



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
31 MARCH 2022 (28 SYAABAN 1443H)**

Company No. 196501000376 (6175-W)

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

Contents	Page
Unaudited Statement of Financial Position	1
Unaudited Statements of Profit or Loss	3
Unaudited Statements of Other Comprehensive Income	4
Unaudited Statement of Changes in Equity	5
Unaudited Statements of Cash Flows	7
Notes to Interim Financial Statements	10

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (28 SYAABAN 1443H)**

		Group		Bank	
		As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Note					
Assets					
		1,127,101	1,142,291	1,127,101	1,142,291
		22,400	31,184	22,400	31,184
	8(i)	332,122	321,276	329,611	321,276
	8(ii)	4,655,456	4,866,770	4,655,456	4,864,264
	8(iii)	109,385	107,109	109,385	107,109
	9	6,390	5,437	6,390	5,437
	10	21,472,742	20,671,306	21,459,918	20,661,618
	11	55,017	33,700	54,336	33,101
		161,971	130,148	161,971	130,148
		-	-	13,159	13,159
		56,564	56,564	56,564	56,564
		27,177	29,423	27,177	29,423
		77,154	76,671	76,841	76,367
		50,542	52,008	50,478	51,962
	12	38,735	42,504	38,735	42,504
Total assets		28,192,756	27,566,391	28,189,522	27,566,407
Liabilities					
	13	23,667,777	23,113,166	23,683,141	23,128,717
	15	290,061	216,978	290,061	216,978
	14	294,332	291,866	294,332	291,866
		10,641	7,755	10,641	7,755
	9	46,062	61,543	46,062	61,543
	16	125,299	156,539	124,633	155,971
		29,482	31,751	29,482	31,751
	17	9,274	6,664	7,940	6,197
	18	423,151	427,466	423,151	427,466
	19	505,506	499,876	505,506	499,876
Total liabilities		25,401,585	24,813,604	25,414,949	24,828,120

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (28 SYAABAN 1443H) - (CONT'D.)**

	Note	Group		Bank	
		As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Shareholders' equity					
Share capital		1,195,000	1,195,000	1,195,000	1,195,000
Reserves		1,596,171	1,557,787	1,579,573	1,543,287
Total shareholders' equity		2,791,171	2,752,787	2,774,573	2,738,287
Total liabilities and shareholders' equity		28,192,756	27,566,391	28,189,522	27,566,407
Restricted investment accounts	15	132	132	132	132
Total Islamic banking asset and asset under management		28,192,888	27,566,523	28,189,654	27,566,539
Commitments and contingencies	33	5,318,956	5,291,782	5,318,956	5,291,782
Capital adequacy *					
CET 1 capital ratio	34	13.156%	13.708%	13.049%	13.590%
Total capital ratio	34	16.891%	17.349%	16.794%	17.237%

* 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 2021.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

		Group		Bank	
		31 March	31 March	31 March	31 March
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	20	290,365	271,127	290,365	271,127
Income/(Loss) derived from investment of shareholders' funds	21	2,268	5,540	(1,194)	3,226
Income derived from investment of investment account funds	22	2,087	-	2,087	-
Allowance for impairment on financing	23	(4,260)	(25,650)	(4,260)	(25,650)
(Allowance for)/writeback of impairment losses on financial investments, net	24	(99)	91	(99)	91
(Allowance for)/writeback of impairment losses on other financial assets, net	25	(111)	39	(111)	39
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(5,275)	(5,456)	(5,275)	(5,456)
Total distributable income		284,975	245,691	281,513	243,377
Income attributable to depositors	26	(96,673)	(79,740)	(96,736)	(79,786)
Income attributable to investment account holders		(37)	-	(37)	-
Total net income		188,265	165,951	184,740	163,591
Personnel expenses	27	(64,410)	(61,039)	(63,749)	(60,482)
Other overheads and expenditures	28	(40,048)	(36,888)	(40,354)	(37,004)
Finance costs	29	(10,920)	(16,125)	(10,920)	(16,021)
Profit before zakat and taxation		72,887	51,899	69,717	50,084
Zakat	30	(1,803)	(1,311)	(1,743)	(1,252)
Taxation	31	(27,736)	(13,753)	(26,724)	(13,362)
Profit for the period		43,348	36,835	41,250	35,470
Earnings per share attributable to shareholders (sen) (basic and diluted):		14.51	12.33		

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 2021.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

	Note	Group		Bank	
		31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Profit for the period		43,348	36,835	41,250	35,470
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss					
Loss on financial investments at fair value through other comprehensive income		(2,999)	(19,010)	(2,999)	(19,010)
- Net loss on change in fair value		(4,429)	(25,279)	(4,429)	(25,279)
- Changes in expected credit losses	8(ii)	22	(10)	22	(10)
- Income tax effect	12	1,747	6,279	1,747	6,279
- Realised gain transferred to profit or loss on disposal	20 & 21	(339)	-	(339)	-
Exchange fluctuation reserve		395	1,325	395	1,325
Items that may not be reclassified subsequently to profit or loss					
Net unrealised loss on equity securities at fair value through other comprehensive income		(2,360)	(1,909)	(2,360)	(1,909)
Other comprehensive loss for the period, net of tax		(4,964)	(19,594)	(4,964)	(19,594)
Total comprehensive income for the period		38,384	17,241	36,286	15,876

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 2021.

196501000376 (6175-W)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

	Non-distributable				Distributable	
	Ordinary shares RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total Equity RM'000
Group						
At 1 January 2022	1,195,000	(40,014)	28,079	649	1,569,073	2,752,787
Profit for the period	-	-	-	-	43,348	43,348
Other comprehensive loss for the period	-	(5,359)	-	395	-	(4,964)
Total comprehensive income for the period	-	(5,359)	-	395	43,348	38,384
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(92)	-	-	92	-
Transfer from regulatory reserve	-	-	8,923	-	(8,923)	-
At 31 March 2022	1,195,000	(45,465)	37,002	1,044	1,603,590	2,791,171
At 1 January 2021	1,195,000	18,240	45,411	(968)	1,392,969	2,650,652
Profit for the period	-	-	-	-	36,835	36,835
Other comprehensive loss for the period	-	(20,919)	-	1,325	-	(19,594)
Total comprehensive income 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)	-
At 31 March 2021	1,195,000	(1,654)	45,411	357	1,428,779	2,667,893

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 2021.

196501000376 (6175-W)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)**

	Non-distributable			Distributable	
	Ordinary shares RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Total Equity RM'000
Bank					
At 1 January 2021	1,195,000	(40,014)	28,079	650	1,554,572
Profit for the period	-	-	-	-	41,250
Other comprehensive loss for the period	-	(5,359)	-	395	-
Total comprehensive income for the period	-	(5,359)	-	395	41,250
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	(92)	-	-	92
Transfer from regulatory reserve	-	-	8,923	-	(8,923)
At 31 March 2022	1,195,000	(45,465)	37,002	1,045	1,586,991
At 1 January 2021	1,195,000	18,240	45,411	(967)	1,384,855
Profit for the period	-	-	-	-	35,470
Other comprehensive loss for the period	-	(20,919)	-	1,325	-
Total comprehensive income for the period	-	(20,919)	-	1,325	35,470
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	1,025	-	-	(1,025)
At 31 March 2021	1,195,000	(1,654)	45,411	358	1,419,300

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 2021.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

		Group		Bank	
	Note	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		72,887	51,899	69,717	50,084
Adjustment for					
Fair value gain/(loss) of financial liabilities	21	1,577	(8,587)	1,577	(8,587)
Amortisation of intangible asset	28	5,624	5,304	5,623	5,304
Depreciation of property, plant and equipment	28	2,906	2,911	2,903	2,909
Depreciation of right-of-use assets	28	2,035	3,044	2,035	2,919
Amortisation of cost on Subordinated Sukuk Issued		133	50	133	50
Fixed asset written off		2	10	2	10
Amortisation of premium (net)	20 & 21	13,030	7,678	13,030	7,678
Net gain from sale of financial investments at fair value through other comprehensive income	20 & 21	(339)	-	(339)	-
Net gain from sale of financial investment designated at FVTPL	20 & 21	(13)	(71)	(13)	(71)
Unrealised (gain)/loss on revaluation of financial investment designated at FVTPL	20 & 21	(1,556)	4,377	(1,556)	4,377
Net (gain)/loss on revaluation of foreign exchange transaction	21	(2,112)	16,932	(2,112)	16,932
Net loss/(gain) from foreign exchange derivatives	21	701	(18,849)	701	(18,849)
Unrealised gain on revaluation of islamic profit rate swap	21	(17,137)	(34,423)	(17,137)	(34,423)
Unrealised loss on revaluation of hedged items	21	19,322	36,253	19,322	36,253
Allowance for/(writeback of) impairment losses on financial investments, net	24	99	(91)	99	(91)
Allowance for/(writeback of) impairment on other financial assets, net	25	111	(39)	111	(39)
Net allowance for impairment on financing	23	12,345	30,808	12,345	30,808
Financing written off	23	35	26	35	26
Finance cost	29	10,920	16,125	10,920	16,021
Gross dividend income	21	(6)	(10)	(1,000)	-
Operating profit before working capital changes		120,564	113,347	116,396	111,311

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

		Group		Bank	
	Note	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
(Increase)/decrease in operating assets:					
Financial investment portfolio		(7,783)	(56,690)	(7,782)	(56,691)
Islamic derivative financial assets		(1,655)	36,317	(1,655)	36,317
Financing of customers		(829,682)	(601,216)	(826,547)	(599,085)
Statutory deposits with Bank Negara Malaysia		(31,822)	4,777	(31,822)	4,777
Other assets		(19,405)	(25,737)	(19,327)	(24,634)
(Decrease)/Increase in operating liabilities:					
Deposits from customers		554,611	(1,377,158)	554,424	(1,378,111)
Investment accounts of customers		73,083	-	73,083	-
Deposits and placements of banks and other financial institutions		888	100,555	888	100,555
Islamic derivative financial liabilities		1,655	(36,317)	1,655	(36,317)
Bills and acceptances payable		2,886	3,276	2,886	3,276
Other liabilities		(31,437)	10,278	(31,535)	9,616
Cash used in operations		(168,097)	(1,828,568)	(169,336)	(1,828,986)
Finance cost on lease liabilities paid	29	(409)	(560)	(409)	(456)
Tax paid		(20,713)	(4,295)	(20,508)	(4,036)
Net cash used in operating activities		(189,219)	(1,833,423)	(190,253)	(1,833,478)
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		325,825	1,083,012	325,825	1,083,012
Purchase of financial investment in securities		(141,631)	(1,499,262)	(141,626)	(1,499,252)
Purchase of property, plant and equipment		(1,459)	(1,409)	(1,435)	(1,409)
Purchase of intangible asset		(6,108)	(2,756)	(6,097)	(2,756)
Dividend income	21	6	10	1,000	-
Net cash generated from/(used in) investing activities		176,633	(420,405)	177,667	(420,405)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from financing activities				
Repayment of lease liability	(2,059)	(2,991)	(2,059)	(2,936)
Additional issuance of subordinated sukuk	(66)	-	(66)	-
Repayment of principal for recourse obligation on financing sold to Cagamas	(4,313)	(4,028)	(4,313)	(4,028)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(4,950)	(5,145)	(4,950)	(5,145)
Net cash used in financing activities	(11,388)	(12,164)	(11,388)	(12,109)
Net decrease in cash and cash equivalents	(23,974)	(2,265,992)	(23,974)	(2,265,992)
Cash and cash equivalents at beginning of the period	1,173,475	2,963,589	1,173,475	2,963,589
Cash and cash equivalents at end of the period	1,149,501	697,597	1,149,501	697,597
Cash and cash equivalents consist of:				
Cash and short term funds	1,127,101	686,291	1,127,101	686,291
Cash and placements with financial institutions	22,400	11,306	22,400	11,306
	1,149,501	697,597	1,149,501	697,597

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 2021.

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

NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS ENDED 31 MARCH 2022 (28 SYAABAN 1443H)

1. Basis of preparation

The unaudited condensed financial statements for the first financial quarter ended 31 March 2022 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"), 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 2022 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 2021. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2021.

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 2021 except for adoption of the following MFRSs and Interpretations of the Issues Committee ("IC Interpretations") with effective dates as follows:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3: Business Combinations- Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets-Onerous Contracts- Cost of Fulfilling a Contract	1 January 2022

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

1. Basis of preparation (cont'd.)

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

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

2. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2021 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 2022.

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 2022.

5. Changes in accounting estimates

There were no material changes in estimates during the first quarter ended 31 March 2022.

6. Dividends

There was no dividend payment during the first quarter ended 31 March 2022.

7. Performance review and outlook

The Group posted an unaudited profit before zakat and taxation of RM72.9 million for the three (3) months period ended 31 March 2022, an increase of 40.4% from RM51.9 million recorded in the previous corresponding period ended 31 March 2021. This was mainly attributed to increase in total income by RM18.1 million or 6.5% to RM294.7 million, in line with positive growth in financing assets and decrease in allowance for impairment on financing by RM21.4 million or 83.4% to RM4.3 million from RM25.7 million in the previous corresponding period. The increase in total income was partially offset by increase in income attributable to depositors and investment account holders by RM16.9 million or 21.2% to RM96.7 million from RM79.7 million recorded in the previous corresponding period.

Total assets grew by 2.3% to RM28.2 billion as at 31 March 2022 as compared to RM27.6 billion as at the financial year end closing Dec 2021. This was mainly contributed by 3.9% growth in total gross financing from RM20.9 billion to RM21.7 billion as at 31 March 2022. Total deposits from customers also recorded an increase by 2.4%, in tandem with the increase in total gross financing.

The Group's capital ratios remained stable with CET 1 Capital and Total Capital Ratios stood at 13.16% and 16.89% respectively.

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

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

OUTLOOK

The International Monetary Fund (IMF), in its January 2022 issue of the World Economic Outlook report, has projected for a moderate global economic growth from 5.9% in 2021 to 4.4%¹ in 2022, reflecting forecast markdowns in the two largest economies US and China. US downward revision were due to revised assumption removing the Building Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation and continued supply shortage. China downward revision resulted from pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers.

Meanwhile, BNM in its latest Economic and Monetary Review report, projected Malaysian economy to grow by between 5.3% and 6.3%² in 2022. The projection will be riding on the several factors including continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. Moody's has projected Malaysia's growth at 6% this year and continue at the same pace in 2023 based on the normalisation of activities in key economic sectors and reopening of borders, as well as continued strong export demand.

Bank has decided to revise its 5-Year Strategic Business Plan, now called RISE26+³ to stay relevant and remain more competitive in the industry. RISE26+ will be executed from year 2022 until 2026, continuation of the previous RISE24⁴. The business plan focuses on enhancing sustainable shareholder's return, capturing new customer segments, expanding digital customers, cultivating high performing organization and continuously promote Value- based intermediation initiatives as well as sustainability agenda, in line with the Government's plan.

Bank Muamalat will continue to show unfaltering support to the Government's economic recovery efforts and will ensure customers impacted by the pandemic or flood, will continue to have access to the financial assistance and support. For a more robust enforcement of regulatory requirements, the Bank will continue to exercise effective Risk and Compliance Management programmes thoroughly. The Bank has also outlined strategies in its RISE26+ to ensure good risk management, preservation of the asset quality, intensive recovery plan as well as efficient management of liquidity to anticipate the unprecedented risks associated with current economic conditions.

Moving forward, the Bank anticipates continued strong growth in the Bank's overall assets and gross financing for FY2022. The Bank foresees more opportunity to grow in retail financing due to better prospect in overall domestic economic expansion and by leveraging on digital and technology enhancement as per outlined in RISE26+.

¹ World Economic Outlook Update, January 2022, International Monetary Policy

² 2021 Economic and Monetary Review, Bank Negara Malaysia

³ RISE26+ is a 5-Year Strategic Business Plan (2022-2026) with five (5) distinctive aspirations, driven by eight (8) strategic thrusts and realised by eighteen (18) transformational strategies throughout the plan

⁴ RISE24 is a 5-Year Strategic Business Plan (2020-2024) 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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

8. Financial investments

		Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Note					
Financial investments at fair value through profit or loss	(i)	332,122	321,276	329,611	321,276
Financial investments at fair value through other comprehensive income	(ii)	4,655,456	4,866,770	4,655,456	4,864,264
Financial investments at amortised cost	(iii)	109,385	107,109	109,385	107,109
		5,096,963	5,295,155	5,094,452	5,292,649
		Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
(i) Financial investments at fair value through profit or loss					
Unquoted securities in Malaysia:					
Private equity funds		171,535	168,385	171,535	168,385
Islamic private debt securities in Malaysia		154,296	152,891	154,296	152,891
Unit trusts		6,291	-	3,780	-
		332,122	321,276	329,611	321,276
		Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
(ii) Financial investments at fair value through other comprehensive income					
Debt instruments:					
Government securities and treasury bills:					
Malaysian government investment certificates		4,184,374	4,313,355	4,184,374	4,313,355
Unquoted securities:					
Islamic private debt securities in Malaysia		357,768	431,715	357,768	431,715
Cagamas sukuk		20,349	20,364	20,349	20,364
		378,117	452,079	378,117	452,079
Equity instruments:					
Quoted securities in Malaysia:					
Quoted shares		88,334	96,705	88,334	94,199
Unquoted securities:					
Shares in Malaysia		4,631	4,631	4,631	4,631
Total financial assets at fair value through other comprehensive income		4,655,456	4,866,770	4,655,456	4,864,264

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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 not credit impaired	Lifetime ECL credit impaired	Total ECL
At 31 March 2022	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	115	-	24,160	24,276
Allowance made	69	-	-	69
Amount written back in respect of recoveries	(47)	-	-	(47)
Exchange differences	-	-	-	-
At 31 March 2022	137	-	24,160	24,298

	Stage 1	Stage 2	Stage 3	
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
At 31 December 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	81	-	38,241	38,322
Allowance made	192	-	-	192
Amount written back in respect of recoveries	(157)	-	-	(157)
Amount written off	-	-	(14,596)	(14,596)
Exchange differences	-	-	515	515
At 31 December 2021	116	-	24,160	24,276

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

8. Financial investments (cont'd.)

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
(iii) Financial investments at amortised cost		
At amortised cost		
Unquoted Islamic corporate sukuk in Malaysia	147,651	146,749
less: Accumulated impairment losses	(38,266)	(39,640)
Total financial investments at amortised cost	109,385	107,109

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

	Stage 1	Stage 2	Stage 3	
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
At 31 March 2022				
At 1 January 2022	-	39,640	-	39,640
Amount written back in respect of recoveries	-	(1,374)	-	(1,374)
At 31 March 2022	-	38,266	-	38,266
At 31 December 2021				
At 1 January 2021	-	39,971	-	39,971
Amount written back in respect of recoveries	-	(331)	-	(331)
At 31 December 2021	-	39,640	-	39,640

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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 2022			31 December 2021		
	Contract/ notional amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives:						
Foreign exchange contracts						
- Currency forwards						
Less than one year	744,669	5,955	(429)	778,535	1,362	(3,463)
- Currency swaps						
Less than one year	733,184	420	(5,377)	841,155	4,074	(697)
- Currency spot						
Less than one year	64,435	15	(16)	10,907	1	(7)
	1,542,288	6,390	(5,822)	1,630,597	5,437	(4,167)
Islamic profit rate swap ("IPRS")						
Hedged IPRS	1,200,000	-	(40,240)	1,200,000	-	(57,376)
Total	2,742,288	6,390	(46,062)	2,830,597	5,437	(61,543)

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 2022			31 December 2021		
	Contract/ notional amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Islamic profit rate swap (IPRS)	1,200,000	-	(40,240)	1,200,000	-	(57,376)

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 2022, the Group and the Bank:-

- (i) recognised a net gain of RM17,136,515 (31 December 2021: net gain of RM50,139,069) on the hedging instrument. The total net loss on the hedged items attributable to the hedged risk amounted to RM19,321,573 (31 December 2021: net loss of RM57,692,261).

10. Financing of Customers

(i) By type and Shariah concepts

Group	Bai'	Ijarah			Bai'				Murabahah to		Total
31 March 2022	Bithaman Ajil	Thumma	Inah	Tawarruq	Al-Dayn	Murabahah	Istisna'	Qard	the Purchase	Shirkah	financing
	RM'000	Al-Bai	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Orderer	Mutanaqisah	RM'000
		RM'000							RM'000	RM'000	
Cash line	-	-	1,078	498,947	-	-	-	-	-	-	500,025
Term financing:											
Home financing	1,318,388	-	-	4,820,519	-	-	10,021	-	-	-	6,148,928
Syndicated financing	-	-	-	557,283	-	-	-	-	-	-	557,283
Hire purchase receivables	63,453	200,265	-	-	-	-	-	-	413,613	-	677,331
Personal financing	34,708	-	8	5,969,980	-	-	-	-	-	-	6,004,696
Other term financing *	137,368	-	-	4,099,018	-	-	20,263	70	-	82,337	4,339,056
Trust receipts	-	-	-	-	38,960	112,738	-	-	-	-	151,698
Claims on customers under acceptance credits	-	-	-	-	162,233	1,049,268	-	-	-	-	1,211,501
Staff financing	22,091	-	-	69,484	-	-	-	106	-	-	91,681
Revolving credit	-	-	-	1,721,593	-	-	-	-	-	-	1,721,593
Credit card	-	-	-	218	-	-	-	-	-	-	218
Ar-Rahnu	-	-	-	268,950	-	-	-	-	-	-	268,950
Gross financing	1,576,008	200,265	1,086	18,005,992	201,193	1,162,006	30,284	176	413,613	82,337	21,672,960
Fair value changes arising from fair value hedge	-	-	-	32,371	-	-	-	-	-	-	32,371
	1,576,008	200,265	1,086	18,038,363	201,193	1,162,006	30,284	176	413,613	82,337	21,705,331
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(6,010)	(565)	(9)	(108,482)	(689)	(2,347)	(80)	-	(257)	-	(118,439)
-Stage 2 - Lifetime ECL not credit impaired	(715)	(328)	(68)	(32,162)	(39)	(129)	-	-	(9)	-	(33,450)
-Stage 3 - Lifetime ECL credit impaired	(8,366)	(863)	(178)	(67,297)	(3,904)	-	-	-	(92)	-	(80,700)
Total net financing	1,560,917	198,509	831	17,830,422	196,561	1,159,530	30,204	176	413,255	82,337	21,472,742

* Included in other term financing are financing at fair value through profit or loss amounting to RM1,052,607,000 (31 December 2021:RM1,043,144,000) 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 31 December 2021	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Shirkah Mutanaqisah RM'000	Total financing RM'000
Cash line	-	-	1,124	521,609	-	-	-	-	-	-	522,733
Term financing:											
Home financing	1,351,309	-	-	4,437,624	-	-	10,128	-	-	-	5,799,061
Syndicated financing	-	-	-	561,017	-	-	-	-	-	-	561,017
Hire purchase receivables	66,640	221,620	-	-	-	-	-	-	362,215	-	650,475
Personal financing	35,792	-	10	5,677,081	-	-	-	-	-	-	5,712,883
Other term financing *	142,060	-	-	3,884,336	-	-	20,275	106	-	79,836	4,126,613
Trust receipts	-	-	-	-	44,644	115,099	-	-	-	-	159,743
Claims on customers under acceptance credits	-	-	-	-	151,596	1,005,348	-	-	-	-	1,156,944
Staff financing	23,230	-	-	70,181	-	-	-	94	-	-	93,505
Revolving credit	-	-	-	1,794,453	-	-	-	-	-	-	1,794,453
Credit card	-	-	-	19	-	-	-	-	-	-	19
Ar-Rahnu	-	-	-	272,570	-	-	-	-	-	-	272,570
Total gross financing ^	1,619,031	221,620	1,134	17,218,890	196,240	1,120,447	30,403	200	362,215	79,836	20,850,016
Fair value changes arising from fair value hedge	-	-	-	48,238	-	-	-	-	-	-	48,238
	1,619,031	221,620	1,134	17,267,128	196,240	1,120,447	30,403	200	362,215	79,836	20,898,254
Less : Allowance for impaired financing At amortised cost											
-Stage 1 - 12 Months ECL	(7,480)	(348)	(15)	(106,203)	(728)	(1,656)	(110)	-	(228)	-	(116,768)
-Stage 2 - Lifetime ECL not credit impaired	(2,673)	(357)	(34)	(30,589)	(39)	(349)	-	-	(5)	-	(34,046)
-Stage 3 - Lifetime ECL credit impaired	(8,354)	(352)	(177)	(67,173)	-	(32)	(14)	-	(32)	-	(76,134)
Total net financing	1,600,524	220,563	908	17,063,163	195,473	1,118,410	30,279	200	361,950	79,836	20,671,306

* Included in other term financing are financing at fair value through profit or loss amounting RM1,043,144,000 (2020: RM924,877,000) which mainly consists of hedged assets that are hedged against Islamic profit rate swap.

^ During the year, a total of RM9,645,841 (2020: RM46,212,464) 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' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
31 March 2022										
Cash line	-	-	1,078	498,947	-	-	-	-	-	500,025
Term financing:										
Home financing	1,318,388	-	-	4,820,519	-	-	10,021	-	-	6,148,928
Syndicated financing	-	-	-	557,283	-	-	-	-	-	557,283
Hire purchase receivables	63,453	200,265	-	-	-	-	-	-	413,613	677,331
Personal financing	34,708	-	8	5,969,980	-	-	-	-	-	6,004,696
Other term financing *	137,368	-	-	4,099,018	-	-	20,263	69,583	-	4,326,232
Trust receipts	-	-	-	-	38,960	112,738	-	-	-	151,698
Claims on customers under acceptance credits	-	-	-	-	162,233	1,049,268	-	-	-	1,211,501
Staff financing	22,091	-	-	69,484	-	-	-	106	-	91,681
Revolving credit	-	-	-	1,721,593	-	-	-	-	-	1,721,593
Credit card	-	-	-	218	-	-	-	-	-	218
Ar-Rahnu	-	-	-	268,950	-	-	-	-	-	268,950
Gross financing	1,576,008	200,265	1,086	18,005,992	201,193	1,162,006	30,284	69,689	413,613	21,660,136
Fair value changes arising from fair value hedge	-	-	-	32,371	-	-	-	-	-	32,371
	1,576,008	200,265	1,086	18,038,363	201,193	1,162,006	30,284	69,689	413,613	21,692,507
Less : Allowance for impaired financing										
-Stage 1 - 12 Months ECL	(6,010)	(565)	(9)	(108,482)	(689)	(2,347)	(80)	-	(257)	(118,439)
-Stage 2 - Lifetime ECL not credit impaired	(715)	(328)	(68)	(32,162)	(39)	(129)	-	-	(9)	(33,450)
-Stage 3 - Lifetime ECL credit impaired	(8,366)	(863)	(178)	(67,297)	(3,904)	-	-	-	(92)	(80,700)
Total net financing	1,560,917	198,509	831	17,830,422	196,561	1,159,530	30,204	69,689	413,255	21,459,918

* Included in other term financing are financing at fair value through profit or loss amounting to RM1,039,782,000 (2021:RM1,033,455,000) which mainly consists of hedged asset that are hedged against swap.

10. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank 31 December 2021	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
Cash line	-	-	1,124	521,609	-	-	-	-	-	522,733
Term financing:										
Home financing	1,351,309	-	-	4,437,624	-	-	10,128	-	-	5,799,061
Syndicated financing	-	-	-	561,017	-	-	-	-	-	561,017
Hire purchase receivables	66,640	221,620	-	-	-	-	-	-	362,215	650,475
Personal financing	35,792	-	10	5,677,081	-	-	-	-	-	5,712,883
Other term financing *	142,060	-	-	3,884,336	-	-	20,275	70,254	-	4,116,925
Trust receipts	-	-	-	-	44,644	115,099	-	-	-	159,743
Claims on customers under acceptance credits	-	-	-	-	151,596	1,005,348	-	-	-	1,156,944
Staff financing	23,230	-	-	70,181	-	-	-	94	-	93,505
Revolving credit	-	-	-	1,794,453	-	-	-	-	-	1,794,453
Credit card	-	-	-	19	-	-	-	-	-	19
Ar-Rahnu	-	-	-	272,570	-	-	-	-	-	272,570
Total gross financing ^	1,619,031	221,620	1,134	17,218,890	196,240	1,120,447	30,403	70,348	362,215	20,840,328
Fair value changes arising from fair value hedge	-	-	-	48,238	-	-	-	-	-	48,238
	1,619,031	221,620	1,134	17,267,128	196,240	1,120,447	30,403	70,348	362,215	20,888,566
Less : Allowance for impaired financing At amortised cost										
-Stage 1 - 12 Months ECL	(7,480)	(348)	(15)	(106,203)	(728)	(1,656)	(110)	-	(228)	(116,768)
-Stage 2 - Lifetime ECL not credit impaired	(2,673)	(357)	(34)	(30,589)	(39)	(349)	-	-	(5)	(34,046)
-Stage 3 - Lifetime ECL credit impaired	(8,354)	(352)	(177)	(67,173)	-	(32)	(14)	-	(32)	(76,134)
Total net financing	1,600,524	220,563	908	17,063,163	195,473	1,118,410	30,279	70,348	361,950	20,661,618

* Included in other term financing are financing at fair value through profit or loss amounting RM1,033,455,000 (2020: RM919,262,000) which mainly consists of hedged assets that are hedged against Islamic profit rate swap.

^ During the year, a total of RM9,645,841 (2020: RM46,212,464) modification loss arising from payment moratorium is included and reduced from gross balances within the respective financing products.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Uses of Qard fund:				
Staff financing	106	94	106	94
Other term financing	70	106	69,583	70,254
	176	200	69,689	70,348

(ii) By type of customer

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Domestic non-banking institutions	495,340	459,819	495,340	459,819
Domestic business enterprises:				
-Small business enterprises	766,250	728,368	766,250	728,368
-Others	4,776,098	4,666,225	4,763,274	4,656,537
Government and statutory bodies	940,313	944,525	940,313	944,525
Individuals	14,679,073	14,034,406	14,679,073	14,034,406
Other domestic entities	9,328	10,119	9,328	10,119
Foreign entities	6,558	6,554	6,558	6,554
Gross Financing	21,672,960	20,850,016	21,660,136	20,840,328

(iii) By profit rate sensitivity

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Fixed rate:				
Home financing	174,811	180,050	174,811	180,050
Hire purchase receivables	677,331	650,474	677,331	650,474
Others	3,201,818	3,211,564	3,188,994	3,201,876
Variable rate:				
Home financing	6,057,633	5,699,621	6,057,633	5,699,621
Others	11,561,367	11,108,307	11,561,367	11,108,307
Gross Financing	21,672,960	20,850,016	21,660,136	20,840,328

(iv) By residual contractual maturity

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Maturity				
- within one year	5,488,731	5,532,888	5,488,731	5,581,126
- more than one to five years	7,353,357	6,934,054	7,353,357	6,885,816
- more than five years	8,830,872	8,383,074	8,818,048	8,373,386
Gross Financing	21,672,960	20,850,016	21,660,136	20,840,328

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Agriculture	82,968	76,432	82,968	76,432
Mining and quarrying	2,449	967	2,449	967
Manufacturing	1,000,659	982,214	1,000,659	982,214
Electricity, gas and water	123,302	101,336	123,302	101,336
Construction	537,718	553,493	537,718	553,493
Household	14,685,630	14,040,960	14,685,630	14,040,960
Real estate	1,145,388	1,154,085	1,145,388	1,154,085
Wholesale, retail and restaurant	984,895	974,568	984,895	974,568
Transport, storage and communication	71,978	67,751	71,978	67,751
Finance, takaful and business services	1,463,122	1,368,761	1,463,122	1,368,761
Community, social and personal services	634,538	584,924	621,714	575,236
Government and statutory bodies	940,313	944,525	940,313	944,525
Gross Financing	21,672,960	20,850,016	21,660,136	20,840,328

(vi) By geographical area

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Domestic	21,672,960	20,850,016	21,660,136	20,840,328
Gross Financing	21,672,960	20,850,016	21,660,136	20,840,328

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

10. Financing of customers (cont'd.)**10(a) Impaired financing****(i) Movements in the impaired financing**

	Group		Bank	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022/ At 1 January 2021	172,073	194,711	172,073	194,711
Classified as impaired during the period	62,835	177,119	62,835	177,119
Reclassified as performing during the period	(11,307)	(97,705)	(11,307)	(97,705)
Recovered during the period	(29,371)	(60,980)	(29,371)	(60,980)
Written off during the period	(7,788)	(41,072)	(7,788)	(41,072)
Gross impaired financing	186,442	172,073	186,442	172,073
Less: Stage 3-Lifetime ECL credit impaired	(80,700)	(76,134)	(80,700)	(76,134)
Net impaired financing	105,742	95,939	105,742	95,939

Calculation ratio of impaired financing:

Gross financing of customers	21,672,960	20,850,016	21,660,136	20,840,328
Less: Stage 3 - Lifetime ECL credit impaired	(80,700)	(76,134)	(80,700)	(76,134)
Net financing of customers	21,592,260	20,773,882	21,579,436	20,764,194

Ratio of gross impaired financing to
total financing

0.86% 0.83% **0.86%** 0.83%

Net impaired financing ratio

0.49% 0.46% **0.49%** 0.46%

(ii) Impaired financing by sector

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Manufacturing	35,699	31,670
Construction	2,190	1,189
Household	116,331	114,197
Electricity, gas and water	4,033	-
Real estate	17,954	17,963
Wholesale, retail and restaurant	7,466	4,328
Mining and quarrying	30	32
Transport, storage and communication	1,021	1,026
Finance, takaful and business services	866	829
Community, social and personal service	852	839
	186,442	172,073

(iii) Impaired financing by geographical area

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Domestic	186,442	172,073

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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 RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2022				
At 1 January 2022	116,768	34,046	76,134	226,948
Transfer to Stage 1	4,772	(3,515)	(1,257)	-
Transfer to Stage 2	(3,066)	5,563	(2,497)	-
Transfer to Stage 3	(113)	(869)	982	-
Allowance (write back)/made	(7,067)	(1,482)	16,789	8,240
New financial assets originated	34,279	-	-	34,279
Financial assets derecognised	(27,134)	(294)	(1,663)	(29,091)
Amount written off/realised	-	-	(7,788)	(7,788)
Other movements	1	-	-	1
At 31 March 2022	118,440	33,449	80,700	232,589
At 31 December 2021				
At 1 January 2021	94,984	8,561	87,944	191,489
Transfer to Stage 1	28,881	(15,814)	(13,067)	-
Transfer to Stage 2	(15,730)	46,216	(30,486)	-
Transfer to Stage 3	(1,755)	(3,979)	5,734	-
Allowance (write back)/made	(24,496)	(1,002)	73,264	47,766
New financial assets originated	99,651	-	-	99,651
Financial assets derecognised	(64,766)	64	(6,560)	(71,262)
Amount written off/realised	-	-	(40,695)	(40,695)
Other movements	(1)	-	-	(1)
At 31 December 2021	116,768	34,046	76,134	226,948

11. Other assets

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Deposits	6,845	6,764	6,745	6,665
Prepayments	10,369	7,490	10,216	7,439
Tax prepayment	5,983	6,683	5,983	6,683
Foreclosed properties	5,736	8,604	5,736	8,604
Golf club membership	500	500	500	500
Other receivables	26,809	5,640	26,381	5,191
	56,242	35,681	55,561	35,082
Less: Accumulated impairment losses	(1,225)	(1,981)	(1,225)	(1,981)
	55,017	33,700	54,336	33,101

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

12. Deferred tax assets & liabilities

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January 2022/ At 1 January 2021	42,504	(11,474)	42,504	(11,826)
Recognised in the profit or loss (Note 31)	(5,516)	35,571	(5,516)	35,923
Recognised in other comprehensive income	1,747	18,407	1,747	18,407
At 31 March 2022/ At 31 December 2021	38,735	42,504	38,735	42,504

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 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Deferred tax assets, net	38,735	42,504	38,735	42,504
	38,735	42,504	38,735	42,504

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Deferred tax assets	52,255	58,170	52,255	58,170
Deferred tax liabilities	(13,520)	(15,666)	(13,520)	(15,666)
	38,735	42,504	38,735	42,504

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 :

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2022	12,673	25,168	761	7,316	11,841	411	58,170
Recognised in profit or loss	-	(4,456)	(158)	(1,578)	(1,377)	(93)	(7,662)
Recognised in other comprehensive income	-	-	1,747	-	-	-	1,747
At 31 March 2022	12,673	20,712	2,350	5,738	10,464	318	52,255

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2021	-	22,910	985	6,096	9,084	348	39,423
Recognised in profit or loss	-	2,258	(224)	1,220	2,757	63	6,074
Recognised in other comprehensive income	12,673	-	-	-	-	-	12,673
At 31 December 2021	12,673	25,168	761	7,316	11,841	411	58,170

Deferred tax liabilities of the Group :

	Profit on financing moratorium accounts RM'000	Financial investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2022	-	-	(15,666)	(15,666)
Recognised in profit and loss	(1)	-	2,147	2,146
At 31 March 2022	(1)	-	(13,519)	(13,520)

	Profit on financing moratorium accounts RM'000	Financial assets at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2021	(39,786)	(5,734)	(5,377)	(50,897)
Recognised in profit or loss	39,786	-	(10,289)	29,497
Recognised in other comprehensive income	-	5,734	-	5,734
As at 31 December 2021	-	-	(15,666)	(15,666)

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 :

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2022	12,673	25,168	760	7,316	11,841	412	58,170
Recognised in profit or loss	-	(4,456)	(158)	(1,578)	(1,377)	(93)	(7,662)
Recognised in other comprehensive income	-	1,747	-	-	-	-	1,747
At 31 March 2022	12,673	22,459	602	5,738	10,464	319	52,255

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2021	-	22,910	633	6,096	9,084	348	39,071
Recognised in profit or loss	-	2,258	127	1,220	2,757	64	6,426
Recognised in other comprehensive income	12,673	-	-	-	-	-	12,673
As at 31 December 2021	12,673	25,168	760	7,316	11,841	412	58,170

Deferred tax liabilities of the Bank:

	Profit on financing moratorium accounts RM'000	Financial investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2022	-	-	(15,666)	(15,666)
Recognised in profit and loss	(1)	-	2,147	2,146
At 31 March 2022	(1)	-	(13,519)	(13,520)

	Profit on financing moratorium accounts RM'000	Financial investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2021	(39,786)	(5,734)	(5,377)	(50,897)
Recognised in profit or loss	39,786	-	(10,289)	29,497
Recognised in other comprehensive income	-	5,734	-	5,734
As at 31 December 2021	-	-	(15,666)	(15,666)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Savings Deposit				
Qard	1,067,769	1,061,437	1,067,769	1,061,437
Tawarruq	789,696	811,685	789,696	811,685
Demand Deposit				
Qard	3,938,152	4,234,251	3,942,216	4,238,503
Tawarruq	2,085,029	2,044,735	2,085,029	2,044,735
Term Deposit				
General investment deposits	21,433	37,697	21,433	37,697
Short term accounts	9,434,112	9,108,440	9,434,112	9,108,440
Fixed term accounts tawarruq	6,242,975	5,733,512	6,254,275	5,744,812
Other deposits	88,611	81,409	88,611	81,408
	23,667,777	23,113,166	23,683,141	23,128,717

(b) By type of customer

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Government and statutory bodies	11,672,957	11,876,050	11,672,957	11,876,050
Business enterprises	4,800,300	4,507,864	4,815,664	4,523,415
Individuals	2,553,457	2,576,642	2,553,457	2,576,642
Domestic non-bank financial institutions	3,475,047	3,014,586	3,475,047	3,014,586
Domestic banking financial institutions	81,060	89,138	81,060	89,138
Others	1,084,956	1,048,886	1,084,956	1,048,886
	23,667,777	23,113,166	23,683,141	23,128,717

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

13. Deposits from customers (cont'd.)

(b) By type of customer (cont'd.)

The maturity structure of term deposits are as follows :

	Group		Bank	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Due within six months	13,410,599	12,872,039	13,421,899	12,883,339
More than six months to one year	1,357,427	871,418	1,357,427	871,418
More than one year to three years	563,070	769,020	563,070	769,020
More than three years to five years	367,424	367,172	367,424	367,172
	15,698,520	14,879,649	15,709,820	14,890,949

14. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Non-Mudharabah		
Bank Negara Malaysia	294,332	291,866

These balances include amount of RM298,530,000 (31 December 2021: RM 298,530,000) 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.

15. Investment accounts of customers

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

	Group		Bank	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts:				
Mudarabah				
Without maturity				
- Savings	290,061	216,978	290,061	216,978
Restricted investment accounts:				
Mudarabah				
Maturity				
- within one year	132	132	132	132

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

15. Investment accounts of customers(cont'd.)

(i) Investment account analysed by maturity portfolio are as follows (cont'd.)

Restricted investment account ("RIA") is an arrangement between the Bank and investment account holders ("IAH") where the Bank acts as the investment agent to manage and administer the RIA and its underlying assets. RIA amounting to RM132,000 (2021: RM132,000) is accounted for as off balance sheet as the Bank has passed its rights and obligations in respect of the assets related to the RIA or the residual cash flows from those assets to the IAH.

(ii) By types of customer are as follows:

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Unrestricted investment accounts:				
Individuals	290,061	216,978	290,061	216,978
Restricted investment accounts:				
Individuals	132	132	132	132

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Unrestricted investment accounts:				
Home financing	290,061	216,978	290,061	216,978
Total investment	290,061	216,978	290,061	216,978
Restricted investment accounts:				
Term financing	132	132	132	132
Total investment	132	132	132	132

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

	Group and Bank 31 March 2022		Group and Bank 31 December 2021	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Unrestricted investment accounts	2.0%	0.06%	2.0%	0.06%
Restricted investment accounts	95.0%	0.00%	95.0%	0.00%

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)
16. Other liabilities

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Sundry creditors	4,235	868	3,229	855
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 16(a))	6,322	5,955	6,322	5,955
Provision for bonus	24,193	18,903	24,013	18,692
Accrued expenses	17,795	56,042	18,361	55,779
Accrual for directors' fees	-	60	-	60
Accrual for audit fees	348	828	323	807
Other liabilities	72,406	73,883	72,385	73,823
	125,299	156,539	124,633	155,971

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

Group and Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 31 March 2022				
At 1 January 2022	5,206	133	616	5,955
Transfer to Stage 1	123	(26)	(97)	-
Transfer to Stage 2	(36)	36	-	-
Transfer to Stage 3	-	(90)	90	-
Allowance made	(637)	272	(91)	(456)
New financing originated or purchased	1,313	-	-	1,313
Financing derecognised	(462)	(5)	(23)	(490)
Amount written-off/realised	-	-	-	-
At 31 March 2022	5,507	320	495	6,322
At 31 December 2021				
At 1 January 2021	5,130	168	361	5,659
Transfer to Stage 1	161	(159)	(2)	-
Transfer to Stage 2	(113)	166	(53)	-
Transfer to Stage 3	(5)	(21)	26	-
Allowance made	(1,248)	182	1,301	235
New financing originated or purchased	3,954	-	-	3,954
Financing derecognised	(2,673)	(203)	(1,017)	(3,893)
At 31 December 2021	5,206	133	616	5,955

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

17. Provision for zakat and taxation

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Zakat	8,387	6,584	7,940	6,197
Taxation	887	80	-	-
	9,274	6,664	7,940	6,197

18. 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.

19. Sukuk**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 2021	15 June 2026	15 June 2031	4.50%, payable semi-annually	RM500.0 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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) Fixed term deposits	76,199	49,442	76,199	49,442
(b) Other deposits	214,166	221,685	214,166	221,685
	290,365	271,127	290,365	271,127

(a) Income derived from investment of fixed term deposits

	Group		Bank	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	62,347	40,490	62,347	40,490
Financial investments designated at FVTPL	464	322	464	322
Financial assets at fair value through other comprehensive income	11,511	5,729	11,511	5,729
Financial assets at amortised cost	155	108	155	108
Money at call and deposit with financial institutions	836	1,412	836	1,412
	75,313	48,061	75,313	48,061
Amortisation of premium less accretion of discounts	(3,322)	(1,342)	(3,322)	(1,342)
Total finance income and hibah	71,991	46,719	71,991	46,719
Other operating (loss)/income				
Net gain from sale of:				
- financial investments designated at FVTPL	3	13	3	13
- financial investments at fair value through other comprehensive income	89	-	89	-
Unrealised loss on revaluation from financial investments designated at FVTPL	(96)	(158)	(96)	(158)
	(4)	(145)	(4)	(145)
Fees and commission				
Guarantee fees	129	76	129	76
Processing fees	158	149	158	149
Service charges and fees	909	554	909	554
Commission	3,016	2,089	3,016	2,089
	4,212	2,868	4,212	2,868
Total	76,199	49,442	76,199	49,442

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

(b) Income derived from investment of other deposits

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Finance income and hibah				
Income from financing	175,228	182,058	175,228	182,058
Financial investments designated at FVTPL	1,305	1,447	1,305	1,447
Financial assets at fair value through other comprehensive income	32,353	25,758	32,353	25,758
Financial assets at amortised cost	436	484	436	484
Money at call and deposit with financial institutions	2,351	6,345	2,351	6,345
	211,673	216,092	211,673	216,092
Amortisation of premium less accretion of discounts	(9,336)	(6,036)	(9,336)	(6,036)
Total finance income and hibah	202,337	210,056	202,337	210,056
Other operating (loss)/income				
Net gain from sale of:				
- financial investments designated at FVTPL	10	58	10	58
- financial investments at fair value through other comprehensive income	250	-	250	-
Unrealised loss on revaluation from financial investments designated at FVTPL	(269)	(711)	(269)	(711)
	(9)	(653)	(9)	(653)
Fees and commission				
Guarantee fees	362	340	362	340
Processing fees	445	668	445	668
Service charges and fees	2,555	1,880	2,555	1,880
Commission	8,476	9,394	8,476	9,394
	11,838	12,282	11,838	12,282
Total	214,166	221,685	214,166	221,685

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

21. Income derived from investment of shareholders' funds

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	2,435	2,511	2,435	2,511
Financial assets at amortised cost				
Money at call and deposit with financial institutions	258	224	258	224
	2,693	2,735	2,693	2,735
Amortisation of premium less Accretion of discounts	(372)	(300)	(372)	(300)
Total finance income and hibah	2,321	2,435	2,321	2,435
Other operating (loss)/income				
Net gain/(loss) from foreign exchange transaction	2,112	(16,932)	2,112	(16,932)
Unrealised (loss)/gain on revaluation from foreign exchange derivatives	(701)	18,849	(701)	18,849
Fair value (loss)/gain of financial liabilities	(1,577)	8,587	(1,577)	8,587
Unrealised gain/(loss) on revaluation from financial investments designated at FVTPL	1,921	(3,508)	1,921	(3,508)
Gross dividend income from investment:				
-shares in Malaysia	6	10	-	-
-subsidiary	-	-	1,000	-
Net dividend paid for Islamic profit rate swap	(6,042)	(6,335)	(6,042)	(6,335)
Unrealised gain on revaluation of Islamic profit rate swap	17,137	34,423	17,137	34,423
Unrealised loss on revaluation from hedged items	(19,322)	(36,253)	(19,322)	(36,253)
	(6,466)	(1,159)	(5,472)	(1,169)
Fees and commission				
Corporate advisory fees	427	550	202	264
Service charges and fees	4,277	2,052	16	20
Commission	1,439	1,114	1,439	1,114
	6,143	3,716	1,657	1,398

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Other income				
Rental income	270	548	300	562
Total	2,268	5,540	(1,194)	3,226

22. Income derived from investment of investment account funds

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Finance income and hibah				
Income from financing	2,087	-	2,087	-
Total	2,087	-	2,087	-

23. Allowance for impairment on financing

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Allowance for impairment on financing of customer:				
- individual allowance made	1,507	1,574	1,507	1,574
- individual allowance written back	(499)	(1,593)	(499)	(1,593)
- collective allowance made	49,376	65,670	49,376	65,670
- collective allowance written back	(38,039)	(34,843)	(38,039)	(34,843)
Impaired financing written off	35	26	35	26
Impaired financing recovered	(8,120)	(5,184)	(8,120)	(5,184)
	4,260	25,650	4,260	25,650

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

24. Allowance for/(writeback of) impairment losses on financial investments, net

	Group and Bank	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Allowance for/(writeback of) Impairment write back on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	22	(11)
Allowance for/(writeback of) Impairment write back on corporate bonds included under Amortised Cost ("AC")	77	(80)
	<u>99</u>	<u>(91)</u>

25. Allowance for/(writeback of) impairment losses on other financial assets, net

	Group and Bank	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Cash and short term funds		
- ECL , net	111	(39)
	<u>111</u>	<u>(39)</u>

26. Income attributable to depositors

	Group		Bank	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	75	214	75	214
Non-Mudharabah funds	96,598	79,466	96,661	79,512
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	-	60	-	60
	<u>96,673</u>	<u>79,740</u>	<u>96,736</u>	<u>79,786</u>

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

27. Personnel expenses

	Group		Bank	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salary and wages	44,509	41,620	43,945	41,170
Contribution to defined contribution plan	9,204	7,715	9,111	7,653
Social security contributions	470	465	470	451
Allowances and bonuses	5,454	4,232	5,463	4,213
Others	4,773	7,007	4,760	6,995
	64,410	61,039	63,749	60,482

28. Other overheads and expenditures

	Group		Bank	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Promotion				
Advertisement and publicity	1,747	1,016	1,747	1,016
Others	180	39	180	39
Establishment				
Rental	116	65	116	65
Depreciation of property, plant and equipment	2,906	2,911	2,903	2,909
Depreciation of right-of-use assets	2,035	3,044	2,035	2,919
Amortisation of intangible assets	5,624	5,304	5,623	5,304
Information technology expenses	12,429	11,043	12,395	10,997
Repair and maintenance	1,408	1,251	1,408	1,159
Hire of equipment	1,199	1,062	1,143	1,010
Takaful	1,763	596	1,763	596
Utilities expenses	1,181	1,025	1,175	1,019
Security expenses	1,517	1,387	1,517	1,387
Others	1,119	1,127	1,119	1,127
General expenses				
Auditors' fees	20	135	20	135
Professional fees	891	1,469	824	1,406
Legal expenses	163	71	163	71
Telephone	319	342	319	342
Stationery and printing	400	381	397	379
Postage and courier	461	654	461	654
Travelling	75	60	75	60
Directors remuneration and Shariah Committee allowance	499	616	484	603
Others	3,996	3,290	4,487	3,807
	40,048	36,888	40,354	37,004

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)
29. Finance cost

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Dividend paid- subordinated sukuk	5,563	3,585	5,563	3,585
Dividend paid- senior sukuk	-	6,837	-	6,837
Financing sold to Cagamas	4,948	5,143	4,948	5,143
Finance cost of lease liabilities	409	560	409	456
	10,920	16,125	10,920	16,021

30. Zakat

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Provision for zakat for the year	1,803	1,293	1,743	1,252
Over provision in prior year	-	18	-	-
	1,803	1,311	1,743	1,252

31. Taxation

	Group		Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Current income tax	22,220	32,166	21,208	31,755
Over provision in prior year	-	(3)	-	-
	22,220	32,163	21,208	31,755
Deferred tax:				
Relating to origination and reversal of temporary differences	(450)	(18,409)	(450)	(18,393)
Relating to reduction/(increase) in Malaysian income tax rate	5,966	-	5,966	-
Over provision in prior year	-	(1)	-	-
	5,516	(18,410)	5,516	(18,393)
	27,736	13,753	26,724	13,362

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 30% (31 December 2021: 24%) of the estimated assessable profit for the period.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

32. Credit exposures arising from credit transactions with connected parties

	Group	
	31 March 2022 RM'000	31 March 2021 RM'000
Outstanding credit exposures with connected parties (RM'000)	1,845,689	1,578,798
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.3%	6.0%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-
	Bank	
	31 March 2022 RM'000	31 March 2021 RM'000
Outstanding credit exposures with connected parties (RM'000)	1,915,201	1,652,460
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.6%	6.3%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-

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

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

33. 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 2022			31 December 2021		
	Principal amount	Credit equivalent amount	Total risk weighted amount	Principal amount	Credit equivalent amount	Total risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The commitments and contingencies constitute the following:						
Contingent liabilities						
Direct credit substitutes	329,844	329,844	306,599	292,802	292,802	268,848
Trade-related contingencies	83,731	16,746	1,337	41,953	8,391	712
Transaction-related contingencies	521,073	260,536	249,958	487,515	243,758	233,215
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	641,706	128,341	127,012	635,148	127,029	125,609
- Maturity exceeding one (1) year	964,782	482,391	395,901	977,994	488,997	414,004
Other miscellaneous commitments & contingencies	35,532	223	167	25,773	14	11
Islamic derivative financial instruments						
Foreign exchange related contracts	1,542,288	28,493	19,387	1,630,597	25,443	13,995
Profit rate related contract	1,200,000	47,000	9,400	1,200,000	47,000	9,400
	5,318,956	1,293,574	1,109,761	5,291,782	1,233,434	1,065,794

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

34. 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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

34. Capital adequacy (cont'd.)

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

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Computation of Total Risk				
Weighted Assets ("RWA")				
Total credit RWA	18,302,728	17,566,888	18,280,234	17,549,202
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	(130,900)	(98,453)	(130,900)	(98,453)
Total market RWA	17,842	16,225	17,842	16,225
Total operational RWA	1,385,150	1,321,435	1,357,946	1,302,128
Total RWA	19,574,820	18,806,095	19,525,122	18,769,102
Computation of Capital Ratio				
<u>Tier-I capital</u>				
Share capital	1,195,000	1,195,000	1,195,000	1,195,000
Retained profits	1,569,073	1,569,073	1,554,572	1,554,572
Other Reserves				
Regulatory reserve	37,002	28,079	37,002	28,079
FVOCI reserve	(45,465)	(40,014)	(45,465)	(40,014)
Foreign exchange translation reserve	1,044	649	1,045	650
Regulatory Adjustment				
Deferred tax assets	(52,255)	(58,170)	(52,255)	(58,170)
Investment property gain	(8,171)	(8,171)	(8,171)	(8,171)
Regulatory reserve	(37,002)	(28,079)	(37,002)	(28,079)
Cumulative gains of financing measured at FVTPL	(20,321)	(19,354)	(20,321)	(19,354)
Investment in subsidiaries	-	-	(13,159)	(13,159)
Intangible asset (net of deferred tax liabilities)	(63,633)	(61,002)	(63,321)	(60,701)
Total Common Equity Tier-I Capital	2,575,272	2,578,011	2,547,925	2,550,653
Total Tier-I Capital	2,575,272	2,578,011	2,547,925	2,550,653
<u>Tier-II capital</u>				
Subordinated sukuk	500,000	500,000	500,000	500,000
Loss provision and regulatory reserve*	227,383	180,990	227,383	180,990
Add: Investment property gain	3,677	3,677	3,677	3,677
Total Tier-II Capital	731,060	684,667	731,060	684,667
Total Capital Base	3,306,332	3,262,678	3,278,985	3,235,320
Ratio (%)				
CET 1 Capital	13.156%	13.708%	13.049%	13.590%
Tier 1 Capital	13.156%	13.708%	13.049%	13.590%
Total Capital	16.891%	17.349%	16.794%	17.237%

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

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

34. 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:

	Group			
	31 March 2022		31 December 2021	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	5,669,466	-	5,863,468	-
20%	2,615,791	523,159	2,485,451	497,090
35%	2,737,105	957,987	2,787,359	975,576
50%	1,256,560	628,280	1,170,444	585,222
75%	3,814,556	2,860,917	3,564,694	2,673,520
100%	13,166,327	13,166,327	12,698,045	12,698,045
150%	110,705	166,058	91,623	137,435
Risk weighted assets for credit risk	29,370,510	18,302,728	28,661,084	17,566,888
Less: Credit risk absorbed by PSIA		(130,900)		(98,453)
Risk weighted assets for market risk		17,842		16,225
Risk weighted assets for operational risk		1,385,150		1,321,435
Total risk weighted assets		19,574,820		18,806,095

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

34. Capital adequacy (cont'd.)

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

	Bank			
	31 March 2022		31 December 2021	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	5,669,466	-	5,863,468	-
20%	2,615,792	523,159	2,485,451	497,090
35%	2,737,105	957,987	2,787,359	975,576
50%	1,256,560	628,280	1,170,444	585,222
75%	3,814,556	2,860,917	3,564,694	2,673,520
100%	13,163,068	13,163,068	12,694,891	12,694,891
150%	97,882	146,823	81,935	122,903
Risk weighted assets for credit risk	29,354,429	18,280,234	28,648,242	17,549,202
Less: Credit risk absorbed by PSIA		(130,900)		(98,453)
Risk weighted assets for market risk		17,842		16,225
Risk weighted assets for operational risk		1,357,946		1,302,128
Total risk weighted assets		19,525,122		18,769,102

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

35. 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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

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

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

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

Group	Quoted Market Price Level 1 RM'000	<u>Valuation technique using</u>		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 March 2022				
Non-financial assets				
Investment properties	-	-	56,564	56,564
Financial assets				
Financial investments designated at fair value through profit and loss	6,290	10,349	315,483	332,122
Financial investments fair value through other comprehensive income	88,334	4,562,491	4,631	4,655,456
Derivative financial assets	-	6,390	-	6,390
Total financial assets measured at fair value	94,624	4,579,230	320,114	4,993,968
Financial liabilities				
Derivative financial liabilities	-	46,062	-	46,062
Total financial liabilities measured at fair value	-	46,062	-	46,062

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

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

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

Group (cont'd.)	Valuation technique using			Total
	Quoted Market Price Level 1 RM'000	Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2021				RM'000
Non-financial assets				
Investment properties	-	-	56,564	56,564
Financial assets				
Financial investments designated at fair value through profit or loss	-	10,286	310,990	321,276
Financial investments at FVOCI	96,704	4,765,435	4,631	4,866,770
Derivative financial assets	-	5,437	-	5,437
Total financial assets measured at fair value	96,704	4,781,158	315,621	5,193,483
Financial liabilities				
Derivative financial liabilities	-	61,543	-	61,543
Total financial liabilities measured at fair value	-	61,543	-	61,543

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

35. 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	<u>Valuation technique using</u>			Total
	Quoted Market Price Level 1 RM'000	Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 March 2022				RM'000
Non-financial assets				
Investment properties	-	-	56,564	56,564
Financial assets				
Financial investments designated at fair value through profit and loss	3,779	10,349	315,483	329,611
Financial investments fair value through other comprehensive income	88,334	4,562,491	4,631	4,655,456
Derivative financial assets	-	6,390	-	6,390
Total financial assets measured at fair value	92,113	4,579,230	320,114	4,991,457
Financial liabilities				
Derivative financial liabilities	-	46,062	-	46,062
Total financial liabilities measured at fair value	-	46,062	-	46,062

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

35. 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.)	Valuation technique using			Total
	Quoted Market Price Level 1 RM'000	Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2021				RM'000
Non-financial assets				
Investment properties	-	-	56,564	56,564
Financial assets				
Financial investments designated at fair value through profit and loss	-	10,286	310,990	321,276
Financial investments at FVOCI	94,199	4,765,434	4,631	4,864,264
Derivative financial assets	-	5,437	-	5,437
Total financial assets measured at fair value	94,199	4,781,157	315,621	5,190,977
Financial liabilities				
Derivative financial liabilities	-	61,543	-	61,543
Total financial liabilities measured at fair value	-	61,543	-	61,543

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

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

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

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

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
At 1 January 2022/2021	315,621	307,476
Gain recognised in profit or loss	2,934	2,101
Foreign exchange translation difference	1,559	6,044
At 31 March 2022/ 31 December 2021	320,114	315,621

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

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
Total gain recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	2,934	2,101

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

36. 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.

Group	Business banking	Consumer banking	Treasury and investment banking	Others	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	67,208	188,448	46,991	(7,927)	294,720
Total income	35,490	106,668	18,228	37,624	198,010
(Allowance for)/writeback of impairment on financing	3,456	(7,716)	-	-	(4,260)
Allowance for impairment on investments	-	-	(99)	-	(99)
Allowance for impairment on other financial assets, net	-	-	(111)	-	(111)
Other expenses	-	-	-	(5,275)	(5,275)
Total net income	38,946	98,952	18,018	32,349	188,265
Total overhead expenses					(115,378)
Profit before zakat and taxation					72,887
Zakat					(1,803)
Taxation					(27,736)
Profit for the period					43,348

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

36. Segment information (cont'd.)

(a) Business segments (cont'd.)

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

Bank	Business	Consumer	Treasury and	Others	Total
31 March 2022	banking	banking	investment		
	RM'000	RM'000	banking	RM'000	RM'000
			RM'000		
Revenue	67,208	188,448	43,529	(7,927)	291,258
Total Income	35,490	106,668	14,703	37,624	194,485
(Allowance for)/writeback of impairment on financing	3,456	(7,716)	-	-	(4,260)
Allowance for impairment on investments	-	-	(99)	-	(99)
Allowance for impairment on other financial assets, net	-	-	(111)	-	(111)
Other expenses	-	-	-	(5,275)	(5,275)
Total net income	38,946	98,952	14,493	32,349	184,740
Total overhead expenses					(115,023)
Profit before zakat and taxation					69,717
Zakat					(1,743)
Taxation					(26,724)
Profit for the period					41,250

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

36. Segment information (cont'd.)

(a) Business segments (cont'd.)

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