



BANK MUAMALAT MALAYSIA BERHAD

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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2022 (30 ZULKAEDAH 1443H)**

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 30 JUNE 2022 (30 ZULKAEDAH 1443H)

		Group		Bank	
		As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Note					
Assets					
		623,276	1,142,291	623,276	1,142,291
		8,051	31,184	8,051	31,184
	8(i)	331,881	321,276	329,361	321,276
	8(ii)	4,549,685	4,866,770	4,549,685	4,864,264
	8(iii)	112,981	107,109	112,981	107,109
	9	31,828	5,437	31,828	5,437
	10	22,182,185	20,671,306	22,170,409	20,661,618
	11	33,723	33,700	33,083	33,101
		158,858	130,148	158,858	130,148
		-	-	13,159	13,159
		56,564	56,564	56,564	56,564
		34,194	29,423	34,194	29,423
		77,348	76,671	76,988	76,367
		48,704	52,008	48,644	51,962
	12	44,909	42,504	44,909	42,504
Total assets		28,294,187	27,566,391	28,291,990	27,566,407
Liabilities					
	13	23,506,382	23,113,166	23,522,705	23,128,717
	15	330,107	216,978	330,107	216,978
	14	371,266	291,866	371,266	291,866
		19,317	7,755	19,317	7,755
	9	30,947	61,543	30,947	61,543
	16	94,125	156,539	93,636	155,971
		36,566	31,751	36,566	31,751
	17	7,617	6,664	5,902	6,197
	18	595,852	427,466	595,852	427,466
	19	499,942	499,876	499,942	499,876
Total liabilities		25,492,121	24,813,604	25,506,240	24,828,120

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INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 (30 ZULKAEDAH 1443H) - (CONT'D.)

		Group		Bank	
		As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
	Note				
Shareholders' equity					
Share capital		1,195,000	1,195,000	1,195,000	1,195,000
Reserves		1,607,066	1,557,787	1,590,750	1,543,287
Total shareholders' equity		2,802,066	2,752,787	2,785,750	2,738,287
Total liabilities and shareholders' equity		28,294,187	27,566,391	28,291,990	27,566,407
Restricted investment accounts	15	132	132	132	132
Total Islamic banking asset and asset under management		28,294,319	27,566,523	28,292,122	27,566,539
Commitments and contingencies	33	4,835,356	5,291,782	4,835,356	5,291,782
Capital adequacy *					
CET 1 capital ratio	34	12.511%	13.708%	12.407%	13.590%
Tier 1 Capital	34	12.511%	13.708%	12.407%	13.590%
Total capital ratio	34	16.163%	17.349%	16.068%	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 FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

Group	Note	3 months ended		6 months ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds and others	20	307,838	278,286	598,207	549,412
(Loss)/income derived from investment of shareholders' funds	21	(2,162)	4,608	107	10,147
Income derived from investment of investment account funds	22	2,729	-	4,816	-
Allowance for impairment on financing	23	(4,357)	(18,007)	(8,617)	(43,657)
(Allowance for)/Writeback of impairment losses on financial investments, net	24	(6,441)	310	(6,540)	400
Writeback of/(Allowance for) impairment losses on other financial assets, net	25	29	(10)	(81)	29
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(4,897)	(7,216)	(10,172)	(12,643)
Total distributable income		292,739	257,971	577,720	503,688
Income attributable to depositors	26	(99,462)	(81,041)	(196,134)	(160,782)
Income attributable to investment account holders		(49)	-	(87)	-
Total net income		193,228	176,930	381,499	342,906
Personnel expenses	27	(67,146)	(59,046)	(131,559)	(120,084)
Other overheads and expenditures	28	(43,334)	(38,638)	(83,385)	(75,550)
Finance costs	29	(11,909)	(16,426)	(22,829)	(32,551)
Profit before zakat and taxation		70,839	62,820	143,726	114,721
Zakat	30	(2,141)	(1,615)	(3,944)	(2,927)
Taxation	31	(20,704)	(14,597)	(48,440)	(28,351)
Profit for the period		47,994	46,608	91,342	83,443
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				15.29	13.97

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 FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

<u>Bank</u>	Note	3 months ended		6 months ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds and others	20	307,838	278,286	598,207	549,412
(Loss)/Income derived from investment of shareholders' funds	21	(2,940)	4,315	(4,132)	7,541
Income derived from investment of investment account funds	22	2,729	-	4,816	-
Allowance for impairment on financing	23	(4,357)	(18,007)	(8,617)	(43,657)
(Allowance for)/Writeback of impairment losses on financial investments, net	24	(6,441)	310	(6,540)	400
Writeback of/(Allowance for) impairment losses on other financial assets, net	25	29	(10)	(81)	29
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(4,897)	(7,216)	(10,172)	(12,643)
Total distributable income		291,961	257,678	573,481	501,082
Income attributable to depositors	26	(99,516)	(81,092)	(196,252)	(160,878)
Income attributable to investment account holders		(49)	-	(87)	-
Total net income		192,396	176,586	377,142	340,204
Personnel expenses	27	(66,452)	(58,451)	(130,203)	(118,933)
Other overheads and expenditures	28	(43,668)	(39,115)	(84,027)	(76,144)
Finance costs	29	(11,909)	(16,323)	(22,829)	(32,345)
Profit before zakat and taxation		70,367	62,697	140,083	112,782
Zakat	30	(1,759)	(1,567)	(3,502)	(2,820)
Taxation	31	(20,332)	(14,227)	(47,055)	(27,589)
Profit for the period		48,276	46,903	89,526	82,373
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				14.98	13.79

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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

<u>Group</u>	<u>Note</u>	3 months ended		6 months ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the period		47,994	46,608	91,342	83,443
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Loss on financial investments at fair value through other comprehensive income		(29,001)	(382)	(34,475)	(9,880)
- Net loss on change in fair value		(41,241)	(3,270)	(48,145)	(15,758)
- Changes in expected credit losses	8(ii)	(21)	23	1	15
- Income tax effect	12	12,261	2,872	14,008	5,870
- Realised gain transferred to profit or loss on disposal	20 & 21	-	(7)	(339)	(7)
Exchange fluctuation reserve		1,941	1,059	2,336	1,399
Items that may not be reclassified subsequently to profit or loss					
Net unrealised loss on equity securities at fair value through other comprehensive income		(7,472)	(9,087)	(9,924)	(9,722)
Other comprehensive loss for the period, net of tax		(34,532)	(8,410)	(42,063)	(18,203)
Total comprehensive income for the period		13,462	38,198	49,279	65,240

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.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

<u>Bank</u>	Note	3 months ended		6 months ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the period		48,276	46,903	89,526	82,373
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Loss on financial investments at fair value through other comprehensive income		(29,001)	(382)	(34,475)	(9,880)
- Net loss on change in fair value		(41,241)	(3,270)	(48,145)	(15,758)
- Changes in expected credit losses	8(ii)	(21)	23	2	15
- Income tax effect	12	12,261	2,872	14,007	5,870
- Realised gain transferred to profit or loss on disposal	20 & 21	-	(7)	(339)	(7)
Exchange fluctuation reserve		1,941	1,059	2,336	1,399
Items that may not be reclassified subsequently to profit or loss					
Net unrealised loss on equity securities at fair value through other comprehensive income		(7,472)	(9,087)	(9,924)	(9,722)
Other comprehensive loss for the period, net of tax		(34,532)	(8,410)	(42,063)	(18,203)
Total comprehensive income for the period		13,744	38,493	47,463	64,170

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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 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	-	-	-	-	91,342	91,342
Other comprehensive (loss)/income for the period	-	(44,399)	-	2,336	-	(42,063)
Total comprehensive income/(loss) for the period	-	(44,399)	-	2,336	91,342	49,279
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	471	-	-	(471)	-
Transfer from regulatory reserve	-	-	32,208	-	(32,208)	-
At 30 June 2022	1,195,000	(83,942)	60,287	2,985	1,627,736	2,802,066
At 1 January 2021	1,195,000	18,240	45,411	(968)	1,392,969	2,650,652
Profit for the period	-	-	-	-	83,443	83,443
Other comprehensive income for the period	-	(19,602)	-	1,399	-	(18,203)
Total comprehensive income for the period	-	(19,602)	-	1,399	83,443	65,240
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	1,025	-	-	(1,025)	-
Transfer to regulatory reserve	-	-	-	-	-	-
At 30 June 2021	1,195,000	(337)	45,411	431	1,475,387	2,715,892

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.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 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
Bank						
At 1 January 2022	1,195,000	(40,014)	28,079	649	1,554,573	2,738,287
Profit for the period	-	-	-	-	89,526	89,526
Other comprehensive (loss)/income for the period	-	(44,399)	-	2,336	-	(42,063)
Total comprehensive income/(loss) for the period	-	(44,399)	-	2,336	89,526	47,463
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	471	-	-	(471)	-
Transfer from regulatory reserve	-	-	32,208	-	(32,208)	-
At 30 June 2022	1,195,000	(83,942)	60,287	2,985	1,611,420	2,785,750
At 1 January 2021	1,195,000	18,240	45,411	(968)	1,384,857	2,642,539
Profit for the period	-	-	-	-	82,373	82,373
Other comprehensive income for the period	-	(19,602)	-	1,399	-	(18,203)
Total comprehensive income for the period	-	(19,602)	-	1,399	82,373	64,170
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	1,025	-	-	(1,025)	-
Transfer from regulatory reserve	-	-	-	-	-	-
At 30 June 2021	1,195,000	(337)	45,411	431	1,466,205	2,706,709

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 FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

	Note	Group 30 June 2022 RM'000	30 June 2021 RM'000	Bank 30 June 2022 RM'000	30 June 2021 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		143,726	114,721	140,083	112,782
Adjustment for					
Amortisation of intangible asset	28	11,568	10,470	11,566	10,470
Depreciation of property, plant and equipment	28	5,821	5,910	5,812	5,905
Gain on termination ROU asset		-	(26)	-	(26)
Depreciation of right-of-use assets	28	5,248	6,010	5,248	5,761
Amortisation of cost on Subordinated Sukuk Issued		133	122	133	122
Fixed asset written off		12	10	13	10
Amortisation of premium, net	20&21	25,270	19,485	25,270	19,485
Net gain from sale of financial investments at fair value through other comprehensive income	20&21	(339)	(7)	(339)	(7)
Net gain from sale of financial investment designated at FVTPL	20&21	(31)	(96)	(31)	(96)
Unrealised loss on revaluation of financial investment designated at FVTPL	20&21	3,113	4,933	3,113	4,933
Net (gain)/ loss on revaluation of foreign exchange transaction	21	(3,145)	11,405	(3,145)	11,405
Unrealised loss/ (gain) from foreign exchange derivatives	21	388	(15,243)	388	(15,243)
Unrealised (gain)/loss on revaluation of islamic profit rate swap	21	(37,532)	(27,798)	(37,532)	(27,798)
Unrealised loss/(gain) on revaluation of hedged items	21	8,591	32,184	8,591	32,184
Fair value loss/ (gain) of financial liabilities designated at FVTPL	21	2,995	(13,502)	2,995	(13,502)
Allowance for/ (writeback of) impairment losses on financial investments, net	24	6,539	(400)	6,539	(400)
Allowance for/ (writeback of) impairment losses on other financial assets, net	25	81	(29)	81	(29)
Allowance for impairment on financing	23	24,950	53,893	24,948	53,893
Financing written off	23	149	68	149	68
Finance cost	29	22,828	32,551	22,828	32,345
Gross dividend income	21	(14)	(19)	(2,000)	(2,000)
Operating profit before working capital changes		220,351	234,642	214,710	230,262

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

	Note	Group 30 June 2022 RM'000	30 June 2021 RM'000	Bank 30 June 2022 RM'000	30 June 2021 RM'000
(Increase)/decrease in operating assets:					
Financial investment portfolio		(24,742)	(91,163)	(24,742)	(91,163)
Islamic derivative financial assets		(26,780)	41,236	(26,780)	41,236
Financing of customers		(1,535,977)	(1,272,249)	(1,533,888)	(1,272,524)
Statutory deposits with Bank Negara Malaysia		(28,710)	(28,098)	(28,710)	(28,098)
Other assets		416	(17,648)	454	(17,318)
Increase/(decrease) in operating liabilities:					
Deposits from customers		393,217	(358,454)	393,988	(356,881)
Deposits and placements of banks and other financial institutions		76,405	153,798	76,405	153,798
Investment accounts of customers		113,129	4,396	113,129	4,396
Islamic derivative financial liabilities		6,936	(41,236)	6,936	(41,236)
Bills and acceptances payable		11,562	11,110	11,562	11,110
Other liabilities		(52,380)	6,513	(52,300)	6,355
Cash (used in)/generated from operations		(846,573)	(1,357,153)	(849,236)	(1,360,063)
Finance cost on lease liabilities paid		(970)	(1,101)	(970)	(895)
Zakat paid		(4,163)	(4,212)	(3,796)	(4,127)
Tax paid		(40,722)	(10,544)	(40,508)	(10,091)
Net cash (used in)/generated from operating activities		(892,428)	(1,373,010)	(894,510)	(1,375,176)
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		1,071,043	1,586,616	1,071,043	1,586,616
Purchase of financial investment in securities		(847,240)	(2,524,259)	(847,227)	(2,524,240)
Purchase of property, plant and equipment		(2,545)	(6,680)	(2,521)	(6,680)
Purchase of intangible asset		(12,246)	(6,859)	(12,187)	(6,804)
Dividend income	21	14	19	2,000	2,000
Net cash used in investing activities		209,026	(951,163)	211,108	(949,108)

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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (30 ZULKAEDAH 1443H)

	Group		Bank	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Cash flows from financing activities				
Dividend paid on Islamic subordinated sukuk	(11,250)	(21,000)	(11,250)	(21,000)
Repayment of lease liability	(5,206)	(5,889)	(5,206)	(5,778)
Additional issuance of subordinated sukuk	-	498,670	-	498,670
Proceed from recourse obligation on financing sold to Cagamas	600,000	(250,000)	600,000	(250,000)
Repayment of principal for recourse obligation on financing sold to Cagamas	(431,538)	(8,161)	(431,538)	(8,161)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(10,752)	(10,243)	(10,752)	(10,243)
Net cash generated from/(used in) financing activities	141,254	203,377	141,254	203,488
Net (decrease)/increase in cash and cash equivalents	(542,148)	(2,120,796)	(542,148)	(2,120,796)
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	631,327	842,793	631,327	842,793
Cash and cash equivalents consist of:				
Cash and short term funds	623,276	827,848	623,276	827,848
Cash and placements with financial institutions	8,051	14,945	8,051	14,945
	631,327	842,793	631,327	842,793

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 FINANCIAL PERIOD ENDED 30 JUNE 2022
(30 ZULKAEDAH 1443H)

1. Basis of preparation

The unaudited condensed financial statements for the financial period ended 30 June 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"), and Islamic derivative financial instruments.

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

These condensed consolidated interim financial statements for the period ended 30 June 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 of 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

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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

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 financial period ended 30 June 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 financial period ended 30 June 2022.

5. Changes in accounting estimates

There were no material changes in estimates during the financial period ended 30 June 2022.

6. Dividends

There was no dividend payment during the financial period ended 30 June 2022.

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7. Performance review and outlook

For the six (6) months period ended 30 June 2022, the Group recorded higher profit before zakat and taxation of RM143.7 million, as compared to the RM114.7 million recorded in the previous corresponding period.

The better performance was mainly driven by the 7.8% or RM43.6 million increased in total income to RM603.1 million, in line with marked increase in total financing of customers and lower allowance charged for impairment in financing & financial investments by RM28.0 million. The increase in total income was partially offset by the increase in income attributable to depositors and investment account holders by RM35.4 million.

Total Group assets grew by 2.6% to RM28.3 billion, as compared to RM27.6 billion as at the financial year end closing in December 2021. This was mainly contributed by the positive growth in total gross financing of customers by RM1.6 billion (7.5%). Total deposits from customers recorded an increase of 1.7% in tandem with increase in total assets.

The Group's capital ratios remained stable with CET 1 Capital and Total Capital Ratios stood at 12.511% and 16.163% respectively.

OUTLOOK

The World Bank in its June 2022 issue of the Global Economic Prospect report has projected a global economic growth of 2.9%, slower than its initial forecast of 4.1% in last January 2022¹. The downgrade reflected the surge in global energy and food prices, supply and trade disruption due to war in Ukraine, tighter financial conditions attributable to hike of policy rate by Federal Reserve in US and China's pandemic-induced restriction resulting to trade limitation as prolonged closures of factories and key ports continued in its key cities.

Meanwhile, BNM in its last Economic and Monetary Review report has projected Malaysian economy to grow between 5.3% and 6.3% in 2022², riding on continued expansion in external demand, full upliftment of containment measure, reopening of international borders and improvement in labour market conditions. Amidst better economic growth prospect, BNM has raised the overnight policy rate (OPR) by 50 basis points in 2 consecutive meetings in May and July to currently be at 2.25%. The hike in OPR is also to cut inflationary pressure as the headline inflation increased to 2.8%³ in May 2022 from 2.3% in April. While it is projected to remain within 2.2%-3.2% for the year, headline inflation may be higher due to base effect from electricity prices and the recent price adjustment on the administered items.

Internally, while addressing the challenges premised above, the Bank will also focus on delivering sustainable shareholder's return, aiming to enable Islamic bank for all, realising next generating capabilities and agile banking, cultivating high performing organization and continuously promote Value-based intermediation initiatives as well as sustainability agenda.

Perceiving any emerging risks associated with the current economic conditions, the Bank has also taken the necessary steps to ensure good risk management, preservation of the quality assets, intensive recovery plan as well as efficient management of liquidity. Bank Muamalat will also continue to show unfaltering support to the Government's economic recovery efforts and will ensure impacted customers, will continue to have access to the financial assistance and support.

Moving forward, the Bank anticipates a better growth for FY2022 with overall asset and gross financing are expected to grow double digit. The Bank also 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 the business plan.

¹ Global Economic Prospect, June 2022, World Bank

² 2021 Economic and Monetary Review, Bank Negara Malaysia

³ Monetary Policy Statement, July 2022, Bank Negara Malaysia

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8. Financial investments

		Group		Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Note	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss	(i)	331,881	321,276	329,361	321,276
Financial investments at fair value through other comprehensive income	(ii)	4,549,685	4,866,770	4,549,685	4,864,264
Financial investments at amortised cost	(iii)	112,981	107,109	112,981	107,109
		4,994,547	5,295,155	4,992,027	5,292,649
		Group		Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
(i) Financial investments at fair value through profit or loss					
Unquoted securities in Malaysia:					
Private equity funds		175,727	168,385	175,727	168,385
Islamic private debt securities in Malaysia		150,224	152,891	150,224	152,891
Unit trusts		5,930	-	3,410	-
		331,881	321,276	329,361	321,276
		Group		Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
(ii) Financial investments at fair value through other comprehensive income					
Government securities and treasury bills:					
Malaysian government investment certificates		4,127,901	4,313,355	4,127,901	4,313,355
Unquoted securities:					
Islamic private debt securities in Malaysia		326,705	431,715	326,705	431,715
Cagamas bonds		10,113	20,364	10,113	20,364
		336,818	452,079	336,818	452,079
Equity instruments:					
Quoted securities in Malaysia:					
Quoted shares		80,335	96,705	80,335	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		4,549,685	4,866,770	4,549,685	4,864,264

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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 not credit impaired	Lifetime ECL credit impaired	Total ECL
At 30 June 2022	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	115	-	24,160	24,275
Allowance made	111	-	-	111
Amount written back in respect of recoveries	(109)	-	-	(109)
At 30 June 2022	117	-	24,160	24,277

	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

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8. Financial investments (cont'd.)

Group and Bank
30 June 2022 31 December 2021
RM'000 RM'000

(iii) Financial investments at amortised cost

At amortised cost

Unquoted Islamic corporate sukuk in Malaysia	147,248	146,749
less: Accumulated impairment losses	(34,267)	(39,640)
Total financial investments at amortised cost	112,981	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 30 June 2022				
At 1 January 2022	-	39,640	-	39,640
Amount written back in respect of recoveries	-	(5,373)	-	(5,373)
At 30 June 2022	-	34,267	-	34,267
	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 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

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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					
	30 June 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	890,001	31,472	(168)	778,535	1,362	(3,463)
- Currency swaps						
Less than one year	814,927	284	(30,773)	841,155	4,074	(697)
- Currency spot						
Less than one year	30,972	72	(6)	10,907	1	(7)
	1,735,900	31,828	(30,947)	1,630,597	5,437	(4,167)
Islamic profit rate swap ("IPRS")						
Hedged IPRS	-	-	-	1,200,000	-	(57,376)
Total	1,735,900	31,828	(30,947)	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:

	30 June 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	-	(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 30 June 2022, the Group and the Bank:-

- (i) recognised a net gain of RM57,376,568 (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 RM37,939,833 (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	Shirkah	Total
30 June 2022	Bithaman Ajil	Thumma	Inah	Tawarruq	Al-Dayn	Murabahah	Istisna'	Qard	the Purchase	Mutanaqisah	financing
	RM'000	Al-Bai	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Orderer	RM'000	RM'000
		RM'000							RM'000		
Cash line	-	-	1,123	363,946	-	-	-	-	-	-	365,069
Term financing:											
Home financing	1,282,879	-	-	5,224,247	-	-	9,941	-	-	-	6,517,067
Syndicated financing	-	-	-	544,180	-	-	-	-	-	-	544,180
Hire purchase receivables	59,964	179,217	-	-	-	-	-	-	475,875	-	715,056
Personal financing	34,102	-	5	6,181,175	-	-	-	-	-	-	6,215,282
Other term financing *	132,378	-	-	4,208,805	-	-	10,762	35	-	79,605	4,431,585
Trust receipts	-	-	-	-	55,545	102,435	-	-	-	-	157,980
Claims on customers under acceptance credits	-	-	-	-	195,835	1,177,303	-	-	-	-	1,373,138
Staff financing	20,721	-	-	68,567	-	-	-	526	-	-	89,814
Revolving credit	-	-	-	1,735,447	-	-	-	-	-	-	1,735,447
Credit card	-	-	-	1,685	-	-	-	-	-	-	1,685
Ar-Rahnu	-	-	-	258,092	-	-	-	-	-	-	258,092
Gross financing	1,530,044	179,217	1,128	18,586,144	251,380	1,279,738	20,703	561	475,875	79,605	22,404,395
Fair value changes arising from fair value hedge	-	-	-	18,631	-	-	-	-	-	-	18,631
	1,530,044	179,217	1,128	18,604,775	251,380	1,279,738	20,703	561	475,875	79,605	22,423,026
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(5,504)	(490)	(10)	(113,065)	(257)	(1,778)	(45)	-	(291)	-	(121,440)
-Stage 2 - Lifetime ECL not credit impaired	(914)	(301)	(54)	(17,682)	(39)	(108)	-	-	(22)	-	(19,120)
-Stage 3 - Lifetime ECL credit impaired	(7,012)	(404)	(186)	(88,696)	(3,904)	-	-	-	(79)	-	(100,281)
Total net financing	1,516,614	178,022	878	18,385,332	247,180	1,277,852	20,658	561	475,483	79,605	22,182,185

* Included in financing of customers are financing at fair value through profit or loss amounting to RM354,489,160 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.

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10. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank 30 June 2022	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	-	-	1,123	363,946	-	-	-	-	-	365,069
Term financing:										
Home financing	1,282,879	-	-	5,224,247	-	-	9,941	-	-	6,517,067
Syndicated financing	-	-	-	544,180	-	-	-	-	-	544,180
Hire purchase receivables	59,964	179,217	-	-	-	-	-	-	475,875	715,056
Personal financing	34,102	-	5	6,181,175	-	-	-	-	-	6,215,282
Other term financing*	132,378	-	-	4,208,805	-	-	10,762	67,864	-	4,419,809
Trust receipts	-	-	-	-	55,545	102,435	-	-	-	157,980
Claims on customers under acceptance credits	-	-	-	-	195,835	1,177,303	-	-	-	1,373,138
Staff financing	20,721	-	-	68,567	-	-	-	526	-	89,814
Revolving credit	-	-	-	1,735,447	-	-	-	-	-	1,735,447
Credit card	-	-	-	1,685	-	-	-	-	-	1,685
Ar-Rahnu	-	-	-	258,092	-	-	-	-	-	258,092
Total gross financing ^	1,530,044	179,217	1,128	18,586,144	251,380	1,279,738	20,703	68,390	475,875	22,392,619
Fair value changes arising from fair value hedge	-	-	-	18,631	-	-	-	-	-	18,631
	1,530,044	179,217	1,128	18,604,775	251,380	1,279,738	20,703	68,390	475,875	22,411,250
Less : Allowance for impaired financing										
-Stage 1 - 12 Months ECL	(5,504)	(490)	(10)	(113,065)	(257)	(1,778)	(45)	-	(291)	(121,440)
-Stage 2 - Lifetime ECL not credit impaired	(914)	(301)	(54)	(17,682)	(39)	(108)	-	-	(22)	(19,120)
-Stage 3 - Lifetime ECL credit impaired	(7,012)	(404)	(186)	(88,696)	(3,904)	-	-	-	(79)	(100,281)
Total net financing	1,516,614	178,022	878	18,385,332	247,180	1,277,852	20,658	68,390	475,483	22,170,409

* Included in financing of customers are financing at fair value through profit or loss amounting to RM342,712,914 which mainly consists of hedged asset that are hedged against Islamic profit rate swap.

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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.

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10. Financing of customers (cont'd.)

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

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Uses of Qard fund:				
Staff financing	526	94	526	94
Other term financing	35	106	67,864	70,254
	561	200	68,390	70,348

(ii) By type of customer

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Domestic non-banking institutions	504,238	459,819	504,238	459,819
Domestic business enterprises:				
-Small business enterprises	418,640	728,368	418,640	728,368
-Others	5,240,199	4,666,225	5,228,423	4,656,537
Government and statutory bodies	940,945	944,525	940,945	944,525
Individuals	15,284,398	14,034,406	15,284,398	14,034,406
Other domestic entities	9,938	10,119	9,938	10,119
Foreign entities	6,037	6,554	6,037	6,554
Gross Financing	22,404,395	20,850,016	22,392,619	20,840,328

(iii) By profit rate sensitivity

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
Home financing	167,039	180,050	167,039	180,050
Hire purchase receivables	715,056	650,474	715,056	650,474
Others	3,142,829	3,211,564	3,131,053	3,201,876
Variable rate:				
Home financing	6,436,337	5,699,621	6,436,337	5,699,621
Others	11,943,134	11,108,307	11,943,134	11,108,307
Gross Financing	22,404,395	20,850,016	22,392,619	20,840,328

(iv) By residual contractual maturity

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Maturity				
- within one year	6,346,496	5,532,888	6,346,496	5,581,126
- more than one to five years	7,557,996	6,934,054	7,557,996	6,885,816
- more than five years	8,499,903	8,383,074	8,488,127	8,373,386
Gross Financing	22,404,395	20,850,016	22,392,619	20,840,328

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10. Financing of customers (cont'd.)

(v) By sector

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Agriculture	91,938	76,432	91,938	76,432
Mining and quarrying	4,426	967	4,426	967
Manufacturing	1,088,917	982,214	1,088,917	982,214
Electricity, gas and water	129,420	101,336	129,420	101,336
Construction	572,816	553,493	572,816	553,493
Household	15,290,434	14,040,960	15,290,434	14,040,960
Real estate	1,061,526	1,154,085	1,061,526	1,154,085
Wholesale, retail and restaurant	1,041,043	974,568	1,041,044	974,568
Transport, storage and communication	65,198	67,751	65,198	67,751
Finance, takaful and business services	1,465,746	1,368,761	1,465,745	1,368,761
Community, social and personal services	651,986	584,924	640,210	575,236
Government and statutory bodies	940,945	944,525	940,945	944,525
Gross Financing	22,404,395	20,850,016	22,392,619	20,840,328

(vi) By geographical area

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Domestic	22,404,395	20,850,016	22,392,619	20,840,328
Gross Financing	22,404,395	20,850,016	22,392,619	20,840,328

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10. Financing of customers (cont'd.)

Impaired financing

(i) Movements in the impaired financing

	Group		Bank	
	30 June	31 December	30 June	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	144,866	177,119	144,866	177,119
Reclassified as performing during the period	(26,984)	(97,705)	(26,984)	(97,705)
Recovered during the period	(56,097)	(60,980)	(56,097)	(60,980)
Written off during the period	(21,608)	(41,072)	(21,608)	(41,072)
Gross impaired financing	212,250	172,073	212,250	172,073
Less: Stage 3 - Lifetime ECL credit impaired	(100,281)	(76,134)	(100,281)	(76,134)
Net impaired financing	111,969	95,939	111,969	95,939

Calculation ratio of impaired financing:

Gross financing of customers	22,404,395	20,850,016	22,392,619	20,840,328
Less: Stage 3 - Lifetime ECL credit impaired	(100,281)	(76,134)	(100,281)	(76,134)
Net financing of customers	22,304,114	20,773,882	22,292,338	20,764,194
Ratio of gross impaired financing to total financing	0.95%	0.83%	0.95%	0.83%
Net impaired financing ratio	0.50%	0.46%	0.50%	0.46%

(ii) Impaired financing by sector

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Manufacturing	52,768	31,670	52,768	31,670
Construction	3,304	1,189	3,304	1,189
Household	121,865	114,197	121,865	114,197
Real estate	17,635	17,963	17,635	17,963
Wholesale, retail and restaurant	10,033	4,328	10,033	4,328
Mining and quarrying	25	32	25	32
Transport, storage and communication	978	1,026	978	1,026
Finance, takaful and business services	892	829	892	829
Electricity, gas and water	3,884	-	3,884	-
Community, social and personal service	866	839	866	839
	212,250	172,073	212,250	172,073

(iii) Impaired financing by geographical area

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Domestic	212,250	172,073	212,250	172,073

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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 RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 30 June 2022				
At 1 January 2022	116,768	34,046	76,134	226,948
Transfer to Stage 1	10,444	(8,167)	(2,277)	-
Transfer to Stage 2	(6,841)	13,442	(6,601)	-
Transfer to Stage 3	(161)	(16,938)	17,099	-
Allowance (write back)/made	(10,661)	(2,880)	39,924	26,383
New financial assets originated	64,388	-	-	64,388
Financial assets derecognised	(52,502)	(383)	(2,389)	(55,274)
Amount written off/realised	-	-	(21,609)	(21,609)
Other movements	5	-	-	5
At 30 June 2022	121,440	19,120	100,281	240,841
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	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Deposits	6,982	6,764	6,882	6,665
Prepayments	13,161	7,490	13,024	7,439
Tax prepayment	11,739	6,683	11,739	6,683
Foreclosed properties	551	8,604	551	8,604
Golf club membership	500	500	500	500
Other receivables	2,015	5,640	1,612	5,191
	34,948	35,681	34,308	35,082
Less: Accumulated impairment losses	(1,225)	(1,981)	(1,225)	(1,981)
	33,723	33,700	33,083	33,101

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12. Deferred tax assets & liabilities

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	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)	(11,603)	35,571	(11,603)	35,923
Recognised in other comprehensive income	14,008	18,407	14,008	18,407
At 30 June 2022/ At 31 December 2021	44,909	42,504	44,909	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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets, net	44,909	42,504	44,909	42,504
	44,909	42,504	44,909	42,504

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

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	59,731	58,170	59,731	58,170
Deferred tax liabilities	(14,822)	(15,666)	(14,822)	(15,666)
	44,909	42,504	44,909	42,504

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

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

Deferred tax assets of the Group :

	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	-	(5,248)	(141)	(1,775)	(5,181)	(102)	(12,447)
Recognised in other comprehensive income	14,008	-	-	-	-	-	14,008
At 30 June 2022	26,681	19,920	620	5,541	6,660	309	59,731

	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 assets 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)	-	845	844
At 30 June 2022	(1)	-	(14,821)	(14,822)

	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)

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

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

Deferred tax assets of the Bank:

	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	-	(5,248)	(141)	(1,775)	(5,181)	(102)	(12,447)
Recognised in other comprehensive income	14,008	-	-	-	-	-	14,008
At 30 June 2022	26,681	19,920	619	5,541	6,660	310	59,731

	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)	-	845	844
At 30 June 2022	(1)	-	(14,821)	(14,822)

	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)

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13. Deposits from customers

(a) By type of deposits

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Savings Deposit				
Qard	1,076,790	1,061,437	1,076,790	1,061,437
Tawarruq	769,648	811,685	769,648	811,685
Demand Deposit				
Qard	4,292,701	4,234,251	4,297,723	4,238,503
Tawarruq	2,227,907	2,044,735	2,227,907	2,044,735
Term Deposit				
General investment deposits	16,329	37,697	16,329	37,697
Short term accounts	9,156,940	9,108,440	9,156,940	9,108,440
Fixed term accounts tawarruq	5,868,257	5,733,512	5,879,558	5,744,812
Other deposits	97,810	81,409	97,810	81,408
	23,506,382	23,113,166	23,522,705	23,128,717

(b) By type of customer

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	11,674,236	11,876,050	11,674,236	11,876,050
Business enterprises	5,187,019	4,507,864	5,203,342	4,523,415
Individuals	2,528,925	2,576,642	2,528,925	2,576,642
Domestic non-bank financial institutions	2,941,710	3,014,586	2,941,710	3,014,586
Domestic banking financial institutions	94,174	89,138	94,174	89,138
Others	1,080,318	1,048,886	1,080,318	1,048,886
	23,506,382	23,113,166	23,522,705	23,128,717

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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 :

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Due within six months	12,467,663	12,872,039	12,478,964	12,883,339
More than six months to one year	1,687,416	871,418	1,687,416	871,418
More than one year to three years	519,618	769,020	519,618	769,020
More than three years to five years	366,829	367,172	366,829	367,172
	15,041,526	14,879,649	15,052,827	14,890,949

14. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Non-Mudharabah		
Bank Negara Malaysia	296,324	291,866
Other financial institutions	74,942	-
	371,266	291,866

These balances include amount of RM298,530,000 received in 2020 and 2021, pertaining to the 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	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment account				
Mudarabah				
Without maturity				
- Savings	330,107	216,978	330,107	216,978
Restricted investment accounts:				
Mudarabah				
Maturity				
- within one year	132	132	132	132

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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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts:				
Individuals	330,107	216,978	330,107	216,978
Restricted investment accounts:				
Individuals	132	132	132	132

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

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts:				
Home financing	330,107	216,978	330,107	216,978
Total investment	330,107	216,978	330,107	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 30 June 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%

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16. Other liabilities

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Sundry creditors	9,172	868	9,172	855
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 16(a))	7,317	5,955	7,317	5,955
Provision for bonus	10,247	18,903	10,247	18,692
Accrued expenses	17,297	56,042	16,870	55,779
Accrual for directors' fees	420	60	420	60
Accrual for audit fees	469	828	458	807
Other liabilities	49,203	73,883	49,152	73,823
	94,125	156,539	93,636	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 30 June 2022				
At 1 January 2022	5,206	133	616	5,955
Transfer to Stage 1	136	(39)	(97)	-
Transfer to Stage 2	(65)	103	(38)	-
Transfer to Stage 3	-	(356)	356	-
Allowance (write back)/made	(170)	289	(194)	(75)
New financing originated or purchased	2,423	-	-	2,423
Financing derecognised	(935)	(21)	(30)	(986)
At 30 June 2022	6,595	109	613	7,317
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 (write back)/made	(1,248)	182	1,301	235
Financing derecognised	3,954	-	-	3,954
Amount written-off/realised	(2,673)	(203)	(1,017)	(3,893)
At 31 December 2021	5,206	133	616	5,955

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17. Provision for zakat and taxation

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Zakat	6,366	6,584	5,902	6,197
Taxation	1,251	80	-	-
	7,617	6,664	5,902	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 2021, the Bank has fully redeemed the initial RM250 million Subordinated Sukuk Murabahah via call option and subsequently issued Subordinated Sukuk Programme of up to RM500 million (Series 2), which qualifies as Tier 2 capital under the BNM Policy Document on Capital Adequacy Framework for Islamic Banks (Capital Components). The Subordinated Sukuk Murabahah Series 2 under the Subordinated Sukuk Programme was issued on 15 June 2021. Table below depicts a summary of the current 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.

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

Group and Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) Fixed term deposits	72,818	66,452	149,020	115,782
(b) Other deposits	235,020	211,834	449,187	433,630
	307,838	278,286	598,207	549,412

(a) Income derived from investment of fixed term deposits

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	60,242	54,924	122,590	95,415
Financial investments designated at FVTPL	420	428	884	750
Financial assets at fair value through other comprehensive income	9,804	9,676	21,316	15,405
Financial assets at amortised cost	531	143	686	251
Money at call and deposit with financial institutions	694	709	1,531	2,120
	71,691	65,880	147,007	113,941
Amortisation of premium less accretion of discounts	(2,787)	(2,647)	(6,109)	(3,989)
Total finance income and hibah	68,904	63,233	140,898	109,952
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	4	7	8	20
- financial investments at fair value through other comprehensive income	(5)	-	84	-
Unrealised loss on revaluation from financial investments designated at FVTPL	(180)	(60)	(276)	(218)
	(181)	(53)	(184)	(198)
Fees and commission				
Guarantee fees	126	108	255	183
Processing fees	9	37	168	185
Service charges and fees	758	578	1,665	1,021
Commission	3,202	2,549	6,218	4,639
	4,095	3,272	8,306	6,028
Total	72,818	66,452	149,020	115,782

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

(b) Income derived from investment of other deposits

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	194,286	175,292	369,514	357,351
Financial investments designated at FVTPL	1,360	1,361	2,665	2,808
Financial assets at fair value through other comprehensive income	31,898	31,937	64,251	57,695
Financial assets at amortised cost	1,631	455	2,067	938
Money at call and deposit with financial institutions	2,265	1,594	4,616	7,939
	231,440	210,639	443,113	426,731
Amortisation of premium less accretion of discounts	(9,077)	(8,906)	(18,413)	(14,942)
Total finance income and hibah	222,363	201,733	424,700	411,789
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	13	18	23	76
- financial investments at fair value through other comprehensive income	5	-	254	-
Unrealised loss on revaluation from financial investments designated at FVTPL	(563)	(105)	(831)	(815)
	(545)	(87)	(554)	(739)
Fees and commission				
Guarantee fees	406	347	768	686
Processing fees	60	26	506	694
Service charges and fees	2,470	1,836	5,025	3,827
Commission	10,266	7,979	18,742	17,373
	13,202	10,188	25,041	22,580
Total	235,020	211,834	449,187	433,630

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

Group	3 months ended		6 months ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	1,923	2,594	4,358	5,104
Financial assets at amortised cost				
Money at call and deposit with financial institutions	278	243	536	467
	<u>2,201</u>	<u>2,837</u>	<u>4,894</u>	<u>5,571</u>
Amortisation of premium less				
Accretion of discounts	(375)	(253)	(747)	(554)
Total finance income and hibah	<u>1,826</u>	<u>2,584</u>	<u>4,147</u>	<u>5,017</u>
Other operating income				
Net gain/(loss) from foreign exchange transaction	1,033	5,527	3,145	(11,405)
Unrealised gain/(loss) on revaluation from foreign exchange derivatives	313	(3,606)	(388)	15,243
Unrealised loss on revaluation from financial investments designated at FVTPL	(3,926)	(391)	(2,006)	(3,900)
Net gain from sale of financial investments at fair value through other comprehensive income	-	7	-	7
Fair value (loss)/gain of financial liabilities designated at FVTPL	(1,418)	4,915	(2,995)	13,502
Gross dividend income from investment:				
-shares in Malaysia	8	10	14	19
Net dividend paid for Islamic profit rate swap	(5,803)	(6,406)	(11,845)	(12,742)
Unrealised gain/(loss) on revaluation of Islamic profit rate swap	20,396	(6,625)	37,532	27,798
Unrealised (loss)/gain on revaluation from hedged items	(18,618)	4,068	(37,940)	(32,184)
	<u>(8,015)</u>	<u>(2,501)</u>	<u>(14,483)</u>	<u>(3,662)</u>
Fees and commission				
Corporate advisory fees	529	957	956	1,507
Service charges and fees	1,601	1,866	5,881	3,921
Commission	1,675	1,278	3,114	2,391
	<u>3,805</u>	<u>4,101</u>	<u>9,951</u>	<u>7,819</u>
Other income				
Rental income	222	398	492	947
Profit on termination ROU assets	-	26	-	26
	<u>222</u>	<u>424</u>	<u>492</u>	<u>973</u>
Total	<u>(2,162)</u>	<u>4,608</u>	<u>107</u>	<u>10,147</u>

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

	3 months ended		6 months ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Bank				
Finance income and hibah				
Financial assets at fair value through other comprehensive income	1,923	2,594	4,358	5,104
Financial assets at amortised cost				
Money at call and deposit with financial institutions	278	243	536	467
	<u>2,201</u>	<u>2,837</u>	<u>4,894</u>	<u>5,571</u>
Amortisation of premium less				
Accretion of discounts	(375)	(253)	(747)	(554)
Total finance income and hibah	<u>1,826</u>	<u>2,584</u>	<u>4,147</u>	<u>5,017</u>
Other operating income				
Net gain/(loss) from foreign exchange transaction	1,033	5,527	3,145	(11,405)
Unrealised gain/(loss) on revaluation from foreign exchange derivatives	313	(3,606)	(388)	15,243
Unrealised loss on revaluation from financial investments designated at FVTPL	(3,926)	(391)	(2,006)	(3,900)
Net gain from sale of financial investments at fair value through other comprehensive income	-	7	-	7
Fair value (loss)/gain of financial liabilities designated at FVTPL	(1,418)	4,915	(2,995)	13,502
Gross dividend income from investment:				
-subsidiary	1,000	2,000	2,000	2,000
Net dividend paid for Islamic profit rate swap	(5,803)	(6,406)	(11,845)	(12,742)
Unrealised gain/(loss) on revaluation of Islamic profit rate swap	20,396	(6,625)	37,532	27,798
Unrealised (loss)/gain on revaluation from hedged items	(18,618)	4,068	(37,940)	(32,184)
	<u>(7,023)</u>	<u>(511)</u>	<u>(12,497)</u>	<u>(1,681)</u>
Fees and commission				
Corporate advisory fees	311	547	513	812
Service charges and fees	19	19	39	43
Commission	1,675	1,278	3,114	2,391
	<u>2,005</u>	<u>1,844</u>	<u>3,666</u>	<u>3,246</u>
Other income				
Rental income	252	372	552	933
Profit on termination ROU	-	26	-	26
	<u>252</u>	<u>398</u>	<u>552</u>	<u>959</u>
Total	<u>(2,940)</u>	<u>4,315</u>	<u>(4,132)</u>	<u>7,541</u>

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22. Income derived from investment of investment account funds

Group and Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	2,729	-	4,816	-
	2,729	-	4,816	-

23. Allowance for impairment on financing

Group	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Allowance for/(Writeback of) impairment on financing of customer:				
- individual allowance made	1,767	2,100	3,273	3,674
- individual allowance written back	271	(728)	(228)	(2,321)
- collective allowance made	54,083	67,438	103,459	133,108
- collective allowance written back	(43,516)	(45,725)	(81,555)	(80,568)
Impaired financing written off	113	42	149	68
Impaired financing recovered	(8,361)	(5,120)	(16,481)	(10,304)
	4,357	18,007	8,617	43,657

Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Allowance for/(Writeback of) impairment on financing of customer:				
- individual allowance made	1,767	2,100	3,273	3,674
- individual allowance written back	271	(728)	(228)	(2,321)
- collective allowance made	54,083	67,438	103,459	133,108
- collective allowance written back	(43,516)	(45,725)	(81,555)	(80,568)
Impaired financing written off	113	42	149	68
Impaired financing recovered	(8,361)	(5,120)	(16,481)	(10,304)
	4,357	18,007	8,617	43,657

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

Group	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Impairment (write back)/losses on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	(21)	25	1	14
Impairment losses/(write back) on corporate bonds included under Amortised Cost ("AC")	6,462	(335)	6,539	(414)
	<u>6,441</u>	<u>(310)</u>	<u>6,540</u>	<u>(400)</u>

Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Impairment (write back)/losses on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	(21)	25	1	14
Impairment losses/(write back) on corporate bonds included under Amortised Cost ("AC")	6,462	(335)	6,539	(414)
	<u>6,441</u>	<u>(310)</u>	<u>6,540</u>	<u>(400)</u>

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

Group and Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and short term funds - ECL, net	(29)	10	81	(29)

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26. Income attributable to depositors

Group	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	68	212	142	426
Non-Mudharabah funds	99,351	80,762	195,949	160,229
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	43	67	43	127
	99,462	81,041	196,134	160,782

Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	68	212	142	426
Non-Mudharabah funds	99,405	80,813	196,067	160,325
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	43	67	43	127
	99,516	81,092	196,252	160,878

27. Personnel expenses

Group	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salary and wages	45,674	42,992	90,184	84,611
Contribution to defined contribution plan	8,616	8,028	17,820	15,757
Social security contributions	481	471	952	922
Allowances and bonuses	6,171	4,239	11,626	8,470
Others	6,204	3,316	10,977	10,324
	67,146	59,046	131,559	120,084

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27. Personnel expenses (cont'd)

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Bank	RM'000	RM'000	RM'000	RM'000
Salary and wages	45,107	42,518	89,052	83,688
Contribution to defined contribution plan	8,522	7,963	17,634	15,616
Social security contributions	481	457	952	908
Allowances and bonuses	6,158	4,216	11,621	8,429
Others	6,184	3,297	10,944	10,292
	66,452	58,451	130,203	118,933

28. Other overheads and expenditures

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Group	RM'000	RM'000	RM'000	RM'000
Promotion				
Advertisement and publicity	1,167	2,218	2,914	3,234
Others	561	273	741	340
Establishment				
Rental	(23)	1	93	66
Depreciation of property, plant and equipment	2,913	2,998	5,820	5,910
Depreciation of right-of-use assets	3,213	2,967	5,248	6,010
Amortisation of intangible assets	5,944	5,166	11,567	10,470
Information technology expenses	12,634	11,982	25,064	23,025
Repair and maintenance	1,248	1,718	2,656	2,969
Hire of equipment	1,283	1,009	2,482	2,072
Takaful	2,800	464	4,563	1,060
Utilities expenses	1,290	1,147	2,471	2,172
Security expenses	2,263	1,341	3,780	2,727
Others	1,047	1,055	2,166	2,182
General expenses				
Auditors' fees	135	135	155	270
Professional fees	853	848	1,745	2,318
Legal expenses	376	186	539	257
Telephone	314	283	633	624
Stationery and printing	449	383	849	764
Postage and courier	492	216	953	870
Travelling	148	53	222	113
Directors remuneration and Shariah Committee allowance	872	614	1,371	1,230
Others	3,355	3,581	7,353	6,867
	43,334	38,638	83,385	75,550

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28. Other overheads and expenditures (cont'd)

	3 months ended		6 months ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Bank				
Promotion				
Advertisement and publicity	1,167	2,218	2,914	3,234
Others	561	273	741	312
Establishment				
Rental	(23)	1	93	66
Depreciation of property, plant and equipment	2,909	2,996	5,812	5,905
Depreciation of right-of-use assets	3,213	2,842	5,248	5,761
Amortisation of intangible assets	5,942	5,166	11,566	10,470
Information technology expenses	12,600	11,945	24,996	22,942
Repair and maintenance	1,235	1,628	2,643	2,787
Hire of equipment	1,227	959	2,369	1,969
Takaful	2,800	464	4,563	1,060
Utilities expenses	1,296	1,141	2,471	2,160
Security expenses	2,263	1,341	3,780	2,727
Others	1,047	1,055	2,166	2,182
General expenses				
Auditors' fees	135	135	155	270
Professional fees	801	1,111	1,625	2,517
Legal expenses	376	186	539	257
Telephone	314	283	633	624
Stationery and printing	449	380	846	760
Postage and courier	492	216	953	870
Travelling	148	53	222	113
Directors remuneration and Shariah Committee allowance	859	604	1,344	1,207
Others	3,857	4,118	8,348	7,923
	43,668	39,115	84,027	76,116

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29. Finance cost

Group	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Dividend paid- subordinated sukuk	5,620	3,971	11,183	7,556
Dividend paid- senior sukuk	-	6,867	-	13,704
Financing sold to Cagamas	5,728	5,047	10,676	10,190
Finance cost of lease liabilities	561	541	970	1,101
	11,909	16,426	22,829	32,551

Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Dividend paid- subordinated sukuk	5,620	3,971	11,183	7,556
Dividend paid- senior sukuk	-	6,867	-	13,704
Financing sold to Cagamas	5,728	5,047	10,676	10,190
Finance cost of lease liabilities	561	438	970	895
	11,909	16,323	22,829	32,345

30. Zakat

Group	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	2,141	1,615	3,944	2,909
Under/(over) provision in prior year	-	-	-	18
	2,141	1,615	3,944	2,927

Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	1,759	1,567	3,502	2,820

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31. Taxation

Group	3 months ended		6 months ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Current income tax	14,616	24,321	36,837	56,468
(Over)/under provision in prior year	-	(3)	-	(3)
	14,616	24,318	36,837	56,465
Deferred tax:				
Relating to origination and reversal of temporary differences	6,088	(9,720)	5,637	(28,113)
Relating to (increase)/reduction in Malaysian income tax rate	-	-	5,966	-
Over provision in prior year	-	(1)	-	(1)
	6,088	(9,721)	11,603	(28,114)
	20,704	14,597	48,440	28,351
Bank	3 months ended		6 months ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Current income tax	14,244	23,924	35,452	55,680
	14,244	23,924	35,452	55,680
Deferred tax:				
Relating to origination and reversal of temporary differences	6,088	(9,697)	5,637	(28,091)
Relating to (increase)/reduction in Malaysian income tax rate	-	-	5,966	-
	6,088	(9,697)	11,603	(28,091)
	20,332	14,227	47,055	27,589

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 incurred during the year are not deductible for tax purposes.

Domestic current income tax is calculated at the statutory tax rate of 24% of the estimated chargeable profit for the financial period. As announced in the Budget 2022, the Prosperity Tax (Cukai Makmur) is a one-off tax measure whereby companies with chargeable income above the RM100.0 million will be taxed at a rate of 33% and the income below and equal RM100.0 million will be taxed at the current statutory tax rate of 24% for YA 2022.

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32. Credit exposures arising from credit transactions with connected parties

	Group	
	30 June 2022 RM'000	31 December 2021 RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>1,897,456</u>	<u>1,731,809</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.6%</u>	<u>6.0%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>
	Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>1,965,285</u>	<u>1,801,958</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.8%</u>	<u>6.3%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>

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

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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					
	30 June 2022			31 December 2021		
The commitments and contingencies constitute the following:	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000
Contingent liabilities						
Direct credit substitutes	406,830	406,830	386,033	292,802	292,802	268,848
Trade-related contingencies	108,993	21,799	3,827	41,953	8,391	712
Transaction-related contingencies	545,406	272,703	262,496	487,515	243,758	233,215
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	507,339	101,468	101,679	635,148	127,029	125,609
- Maturity exceeding one (1) year	1,483,238	741,619	559,424	977,994	488,997	414,004
Other miscellaneous commitments & contingencies	47,650	4,131	3,098	25,773	14	11
Islamic derivative financial instruments						
Foreign exchange related contracts	1,735,900	53,585	45,307	1,630,597	25,443	13,995
Profit rate related contract	-	-	-	1,200,000	47,000	9,400
	4,835,356	1,602,135	1,361,864	5,291,782	1,233,434	1,065,794

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34. Capital adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had issued on 9 December 2020 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 Standardised 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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34. Capital adequacy (cont'd.)

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Computation of Total Risk Weighted Assets ("RWA")				
Total credit RWA	18,874,813	17,566,888	18,853,931	17,549,202
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	(148,391)	(98,453)	(148,391)	(98,453)
Total market RWA	73,091	16,225	73,091	16,225
Total operational RWA	1,436,067	1,321,435	1,406,355	1,302,128
Total RWA	20,235,580	18,806,095	20,184,986	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	1,554,573	1,554,572
Other Reserves				
Regulatory reserve	60,287	28,079	60,287	28,079
FVOCI reserve	(83,942)	(40,014)	(83,942)	(40,014)
Foreign exchange translation reserve	2,985	649	2,985	650
Regulatory Adjustment				
Deferred tax assets	(59,731)	(58,170)	(59,731)	(58,170)
Investment property gain	(8,171)	(8,171)	(8,171)	(8,171)
Regulatory reserve	(60,287)	(28,079)	(60,287)	(28,079)
Cumulative gains of financing measured at FVTPL	(20,977)	(19,354)	(20,977)	(19,354)
Investment in subsidiaries	-	-	(13,159)	(13,159)
Intangible asset (net of deferred tax liabilities)	(62,526)	(61,002)	(62,166)	(60,701)
Total Common Equity Tier-I Capital	2,531,711	2,578,011	2,504,412	2,550,653
Total Tier-I Capital	2,531,711	2,578,011	2,504,412	2,550,653
<u>Tier-II capital</u>				
Subordinated sukuk	500,000	500,000	500,000	500,000
Loss provision and regulatory reserve*	235,308	180,990	235,308	180,990
Add: Investment property gain	3,677	3,677	3,677	3,677
Total Tier-II Capital	738,985	684,667	738,985	684,667
Total Capital Base	3,270,696	3,262,678	3,243,397	3,235,320
Ratio (%)				
CET 1 Capital	12.511%	13.708%	12.407%	13.590%
Tier 1 Capital	12.511%	13.708%	12.407%	13.590%
Total Capital	16.163%	17.349%	16.068%	17.237%

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

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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 that have been prepared in accordance with MFRS.

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

	Group			
	30 June 2022 RM'000		31 December 2021 RM'000	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	5,092,472	-	5,863,468	-
20%	3,086,665	617,710	2,485,451	497,090
35%	2,656,620	930,612	2,787,359	975,576
50%	1,352,955	676,693	1,170,444	585,222
75%	3,544,750	2,850,031	3,564,694	2,673,520
100%	13,597,383	13,640,299	12,698,045	12,698,045
150%	100,690	159,468	91,623	137,435
Risk weighted assets for credit risk	29,431,535	18,874,813	28,661,084	17,566,888
Less: Credit risk absorbed by PSIA		(148,391)		(98,453)
Risk weighted assets for market risk		73,091		16,225
Risk weighted assets for operational risk		1,436,067		1,321,435
Total risk weighted assets		<u>20,235,580</u>		<u>18,806,095</u>

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34. Capital adequacy (cont'd.)

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

	Bank			
	30 June 2022 RM'000		31 December 2021 RM'000	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	5,092,472	-	5,863,468	-
20%	3,086,665	617,710	2,485,451	497,090
35%	2,656,620	930,612	2,787,359	975,576
50%	1,352,955	676,693	1,170,444	585,222
75%	3,544,750	2,850,031	3,564,694	2,673,520
100%	13,594,164	13,637,079	12,694,891	12,694,891
150%	88,915	141,806	81,935	122,903
Risk weighted assets for credit risk	29,416,541	18,853,931	28,648,242	17,549,202
Less: Credit risk absorbed by PSIA		(148,391)		(98,453)
Risk weighted assets for market risk		73,091		16,225
Risk weighted assets for operational risk		1,406,355		1,302,128
Total risk weighted assets		<u>20,184,986</u>		<u>18,769,102</u>

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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 (i.e. prices) or indirectly (i.e. 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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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	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
30 June 2022				
Non-financial assets				
Investment properties	-	-	56,564	56,564
Financial assets				
Financial investments designated at fair value through profit and loss	5,930	5,255	320,696	331,881
Financial investments fair value through other comprehensive income	80,335	4,464,719	4,631	4,549,685
Derivative financial assets	-	31,828	-	31,828
Total financial assets measured at fair value	86,265	4,501,802	325,327	4,913,394
Financial liabilities				
Derivative financial liabilities	-	30,947	-	30,947
Total financial liabilities measured at fair value	-	30,947	-	30,947

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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.)	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2021				
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

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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	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
30 June 2022				
Non-financial assets				
Investment properties	-	-	56,564	56,564
Financial assets				
Financial investments designated at fair value through profit and loss	3,410	5,255	320,696	329,361
Financial investments fair value through other comprehensive income	80,335	4,464,719	4,631	4,549,685
Derivative financial assets	-	31,828	-	31,828
Total financial assets measured at fair value	83,745	4,501,802	325,327	4,910,874
Financial liabilities				
Derivative financial liabilities	-	30,947	-	30,947
Total financial liabilities measured at fair value	-	30,947	-	30,947

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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.)	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2021				
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

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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		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	315,621	307,476	315,621	307,476
(Loss)/Gain recognised in profit or loss	(82)	2,101	(82)	2,101
Foreign exchange translation difference	9,788	6,044	9,788	6,044
At 30 June 2022	325,327	315,621	325,327	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	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Total loss recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	(82)	2,101

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36. Segment information

(a) Business segments

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
30 June 2022	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	135,595	395,223	84,272	(11,960)	603,130
Total income	73,395	226,074	25,271	82,169	406,909
Writeback/(Allowance for)of impairment on financing	7,997	(16,614)	-	-	(8,617)
Allowance for impairment losses on investments	-	-	(6,540)	-	(6,540)
Allowance for impairment on other financial assets, net	-	-	(81)	-	(81)
Other expenses	-	-	-	(10,172)	(10,172)
Total net income	81,392	209,460	18,650	71,997	381,499
Total overhead expenses					(237,773)
Profit before zakat and taxation					143,726
Zakat					(3,944)
Taxation					(48,440)
Profit for the period					91,342

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36. Segment information (cont'd.)

(a) Business segments (cont'd.)

Group	Business	Consumer	Treasury and	Others	Total
30 June 2021	banking	banking	investment		
	RM'000	RM'000	banking	RM'000	RM'000
			RM'000		
Revenue	149,132	348,355	78,241	(16,169)	559,559
Total income	93,624	202,865	15,711	86,577	398,777
Allowance for of impairment on financing	(5,207)	(38,450)	-	-	(43,657)
Writeback of impairment losses on investments	-	-	400	-	400
Writeback of impairment on other financial assets, net	-	-	29	-	29
Other expenses	-	-	-	(12,643)	(12,643)
Total net income	88,417	164,415	16,140	73,934	342,906
Total overhead expenses					(228,185)
Profit before zakat and taxation					114,721
Zakat					(2,927)
Taxation					(28,351)
Profit for the period					83,443

Bank	Business	Consumer	Treasury and	Others	Total
30 June 2022	banking	banking	investment		
	RM'000	RM'000	banking	RM'000	RM'000
			RM'000		
Revenue	135,595	395,223	80,033	(11,960)	598,891
Total Income	73,395	226,074	20,914	82,169	402,552
Writeback/(Allowance for)of impairment on financing	7,997	(16,614)	-	-	(8,617)
Allowance for impairment losses on investments	-	-	(6,540)	-	(6,540)
Allowance for impairment on other financial assets, net	-	-	(81)	-	(81)
Other expenses	-	-	-	(10,172)	(10,172)
Total net income	81,392	209,460	14,293	71,997	377,142
Total overhead expenses					(237,059)
Profit before zakat and taxation					140,083
Zakat					(3,502)
Taxation					(47,055)
Profit for the period					89,526

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36. Segment information (cont'd.)

(a) Business segments (cont'd.)

Bank 30 June 2021	Business banking RM'000	Consumer banking RM'000	Treasury and investment banking RM'000	Others RM'000	Total RM'000
Revenue	149,132	348,355	75,635	(16,169)	556,953
Total Income	93,624	202,865	13,008	86,578	396,075
Allowance for of impairment on financing	(5,207)	(38,450)	-	-	(43,657)
Writeback of impairment losses on investments	-	-	400	-	400
Writeback of impairment on other financial assets, net	-	-	29	-	29
Other expenses	-	-	-	(12,643)	(12,643)
Total net income	88,417	164,415	13,437	73,935	340,204
Total overhead expenses					(227,422)
Profit before zakat and taxation					112,782
Zakat					(2,820)
Taxation					(27,589)
Profit for the period					82,373