | 3,563          | 14,455,683         | 184,878                   | 952,398             | 48,648             | 342            | 240,256   | 76,757                           | 17,504                    | 18,216,193                   |
| Fair value changes arising<br>from fair value hedge | -                               | -                                    | -              | 91,113             | -                         | -                   | -                  | -              | -   | -                                | -                         | 91,113                       |
|   | 1,918,941                       | 317,223                              | 3,563          | 14,546,796         | 184,878                   | 952,398             | 48,648             | 342            | 240,256   | 76,757                           | 17,504                    | 18,307,306                   |
| Less : Allowance for impaired financing             |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           |                              |
| At amortised cost                                   |                                 |                                      |                |                    |                           |                     |                    |                |   |                                  |                           |                              |
| -Stage 1 - 12 Months ECL                            | (2,110)                         | (740)                                | (36)           | (90,064)           | (212)                     | (705)               | (342)              | (4)            | (616)   | -                                | (155)                     | (94,984)                     |
| -Stage 2 - Lifetime ECL not credit impaired         | (2,669)                         | (42)                                 | (400)          | (4,850)            | (177)                     | (411)               | (8)                | -              | (4)   | -                                | -                         | (8,561)                      |
| -Stage 3 - Lifetime ECL credit impaired             | (16,858)                        | (1,582)                              | (45)           | (67,349)           | -                         | (1,812)             | (43)               | -              | -   | -                                | (255)                     | (87,944)                     |
| Total net financing                                 | 1,897,304                       | 314,859                              | 3,082          | 14,384,533         | 184,489                   | 949,470             | 48,255             | 338            | 239,636   | 76,757                           | 17,094                    | 18,115,817                   |

\* Included in other term financing are financing at fair value through profit or loss amounting RM868,107,003 which mainly consists of hedged assets that are hedged against Islamic profit rate swap.

^ During the year, a total of RM46,212,464 million modification loss arising from payment moratorium is included and reduced from gross balances within the respective financing products.

## 10. Financing of Customers (cont'd.)

## (i) By type and Shariah concepts

| Bank  | Bai'<br>Bithaman Ajil<br>RM'000 | Ijarah<br>Thumma<br>Al-Bai<br>RM'000 | Inah<br>RM'000 | Tawarruq<br>RM'000 | Bai'<br>Al-Dayn<br>RM'000 | Murabahah<br>RM'000 | Istisna'<br>RM'000 | Qard<br>RM'000 | Murabahah to<br>the Purchase<br>Orderer<br>RM'000 | Rahnu<br>(Qard)<br>RM'000 | Total<br>financing<br>RM'000 |
|---|---------------------------------|--------------------------------------|----------------|--------------------|---------------------------|---------------------|--------------------|----------------|---|---------------------------|------------------------------|
| <b>31 March 2021</b>                                |                                 |                                      |                |                    |                           |                     |                    |                |   |                           |                              |
| Cash line   | -                               | -                                    | 1,612          | 540,395            | -                         | -                   | -                  | -              | -   | -                         | 542,007                      |
| Term financing:                                     |                                 |                                      |                |                    |                           |                     |                    |                |   |                           |                              |
| Home financing                                      | 1,540,221                       | -                                    | -              | 3,536,572          | -                         | -                   | 9,321              | -              | -   | -                         | 5,086,114                    |
| Syndicated financing                                | -                               | -                                    | -              | 573,004            | -                         | -                   | -                  | -              | -   | -                         | 573,004                      |
| Hire purchase receivables                           | 75,523                          | 289,190                              | -              | -                  | -                         | 13                  | -                  | -              | 273,867   | -                         | 638,593                      |
| Personal financing                                  | 56,642                          | -                                    | 25             | 4,703,948          | -                         | -                   | -                  | -              | -   | -                         | 4,760,615                    |
| Other term financing                                | 162,759                         | -                                    | -              | 3,626,287          | -                         | -                   | 39,036             | 73,866         | -   | -                         | 3,901,948                    |
| Trust receipts                                      | -                               | -                                    | -              | -                  | 25,755                    | 42,543              | -                  | -              | -   | -                         | 68,298                       |
| Claims on customers under<br>acceptance credits     | -                               | -                                    | -              | -                  | 193,960                   | 974,476             | -                  | -              | -   | -                         | 1,168,436                    |
| Staff financing                                     | 33,234                          | -                                    | -              | 61,941             | -                         | -                   | -                  | 128            | -   | -                         | 95,303                       |
| Revolving credit                                    | -                               | -                                    | -              | 1,683,055          | -                         | -                   | -                  | -              | -   | -                         | 1,683,055                    |
| Ar-Rahnu  | -                               | -                                    | -              | 280,274            | -                         | -                   | -                  | -              | -   | 5,516                     | 285,790                      |
| Gross financing                                     | 1,868,379                       | 289,190                              | 1,637          | 15,005,476         | 219,715                   | 1,017,032           | 48,357             | 73,994         | 273,867   | 5,516                     | 18,803,163                   |
| Fair value changes arising<br>from fair value hedge | -                               | -                                    | -              | 62,561             | -                         | -                   | -                  | -              | -   | -                         | 62,561                       |
|   | 1,868,379                       | 289,190                              | 1,637          | 15,068,037         | 219,715                   | 1,017,032           | 48,357             | 73,994         | 273,867   | 5,516                     | 18,865,724                   |
| Less : Allowance for<br>impaired financing          |                                 |                                      |                |                    |                           |                     |                    |                |   |                           |                              |
| -Stage 1 - 12 Months ECL                            | (1,599)                         | (456)                                | (41)           | (97,470)           | (222)                     | 271,870             | (337)              | (3)            | (273,393)   | (61)                      | (101,712)                    |
| -Stage 2 - Lifetime ECL not credit impaired         | (3,179)                         | (21)                                 | (98)           | -                  | (171)                     | (5,377)             | (384)              | -              | (474)   | -                         | (9,704)                      |
| -Stage 3 - Lifetime ECL credit impaired             | (17,035)                        | (1,800)                              | (53)           | (85,292)           | -                         | (43)                | (66)               | -              | -   | (119)                     | (104,408)                    |
| Total net financing                                 | 1,846,566                       | 286,913                              | 1,445          | 14,885,275         | 219,322                   | 1,283,482           | 47,570             | 73,991         | -   | 5,336                     | 18,649,900                   |

\* Included in financing of customers are financing at fair value through profit or loss amounting to RM836,426,932 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

## 10. Financing of Customers (cont'd.)

## (i) By type and Shariah concepts

| Bank<br>31 December 2020                                     | Bai'<br>Bithaman Ajil<br>RM'000 | Ijarah<br>Thumma<br>Al-Bai<br>RM'000 | Inah<br>RM'000 | Tawarruq<br>RM'000 | Bai'<br>Al-Dayn<br>RM'000 | Murabahah<br>RM'000 | Istisna'<br>RM'000 | Qard<br>RM'000 | Murabahah to<br>the Purchase<br>Orderer<br>RM'000 | Rahnu<br>(Qard)<br>RM'000 | Total<br>financing<br>RM'000 |
|--|---------------------------------|--------------------------------------|----------------|--------------------|---------------------------|---------------------|--------------------|----------------|---|---------------------------|------------------------------|
| Cash line  | -                               | -                                    | 3,535          | 566,558            | -                         | -                   | -                  | -              | -   | -                         | 570,093                      |
| Term financing:  |                                 |                                      |                |                    |                           |                     |                    |                |   |                           |                              |
| Home financing   | 1,580,358                       | -                                    | -              | 3,276,125          | -                         | -                   | 9,600              | -              | -   | -                         | 4,866,083                    |
| Syndicated financing   | -                               | -                                    | -              | 550,719            | -                         | -                   | -                  | -              | -   | -                         | 550,719                      |
| Hire purchase receivables                                    | 79,331                          | 317,223                              | -              | -                  | -                         | -                   | -                  | -              | 240,256   | -                         | 636,810                      |
| Personal financing   | 58,309                          | -                                    | 27             | 4,334,639          | -                         | -                   | -                  | -              | -   | -                         | 4,392,975                    |
| Other term financing*  | 166,385                         | -                                    | 1              | 3,583,927          | -                         | -                   | 39,048             | 71,379         | -   | -                         | 3,860,740                    |
| Trust receipts   | -                               | -                                    | -              | -                  | 22,581                    | 70,397              | -                  | -              | -   | -                         | 92,978                       |
| Claims on customers under<br>acceptance credits              | -                               | -                                    | -              | -                  | 162,297                   | 882,001             | -                  | -              | -   | -                         | 1,044,298                    |
| Staff financing  | 34,558                          | -                                    | -              | 62,620             | -                         | -                   | -                  | 105            | -   | -                         | 97,283                       |
| Revolving credit   | -                               | -                                    | -              | 1,794,063          | -                         | -                   | -                  | -              | -   | -                         | 1,794,063                    |
| Ar-Rahnu   | -                               | -                                    | -              | 287,032            | -                         | -                   | -                  | -              | -   | 17,504                    | 304,536                      |
| Total gross financing ^                                      | 1,918,941                       | 317,223                              | 3,563          | 14,455,683         | 184,878                   | 952,398             | 48,648             | 71,484         | 240,256   | 17,504                    | 18,210,578                   |
| Fair value changes arising<br>from fair value hedge          | -                               | -                                    | -              | 91,113             | -                         | -                   | -                  | -              | -   | -                         | 91,113                       |
|  | 1,918,941                       | 317,223                              | 3,563          | 14,546,796         | 184,878                   | 952,398             | 48,648             | 71,484         | 240,256   | 17,504                    | 18,301,691                   |
| Less : Allowance for impaired financing<br>At amortised cost |                                 |                                      |                |                    |                           |                     |                    |                |   |                           |                              |
| -Stage 1 - 12 Months ECL                                     | (2,110)                         | (740)                                | (36)           | (90,064)           | (212)                     | (705)               | (342)              | (4)            | (616)   | (155)                     | (94,984)                     |
| -Stage 2 - Lifetime ECL not credit impaired                  | (2,669)                         | (42)                                 | (400)          | (4,850)            | (177)                     | (411)               | (8)                | -              | (4)   | -                         | (8,561)                      |
| -Stage 3 - Lifetime ECL credit impaired                      | (16,858)                        | (1,582)                              | (45)           | (67,349)           | -                         | (1,812)             | (43)               | -              | -   | (255)                     | (87,944)                     |
| Total net financing  | 1,897,304                       | 314,859                              | 3,082          | 14,384,533         | 184,489                   | 949,470             | 48,255             | 71,480         | 239,636   | 17,094                    | 18,110,202                   |

\* Included in other term financing are financing at fair value through profit or loss amounting RM862,491,530 which mainly consists of hedged assets that are hedged against Islamic profit rate swap.

^ During the year, a total of RM46,212,464 million modification loss arising from payment moratorium is included and reduced from gross balances within the respective financing products.



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**10. Financing of customers (cont'd.)****(i) By type and Shariah concepts (cont'd.)**

|                      | Group                      |                               | Bank                       |                               |
|----------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                      | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Uses of Qard fund:   |                            |                               |                            |                               |
| Staff financing      | 128                        | 105                           | 128                        | 105                           |
| Other term financing | 205                        | 237                           | 73,866                     | 71,379                        |
|                      | <b>333</b>                 | <b>342</b>                    | <b>73,994</b>              | <b>71,484</b>                 |

**(ii) By type of customer**

|                                   | Group                      |                               | Bank                       |                               |
|-----------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Domestic non-banking institutions | 654,996                    | 736,507                       | 654,996                    | 736,507                       |
| Domestic business enterprises:    |                            |                               |                            |                               |
| -Small business enterprises       | 579,060                    | 511,263                       | 579,060                    | 511,263                       |
| -Others                           | 4,252,379                  | 4,208,311                     | 4,244,633                  | 4,202,696                     |
| Government and statutory bodies   | 960,514                    | 952,354                       | 960,514                    | 952,354                       |
| Individuals                       | 12,353,498                 | 11,797,470                    | 12,353,498                 | 11,797,470                    |
| Other domestic entities           | 4,112                      | 3,666                         | 4,112                      | 3,666                         |
| Foreign entities                  | 6,350                      | 6,622                         | 6,350                      | 6,622                         |
| <b>Gross Financing</b>            | <b>18,810,909</b>          | <b>18,216,193</b>             | <b>18,803,163</b>          | <b>18,210,578</b>             |

**(iii) By profit rate sensitivity**

|                           | Group                      |                               | Bank                       |                               |
|---------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                           | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Fixed rate:               |                            |                               |                            |                               |
| Home financing            | 232,174                    | 240,827                       | 232,174                    | 240,827                       |
| Hire purchase receivables | 638,593                    | 636,810                       | 638,593                    | 636,810                       |
| Others                    | 3,371,924                  | 3,422,300                     | 3,364,178                  | 3,416,685                     |
| Variable rate:            |                            |                               |                            |                               |
| Home financing            | 4,912,775                  | 4,678,117                     | 4,912,775                  | 4,678,117                     |
| Others                    | 9,655,443                  | 9,238,139                     | 9,655,443                  | 9,238,139                     |
| <b>Gross Financing</b>    | <b>18,810,909</b>          | <b>18,216,193</b>             | <b>18,803,163</b>          | <b>18,210,578</b>             |

**(iv) By residual contractual maturity**

|                               | Group                      |                               | Bank                       |                               |
|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                               | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Maturity                      |                            |                               |                            |                               |
| - within one year             | 4,977,699                  | 5,767,870                     | 4,977,699                  | 5,767,870                     |
| - more than one to five years | 6,444,812                  | 6,158,310                     | 6,444,812                  | 6,158,310                     |
| - more than five years        | 7,388,398                  | 6,290,013                     | 7,380,652                  | 6,284,398                     |
| <b>Gross Financing</b>        | <b>18,810,909</b>          | <b>18,216,193</b>             | <b>18,803,163</b>          | <b>18,210,578</b>             |

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**10. Financing of customers (cont'd.)****(v) By sector**

|   | <b>Group</b>                        |  | <b>Bank</b>                         |  |
|---|-------------------------------------|--|-------------------------------------|--|
|   | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| Agriculture                             | 108,651                             | 108,267                                | 108,651                             | 108,267                                |
| Mining and quarrying                    | 885                                 | 398                                    | 885                                 | 398                                    |
| Manufacturing                           | 969,179                             | 978,385                                | 969,179                             | 978,385                                |
| Electricity, gas and water              | 99,282                              | 99,194                                 | 99,282                              | 99,194                                 |
| Construction                            | 527,152                             | 531,420                                | 527,152                             | 531,420                                |
| Household                               | 12,359,848                          | 11,804,092                             | 12,359,848                          | 11,804,092                             |
| Real estate                             | 1,267,229                           | 1,229,136                              | 1,267,229                           | 1,229,136                              |
| Wholesale, retail and restaurant        | 1,059,978                           | 1,086,063                              | 1,059,978                           | 1,086,063                              |
| Transport, storage and communication    | 62,193                              | 60,234                                 | 62,193                              | 60,234                                 |
| Finance, takaful and business services  | 982,683                             | 1,060,837                              | 982,684                             | 1,060,838                              |
| Community, social and personal services | 413,316                             | 305,813                                | 405,569                             | 300,197                                |
| Government and statutory bodies         | 960,513                             | 952,354                                | 960,513                             | 952,354                                |
| <b>Gross Financing</b>                  | <b>18,810,909</b>                   | <b>18,216,193</b>                      | <b>18,803,163</b>                   | <b>18,210,578</b>                      |

**(vi) By geographical area**

|                        | <b>Group</b>                        |  | <b>Bank</b>                         |  |
|------------------------|-------------------------------------|--|-------------------------------------|--|
|                        | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| Domestic               | 18,810,909                          | 18,216,193                             | 18,803,163                          | 18,210,578                             |
| <b>Gross Financing</b> | <b>18,810,909</b>                   | <b>18,216,193</b>                      | <b>18,803,163</b>                   | <b>18,210,578</b>                      |

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 2020: RM700 million). The cumulative change in fair value of the financing attributable to changes in profit rate risk amounts to a gain of RM62,561,145 (31 December 2020: a gain of RM91,112,801) and the change in fair value for the current year is a loss of RM28,551,656 (31 December 2020: a gain of RM43,423,333). 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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**10. Financing of customers (cont'd.)****10(a) Impaired financing****(i) Movements in the impaired financing**

|  | <b>Group</b>    |                    | <b>Bank</b>     |                    |
|--|-----------------|--------------------|-----------------|--------------------|
|  | <b>31 March</b> | <b>31 December</b> | <b>31 March</b> | <b>31 December</b> |
|  | <b>2021</b>     | <b>2020</b>        | <b>2021</b>     | <b>2020</b>        |
|  | <b>RM'000</b>   | <b>RM'000</b>      | <b>RM'000</b>   | <b>RM'000</b>      |
| At 1 January 2021/ At 1 January 2020                 | 194,711         | 209,166            | 194,711         | 209,166            |
| Classified as impaired during the period             | 77,024          | 152,808            | 77,024          | 152,808            |
| Reclassified as performing during the period         | (33,081)        | (62,358)           | (33,081)        | (62,358)           |
| Recovered during the period                          | (16,184)        | (40,362)           | (16,184)        | (40,362)           |
| Written off during the period                        | (5,426)         | (64,543)           | (5,426)         | (64,543)           |
| Gross impaired financing                             | 217,044         | 194,711            | 217,044         | 194,711            |
| Less: Stage 3 - Lifetime ECL credit impaired         | (104,408)       | (87,944)           | (104,408)       | (87,944)           |
| Net impaired financing                               | 112,636         | 106,767            | 112,636         | 106,767            |
| <b>Calculation ratio of impaired financing:</b>      |                 |                    |                 |                    |
| Gross financing of customers                         | 18,810,909      | 18,216,193         | 18,803,163      | 18,210,578         |
| Less: Stage 3 - Lifetime ECL credit impaired         | (104,408)       | (87,944)           | (104,408)       | (87,944)           |
| Net financing of customers                           | 18,706,501      | 18,128,249         | 18,698,755      | 18,122,634         |
| Ratio of gross impaired financing to total financing | 1.15%           | 1.07%              | 1.15%           | 1.07%              |
| Net impaired financing ratio                         | 0.60%           | 0.59%              | 0.60%           | 0.59%              |

**(ii) Impaired financing by sector**

|  | <b>Group and Bank</b> |                    |
|--|-----------------------|--------------------|
|  | <b>31 March</b>       | <b>31 December</b> |
|  | <b>2021</b>           | <b>2020</b>        |
|  | <b>RM'000</b>         | <b>RM'000</b>      |
| Manufacturing                          | 33,336                | 33,187             |
| Construction                           | 597                   | 830                |
| Household                              | 157,434               | 134,833            |
| Real estate                            | 18,985                | 19,016             |
| Wholesale, retail and restaurant       | 5,435                 | 5,675              |
| Transport, storage and communication   | 773                   | 583                |
| Finance, takaful and business services | 484                   | 415                |
| Community, social and personal service | -                     | 172                |
|  | 217,044               | 194,711            |

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

|          | <b>Group and Bank</b> |                    |
|----------|-----------------------|--------------------|
|          | <b>31 March</b>       | <b>31 December</b> |
|          | <b>2021</b>           | <b>2020</b>        |
|          | <b>RM'000</b>         | <b>RM'000</b>      |
| Domestic | 217,044               | 194,711            |

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**10. 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<br>RM'000 |
|---------------------------------|-------------------------|----------------------------------|---------------------------|---------------------|
|                                 | 12 Months ECL<br>RM'000 | Lifetime ECL                     | Lifetime ECL              |                     |
|                                 |                         | not credit<br>impaired<br>RM'000 | credit impaired<br>RM'000 |                     |
| <b>At 31 March 2021</b>         |                         |                                  |                           |                     |
| At 1 January 2021               | 94,984                  | 8,561                            | 87,944                    | 191,489             |
| Transfer to Stage 1             | 8,160                   | (3,377)                          | (4,783)                   | -                   |
| Transfer to Stage 2             | (1,576)                 | 13,081                           | (11,505)                  | -                   |
| Transfer to Stage 3             | (883)                   | (1,700)                          | 2,583                     | -                   |
| Allowance (write back)/made     | (8,021)                 | (6,396)                          | 36,647                    | 22,230              |
| New financial assets originated | 28,563                  | 392                              | 1,824                     | 30,779              |
| Financial assets derecognised   | (19,517)                | (855)                            | (2,888)                   | (23,260)            |
| Amount written off/realised     | -                       | -                                | (5,414)                   | (5,414)             |
| Other movements                 | 1                       | -                                | -                         | 1                   |
| At 31 March 2021                | 101,711                 | 9,706                            | 104,408                   | 215,825             |
| <b>At 31 December 2020</b>      |                         |                                  |                           |                     |
| At 1 January 2020               | 51,342                  | 13,766                           | 86,734                    | 151,842             |
| Transfer to Stage 1             | 15,374                  | (8,473)                          | (6,901)                   | -                   |
| Transfer to Stage 2             | (1,572)                 | 25,182                           | (23,610)                  | -                   |
| Transfer to Stage 3             | (346)                   | (10,232)                         | 10,578                    | -                   |
| Allowance (write back)/made     | (2,719)                 | (11,017)                         | 91,759                    | 78,023              |
| New financial assets originated | 79,619                  | 638                              | -                         | 80,257              |
| Financial assets derecognised   | (46,713)                | (1,303)                          | (12,546)                  | (60,562)            |
| Amount written off/realised     | -                       | -                                | (58,070)                  | (58,070)            |
| Other movements                 | (1)                     | -                                | -                         | (1)                 |
| At 31 December 2020             | 94,984                  | 8,561                            | 87,944                    | 191,489             |

**11. Other assets**

|                                     | Group                      |                               | Bank                       |                               |
|-------------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                     | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Deposits                            | 6,021                      | 6,001                         | 5,922                      | 5,901                         |
| Prepayments                         | 11,525                     | 7,746                         | 11,435                     | 7,696                         |
| Tax prepayment                      | 35,524                     | 63,243                        | 35,524                     | 63,243                        |
| Foreclosed properties               | 9,665                      | 9,665                         | 9,665                      | 9,665                         |
| Golf club membership                | 500                        | 500                           | 500                        | 500                           |
| Other receivables                   | 21,955                     | 22,095                        | 21,955                     | 22,095                        |
| Other debtors                       | 9,535                      | 5,488                         | 7,809                      | 4,812                         |
|                                     | 94,725                     | 114,738                       | 92,810                     | 113,912                       |
| Less: Accumulated impairment losses | (1,567)                    | (1,567)                       | (1,567)                    | (1,567)                       |
|                                     | 93,158                     | 113,171                       | 91,243                     | 112,345                       |

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**12. Deferred tax assets & liabilities**

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| At 1 January 2021/ At 1 January 2020          | (11,474)                   | 13,534                        | (11,826)                   | 13,250                        |
| Recognised in the profit or loss<br>(Note 30) | 18,410                     | (24,922)                      | 18,393                     | (24,990)                      |
| Recognised in other comprehensive income      | 6,279                      | (86)                          | 6,279                      | (86)                          |
| At 31 March 2021/ At 31 December 2020         | <b>13,215</b>              | <b>(11,474)</b>               | <b>12,846</b>              | <b>(11,826)</b>               |

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

|                               | Group                      |                               | Bank                       |                               |
|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                               | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Deferred tax assets, net      | 13,215                     | 352                           | 12,846                     | -                             |
| Deferred tax liabilities, net | -                          | (11,826)                      | -                          | (11,826)                      |
|                               | <b>13,215</b>              | <b>(11,474)</b>               | <b>12,846</b>              | <b>(11,826)</b>               |

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

|                          | Group                      |                               | Bank                       |                               |
|--------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                          | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Deferred tax assets      | 45,738                     | 39,423                        | 45,369                     | 39,071                        |
| Deferred tax liabilities | (32,523)                   | (50,897)                      | (32,523)                   | (50,897)                      |
|                          | <b>13,215</b>              | <b>(11,474)</b>               | <b>12,846</b>              | <b>(11,826)</b>               |

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<br>RM'000 | Leases<br>RM'000 | Property,<br>plant and<br>equipment<br>& intangible<br>asset<br>RM'000 | Provision<br>for<br>liabilities<br>RM'000 | Other<br>temporary<br>differences<br>RM'000 | Total<br>RM'000 |
|---|---------------|------------------|--|---|---|-----------------|
| At 1 January 2021                           | 22,910        | 985              | 6,096  | 9,084                                     | 348   | 39,423          |
| Recognised in profit or loss                | 4,628         | 12               | (4)  | 1,143                                     | (9)   | 5,770           |
| Recognised in other<br>comprehensive income | -             | 545              | -  | -   | -   | 545             |
| At 31 March 2021                            | <b>27,538</b> | <b>1,542</b>     | <b>6,092</b>   | <b>10,227</b>                             | <b>339</b>                                  | <b>45,738</b>   |

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**12. Deferred tax asset & liabilities (cont'd.)**

|                              | <b>ECL</b>    | <b>Leases</b> | <b>Property,<br/>plant and<br/>equipment<br/>&amp; intangible<br/>asset</b> | <b>Provision<br/>for<br/>liabilities</b> | <b>Other<br/>temporary<br/>differences</b> | <b>Total</b>  |
|------------------------------|---------------|---------------|---|--|--|---------------|
|                              | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>   | <b>RM'000</b>                            | <b>RM'000</b>                              | <b>RM'000</b> |
| At 1 January 2020            | 12,092        | 900           | 6,211   | 6,265                                    | 359  | 25,827        |
| Recognised in profit or loss | 10,818        | 85            | (115)   | 2,819                                    | (11)                                       | 13,596        |
| At 31 December 2020          | <u>22,910</u> | <u>985</u>    | <u>6,096</u>  | <u>9,084</u>                             | <u>348</u>                                 | <u>39,423</u> |

**Deferred tax liabilities of the Group :**

|   | <b>Profit on<br/>financing<br/>moratorium<br/>accounts</b> | <b>Financial<br/>investments<br/>at FVOCI</b> | <b>Property,<br/>plant and<br/>equipment<br/>and<br/>intangible<br/>asset</b> | <b>Total</b>    |
|---|--|---|---|-----------------|
|   | <b>RM'000</b>  | <b>RM'000</b>                                 | <b>RM'000</b>   | <b>RM'000</b>   |
| At 1 January 2021                           | (39,786)   | (5,734)                                       | (5,377)   | (50,897)        |
| Recognised in profit and loss               | 13,263   | -   | (623)   | 12,640          |
| Recognised in other<br>comprehensive income | 5,734  | -   | -   | 5,734           |
| At 31 March 2021                            | <u>(20,789)</u>  | <u>(5,734)</u>                                | <u>(6,000)</u>  | <u>(32,523)</u> |

|   | <b>Profit on<br/>financing<br/>moratorium<br/>accounts</b> | <b>Financial<br/>assets<br/>at FVOCI</b> | <b>Property,<br/>plant and<br/>equipment<br/>and<br/>intangible<br/>asset</b> | <b>Total</b>    |
|---|--|--|---|-----------------|
|   | <b>RM'000</b>  | <b>RM'000</b>                            | <b>RM'000</b>   | <b>RM'000</b>   |
| At 1 January 2020                           | -  | (5,648)                                  | (6,645)   | (12,293)        |
| Recognised in profit or loss                | (39,786)   | -  | 1,268   | (38,518)        |
| Recognised in other<br>comprehensive income | -  | (86)                                     | -   | (86)            |
| As at 31 December 2020                      | <u>(39,786)</u>  | <u>(5,734)</u>                           | <u>(5,377)</u>  | <u>(50,897)</u> |

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 :**

|   | <b>ECL</b>    | <b>Leases</b> | <b>Property,<br/>plant and<br/>equipment<br/>&amp; intangible<br/>asset</b> | <b>Provision<br/>for<br/>liabilities</b> | <b>Other<br/>temporary<br/>differences</b> | <b>Total</b>  |
|---|---------------|---------------|---|--|--|---------------|
|   | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>   | <b>RM'000</b>                            | <b>RM'000</b>                              | <b>RM'000</b> |
| At 1 January 2021                           | 22,910        | 633           | 6,096   | 9,084                                    | 348  | 39,071        |
| Recognised in profit or loss                | 4,628         | (4)           | (4)   | 1,143                                    | (10)                                       | 5,753         |
| Recognised in other<br>comprehensive income | 545           | -             | -   | -  | -  | 545           |
| At 31 March 2021                            | <u>28,083</u> | <u>629</u>    | <u>6,092</u>  | <u>10,227</u>                            | <u>338</u>                                 | <u>45,369</u> |

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**12. Deferred tax asset & liabilities (cont'd.)**

|                              | <b>ECL</b>    | <b>Leases</b> | <b>Property,<br/>plant and<br/>equipment<br/>&amp; intangible<br/>asset</b> | <b>Provision<br/>for<br/>liabilities</b> | <b>Other<br/>temporary<br/>differences</b> | <b>Total</b>  |
|------------------------------|---------------|---------------|---|--|--|---------------|
|                              | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>   | <b>RM'000</b>                            | <b>RM'000</b>                              | <b>RM'000</b> |
| At 1 January 2020            | 12,092        | 616           | 6,211   | 6,265                                    | 359  | 25,543        |
| Recognised in profit or loss | 10,818        | 17            | (115)   | 2,819                                    | (11)                                       | 13,528        |
| As at 31 December 2020       | 22,910        | 633           | 6,096   | 9,084                                    | 348  | 39,071        |

**Deferred tax liabilities of the Bank:**

|   | <b>Profit on<br/>financing<br/>moratorium<br/>accounts</b> | <b>Financial<br/>investments<br/>at FVOCI</b> | <b>Property,<br/>plant and<br/>equipment<br/>and<br/>intangible<br/>asset</b> | <b>Total</b>  |
|---|--|---|---|---------------|
|   | <b>RM'000</b>  | <b>RM'000</b>                                 | <b>RM'000</b>   | <b>RM'000</b> |
| At 1 January 2021                           | (39,786)   | (5,734)                                       | (5,377)   | (50,897)      |
| Recognised in profit and loss               | 13,263   | -   | (623)   | 12,640        |
| Recognised in other<br>comprehensive income |  | 5,734   | -   | 5,734         |
| At 31 March 2021                            | (26,523)   | -   | (6,000)   | (32,523)      |

|   | <b>Profit on<br/>financing<br/>moratorium<br/>accounts</b> | <b>Financial<br/>investments<br/>at FVOCI</b> | <b>Property,<br/>plant and<br/>equipment<br/>and<br/>intangible<br/>asset</b> | <b>Total</b>  |
|---|--|---|---|---------------|
|   | <b>RM'000</b>  | <b>RM'000</b>                                 | <b>RM'000</b>   | <b>RM'000</b> |
| At 1 January 2020                           | -  | (5,648)                                       | (6,645)   | (12,293)      |
| Recognised in profit or loss                | (39,786)   | -   | 1,268   | (38,518)      |
| Recognised in other<br>comprehensive income | -  | (86)  | -   | (86)          |
| As at 31 December 2020                      | (39,786)   | (5,734)                                       | (5,377)   | (50,897)      |

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**13. Deposits from customers****(a) By type of deposits**

|                                     | <b>Group</b>                        |  | <b>Bank</b>                         |  |
|-------------------------------------|-------------------------------------|--|-------------------------------------|--|
|                                     | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| <b>Savings Deposit</b>              |                                     |  |                                     |  |
| Qard                                | 1,122,529                           | 1,065,227                              | 1,122,529                           | 1,065,227                              |
| Tawarruq                            | 894,039                             | 797,164                                | 894,039                             | 797,164                                |
| <b>Demand Deposit</b>               |                                     |  |                                     |  |
| Qard                                | 3,687,187                           | 3,969,068                              | 3,688,226                           | 3,970,060                              |
| Tawarruq                            | 1,894,243                           | 1,924,741                              | 1,894,243                           | 1,924,741                              |
| <b>Term Deposit</b>                 |                                     |  |                                     |  |
| Negotiable Islamic debt certificate | -                                   | 249,855                                | -                                   | 249,855                                |
| General investment deposits         | 58,270                              | 58,574                                 | 58,270                              | 58,574                                 |
| Short term accounts                 | 8,734,740                           | 9,942,206                              | 8,734,740                           | 9,942,206                              |
| Fixed term accounts tawarruq        | 3,675,386                           | 3,442,335                              | 3,686,186                           | 3,454,135                              |
| <b>Other deposits</b>               | <b>57,814</b>                       | <b>52,196</b>                          | <b>57,814</b>                       | <b>52,196</b>                          |
|                                     | <b>20,124,208</b>                   | <b>21,501,366</b>                      | <b>20,136,047</b>                   | <b>21,514,158</b>                      |

**(b) By type of customer**

|  | <b>Group</b>                        |  | <b>Bank</b>                         |  |
|--|-------------------------------------|--|-------------------------------------|--|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| Government and statutory bodies          | 7,672,042                           | 7,138,959                              | 7,672,042                           | 7,138,959                              |
| Business enterprises                     | 5,129,110                           | 4,932,352                              | 5,140,949                           | 4,945,144                              |
| Individuals                              | 2,575,873                           | 2,423,830                              | 2,575,873                           | 2,423,830                              |
| Domestic non-bank financial institutions | 3,613,951                           | 6,014,431                              | 3,613,951                           | 6,014,431                              |
| Domestic banking financial institutions  | 61,903                              | 39,206                                 | 61,903                              | 39,206                                 |
| Others                                   | 1,071,329                           | 952,588                                | 1,071,329                           | 952,588                                |
|  | <b>20,124,208</b>                   | <b>21,501,366</b>                      | <b>20,136,047</b>                   | <b>21,514,158</b>                      |



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**13. Deposits from customers (cont'd.)****(b) By type of customer (cont'd.)**

The maturity structure of term deposits are as follows :

|                                     | <b>Group</b>      |                    | <b>Bank</b>       |                    |
|-------------------------------------|-------------------|--------------------|-------------------|--------------------|
|                                     | <b>31 March</b>   | <b>31 December</b> | <b>31 March</b>   | <b>31 December</b> |
|                                     | <b>2021</b>       | <b>2020</b>        | <b>2021</b>       | <b>2020</b>        |
|                                     | <b>RM'000</b>     | <b>RM'000</b>      | <b>RM'000</b>     | <b>RM'000</b>      |
| Due within six months               | <b>10,950,845</b> | 12,549,377         | <b>10,961,645</b> | 12,561,177         |
| More than six months to one year    | <b>1,125,631</b>  | 722,698            | <b>1,125,631</b>  | 722,698            |
| More than one year to three years   | <b>314,056</b>    | 393,507            | <b>314,056</b>    | 393,507            |
| More than three years to five years | <b>77,864</b>     | 27,388             | <b>77,864</b>     | 27,388             |
|                                     | <b>12,468,396</b> | 13,692,970         | <b>12,479,196</b> | 13,704,770         |

**14. Deposits and placements of banks and other financial institutions**

|                       | <b>Group and Bank</b> |                    |
|-----------------------|-----------------------|--------------------|
|                       | <b>31 March</b>       | <b>31 December</b> |
|                       | <b>2021</b>           | <b>2020</b>        |
|                       | <b>RM'000</b>         | <b>RM'000</b>      |
| <b>Non-Mudharabah</b> |                       |                    |
| Bank Negara Malaysia  | <b>190,313</b>        | 98,346             |

These balances include amount of RM199,780,000 (31 December 2020: RM 99,780,000) received under government financing schemes for the purpose of SME lending at a below market and concession rate with 5.5 years to 8.5 years of maturity to be repaid in 2026 and 2029. The fair value gain arising from the placement of funds with the Group and the Bank is applied to address the financial and accounting impact incurred from financing at concession rates to SMEs and for COVID-19 related relief measures.

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**15. Other liabilities**

|  | <b>Group</b>                        |  | <b>Bank</b>                         |  |
|--|-------------------------------------|--|-------------------------------------|--|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| Sundry creditors   | 465                                 | 270                                    | 465                                 | 270                                    |
| Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 15(a)) | 6,718                               | 5,659                                  | 6,718                               | 5,659                                  |
| Provision for bonus  | 19,237                              | 15,215                                 | 19,070                              | 15,048                                 |
| Accrued expenses   | 21,637                              | 20,453                                 | 21,778                              | 21,234                                 |
| Accrual for directors' fees  | 210                                 | 4                                      | 210                                 | 4                                      |
| Accrual for audit fees   | 1,025                               | 897                                    | 999                                 | 876                                    |
| Other liabilities  | 47,060                              | 46,043                                 | 47,000                              | 45,982                                 |
|  | <b>96,352</b>                       | <b>88,541</b>                          | <b>96,240</b>                       | <b>89,073</b>                          |

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

| Group and Bank                           | Stage 1                 | Stage 2  | Stage 3                                   | Total ECL<br>RM'000 |
|--|-------------------------|--|---|---------------------|
|  | 12 Months ECL<br>RM'000 | Lifetime ECL<br>not credit<br>impaired<br>RM'000 | Lifetime ECL<br>credit impaired<br>RM'000 |                     |
| <b>At 31 March 2021</b>                  |                         |  |   |                     |
| At 1 January 2021                        | 5,130                   | 168  | 361                                       | 5,659               |
| Transfer to Stage 1                      | 11                      | (11)   | -   | -                   |
| Transfer to Stage 2                      | (10)                    | 12   | (2)                                       | -                   |
| Transfer to Stage 3                      | -                       | (18)   | 18  | -                   |
| Allowance made                           | 599                     | 101  | 1,011                                     | 1,711               |
| New financing originated or<br>purchased | 969                     | -  | (894)                                     | 75                  |
| Financing derecognised                   | (725)                   | -  | (2)                                       | (727)               |
| Amount written-off/realised              | -                       | -  | -   | -                   |
| At 31 March 2021                         | 5,974                   | 252  | 492                                       | 6,718               |
| <b>At 31 December 2020</b>               |                         |  |   |                     |
| At 1 January 2020                        | 3,064                   | 93   | 2,931                                     | 6,088               |
| Transfer to Stage 1                      | 156                     | (112)  | (44)                                      | -                   |
| Transfer to Stage 2                      | (44)                    | 162  | (118)                                     | -                   |
| Transfer to Stage 3                      | (29)                    | (17)   | 46  | -                   |
| Allowance made                           | 1,015                   | 56   | 248                                       | 1,319               |
| New financing originated or<br>purchased | 2,875                   | 2  | -   | 2,877               |
| Financing derecognised                   | (1,907)                 | (16)   | (349)                                     | (2,272)             |
| Amount written-off/realised              | -                       | -  | (2,353)                                   | (2,353)             |
| At 31 December 2020                      | 5,130                   | 168  | 361                                       | 5,659               |

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**16. Provision for zakat and taxation**

|          | Group                      |                               | Bank                       |                               |
|----------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|          | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Zakat    | 5,661                      | 4,349                         | 5,532                      | 4,280                         |
| Taxation | 179                        | 29                            | -                          | -                             |
|          | <b>5,840</b>               | <b>4,378</b>                  | <b>5,532</b>               | <b>4,280</b>                  |

**17. 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.

**18. Sukuk****(a) Subordinated sukuk**

On 15 June 2016, the Bank set up a 20-year Subordinated Sukuk Murabahah Programme of up to RM1.0 billion ("Subordinated Sukuk Programme"), which qualified as Tier 2 capital under the BNM Policy Document on Capital Adequacy Framework for Islamic Banks (Capital Components). The initial Subordinated Sukuk Murabahah under the Subordinated Sukuk Programme was issued on 15 June 2016. Table below depicts a summary of the initial Subordinated Sukuk Murabahah.

| Issue date   | Call Date    | Maturity Date | Profit Rate (% p.a)          | Nominal Value   |
|--------------|--------------|---------------|------------------------------|-----------------|
| 15 June 2016 | 15 June 2021 | 15 June 2026  | 5.80%, payable semi-annually | RM250.0 million |

The Bank may redeem (in whole or in part) the initial Subordinated Sukuk Murabahah prior to maturity on the Call Date, subject to the redemption conditions under the principal terms and conditions of the Subordinated Sukuk Programme being satisfied.

**(b) Senior sukuk**

On 7 June 2016, the Bank set up a 15-year Senior Sukuk Programme of up to RM2.0 billion ("Senior Sukuk Programme"). Table below shows the details of the current outstanding Senior Sukuk under the Senior Sukuk Programme.

| Issue date       | Maturity Date    | Profit Rate (% p.a)         | Nominal Value   |
|------------------|------------------|-----------------------------|-----------------|
| 25 November 2016 | 25 November 2021 | 5.5%, payable semi-annually | RM500.0 million |

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**19. Income derived from investment of depositors' funds and others**

|                                    | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                    | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| Income derived from investment of: |                                     |                                     |                                     |                                     |
| (a) Fixed term deposits            | <b>49,306</b>                       | 116,580                             | <b>49,306</b>                       | 116,580                             |
| (b) Other deposits                 | <b>221,685</b>                      | 193,796                             | <b>221,685</b>                      | 193,796                             |
|                                    | <b>270,991</b>                      | 310,376                             | <b>270,991</b>                      | 310,376                             |

**(a) Income derived from investment of fixed term deposits**

|  | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| <b>Finance income and hibah</b>  |                                     |                                     |                                     |                                     |
| Income from financing  | <b>40,490</b>                       | 85,826                              | <b>40,490</b>                       | 85,826                              |
| Financial investments designated at FVTPL  | <b>322</b>                          | 670                                 | <b>322</b>                          | 670                                 |
| Financial assets at fair value through<br>other comprehensive income             | <b>5,729</b>                        | 17,728                              | <b>5,729</b>                        | 17,728                              |
| Financial assets at amortised cost   | <b>108</b>                          | 225                                 | <b>108</b>                          | 225                                 |
| Money at call and deposit with<br>financial institutions                         | <b>1,412</b>                        | 2,233                               | <b>1,412</b>                        | 2,233                               |
|  | <b>48,061</b>                       | 106,682                             | <b>48,061</b>                       | 106,682                             |
| Amortisation of premium<br>less accretion of discounts                           | <b>(1,342)</b>                      | (1,584)                             | <b>(1,342)</b>                      | (1,584)                             |
| Total finance income and hibah   | <b>46,719</b>                       | 105,098                             | <b>46,719</b>                       | 105,098                             |
| <b>Other operating income</b>  |                                     |                                     |                                     |                                     |
| Net gain from sale of:   |                                     |                                     |                                     |                                     |
| - financial investments designated<br>at FVTPL                                   | <b>13</b>                           | 58                                  | <b>13</b>                           | 58                                  |
| - financial investments at fair value<br>through other comprehensive income      | <b>-</b>                            | 6,471                               | <b>-</b>                            | 6,471                               |
| Unrealised gain on revaluation from<br>financial investments designated at FVTPL | <b>(158)</b>                        | 682                                 | <b>(158)</b>                        | 682                                 |
|  | <b>(145)</b>                        | 7,211                               | <b>(145)</b>                        | 7,211                               |
| <b>Fees and commission</b>   |                                     |                                     |                                     |                                     |
| Guarantee fees   | <b>76</b>                           | 175                                 | <b>76</b>                           | 175                                 |
| Processing fees  | <b>149</b>                          | 243                                 | <b>149</b>                          | 243                                 |
| Service charges and fees   | <b>418</b>                          | 1,270                               | <b>418</b>                          | 1,270                               |
| Commission   | <b>2,089</b>                        | 2,583                               | <b>2,089</b>                        | 2,583                               |
|  | <b>2,732</b>                        | 4,271                               | <b>2,732</b>                        | 4,271                               |
| <b>Total</b>   | <b>49,306</b>                       | 116,580                             | <b>49,306</b>                       | 116,580                             |

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**19. Income derived from investment of depositors' funds and others (cont'd.)****(b) Income derived from investment of other deposits**

|  | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| <b>Finance income and hibah</b>  |                                     |                                     |                                     |                                     |
| Income from financing  | <b>182,058</b>                      | 142,674                             | <b>182,058</b>                      | 142,674                             |
| Financial investments designated at FVTPL  | <b>1,447</b>                        | 1,114                               | <b>1,447</b>                        | 1,114                               |
| Financial assets at fair value through<br>other comprehensive income             | <b>25,758</b>                       | 29,470                              | <b>25,758</b>                       | 29,470                              |
| Financial assets at amortised cost   | <b>484</b>                          | 373                                 | <b>484</b>                          | 373                                 |
| Money at call and deposit with<br>financial institutions                         | <b>6,345</b>                        | 3,712                               | <b>6,345</b>                        | 3,712                               |
|  | <b>216,092</b>                      | 177,343                             | <b>216,092</b>                      | 177,343                             |
| Amortisation of premium<br>less accretion of discounts                           | <b>(6,036)</b>                      | (2,633)                             | <b>(6,036)</b>                      | (2,633)                             |
| Total finance income and hibah   | <b>210,056</b>                      | 174,710                             | <b>210,056</b>                      | 174,710                             |
| <b>Other operating income</b>  |                                     |                                     |                                     |                                     |
| Net gain from sale of:   |                                     |                                     |                                     |                                     |
| - financial investments designated at FVTPL                                      | <b>58</b>                           | 96                                  | <b>58</b>                           | 96                                  |
| - financial investments at fair value<br>through other comprehensive income      | -                                   | 10,758                              | -                                   | 10,758                              |
| Unrealised gain on revaluation from<br>financial investments designated at FVTPL | <b>(711)</b>                        | 1,133                               | <b>(711)</b>                        | 1,133                               |
|  | <b>(653)</b>                        | 11,987                              | <b>(653)</b>                        | 11,987                              |
| <b>Fees and commission</b>   |                                     |                                     |                                     |                                     |
| Guarantee fees   | <b>340</b>                          | 290                                 | <b>340</b>                          | 290                                 |
| Processing fees  | <b>668</b>                          | 404                                 | <b>668</b>                          | 404                                 |
| Service charges and fees   | <b>1,880</b>                        | 2,111                               | <b>1,880</b>                        | 2,111                               |
| Commission   | <b>9,394</b>                        | 4,294                               | <b>9,394</b>                        | 4,294                               |
|  | <b>12,282</b>                       | 7,099                               | <b>12,282</b>                       | 7,099                               |
| <b>Total</b>   | <b>221,685</b>                      | 193,796                             | <b>221,685</b>                      | 193,796                             |

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**20. Income derived from investment of shareholders' funds**

|   | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| <b>Finance income and hibah</b>   |                                     |                                     |                                     |                                     |
| Financial assets at fair value through<br>other comprehensive income                            | <b>2,511</b>                        | 2,678                               | <b>2,511</b>                        | 2,678                               |
| Financial assets at amortised cost  |                                     |                                     |                                     |                                     |
| Money at call and deposit with<br>financial institutions  | <b>224</b>                          | 384                                 | <b>224</b>                          | 384                                 |
|   | <b>2,735</b>                        | 3,062                               | <b>2,735</b>                        | 3,062                               |
| Amortisation of premium less<br>Accretion of discounts  | <b>(300)</b>                        | (329)                               | <b>(300)</b>                        | (329)                               |
| Total finance income and hibah  | <b>2,435</b>                        | 2,733                               | <b>2,435</b>                        | 2,733                               |
| <b>Other operating income</b>   |                                     |                                     |                                     |                                     |
| Net loss from foreign exchange<br>transaction   | <b>(16,932)</b>                     | (23,262)                            | <b>(16,932)</b>                     | (23,262)                            |
| Unrealised gain on revaluation<br>from foreign exchange derivatives                             | <b>18,849</b>                       | 22,740                              | <b>18,849</b>                       | 22,740                              |
| Fair value gain of financial liabilities  | <b>8,587</b>                        | -                                   | <b>8,587</b>                        | -                                   |
| Net gain from sale of fair value<br>through profit and loss securities                          | -                                   | -                                   | -                                   | -                                   |
| Unrealised loss on revaluation from<br>financial investments designated at FVTPL                | <b>(3,508)</b>                      | (43,711)                            | <b>(3,508)</b>                      | (43,711)                            |
| Net gain from sale of financial investments at<br>fair value through other comprehensive income | -                                   | 243                                 | -                                   | 243                                 |
| Gross dividend income from investment:<br>-shares in Malaysia                                   | <b>10</b>                           | 13                                  | -                                   | -                                   |
| Net dividend paid for Islamic profit<br>rate swap   | <b>(6,335)</b>                      | (2,554)                             | <b>(6,335)</b>                      | (2,554)                             |
| Unrealised loss on revaluation<br>of Islamic profit rate swap                                   | <b>34,423</b>                       | (47,467)                            | <b>34,423</b>                       | (47,467)                            |
| Unrealised gain on revaluation<br>from hedged items   | <b>(36,253)</b>                     | 52,290                              | <b>(36,253)</b>                     | 52,290                              |
|   | <b>(1,159)</b>                      | (41,708)                            | <b>(1,169)</b>                      | (41,721)                            |
| <b>Fees and commission</b>  |                                     |                                     |                                     |                                     |
| Corporate advisory fees   | <b>550</b>                          | 244                                 | <b>264</b>                          | 153                                 |
| Service charges and fees  | <b>2,052</b>                        | 1,601                               | <b>20</b>                           | 38                                  |
| Commission  | <b>1,114</b>                        | 640                                 | <b>1,114</b>                        | 640                                 |
|   | <b>3,716</b>                        | 2,485                               | <b>1,398</b>                        | 831                                 |

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**20. Income derived from investment of shareholders' funds (cont'd.)**

|  | Group                      |                            | Bank                       |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>Other income</b>                                |                            |                            |                            |                            |
| Rental income                                      | 548                        | 419                        | 562                        | 418                        |
| Profit on sale of fixed assets                     | -                          | 128                        | -                          | 128                        |
| Fair value adjustments of<br>investment properties | -                          | -                          | -                          | -                          |
|  | <u>548</u>                 | <u>547</u>                 | <u>562</u>                 | <u>546</u>                 |
| <b>Total</b>                                       | <b>5,540</b>               | <b>(35,943)</b>            | <b>3,226</b>               | <b>(37,611)</b>            |

**21. Income derived from investment of investment account funds**

|                                 | Group                      |                            | Bank                       |                            |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>Finance income and hibah</b> |                            |                            |                            |                            |
| Investment of account funds     | -                          | -                          | -                          | -                          |
| <b>Fees and commission</b>      |                            |                            |                            |                            |
| Service charges and fees        | 136                        | 132                        | 136                        | 132                        |
| <b>Total</b>                    | <b>136</b>                 | <b>132</b>                 | <b>136</b>                 | <b>132</b>                 |

**22. Allowance for impairment on financing**

|   | Group                      |                            | Bank                       |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| Allowance for impairment<br>on financing of customer: |                            |                            |                            |                            |
| - individual allowance made                           | 1,574                      | 1,267                      | 1,574                      | 1,267                      |
| - individual allowance written back                   | (1,593)                    | (502)                      | (1,593)                    | (502)                      |
| - collective allowance made                           | 65,670                     | 60,656                     | 65,670                     | 60,656                     |
| - collective allowance written back                   | (34,843)                   | (29,813)                   | (34,843)                   | (29,813)                   |
| Impaired financing written off                        | 26                         | 1,182                      | 26                         | 1,182                      |
| Impaired financing recovered                          | (5,184)                    | (6,453)                    | (5,184)                    | (6,453)                    |
|   | <u>25,650</u>              | <u>26,337</u>              | <u>25,650</u>              | <u>26,337</u>              |

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**23. Writeback of impairment losses on financial investments, net**

|   | <b>Group and Bank</b> |                 |
|---|-----------------------|-----------------|
|   | <b>31 March</b>       | <b>31 March</b> |
|   | <b>2021</b>           | <b>2020</b>     |
|   | <b>RM'000</b>         | <b>RM'000</b>   |
| Impairment write back on corporate bonds included under Fair value through other comprehensive income ("FVOCI") | (11)                  | (23)            |
| Impairment write back on corporate bonds included under Amortised Cost ("AC")                                   | (80)                  | (464)           |
| Impairment write back on investment in subsidiary   | -                     | -               |
|   | <b>(91)</b>           | <b>(487)</b>    |

**24. Writeback of impairment losses on other financial assets, net**

|                           | <b>Group and Bank</b> |                 |
|---------------------------|-----------------------|-----------------|
|                           | <b>31 March</b>       | <b>31 March</b> |
|                           | <b>2021</b>           | <b>2020</b>     |
|                           | <b>RM'000</b>         | <b>RM'000</b>   |
| Cash and short term funds |                       |                 |
| - ECL , net               | (39)                  | (336)           |
| Other assets              |                       |                 |
| - ECL , net               | -                     | 150             |
|                           | <b>(39)</b>           | <b>(186)</b>    |

**25. Income attributable to depositors**

|  | <b>Group</b>    |                 | <b>Bank</b>     |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> |
|  | <b>2021</b>     | <b>2020</b>     | <b>2021</b>     | <b>2020</b>     |
|  | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   |
| Deposits from customers:   |                 |                 |                 |                 |
| Mudharabah funds   | 214             | 227             | 214             | 227             |
| Non-Mudharabah funds   | 79,466          | 126,226         | 79,512          | 126,305         |
| Deposits and placements of banks and other financial institutions: |                 |                 |                 |                 |
| Non-Mudharabah funds   | 60              | 706             | 60              | 706             |
|  | <b>79,740</b>   | <b>127,159</b>  | <b>79,786</b>   | <b>127,238</b>  |



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**26. Personnel expenses**

|  | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| Salary and wages                             | 41,620                              | 39,428                              | 41,170                              | 38,855                              |
| Contribution to defined<br>contribution plan | 7,715                               | 6,607                               | 7,653                               | 6,525                               |
| Social security contributions                | 465                                 | 435                                 | 451                                 | 421                                 |
| Allowances and bonuses                       | 4,232                               | 896                                 | 4,213                               | 860                                 |
| Others                                       | 7,007                               | 5,405                               | 6,995                               | 5,391                               |
|  | <b>61,039</b>                       | <b>52,771</b>                       | <b>60,482</b>                       | <b>52,052</b>                       |

**27. Other overheads and expenditures**

|  | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| <b>Promotion</b>   |                                     |                                     |                                     |                                     |
| Advertisement and publicity                                  | 1,016                               | 1,470                               | 1,016                               | 1,470                               |
| Others   | 39                                  | 751                                 | 39                                  | 749                                 |
| <b>Establishment</b>   |                                     |                                     |                                     |                                     |
| Rental   | 65                                  | 3                                   | 65                                  | 3                                   |
| Depreciation of property, plant and equipment                | 2,911                               | 2,923                               | 2,909                               | 2,921                               |
| Depreciation of right-of-use assets                          | 3,044                               | 2,966                               | 2,919                               | 2,859                               |
| Amortisation of intangible assets                            | 5,304                               | 8,350                               | 5,304                               | 8,348                               |
| Amortisation of prepaid land<br>lease payment                | -                                   | -                                   | -                                   | -                                   |
| Information technology expenses                              | 11,043                              | 12,946                              | 10,997                              | 12,909                              |
| Repair and maintenance                                       | 1,251                               | 765                                 | 1,159                               | 665                                 |
| Hire of equipment  | 1,062                               | 906                                 | 1,010                               | 843                                 |
| Takaful  | 596                                 | 1,949                               | 596                                 | 1,949                               |
| Utilities expenses   | 1,025                               | 1,174                               | 1,019                               | 1,168                               |
| Security expenses  | 1,387                               | 1,948                               | 1,387                               | 1,948                               |
| Others   | 1,127                               | 1,119                               | 1,127                               | 1,119                               |
| <b>General expenses</b>                                      |                                     |                                     |                                     |                                     |
| Auditors' fees   | 135                                 | 99                                  | 135                                 | 99                                  |
| Professional fees  | 1,469                               | 1,192                               | 1,406                               | 1,036                               |
| Legal expenses   | 71                                  | 121                                 | 71                                  | 121                                 |
| Telephone  | 342                                 | 446                                 | 342                                 | 446                                 |
| Stationery and printing                                      | 381                                 | 338                                 | 379                                 | 335                                 |
| Postage and courier  | 654                                 | 423                                 | 654                                 | 423                                 |
| Travelling   | 60                                  | 270                                 | 60                                  | 269                                 |
| Directors remuneration<br>and Shariah Committee<br>allowance | 616                                 | 1,215                               | 603                                 | 1,205                               |
| Others   | 3,290                               | 3,106                               | 3,807                               | 3,617                               |
|  | <b>36,888</b>                       | <b>44,480</b>                       | <b>37,004</b>                       | <b>44,502</b>                       |

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**28. Finance cost**

|                                   | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                   | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| <b>Group / Bank</b>               |                                     |                                     |                                     |                                     |
| Dividend paid- subordinated sukuk | 3,585                               | 3,625                               | 3,585                               | 3,625                               |
| Dividend paid- senior sukuk       | 6,837                               | 6,800                               | 6,837                               | 6,800                               |
| Financing sold to Cagamas         | 5,143                               | 5,324                               | 5,143                               | 5,324                               |
| Finance cost of lease liabilities | 560                                 | 670                                 | 456                                 | 561                                 |
|                                   | <b>16,125</b>                       | <b>16,419</b>                       | <b>16,021</b>                       | <b>16,310</b>                       |

**29. Zakat**

|                                      | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                      | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| Provision for zakat for the year     | 1,293                               | 109                                 | 1,252                               | 82                                  |
| Under/(Over) provision in prior year | 18                                  | (8)                                 | -                                   | -                                   |
|                                      | <b>1,311</b>                        | <b>101</b>                          | <b>1,252</b>                        | <b>82</b>                           |

**30. Taxation**

|   | <b>Group</b>                        |                                     | <b>Bank</b>                         |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| Current income tax  | 32,166                              | 16,060                              | 31,755                              | 15,742                              |
| Under provision in prior year                                 | (3)                                 | 18                                  | -                                   | -                                   |
|   | <b>32,163</b>                       | <b>16,078</b>                       | <b>31,755</b>                       | <b>15,742</b>                       |
| Deferred tax:   |                                     |                                     |                                     |                                     |
| Relating to origination and reversal of temporary differences | (18,409)                            | (3,507)                             | (18,393)                            | (3,490)                             |
| Over provision in prior year                                  | (1)                                 | -                                   | -                                   | -                                   |
|   | <b>(18,410)</b>                     | <b>(3,507)</b>                      | <b>(18,393)</b>                     | <b>(3,490)</b>                      |
|   | <b>13,753</b>                       | <b>12,571</b>                       | <b>13,362</b>                       | <b>12,252</b>                       |

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

Domestic current income tax is calculated at the statutory tax rate of 24% (31 December 2020: 24%) of the estimated assessable profit for the period.

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**31. Credit exposures arising from credit transactions with connected parties**

|   | <b>Group</b>         |                         |
|---|----------------------|-------------------------|
|   | <b>31 March 2021</b> | <b>31 December 2020</b> |
|   | <b>RM'000</b>        | <b>RM'000</b>           |
| Outstanding credit exposures with connected parties (RM'000)  | <b>1,578,798</b>     | <b>1,706,038</b>        |
| Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | <b>6.0%</b>          | <b>6.3%</b>             |
| Percentage of outstanding credit exposures with connected parties which is non-performing or in default | <b>-</b>             | <b>-</b>                |
|   | <b>Bank</b>          |                         |
|   | <b>31 March 2021</b> | <b>31 December 2020</b> |
|   | <b>RM'000</b>        | <b>RM'000</b>           |
| Outstanding credit exposures with connected parties (RM'000)  | <b>1,652,460</b>     | <b>1,777,182</b>        |
| Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | <b>6.3%</b>          | <b>6.6%</b>             |
| Percentage of outstanding credit exposures with connected parties which is non-performing or in default | <b>-</b>             | <b>-</b>                |

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 16 July 2014.

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and financing commitments. It also includes holdings of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties mentioned above are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

**32. 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 2021              |                                    |                                      | 31 December 2020           |                                    |                                      |
|   | Principal amount<br>RM'000 | Credit equivalent amount<br>RM'000 | Total risk weighted amount<br>RM'000 | Principal amount<br>RM'000 | Credit equivalent amount<br>RM'000 | Total risk weighted amount<br>RM'000 |
| The commitments and contingencies constitute the following: |                            |                                    |                                      |                            |                                    |                                      |
| <b>Contingent liabilities</b>                               |                            |                                    |                                      |                            |                                    |                                      |
| Direct credit substitutes                                   | 310,136                    | 310,136                            | 281,854                              | 298,114                    | 298,114                            | 277,009                              |
| Trade-related contingencies                                 | 63,873                     | 12,775                             | 1,246                                | 29,755                     | 5,951                              | 208                                  |
| Transaction-related contingencies                           | 417,215                    | 208,608                            | 197,217                              | 403,511                    | 201,755                            | 187,023                              |
| <b>Commitments</b>  |                            |                                    |                                      |                            |                                    |                                      |
| Credit extension commitment:                                |                            |                                    |                                      |                            |                                    |                                      |
| - Maturity within one (1) year                              | 840,077                    | 168,015                            | 163,490                              | 722,818                    | 144,564                            | 137,659                              |
| - Maturity exceeding one (1) year                           | 723,471                    | 361,736                            | 333,530                              | 929,662                    | 464,831                            | 427,279                              |
| Other miscellaneous commitments & contingencies             | 5,546                      | -                                  | -                                    | 7,102                      | -                                  | -                                    |
| <b>Islamic derivative financial instruments</b>             |                            |                                    |                                      |                            |                                    |                                      |
| Foreign exchange related contracts                          | 3,075,276                  | 67,064                             | 44,067                               | 3,326,522                  | 89,181                             | 40,093                               |
| Profit rate related contract                                | 1,200,000                  | 59,000                             | 11,800                               | 1,200,000                  | 59,000                             | 11,800                               |
|   | <b>6,635,594</b>           | <b>1,187,334</b>                   | <b>1,033,204</b>                     | <b>6,917,484</b>           | <b>1,263,396</b>                   | <b>1,081,071</b>                     |

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### 33. Capital adequacy

#### (a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 9 December 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%               |

\*In addition, BNM had introduced Capital Conservation Buffer of 2.5% of total risk weighted assets ("RWA") as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA.

- (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 3 May 2019 for Islamic banks.

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%, 6.0% and 8.0% of total RWA.

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**33. Capital adequacy (cont'd.)**

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

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <b>Computation of Total Risk</b>                      |                            |                               |                            |                               |
| <b>Weighted Assets ("RWA")</b>                        |                            |                               |                            |                               |
| Total credit RWA                                      | 15,767,999                 | 15,081,238                    | 15,745,923                 | 15,063,327                    |
| Total market RWA                                      | 64,093                     | 22,546                        | 64,093                     | 22,546                        |
| Total operational RWA                                 | 1,259,314                  | 1,259,314                     | 1,272,072                  | 1,250,046                     |
| Total RWA   | <b>17,091,406</b>          | <b>16,363,098</b>             | <b>17,082,088</b>          | <b>16,335,919</b>             |
| <b>Computation of Capital Ratio</b>                   |                            |                               |                            |                               |
| <b><u>Tier-I capital</u></b>                          |                            |                               |                            |                               |
| Share capital   | 1,195,000                  | 1,195,000                     | 1,195,000                  | 1,195,000                     |
| Retained profits                                      | 1,392,969                  | 1,392,969                     | 1,384,855                  | 1,384,856                     |
| <b>Other Reserves</b>                                 |                            |                               |                            |                               |
| Regulatory reserve                                    | 45,411                     | 45,411                        | 45,411                     | 45,411                        |
| FVOCI reserve   | (1,655)                    | 18,240                        | (1,655)                    | 18,240                        |
| Foreign exchange translation reserve                  | 357                        | (968)                         | 358                        | (968)                         |
| <b>Regulatory Adjustment</b>                          |                            |                               |                            |                               |
| Deferred tax assets                                   | (45,737)                   | (39,422)                      | (45,369)                   | (39,070)                      |
| Investment property gain                              | (7,496)                    | (7,496)                       | (7,496)                    | (7,496)                       |
| Regulatory reserve                                    | (45,411)                   | (45,411)                      | (45,411)                   | (45,411)                      |
| FVOCI reserve   | -                          | (10,032)                      | -                          | (10,032)                      |
| Investment in subsidiaries                            | -                          | -                             | (13,159)                   | (13,159)                      |
| Intangible asset<br>(net of deferred tax liabilities) | (30,119)                   | (14,293)                      | (29,906)                   | (14,080)                      |
| <b>Total Common Equity Tier-I Capital</b>             | <b>2,503,319</b>           | <b>2,533,998</b>              | <b>2,482,628</b>           | <b>2,513,291</b>              |
| <b>Total Tier-I Capital</b>                           | <b>2,503,319</b>           | <b>2,533,998</b>              | <b>2,482,628</b>           | <b>2,513,291</b>              |
| <b><u>Tier-II capital</u></b>                         |                            |                               |                            |                               |
| Subordinated sukuk                                    | 250,000                    | 250,000                       | 250,000                    | 250,000                       |
| Loss provision and regulatory reserve*                | 148,786                    | 150,659                       | 148,786                    | 150,659                       |
| Add: Investment property gain                         | 3,373                      | 3,373                         | 3,373                      | 3,373                         |
| <b>Total Tier-II Capital</b>                          | <b>402,159</b>             | <b>404,032</b>                | <b>402,159</b>             | <b>404,032</b>                |
| <b>Total Capital Base</b>                             | <b>2,905,478</b>           | <b>2,938,030</b>              | <b>2,884,787</b>           | <b>2,917,323</b>              |
| <b>Ratio (%)</b>                                      |                            |                               |                            |                               |
| CET 1 Capital   | 14.647%                    | 15.486%                       | 14.534%                    | 15.385%                       |
| Tier 1 Capital  | 14.647%                    | 15.486%                       | 14.534%                    | 15.385%                       |
| Total Capital   | 17.000%                    | 17.955%                       | 16.888%                    | 17.858%                       |

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

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**33. Capital adequacy (cont'd.)**

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:

|  | <b>Group</b>   |  |  |  |
|--|--|--|--|--|
|  | <b>31 March<br/>2021</b>   |  | <b>31 December<br/>2020</b>  |  |
|  | <b>Total<br/>exposures<br/>after netting<br/>and credit risk<br/>mitigation<br/>RM'000</b> | <b>Total risk<br/>weighted<br/>assets<br/>RM'000</b> | <b>Total<br/>exposures<br/>after netting<br/>and credit<br/>risk<br/>mitigation<br/>RM'000</b> | <b>Total risk<br/>weighted<br/>assets<br/>RM'000</b> |
| 0%   | 4,446,005  | -  | 6,524,558  | -  |
| 20%  | 2,225,075  | 445,014  | 1,910,642  | 382,128  |
| 35%  | 3,321,763  | 1,162,617  | 3,732,543  | 1,306,390  |
| 50%  | 1,242,196  | 621,098  | 1,310,235  | 655,118  |
| 75%  | 3,072,207  | 2,304,155  | 2,941,178  | 2,205,884  |
| 100%   | 11,212,238   | 11,212,238   | 10,511,929   | 10,511,929   |
| 150%   | 15,251   | 22,877   | 13,193   | 19,789   |
| <b>Risk weighted assets for<br/>credit risk</b>      | <b>25,534,735</b>  | <b>15,767,999</b>                                    | <b>26,944,278</b>  | <b>15,081,238</b>                                    |
| <b>Risk weighted assets for<br/>market risk</b>      |  | <b>64,093</b>  |  | <b>22,546</b>  |
| <b>Risk weighted assets for<br/>operational risk</b> |  | <b>1,259,314</b>                                     |  | <b>1,259,314</b>                                     |
| <b>Total risk weighted assets</b>                    |  | <b>17,091,406</b>                                    |  | <b>16,363,098</b>                                    |

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**33. Capital adequacy (cont'd.)**

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

|  | <b>Bank</b>  |  |  |  |
|--|--|--|--|--|
|  | <b>31 March<br/>2021</b>   |  | <b>31 December<br/>2020</b>  |  |
|  | <b>Total<br/>exposures<br/>after netting<br/>and credit risk<br/>mitigation<br/>RM'000</b> | <b>Total risk<br/>weighted<br/>assets<br/>RM'000</b> | <b>Total<br/>exposures<br/>after netting<br/>and credit<br/>risk<br/>mitigation<br/>RM'000</b> | <b>Total risk<br/>weighted<br/>assets<br/>RM'000</b> |
| <b>0%</b>  | <b>4,446,005</b>   | <b>-</b>   | <b>6,524,558</b>   | <b>-</b>   |
| <b>20%</b>   | <b>2,225,075</b>   | <b>445,014</b>                                       | <b>1,910,642</b>   | <b>382,128</b>                                       |
| <b>35%</b>   | <b>3,321,763</b>   | <b>1,162,617</b>                                     | <b>3,732,543</b>   | <b>1,306,390</b>                                     |
| <b>50%</b>   | <b>1,242,196</b>   | <b>621,098</b>                                       | <b>1,310,235</b>   | <b>655,118</b>                                       |
| <b>75%</b>   | <b>3,072,207</b>   | <b>2,304,155</b>                                     | <b>2,941,178</b>   | <b>2,205,884</b>                                     |
| <b>100%</b>  | <b>11,201,782</b>  | <b>11,201,782</b>                                    | <b>10,502,441</b>  | <b>10,502,441</b>                                    |
| <b>150%</b>  | <b>7,505</b>   | <b>11,258</b>  | <b>7,578</b>   | <b>11,366</b>  |
| <b>Risk weighted assets for<br/>credit risk</b>      | <b>25,516,533</b>  | <b>15,745,924</b>                                    | <b>26,929,175</b>  | <b>15,063,327</b>                                    |
| <b>Risk weighted assets for<br/>market risk</b>      |  | <b>64,093</b>  |  | <b>22,546</b>  |
| <b>Risk weighted assets for<br/>operational risk</b> |  | <b>1,272,072</b>                                     |  | <b>1,250,046</b>                                     |
| <b>Total risk weighted assets</b>                    |  | <b>17,082,089</b>                                    |  | <b>16,335,919</b>                                    |



### **34. 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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**34. 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<br>Market Price<br>Level 1<br>RM'000 | Valuation technique using                 |   | Total<br>RM'000 |
|--|---|---|---|-----------------|
|  |   | Observable<br>Inputs<br>Level 2<br>RM'000 | Unobservable<br>Inputs<br>Level 3<br>RM'000 |                 |
| <b>31 March 2021</b>   |   |   |   |                 |
| <b>Non-financial assets</b>  |   |   |   |                 |
| Investment properties  | -   | -   | 55,890                                      | 55,890          |
| <b>Financial assets</b>  |   |   |   |                 |
| Financial investments<br>designated at fair value<br>through profit and loss | -   | 10,481                                    | 304,963                                     | 315,444         |
| Financial investments<br>fair value through other<br>comprehensive income    | 109,164                                     | 4,108,234                                 | 4,631                                       | 4,222,029       |
| Derivative financial assets  | -   | 30,353                                    | -   | 30,353          |
| Total financial assets<br>measured at fair value                             | 109,164                                     | 4,149,068                                 | 309,594                                     | 4,567,826       |
| <b>Financial liabilities</b>   |   |   |   |                 |
| Derivative financial liabilities   | -   | 96,594                                    | -   | 96,594          |
| Total financial liabilities<br>measured at fair value                        | -   | 96,594                                    | -   | 96,594          |

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**34. 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<br>Market Price<br>Level 1<br>RM'000 | <u>Valuation technique using</u>          |   | Total<br>RM'000 |
|---|---|---|---|-----------------|
|   |   | Observable<br>Inputs<br>Level 2<br>RM'000 | Unobservable<br>Inputs<br>Level 3<br>RM'000 |                 |
| <b>31 December 2020</b>   |   |   |   |                 |
| <b>Non-financial assets</b>   |   |   |   |                 |
| Investment properties   | -   | -   | 55,889                                      | 55,889          |
| <b>Financial assets</b>   |   |   |   |                 |
| Financial investments<br>designated at fair value<br>through profit or loss | -   | 10,492                                    | 302,845                                     | 313,337         |
| Financial investments at<br>FVOCI   | 104,410                                     | 3,689,924                                 | 4,631                                       | 3,798,965       |
| Derivative financial assets   | -   | 47,820                                    | -   | 47,820          |
| Total financial assets<br>measured at fair value                            | 104,410                                     | 3,748,236                                 | 307,476                                     | 4,160,122       |
| <b>Financial liabilities</b>  |   |   |   |                 |
| Derivative financial liabilities  | -   | 167,334                                   | -   | 167,334         |
| Total financial liabilities<br>measured at fair value                       | -   | 167,334                                   | -   | 167,334         |

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**34. 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<br>Market Price<br>Level 1<br>RM'000 | <u>Valuation technique using</u>          |   | Total<br>RM'000 |
|--|---|---|---|-----------------|
|  |   | Observable<br>Inputs<br>Level 2<br>RM'000 | Unobservable<br>Inputs<br>Level 3<br>RM'000 |                 |
| <b>31 March 2021</b>   |   |   |   |                 |
| <b>Non-financial assets</b>  |   |   |   |                 |
| Investment properties  | -   | -   | 55,890                                      | 55,890          |
| <b>Financial assets</b>  |   |   |   |                 |
| Financial investments<br>designated at fair value<br>through profit and loss | -   | 10,481                                    | 304,963                                     | 315,444         |
| Financial investments<br>fair value through other<br>comprehensive income    | 106,688                                     | 4,108,234                                 | 4,631                                       | 4,219,553       |
| Derivative financial assets  | -   | 30,353                                    | -   | 30,353          |
| Total financial assets<br>measured at fair value                             | 106,688                                     | 4,149,068                                 | 309,594                                     | 4,565,350       |
| <b>Financial liabilities</b>   |   |   |   |                 |
| Derivative financial liabilities   | -   | 96,594                                    | -   | 96,594          |
| Total financial liabilities<br>measured at fair value                        | -   | 96,594                                    | -   | 96,594          |

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**34. 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<br>Market Price<br>Level 1<br>RM'000 | <u>Valuation technique using</u>          |   | Total<br>RM'000 |
|--|---|---|---|-----------------|
|  |   | Observable<br>Inputs<br>Level 2<br>RM'000 | Unobservable<br>Inputs<br>Level 3<br>RM'000 |                 |
| <b>31 December 2020</b>  |   |   |   |                 |
| <b>Non-financial assets</b>  |   |   |   |                 |
| Investment properties  | -   | -   | 55,889                                      | 55,889          |
| <b>Financial assets</b>  |   |   |   |                 |
| Financial investments<br>designated at fair value<br>through profit and loss | -   | 10,492                                    | 302,845                                     | 313,337         |
| Financial investments at<br>FVOCI  | 101,944                                     | 3,689,923                                 | 4,631                                       | 3,796,498       |
| Derivative financial assets  | -   | 47,820                                    | -   | 47,820          |
| Total financial assets<br>measured at fair value                             | 101,944                                     | 3,748,235                                 | 307,476                                     | 4,157,655       |
| <b>Financial liabilities</b>   |   |   |   |                 |
| Derivative financial liabilities   | -   | 167,334                                   | -   | 167,334         |
| Total financial liabilities<br>measured at fair value                        | -   | 167,334                                   | -   | 167,334         |

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**34. 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:

|   | <b>Group and Bank</b> |                    |
|---|-----------------------|--------------------|
|   | <b>31 March</b>       | <b>31 December</b> |
|   | <b>2021</b>           | <b>2020</b>        |
|   | <b>RM'000</b>         | <b>RM'000</b>      |
| <b>At 1 January 2021/2020</b>             | <b>307,476</b>        | <b>304,353</b>     |
| Loss recognised                           |                       |                    |
| in profit or loss                         | <b>(3,083)</b>        | 9,007              |
| Purchases                                 | -                     | -                  |
| Sales/ redeemed                           | -                     | (2,818)            |
| Foreign exchange                          |                       |                    |
| translation difference                    | <b>5,202</b>          | <b>(3,066)</b>     |
| <b>At 31 March 2021/ 31 December 2020</b> | <b>309,595</b>        | <b>307,476</b>     |

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.

|   | <b>Group and Bank</b> |                    |
|---|-----------------------|--------------------|
|   | <b>31 March</b>       | <b>31 December</b> |
|   | <b>2021</b>           | <b>2020</b>        |
|   | <b>RM'000</b>         | <b>RM'000</b>      |
| Total loss recognised in statements         |                       |                    |
| of profit or loss for financial instruments |                       |                    |
| measured at fair value at the               |                       |                    |
| end of the financial period                 | <b>(3,083)</b>        | 9,007              |

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**35. Segment information**

**(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.

| <b>Group</b>  | <b>Business banking</b> | <b>Consumer banking</b> | <b>Treasury and investment banking</b> | <b>Others</b>  | <b>Total</b>     |
|---|-------------------------|-------------------------|--|----------------|------------------|
| <b>31 March 2021</b>                                    | <b>RM'000</b>           | <b>RM'000</b>           | <b>RM'000</b>                          | <b>RM'000</b>  | <b>RM'000</b>    |
| Revenue   | <b>77,011</b>           | <b>170,518</b>          | <b>36,742</b>                          | <b>(7,604)</b> | <b>276,667</b>   |
| <b>Total income</b>                                     | <b>50,929</b>           | <b>98,798</b>           | <b>5,137</b>                           | <b>42,063</b>  | <b>196,927</b>   |
| (Allowance for)/writeback of impairment on financing    | <b>(1,675)</b>          | <b>(23,975)</b>         | <b>-</b>                               | <b>-</b>       | <b>(25,650)</b>  |
| Writeback of impairment on investments                  | <b>-</b>                | <b>-</b>                | <b>91</b>                              | <b>-</b>       | <b>91</b>        |
| Allowance for impairment on other financial assets, net | <b>-</b>                | <b>-</b>                | <b>39</b>                              | <b>-</b>       | <b>39</b>        |
| Other expenses  | <b>-</b>                | <b>-</b>                | <b>-</b>                               | <b>(5,456)</b> | <b>(5,456)</b>   |
| <b>Total net income</b>                                 | <b>49,254</b>           | <b>74,823</b>           | <b>5,267</b>                           | <b>36,607</b>  | <b>165,951</b>   |
| Total overhead expenses                                 |                         |                         |  |                | <b>(114,052)</b> |
| <b>Profit before zakat and taxation</b>                 |                         |                         |  |                | <b>51,899</b>    |
| Zakat   |                         |                         |  |                | <b>(1,311)</b>   |
| Taxation  |                         |                         |  |                | <b>(13,753)</b>  |
| <b>Profit for the period</b>                            |                         |                         |  |                | <b>36,835</b>    |

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**35. Segment information (cont'd.)****(a) Business segments (cont'd.)**

| <b>Group</b>  | <b>Business banking</b> | <b>Consumer banking</b> | <b>Treasury and investment banking</b> | <b>Others</b> | <b>Total</b>  |
|---|-------------------------|-------------------------|--|---------------|---------------|
| <b>31 March 2020</b>                                    | <b>RM'000</b>           | <b>RM'000</b>           | <b>RM'000</b>                          | <b>RM'000</b> | <b>RM'000</b> |
| Revenue   | 75,107                  | 164,707                 | 25,992                                 | 8,759         | 274,565       |
| <b>Total income</b>                                     | 33,064                  | 92,337                  | (17,730)                               | 39,735        | 147,406       |
| 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)       |
| <b>Total net income</b>                                 | 32,552                  | 66,512                  | (16,907)                               | 35,730        | 117,887       |
| Total overhead expenses                                 |                         |                         |  |               | (113,670)     |
| <b>Profit before zakat and taxation</b>                 |                         |                         |  |               | 4,217         |
| Zakat   |                         |                         |  |               | (101)         |
| Taxation  |                         |                         |  |               | (12,571)      |
| <b>Profit for the period</b>                            |                         |                         |  |               | (8,455)       |

| <b>Bank</b>   | <b>Business banking</b> | <b>Consumer banking</b> | <b>Treasury and investment banking</b> | <b>Others</b> | <b>Total</b>  |
|---|-------------------------|-------------------------|--|---------------|---------------|
| <b>31 March 2021</b>                                    | <b>RM'000</b>           | <b>RM'000</b>           | <b>RM'000</b>                          | <b>RM'000</b> | <b>RM'000</b> |
| Revenue   | 77,011                  | 170,518                 | 34,428                                 | (7,604)       | 274,353       |
| <b>Total Income</b>                                     | 50,929                  | 98,798                  | 2,777                                  | 42,063        | 194,567       |
| (Allowance for)/writeback of impairment on financing    | (1,675)                 | (23,975)                | -                                      | -             | (25,650)      |
| Writeback of impairment on investments                  | -                       | -                       | 91                                     | -             | 91            |
| Allowance for impairment on other financial assets, net | -                       | -                       | 39                                     | -             | 39            |
| Other expenses  | -                       | -                       | -                                      | (5,456)       | (5,456)       |
| <b>Total net income</b>                                 | 49,254                  | 74,823                  | 2,907                                  | 36,607        | 163,591       |
| Total overhead expenses                                 |                         |                         |  |               | (113,507)     |
| <b>Profit before zakat and taxation</b>                 |                         |                         |  |               | 50,084        |
| Zakat   |                         |                         |  |               | (1,252)       |
| Taxation  |                         |                         |  |               | (13,362)      |
| <b>Profit for the period</b>                            |                         |                         |  |               | 35,470        |



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**35. Segment information (cont'd.)**

**(a) Business segments (cont'd.)**

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