



BANK MUAMALAT MALAYSIA BERHAD

Company No. 196501000376 (6175-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)**

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 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

	Note	Group		Bank	
		As at 30 September 2024 RM'000	As at 31 December 2023 RM'000	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
Assets					
Cash and short-term funds		930,205	3,039,191	930,205	3,039,191
Cash and placements with financial institutions		551,803	-	551,803	-
Financial investments at fair value through profit or loss	7(i)	32,484	33,707	29,822	31,096
Financial investments at fair value through other comprehensive income	7(ii)	7,719,608	6,505,466	7,719,608	6,505,466
Financial investments at amortised cost	7(iii)	74,599	116,871	74,599	116,871
Islamic derivative financial assets	8	60,890	12,819	60,890	12,819
Financing of customers	9	31,433,012	28,347,644	31,429,456	28,343,392
Other assets	10	92,392	133,707	91,447	132,866
Statutory deposits with Bank Negara Malaysia		664,809	583,809	664,809	583,809
Investment in subsidiaries		-	-	13,159	13,159
Investment properties		56,756	56,756	56,756	56,756
Right-of-use assets		41,239	36,113	41,239	36,113
Intangible assets		120,826	123,096	120,600	122,811
Property, plant and equipment		56,312	46,615	56,289	46,580
Deferred tax assets (net)	11	21,564	24,483	21,583	23,943
Total assets		41,856,499	39,060,277	41,862,265	39,064,872
Liabilities					
Deposits from customers	12	35,167,444	32,795,736	35,185,841	32,811,802
Investment account of customer	14	234,697	247,689	234,697	247,689
Deposits and placements of banks and other financial institutions	13	754,318	529,634	754,318	529,634
Bills and acceptances payable		6,786	13,773	6,786	13,773
Islamic derivative financial liabilities	8	104,235	21,519	104,235	21,519
Other liabilities	15	156,504	100,640	153,956	101,105
Lease Liabilities		43,664	38,469	43,663	38,469
Provision for zakat and taxation	16	3,633	10,647	3,451	10,320
Recourse obligation on financing sold to Cagamas	17	1,037,553	1,058,745	1,037,553	1,058,745
Subordinated sukuk	18	808,785	806,924	808,785	806,924
Total liabilities		38,317,619	35,623,776	38,333,285	35,639,980

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H) - (CONT'D.)

	Note	Group		Bank	
		As at 30 September 2024 RM'000	As at 31 December 2023 RM'000	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
Shareholders' equity					
Share capital		1,195,000	1,195,000	1,195,000	1,195,000
Reserves		1,995,125	1,892,746	1,985,225	1,881,137
Equity attributable to owners of the Company		3,190,125	3,087,746	3,180,225	3,076,137
Perpetual Sukuk		348,755	348,755	348,755	348,755
Total Equity		3,538,880	3,436,501	3,528,980	3,424,892
Total liabilities and shareholders' equity					
		41,856,499	39,060,277	41,862,265	39,064,872
Restricted investment accounts	14	-	32	-	32
Total Islamic banking asset and asset under management					
		41,856,499	39,060,309	41,862,265	39,064,904
Commitments and contingencies					
	32	5,841,826	5,650,858	5,841,826	5,650,858
Capital adequacy *					
CET 1 capital ratio	33	10.752%	11.401%	10.667%	11.319%
Tier 1 Capital	33	12.112%	12.848%	12.028%	12.767%
Total capital ratio	33	16.413%	17.343%	16.333%	17.269%

* 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 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

<u>Group</u>	Note	3 months ended		9 months ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income derived from investment of depositors' funds and others	19	543,021	452,981	1,557,974	1,249,987
Income derived from investment of shareholders' funds	20	11,721	10,558	33,347	29,242
Income derived from investment of investment account funds	21	2,506	2,098	7,857	8,372
Allowance for impairment on financing	22	(18,471)	(18,743)	(89,052)	(53,608)
Allowance for impairment losses on financial investments, net (Allowance for)/writeback of impairment losses on other financial assets, net	23	(42,873)	(495)	(44,501)	(532)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	24	(1,659)	103	(1,545)	(34)
		(10,322)	(13,234)	(27,499)	(31,014)
Total distributable income		483,923	433,268	1,436,581	1,202,413
Income attributable to depositors	25	(282,204)	(214,649)	(807,011)	(594,778)
Income attributable to investment account holders		(51)	(62)	(155)	(181)
Total net income		201,668	218,557	629,415	607,454
Personnel expenses	26	(88,285)	(73,207)	(262,607)	(218,933)
Other overheads and expenditures	27	(60,809)	(49,599)	(177,324)	(144,207)
Finance costs	28	(20,577)	(22,657)	(61,888)	(60,050)
Profit before zakat and taxation		31,997	73,094	127,596	184,264
Zakat	29	(1,154)	(1,840)	(3,523)	(4,851)
Taxation	30	(9,799)	(18,091)	(34,893)	(46,003)
Profit for the period		21,044	53,163	89,180	133,410
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				9.95	14.89

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 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

<u>Bank</u>	Note	3 months ended		9 months ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income derived from investment of depositors' funds and others	19	543,021	452,981	1,557,974	1,249,987
Income derived from investment of shareholders' funds	20	12,510	8,777	32,952	31,302
Income derived from investment of investment account funds	21	2,506	2,098	7,857	8,372
Allowance for impairment on financing	22	(18,471)	(18,743)	(89,052)	(53,608)
Allowance for impairment losses on financial investments, net (Allowance for)/writeback of impairment losses on other financial assets, net	23	(42,873)	(495)	(44,501)	(532)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	24	(1,659)	103	(1,545)	(34)
		(10,322)	(13,234)	(27,499)	(31,014)
Total distributable income		484,712	431,487	1,436,186	1,204,473
Income attributable to depositors	25	(282,283)	(214,740)	(807,269)	(595,026)
Income attributable to investment account holders		(51)	(62)	(155)	(181)
Total net income		202,378	216,685	628,762	609,266
Personnel expenses	26	(87,743)	(72,602)	(261,082)	(216,985)
Other overheads and expenditures	27	(61,156)	(49,432)	(178,362)	(144,397)
Finance costs	28	(20,577)	(22,657)	(61,888)	(60,050)
Profit before zakat and taxation		32,902	71,994	127,430	187,834
Zakat	29	(1,088)	(1,800)	(3,366)	(4,696)
Taxation	30	(8,797)	(17,877)	(33,175)	(44,968)
Profit for the period		23,017	52,317	90,889	138,170
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				10.14	15.42

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BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

<u>Group</u>	Note	3 months ended		9 months ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit for the period		21,044	53,163	89,180	133,410
Other comprehensive income:					
Items that may be reclassified					
subsequently to profit or loss					
Net gain/(loss) on financial investments at fair value through other comprehensive income		4,721	(15,653)	18,515	6,983
- Net gain/(loss) on change in fair value		13,209	(11,405)	38,493	27,169
- Changes in expected credit losses	7(ii)	20	495	21	531
- Income tax effect	11	(3,846)	2,914	(6,127)	(2,687)
- Realised gain transferred to profit or loss on disposal	19 & 20	(4,662)	(7,657)	(13,872)	(18,030)
Exchange fluctuation reserve		6,454	(370)	5,300	(2,437)
Items that may not be reclassified					
subsequently to profit or loss					
Net unrealised (loss)/gain on equity securities at fair value through other comprehensive income		(3,425)	(6,122)	11,731	(2,756)
Other comprehensive gain/(loss) for the period, net of tax		7,750	(22,145)	35,546	1,790
Total comprehensive income for the period		28,794	31,018	124,726	135,200

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 2023.

BANK MUAMALAT MALAYSIA BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

<u>Bank</u>	Note	3 months ended		6 months ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit for the period		23,017	52,317	90,889	138,170
Other comprehensive income:					
Items that may be reclassified					
subsequently to profit or loss					
Net gain/(loss) on financial investments at fair value through other comprehensive income		4,721	(15,653)	18,515	6,983
- Net gain/(loss) on change in fair value		13,209	(11,405)	38,493	27,169
- Changes in expected credit losses	7(ii)	20	495	21	531
- Income tax effect	11	(3,846)	2,914	(6,127)	(2,687)
- Realised gain transferred to profit or loss on disposal	19 & 20	(4,662)	(7,657)	(13,872)	(18,030)
Exchange fluctuation reserve		6,454	(370)	5,300	(2,437)
Items that may not be reclassified					
subsequently to profit or loss					
Net unrealised (loss)/gain on equity securities at fair value through other comprehensive income		(3,425)	(6,122)	11,731	(2,756)
Other comprehensive gain/(loss) for the period, net of tax		7,750	(22,145)	35,546	1,790
Total comprehensive income for the period		30,767	30,172	126,435	139,960

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 2023.

BANK MUAMALAT MALAYSIA BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

	Non-distributable					Distributable		Total Equity RM'000
	Ordinary shares RM'000	Perpetual Sukuk RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000		
Group								
At 1 January 2024	1,195,000	348,755	(6,966)	155,747	1,591	1,742,374	3,436,501	
Profit for the period	-	-	-	-	-	89,180	89,180	
Other comprehensive income/(loss) for the period	-	-	30,246	-	5,300	-	35,546	
Total comprehensive income/(loss) for the period	-	-	30,246	-	5,300	89,180	124,726	
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	(1,775)	-	-	1,775	-	
Transfer to regulatory reserve	-	-	-	(4,430)	-	4,430	-	
Transaction with Owners								
Distribution to Perpetual Sukuk	-	-	-	-	-	(22,347)	(22,347)	
At 30 September 2024	1,195,000	348,755	21,505	151,317	6,891	1,815,412	3,538,880	
At 1 January 2023	1,195,000	-	(1,342)	94,239	3,066	1,595,641	2,886,604	
Profit for the period	-	-	-	-	-	133,410	133,410	
Other comprehensive (loss)/income for the period	-	-	4,227	-	(2,437)	-	1,790	
Total comprehensive (loss)/income for the period	-	-	4,227	-	(2,437)	133,410	135,200	
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	3,637	-	-	(3,637)	-	
Net issuance of Perpetual Sukuk	-	350,000	-	-	-	-	350,000	
Transfer to regulatory reserve	-	-	-	27,872	-	(27,872)	-	
At 30 September 2023	1,195,000	350,000	6,522	122,111	629	1,697,542	3,371,804	

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 2023.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

	Non-distributable				Distributable		Total Equity RM'000
	Ordinary shares RM'000	Perpetual Sukuk RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	
Bank							
At 1 January 2024	1,195,000	348,755	(6,966)	155,747	1,592	1,730,764	3,424,892
Profit for the period	-	-	-	-	-	90,889	90,889
Other comprehensive income/(loss) for the period	-	-	30,246	-	5,300	-	35,546
Total comprehensive income/(loss) for the period	-	-	30,246	-	5,300	90,889	126,435
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	(1,775)	-	-	1,775	-
Transfer to regulatory reserve	-	-	-	(4,430)	-	4,430	-
Transaction with Owners							
Distribution to Perpetual Sukuk	-	-	-	-	-	(22,347)	(22,347)
At 30 September 2024	1,195,000	348,755	21,505	151,317	6,892	1,805,511	3,528,980
At 1 January 2023	1,195,000	-	(1,342)	94,239	3,067	1,577,800	2,868,764
Profit for the period	-	-	-	-	-	138,170	138,170
Other comprehensive (loss)/income for the period	-	-	4,227	-	(2,437)	-	1,790
Total comprehensive (loss)/income for the period	-	-	4,227	-	(2,437)	138,170	139,960
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	3,637	-	-	(3,637)	-
Net issuance of Perpetual Sukuk	-	350,000	-	-	-	-	350,000
Transfer to regulatory reserve	-	-	-	27,872	-	(27,872)	-
At 30 September 2023	1,195,000	350,000	6,522	122,111	630	1,684,461	3,358,724

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 2023.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

		Group		Bank	
	Note	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		127,596	184,264	127,430	187,834
Adjustment for					
Amortisation of intangible asset	27	26,866	24,433	26,806	24,373
Depreciation of property, plant and equipment	27	7,321	8,071	7,310	8,058
Loss on disposal of property, plant and equipment	20	(4)	(1)	(4)	(1)
Gain on termination ROU asset		(72)	(3)	(72)	(3)
Depreciation of right-of-use assets	27	8,584	8,342	8,584	8,342
Amortisation of cost on Subordinated Sukuk Issued		317	317	317	317
Fixed asset written off		3	6	3	6
Amortisation of premium, net	19 & 20	22,520	30,729	22,520	30,729
Net gain from sale of financial investments at fair value through other comprehensive income	19 & 20	(13,873)	(18,030)	(13,873)	(18,030)
Net gain from sale of financial investment designated at FVTPL		(10)	(134)	(10)	(134)
Unrealised gain on revaluation of financial investment designated at FVTPL	19 & 20	(2,756)	(2,107)	(2,756)	(2,108)
Net (gain)/loss on revaluation of foreign exchange transaction	20	(55,433)	20,203	(55,433)	20,203
Unrealised loss/(gain) from foreign exchange derivatives	20	34,645	(33,288)	34,645	(33,288)
Unrealised loss on revaluation of hedged items	20	259	586	259	586
Fair value loss of financial liabilities designated at FVTPL	20	3,306	461	3,306	461
Allowance for impairment losses on financial investments, net	23	44,501	532	44,501	532
Allowance for impairment losses on other financial assets, net	24	1,545	34	1,545	34
Allowance for impairment on financing	22	118,499	78,532	118,499	78,532
Financing written off	22	1,015	83	1,015	83
Finance cost	28	61,888	60,050	61,888	60,050
Gross dividend income	20	(52)	(50)	(5,000)	(8,000)
Operating profit before working capital changes		386,665	363,030	381,480	358,576

Bank Muamalat Malaysia Berhad
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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

	Note	Group		Bank	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
(Increase)/decrease in operating assets:					
Financial investment portfolio		(77,949)	376	(77,950)	377
Islamic derivative financial assets		(82,715)	5,341	(82,715)	5,341
Financing of customers		(3,204,881)	(3,195,810)	(3,205,577)	(3,203,734)
Statutory deposits with Bank Negara Malaysia		(81,000)	(140,523)	(81,000)	(140,523)
Other assets		117,454	(59,386)	116,460	(59,517)
Increase/(decrease) in operating liabilities:					
Deposits from customers		2,371,708	2,954,503	2,374,039	2,956,186
Deposits and placements of banks and other financial institutions		221,378	129,160	221,378	129,160
Investment accounts of customers		(12,993)	(30,327)	(12,993)	(30,327)
Islamic derivative financial liabilities		82,715	(5,341)	82,715	(5,341)
Bills and acceptances payable		(6,987)	(6,833)	(6,987)	(6,833)
Other liabilities		68,950	4,048	66,484	4,554
Cash (used in)/generated from operations		(217,655)	18,238	(224,666)	7,919
Finance cost on lease liabilities paid	28	(1,503)	(1,382)	(1,503)	(1,382)
Zakat paid		(10,519)	(4,724)	(10,235)	(4,264)
Tax paid		(68,162)	(40,410)	(66,432)	(38,567)
Net cash used in from operating activities		(297,839)	(28,278)	(302,836)	(36,294)
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		5,822,364	3,119,905	5,822,364	3,119,905
Purchase of financial investment in securities		(6,929,329)	(4,033,850)	(6,929,280)	(4,033,801)
Proceeds from disposal of property, plant and equipment		5	1	5	1
Purchase of property, plant and equipment		(6,118)	(4,646)	(6,118)	(4,643)
Purchase of intangible asset		(35,500)	(34,057)	(35,500)	(34,043)
Dividend income	20	52	50	5,000	8,000
Net cash used in investing activities		(1,148,526)	(952,597)	(1,143,529)	(944,581)

Bank Muamalat Malaysia Berhad
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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (26 RABIULAWAL 1446H)

	Group		Bank	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash flows from financing activities				
Dividend paid on Islamic subordinated sukuk	(27,240)	(27,240)	(27,240)	(27,240)
Repayment of lease liability	(8,440)	(8,348)	(8,440)	(8,348)
Proceed from recourse obligation on financing sold to Cagamas	202,234	500,000	202,234	500,000
Repayment of principal for recourse obligation on financing sold to Cagamas	(222,807)	(23,726)	(222,807)	(23,726)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(32,218)	(24,498)	(32,218)	(24,498)
Distribution to perpetual Sukuk holder	(22,347)	-	(22,347)	-
Proceeds from issuance of Perpetual Sukuk	-	350,000	-	350,000
Net cash (used in)/ generated from financing activities	(110,818)	766,188	(110,818)	766,188
Net decrease in cash and cash equivalents	(1,557,183)	(214,687)	(1,557,183)	(214,687)
Cash and cash equivalents at beginning of the period	3,039,191	1,257,201	3,039,191	1,257,201
Cash and cash equivalents at end of the period	1,482,008	1,042,514	1,482,008	1,042,514
Cash and cash equivalents consist of:				
Cash and short term funds	930,205	1,042,514	930,205	1,042,514
Cash and placements with financial institutions	551,803	-	551,803	-
	1,482,008	1,042,514	1,482,008	1,042,514

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 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024
(26 RABIULAWAL 1446H)

1. Basis of preparation

The unaudited condensed financial statements for the financial period ended 30 September 2024 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 September 2024 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 2023. 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 2023.

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 2023 except for adoption of the following MFRSs and Interpretations of the Issues Committee ("IC Interpretations") with effective dates as follows:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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1. Basis of preparation (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Bank.

2. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2023 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 September 2024.

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 September 2024.

5. Changes in accounting estimates

There were no material changes in estimates during the financial period ended 30 September 2024.

6. Dividends

There was no dividend payment during the financial period ended 30 September 2024.

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7. Financial investments

	Note	Group		Bank	
		30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Financial investments at fair value through profit or loss	(i)	32,484	33,707	29,822	31,096
Financial investments at fair value through other comprehensive income	(ii)	7,719,608	6,505,466	7,719,608	6,505,466
Financial investments at amortised cost	(iii)	74,599	116,871	74,599	116,871
		7,826,691	6,656,044	7,824,029	6,653,433

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
(i) Financial investments at fair value through profit or loss				
Unquoted securities in Malaysia:				
Islamic private debt securities in Malaysia	25,366	27,122	25,366	27,122
Unit trusts	7,118	6,585	4,456	3,974
	32,484	33,707	29,822	31,096

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
(ii) Financial investments at fair value through other comprehensive income				
Debt instruments:				
Government securities and treasury bills:				
Malaysian government investment certificates	4,307,180	4,278,305	4,307,180	4,278,305
Unquoted securities:				
Islamic private debt securities in Malaysia	2,536,605	1,370,104	2,536,605	1,370,104
Cagamas sukuk	661,921	473,926	661,921	473,926
Bank Negara Malaysia Bills and Notes	-	199,865	-	199,865
	3,198,526	2,043,895	3,198,526	2,043,895
Equity instruments:				
Quoted securities in Malaysia:				
Quoted shares	125,656	75,381	125,656	75,381
Money market instruments:				
Unquoted securities:				
Private equity funds	83,615	103,254	83,615	103,254
Shares in Malaysia	4,631	4,631	4,631	4,631
	88,246	107,885	88,246	107,885
Total financial assets at fair value through other comprehensive income	7,719,608	6,505,466	7,719,608	6,505,466

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7. 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:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	<u>12 Months ECL</u> <u>RM'000</u>	<u>Lifetime ECL</u> <u>not credit</u> <u>impaired</u> <u>RM'000</u>	<u>Lifetime ECL</u> <u>credit</u> <u>impaired</u> <u>RM'000</u>	
At 30 September 2024				
At 1 January 2024	49	-	22,667	22,716
Allowance made	70	-	12	82
Amount written back in respect of recoveries	(62)	-	-	(62)
At 30 September 2024	<u>57</u>	<u>-</u>	<u>22,679</u>	<u>22,736</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u> <u>RM'000</u>
	<u>12 Months ECL</u> <u>RM'000</u>	<u>Lifetime ECL</u> <u>not credit</u> <u>impaired</u> <u>RM'000</u>	<u>Lifetime ECL</u> <u>credit</u> <u>impaired</u> <u>RM'000</u>	
At 31 December 2023				
At 1 January 2023	56	-	22,134	22,190
Allowance made	208	-	533	741
Amount written back in respect of recoveries	(215)	-	-	(215)
At 31 December 2023	<u>49</u>	<u>-</u>	<u>22,667</u>	<u>22,716</u>

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7. Financial investments (cont'd.)

Group and Bank
30 September 2024 **31 December 2023**
RM'000 **RM'000**

(iii) Financial investments at amortised cost

At amortised cost

Unquoted Islamic corporate sukuk in Malaysia	151,018	148,809
less: Accumulated impairment losses	(76,419)	(31,938)
Total financial investments at amortised cost	74,599	116,871

(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 September 2024				
At 1 January 2024	-	-	31,938	31,938
Transfer to Stage 3				
Amount written back in respect				
Allowance made	-	-	44,481	44,481
At 30 September 2024	-	-	76,419	76,419

	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 2023				
At 1 January 2023	-	-	34,185	34,185
Management overlay redesignated	-	-	(2,247)	(2,247)
At 31 December 2023	-	-	31,938	31,938

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8. 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 September 2024			31 December 2023		
	Contract/ notional amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives:						
Foreign exchange contracts						
- Currency forwards						
Less than one year	1,013,432	6,779	(103,769)	931,445	362	(16,555)
- Currency swaps						
Less than one year	502,634	54,053	(377)	1,317,642	12,451	(4,671)
- Currency spot						
Less than one year	38,982	58	(89)	38,276	6	(293)
Total	1,555,048	60,890	(104,235)	2,287,363	12,819	(21,519)

9. Financing of Customers

(i) By type and Shariah concepts

Group 30 September 2024	Bai'	Ijarah	Inah RM'000	Tawarruq RM'000	Bai'	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to	Shirkah Mutanaqisah RM'000	Total financing RM'000
	Bithaman Ajil RM'000	Thumma Al-Bai RM'000			Al-Dayn RM'000				the Purchase Orderer RM'000		
Cash line	-	-	889	630,612	-	-	-	-	-	-	631,501
Term financing:											
Home financing	1,024,376	-	-	10,362,780	-	-	54,920	-	-	-	11,442,076
Syndicated financing	-	-	-	506,939	-	-	-	-	-	-	506,939
Hire purchase receivables	30,844	513,885	-	-	-	-	-	-	1,526,539	-	2,071,268
Personal financing	26,310	-	-	8,478,595	-	-	-	-	-	-	8,504,905
Other term financing	87,220	-	-	4,197,424	-	-	-	-	-	47,235	4,331,879
Trust receipts	-	-	-	-	64,813	24,331	-	-	-	-	89,144
Claims on customers under acceptance credits	-	-	-	-	222,736	1,055,210	-	-	-	-	1,277,946
Staff financing	13,789	-	-	106,904	-	-	-	170	774	-	121,637
Revolving credit	-	-	-	2,148,506	-	-	-	-	-	-	2,148,506
Credit card	-	-	-	87,278	-	-	-	-	-	-	87,278
Ar-Rahnu	-	-	-	495,459	-	-	-	-	-	-	495,459
Gross financing	1,182,539	513,885	889	27,014,497	287,549	1,079,541	54,920	170	1,527,313	47,235	31,708,538
Fair value changes arising from fair value hedge ¹	-	-	-	11,644	-	-	-	-	-	-	11,644
	1,182,539	513,885	889	27,026,141	287,549	1,079,541	54,920	170	1,527,313	47,235	31,720,182
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(967)	(1,108)	(17)	(106,515)	(128)	(767)	(187)	-	(6,837)	-	(116,526)
-Stage 2 - Lifetime ECL not credit impaired	(282)	(44)	-	(27,449)	(3)	(71)	(1)	-	(702)	-	(28,552)
-Stage 3 - Lifetime ECL credit impaired	(2,813)	(278)	(233)	(110,584)	(27,486)	(3)	-	-	(695)	-	(142,092)
Total net financing ²	1,178,477	512,455	639	26,781,593	259,932	1,078,700	54,732	170	1,519,079	47,235	31,433,012

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM346,102,000 (2023: RM354,741,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

9. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Group 31 December 2023	Bai'	Ijarah	Inah RM'000	Tawarruq RM'000	Bai'	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to	Shirkah Mutanaqisah RM'000	Total financing RM'000
	Bithaman Ajil RM'000	Thumma Al-Bai RM'000			Al-Dayn RM'000				the Purchase Orderer RM'000		
Cash line	-	-	861	482,351	-	-	-	-	-	-	483,212
Term financing:											
Home financing	1,107,372	-	-	8,315,860	-	-	8,171	-	-	-	9,431,403
Syndicated financing	-	-	-	546,137	-	-	-	-	-	-	546,137
Hire purchase receivables	40,272	88,859	-	-	-	-	-	-	1,413,961	-	1,543,092
Personal financing	28,982	-	-	8,119,470	-	-	-	-	-	-	8,148,452
Other term financing	95,598	-	-	4,227,205	-	-	-	-	-	54,033	4,376,836
Trust receipts	-	-	-	-	64,514	24,950	-	-	-	-	89,464
Claims on customers under acceptance credits	-	-	-	-	225,680	1,125,408	-	-	-	-	1,351,088
Staff financing	16,229	-	-	63,947	-	-	-	84	-	-	80,260
Revolving credit	-	-	-	2,080,702	-	-	-	-	-	-	2,080,702
Credit card	-	-	-	58,625	-	-	-	-	-	-	58,625
Ar-Rahnu	-	-	-	366,919	-	-	-	-	-	-	366,919
Total gross financing	1,288,453	88,859	861	24,261,216	290,194	1,150,358	8,171	84	1,413,961	54,033	28,556,190
Fair value changes arising from fair value hedge ¹	-	-	-	13,974	-	-	-	-	-	-	13,974
	1,288,453	88,859	861	24,275,190	290,194	1,150,358	8,171	84	1,413,961	54,033	28,570,164
Less : Allowance for impaired financing											
At amortised cost											
-Stage 1 - 12 Months ECL	(1,586)	(626)	(6)	(112,424)	(195)	(725)	(11)	-	(4,665)	-	(120,238)
-Stage 2 - Lifetime ECL not credit impaired	(447)	(161)	(46)	(22,127)	(11)	(163)	(3)	-	(300)	-	(23,258)
-Stage 3 - Lifetime ECL credit impaired	(4,276)	(224)	(184)	(71,418)	(2,624)	-	-	-	(298)	-	(79,024)
Total net financing ²	1,282,144	87,848	625	24,069,221	287,364	1,149,470	8,157	84	1,408,698	54,033	28,347,644

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM354,741,000 (2022: RM365,831,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

9. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank 30 September 2024	Ijarah				Murabahah to the Purchase				Total financing RM'000	
	Bai' Bithaman Ajil RM'000	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		Orderer RM'000
Cash line	-	-	889	630,612	-	-	-	-	-	631,501
Term financing:										
Home financing	1,024,376	-	-	10,362,780	-	-	54,920	-	-	11,442,076
Syndicated financing	-	-	-	506,939	-	-	-	-	-	506,939
Hire purchase receivables	30,844	513,885	-	-	-	-	-	-	1,526,539	2,071,268
Personal financing	26,310	-	-	8,478,595	-	-	-	-	-	8,504,905
Other term financing	87,220	-	-	4,197,424	-	-	-	43,679	-	4,328,323
Trust receipts	-	-	-	-	64,813	24,331	-	-	-	89,144
Claims on customers under acceptance credits	-	-	-	-	222,736	1,055,210	-	-	-	1,277,946
Staff financing	13,789	-	-	106,904	-	-	-	170	774	121,637
Revolving credit	-	-	-	2,148,506	-	-	-	-	-	2,148,506
Credit card	-	-	-	87,278	-	-	-	-	-	87,278
Ar-Rahnu	-	-	-	495,459	-	-	-	-	-	495,459
Total gross financing	1,182,539	513,885	889	27,014,497	287,549	1,079,541	54,920	43,849	1,527,313	31,704,982
Fair value changes arising from fair value hedge ¹	-	-	-	11,644	-	-	-	-	-	11,644
	1,182,539	513,885	889	27,026,141	287,549	1,079,541	54,920	43,849	1,527,313	31,716,626
Less : Allowance for impaired financing										
-Stage 1 - 12 Months ECL	(967)	(1,108)	(17)	(106,515)	(128)	(767)	(187)	-	(6,837)	(116,526)
-Stage 2 - Lifetime ECL not credit impaired	(282)	(44)	-	(27,449)	(3)	(71)	(1)	-	(702)	(28,552)
-Stage 3 - Lifetime ECL credit impaired	(2,813)	(278)	(233)	(110,584)	(27,486)	(3)	-	-	(695)	(142,092)
Total net financing²	1,178,477	512,455	639	26,781,593	259,932	1,078,700	54,732	43,849	1,519,079	31,429,456

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM338,753,000 (2023: RM350,490,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

9. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank 31 December 2023	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	-	-	861	482,351	-	-	-	-	-	483,212
Term financing:										
Home financing	1,107,372	-	-	8,315,860	-	-	8,171	-	-	9,431,403
Syndicated financing	-	-	-	546,137	-	-	-	-	-	546,137
Hire purchase receivables	40,272	88,859	-	-	-	-	-	-	1,413,961	1,543,092
Personal financing	28,982	-	-	8,119,470	-	-	-	-	-	8,148,452
Other term financing	95,598	-	-	4,227,205	-	-	-	49,781	-	4,372,584
Trust receipts	-	-	-	-	64,514	24,950	-	-	-	89,464
Claims on customers under acceptance credits	-	-	-	-	225,680	1,125,408	-	-	-	1,351,088
Staff financing	16,229	-	-	63,947	-	-	-	84	-	80,260
Revolving credit	-	-	-	2,080,702	-	-	-	-	-	2,080,702
Credit card	-	-	-	58,625	-	-	-	-	-	58,625
Ar-Rahnu	-	-	-	366,919	-	-	-	-	-	366,919
Total gross financing	1,288,453	88,859	861	24,261,216	290,194	1,150,358	8,171	49,865	1,413,961	28,551,938
Fair value changes arising from fair value hedge ¹	-	-	-	13,974	-	-	-	-	-	13,974
	1,288,453	88,859	861	24,275,190	290,194	1,150,358	8,171	49,865	1,413,961	28,565,912
Less : Allowance for impaired financing										
At amortised cost										
-Stage 1 - 12 Months ECL	(1,586)	(626)	(6)	(112,424)	(195)	(725)	(11)	-	(4,665)	(120,238)
-Stage 2 - Lifetime ECL not credit impaired	(447)	(161)	(46)	(22,127)	(11)	(163)	(3)	-	(300)	(23,258)
-Stage 3 - Lifetime ECL credit impaired	(4,276)	(224)	(184)	(71,418)	(2,624)	-	-	-	(298)	(79,024)
Total net financing ²	1,282,144	87,848	625	24,069,221	287,364	1,149,470	8,157	49,865	1,408,698	28,343,392

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM350,490,000 (2022: RM355,178,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

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9. Financing of customers (cont'd.)

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

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Uses of Qard fund:				
Staff financing	170	84	170	84
Other term financing	-	-	43,679	49,781
	170	84	43,849	49,865

(ii) By type of customer

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Domestic non-banking institutions	642,008	430,184	642,008	430,184
Domestic business enterprises:				
-Small business enterprises	1,440,708	1,239,745	1,440,708	1,239,745
-Others	5,464,168	5,614,844	5,460,612	5,610,592
Government and statutory bodies	914,341	919,210	914,341	919,210
Individuals	23,234,207	20,337,871	23,234,207	20,337,871
Other domestic entities	9,690	10,367	9,690	10,367
Foreign entities	3,416	3,969	3,416	3,969
Gross Financing	31,708,538	28,556,190	31,704,982	28,551,938

(iii) By profit rate sensitivity

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Fixed rate:				
Home financing	986,864	316,947	986,864	316,947
Hire purchase receivables	2,071,268	1,543,092	2,071,268	1,543,092
Others	2,124,392	2,213,794	2,120,836	2,209,542
Variable rate:				
Home financing	10,455,212	9,114,456	10,455,212	9,114,456
Others	16,070,802	15,367,901	16,070,802	15,367,901
Gross Financing	31,708,538	28,556,190	31,704,982	28,551,938

(iv) By residual contractual maturity

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Maturity				
- within one year	3,747,858	3,876,883	3,747,858	3,876,883
- more than one to five years	4,610,153	4,015,089	4,610,153	4,015,089
- more than five years	23,350,527	20,664,218	23,346,971	20,659,966
Gross Financing	31,708,538	28,556,190	31,704,982	28,551,938

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9. Financing of customers (cont'd.)

(v) By sector

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Agriculture	114,393	100,083	114,393	100,083
Mining and quarrying	39,489	34,411	39,489	34,411
Manufacturing	1,008,252	1,109,710	1,008,252	1,109,710
Electricity, gas and water	174,374	133,870	174,374	133,870
Construction	963,801	909,472	963,801	909,472
Household	23,237,619	20,341,841	23,237,619	20,341,841
Real estate	1,099,075	1,158,661	1,099,075	1,158,661
Wholesale, retail and restaurant	1,069,687	1,050,243	1,069,687	1,050,243
Transport, storage and communication	347,722	176,407	347,722	176,407
Finance, takaful and business services	2,291,808	2,190,259	2,291,808	2,190,259
Community, social and personal services	447,977	432,023	444,421	427,771
Government and statutory bodies	914,341	919,210	914,341	919,210
Gross Financing	31,708,538	28,556,190	31,704,982	28,551,938

(vi) By geographical area

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Domestic	31,708,538	28,556,190	31,704,982	28,551,938
Gross Financing	31,708,538	28,556,190	31,704,982	28,551,938

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9. Financing of customers (cont'd.)

Impaired financing

(i) Movements in the impaired financing

	Group		Bank	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024/ 2023	266,229	205,957	266,229	205,957
Classified as impaired during the period	456,432	238,238	456,432	238,238
Reclassified as performing during the period	(172,156)	(25,019)	(172,156)	(25,019)
Recovered during the period	(61,899)	(50,920)	(61,899)	(50,920)
Written off during the period	(55,366)	(102,027)	(55,366)	(102,027)
Gross impaired financing	433,240	266,229	433,240	266,229
Less: Stage 3 - Lifetime ECL credit impaired	(142,092)	(79,024)	(142,092)	(79,024)
Net impaired financing	<u>291,148</u>	<u>187,205</u>	<u>291,148</u>	<u>187,205</u>

Calculation ratio of impaired financing:

Gross financing of customers	31,708,538	28,556,190	31,704,982	28,551,938
Less: Stage 3 - Lifetime ECL credit impaired	(142,092)	(79,024)	(142,092)	(79,024)
Net financing of customers	<u>31,566,446</u>	<u>28,477,166</u>	<u>31,562,890</u>	<u>28,472,914</u>
Ratio of gross impaired financing to total financing	<u>1.37%</u>	<u>0.93%</u>	<u>1.37%</u>	<u>0.93%</u>
Net impaired financing ratio	<u>0.92%</u>	<u>0.66%</u>	<u>0.92%</u>	<u>0.66%</u>

(ii) Impaired financing by sector

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Agriculture	170	295
Manufacturing	14,159	6,519
Construction	71,842	5,837
Household	265,275	199,191
Electricity, gas and water	329	491
Real estate	9,819	11,168
Wholesale, retail and restaurant	41,438	27,359
Transport, storage and communication	9,874	6,855
Finance, takaful and business services	15,814	7,991
Community, social and personal service	4,520	523
	<u>433,240</u>	<u>266,229</u>

(iii) Impaired financing by geographical area

	Group and Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
Domestic	<u>433,240</u>	<u>266,229</u>

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9. 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 September 2024				
At 1 January 2024	120,238	23,258	79,024	222,520
Transfer to Stage 1	12,007	(5,872)	(6,135)	-
Transfer to Stage 2	(3,802)	15,191	(11,389)	-
Transfer to Stage 3	(1,049)	(2,638)	3,687	-
Allowance (write back)/made	-	-	-	-
New financial assets originated	30,349	2,008	4,413	36,770
Financial assets derecognised	(13,802)	(373)	1,414	(12,761)
Changes due to change in credit risk	(27,415)	(3,022)	124,570	94,133
Amount written off/realised	-	-	(53,492)	(53,492)
At 30 September 2024	116,526	28,552	142,092	287,170

At 31 December 2023

At 1 January 2023	128,896	25,667	103,918	258,481
Transfer to Stage 1	22,350	(16,303)	(6,047)	-
Transfer to Stage 2	(9,361)	13,428	(4,067)	-
Transfer to Stage 3	(9,028)	(3,346)	12,374	-
Allowance (write back)/made	(47,784)	4,356	83,440	40,012
New financial assets originated	59,787	-	900	60,687
Financial assets derecognised	(24,622)	(544)	(12,697)	(37,863)
Amount written off/realised	-	-	(98,797)	(98,797)
At 31 December 2023	120,238	23,258	79,024	222,520

10. Other assets

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Deposits	7,098	7,005	21,211	6,972
Prepayments	37,704	16,485	23,439	16,255
Tax recoverable	31,405	1,363	30,848	1,357
Golf club membership	500	500	500	500
Other receivables	17,545	109,579	17,309	109,007
	94,252	134,932	93,307	134,091
Less: Accumulated impairment losses	(1,860)	(1,225)	(1,860)	(1,225)
	92,392	133,707	91,447	132,866

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11. Deferred tax assets & liabilities

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
At 1 January 2024/ 2023	24,483	36,442	23,943	36,442
Recognised in the profit or loss (Note 30)	3,208	(3,107)	3,767	(3,647)
Recognised in other comprehensive income	(6,127)	(8,852)	(6,127)	(8,852)
At 30 September 2024/ At 31 December 2023	21,564	24,483	21,583	23,943

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 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Deferred tax assets, net	21,582	24,483	21,583	23,943
Deferred tax liabilities, net	(18)	-	-	-
	21,564	24,483	21,583	23,943

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

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Deferred tax assets	39,594	42,929	39,613	42,389
Deferred tax liabilities	(18,030)	(18,446)	(18,030)	(18,446)
	21,564	24,483	21,583	23,943

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11. 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 2024	5,438	22,623	588	1,940	12,111	229	42,929
Recognised in profit or loss	-	642	16	(2,915)	4,242	(430)	1,555
Recognised in other comprehensive income	(4,890)	-	-	-	-	-	(4,890)
At 30 September 2024	<u>548</u>	<u>23,265</u>	<u>604</u>	<u>(975)</u>	<u>16,353</u>	<u>(201)</u>	<u>39,594</u>

	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 2023	13,742	22,873	617	4,263	11,177	248	52,920
Recognised in profit or loss	548	(250)	(29)	(2,323)	934	(19)	(1,139)
Recognised in other comprehensive income	(8,852)	-	-	-	-	-	(8,852)
At 31 December 2023	<u>5,438</u>	<u>22,623</u>	<u>588</u>	<u>1,940</u>	<u>12,111</u>	<u>229</u>	<u>42,929</u>

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11. 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 liabilities of the Group :

	Financial assets at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2024	-	(18,446)	(18,446)
Recognised in profit and loss	-	1,653	1,653
Recognised in other comprehensive income	(1,237)	-	(1,237)
At 30 September 2024	<u>(1,237)</u>	<u>(16,793)</u>	<u>(18,030)</u>
	Financial assets at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2023	-	(16,478)	(16,478)
Recognised in profit or loss	-	(1,968)	(1,968)
As at 31 December 2023	<u>-</u>	<u>(18,446)</u>	<u>(18,446)</u>

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11. 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 2024	4,890	22,623	612	1,922	12,113	229	42,389
Recognised in profit or loss	-	642	16	(2,892)	4,231	117	2,114
Recognised in other comprehensive income	(4,890)	-	-	-	-	-	(4,890)
At 30 September 2024	-	23,265	628	(970)	16,344	346	39,613

	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 2023	13,742	22,873	616	4,263	11,177	249	52,920
Recognised in profit or loss	-	(250)	(4)	(2,341)	936	(20)	(1,679)
Recognised in other comprehensive income	(8,852)	-	-	-	-	-	(8,852)
As at 31 December 2023	4,890	22,623	612	1,922	12,113	229	42,389

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11. 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 liabilities of the Bank:

	Financial Investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2024	-	(18,446)	(18,446)
Recognised in profit and loss	-	1,653	1,653
Recognised in other comprehensive income	(1,237)	-	(1,237)
At 30 September 2024	<u>(1,237)</u>	<u>(16,793)</u>	<u>(18,030)</u>
	Financial Investments at FVOCI RM'000	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2023	-	(16,478)	(16,478)
Recognised in profit or loss	-	(1,968)	(1,968)
As at 31 December 2023	<u>-</u>	<u>(18,446)</u>	<u>(18,446)</u>

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12. Deposits from customers

(a) By type of deposits

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Savings Deposit				
Qard	860,715	863,230	860,715	863,230
Tawarruq	796,709	716,342	796,709	716,342
Demand Deposit				
Qard	4,184,101	4,044,951	4,190,698	4,047,217
Tawarruq	4,352,075	4,596,899	4,352,075	4,596,899
Term Deposit				
Mudharabah				
General investment deposits	3,020	3,087	3,020	3,087
Tawarruq				
Short term accounts	13,227,707	14,039,111	13,227,707	14,039,111
Fixed term accounts	11,683,840	8,412,594	11,695,640	8,426,394
Other deposits	59,277	119,522	59,277	119,522
	35,167,444	32,795,736	35,185,841	32,811,802

(b) By type of customer

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Government and statutory bodies	18,222,682	16,453,954	18,222,682	16,453,954
Business enterprises	9,294,267	8,865,238	9,312,664	8,881,304
Individuals	3,236,140	2,394,751	3,236,140	2,394,751
Domestic non-bank financial institutions	3,002,980	3,840,718	3,002,980	3,840,718
Domestic banking financial institutions	77,596	91,727	77,596	91,727
Others	1,333,779	1,149,348	1,333,779	1,149,348
	35,167,444	32,795,736	35,185,841	32,811,802

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12. Deposits from customers (cont'd.)

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

The maturity structure of term deposits are as follows :

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Due within six months	18,134,639	18,796,012	18,146,439	18,809,812
More than six months to one year	6,244,498	2,662,142	6,244,498	2,662,142
More than one year to three years	238,410	699,818	238,410	699,818
More than three years to five years	297,020	296,820	297,020	296,820
	24,914,567	22,454,792	24,926,367	22,468,592

13. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Non-Mudharabah		
Bank Negara Malaysia	365,413	345,666
Other financial institutions	388,905	183,968
	754,318	529,634

Included in these balances are the BNM funds received under government financing schemes for the purpose of SME lending at a below market and concession rate with 5.5 years to 8.5 years of maturity to be repaid between 2026 and 2031. The gross amount received from BNM of RM313,527,000 (2023: RM313,530,000) are net against the fair value gain arising from the placement of funds with the Group and the Bank. The fair value is applied to address the financial and accounting impact incurred from financing at concession rates to SMEs and for COVID-19 related relief measures.

14. Investment accounts of customers

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

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Unrestricted investment account		
Mudarabah		
Without maturity		
- SURIA	234,697	247,689
Restricted investment accounts:		
Mudarabah		
Maturity		
- within one year	-	32

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

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

RA is a type of restricted investment account based on the Mudarabah contract where the IAH and the Bank agree to share the profit generated from the assets funded by the RA based on an agreed profit sharing ratio (PSR), while losses shall be borne by the IAH. RA amounting nil (2023: RM32,044) is accounted for as off balance sheet as the Bank has passed its rights and obligations in respect of the assets related to the RA or the residual cash flows from those assets to the IAH.

(ii) By types of customer are as follows:

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Individuals	234,697	247,255
Non-individuals	-	434
	234,697	247,689
Restricted investment accounts:		
Individuals	-	32
	-	32

(iii) Movement of investment accounts of customers:

	Group and Bank 30 September 2024		Group and Bank 31 December 2023	
	Unrestricted investment accounts Mudarabah RM'000	Restricted investment accounts Mudarabah RM'000	Unrestricted investment accounts Mudarabah RM'000	Restricted investment accounts Mudarabah RM'000
At 1 January 2024/ 2023	247,689	32	301,158	79
Net movement	(12,992)	-	-	-
New placement	-	-	1,817,186	32
Redemption	-	(32)	(1,870,655)	(79)
At 30 September 2024/December 2023	234,697	-	247,689	32

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

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

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Home financing	234,697	247,689
Total investment	234,697	247,689
Restricted investment accounts:		
Term financing	-	32
Total investment	-	32

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

	Group and Bank 30 September 2024		Group and Bank 31 December 2023	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Unrestricted investment accounts	2.0%	0.09%	2.0%	0.09%
Restricted investment accounts	95.0%	0.00%	95.0%	0.00%

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15. Other liabilities

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Sundry creditors	2,184	853	2,184	853
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 15(a))	9,607	10,231	9,607	10,231
Provision for bonus	30,916	25,246	30,859	25,111
Accrued expenses	32,313	18,233	29,545	18,744
Accrual for directors' fees	364	-	364	-
Accrual for audit fees	378	640	363	620
Other liabilities	80,742	45,437	81,034	45,546
	156,504	100,640	153,956	101,105

(a) Movements in the allowances for impairment losses on financing 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 September 2024			
At 1 January 2024	8,121	410	1,700	10,231
Transfer to Stage 1	11	(9)	(2)	-
Transfer to Stage 2	(116)	117	(1)	-
Transfer to Stage 3	(23)	(15)	38	-
New financing originated or purchased	3,220	49	391	3,660
Financing derecognised	(2,128)	(99)	(292)	(2,519)
Changes due to change in credit risk	(1,631)	-	794	(837)
Amount written-off/realised	-	-	(928)	(928)
At 30 September 2024	7,454	453	1,700	9,607
At 31 December 2023				
At 1 January 2023	8,165	118	1,385	9,668
Transfer to Stage 1	2,125	(2,081)	(44)	-
Transfer to Stage 2	(599)	915	(316)	-
Transfer to Stage 3	(1)	(71)	72	-
Allowance (write back)/made	(4,123)	1,444	1,710	(969)
New financing originated or purchased	5,685	274	-	5,959
Financing derecognised	(3,134)	(196)	(306)	(3,636)
Amount written-off/realised	-	-	(801)	(801)
Other movements	3	7	-	10
At 31 December 2023	8,121	410	1,700	10,231

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16. Provision for zakat and taxation

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Zakat	3,622	10,618	3,451	10,320
Taxation	11	29	-	-
	3,633	10,647	3,451	10,320

17. Recourse obligation on financing sold to Cagamas

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

18. Sukuk

Subordinated sukuk

Subordinated sukuk as at 30 September 2024 relates to two tranches of Subordinated Sukuk Murabahah (Series 2 and Series 3) which qualifies as Tier2 capital under the BNM Policy Document on Capital Adequacy Framework for Islamic Banks (Capital Components). The sukuk carries a tenure of 10 years from the issue date, callable on the 5th anniversary date from the Issue date and on every profit payment date thereafter. 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
20 July 2022	20 July 2027	20 July 2032	5.33%, payable semi-annually	RM300.0 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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19. Income derived from investment of depositors' funds and others

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) Fixed term deposits	226,395	144,633	516,392	330,846
(b) Other deposits	316,626	308,348	1,041,582	919,141
	543,021	452,981	1,557,974	1,249,987

(a) Income derived from investment of fixed term deposits

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	182,424	115,675	415,250	267,109
Financial investments designated at FVTPL	174	922	473	2,074
Financial assets at fair value through other comprehensive income	28,955	17,031	63,945	39,323
Financial assets at amortised cost	588	454	1,377	1,095
Money at call and deposit with financial institutions	5,022	2,603	12,069	6,364
	217,163	136,685	493,114	315,965
Amortisation of premium less accretion of discounts	(3,510)	(2,976)	(7,267)	(7,913)
Total finance income and hibah	213,653	133,709	485,847	308,052
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	-	31	3	35
- financial investments at fair value through other comprehensive income	1,964	2,347	4,595	4,771
Unrealised gain on revaluation from financial investments designated at FVTPL	388	212	754	495
	2,352	2,590	5,352	5,301
Fees and commission				
Guarantee fees	226	180	524	430
Processing fees	398	676	1,139	1,624
Service charges and fees	1,694	2,730	3,837	4,614
Commission	8,072	4,748	19,693	10,825
	10,390	8,334	25,193	17,493
Total	226,395	144,633	516,392	330,846

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

(b) Income derived from investment of other deposits

	3 months ended		9 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Finance income and hibah				
Income from financing	255,539	245,353	837,573	742,065
Financial investments designated at FVTPL	207	1,984	955	5,762
Financial assets at fair value through other comprehensive income	41,508	36,127	128,980	109,245
Financial assets at amortised cost	806	940	2,777	3,043
Money at call and deposit with financial institutions	6,727	5,346	24,342	17,681
	304,787	289,750	994,627	877,796
Amortisation of premium less accretion of discounts	(5,267)	(5,791)	(14,658)	(21,984)
Total finance income and hibah	299,520	283,959	979,969	855,812
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	-	85	7	98
- financial investments at fair value through other comprehensive income	2,690	5,305	9,269	13,255
Unrealised gain on revaluation from financial investments designated at FVTPL	607	447	1,520	1,376
	3,297	5,837	10,796	14,729
Fees and commission				
Guarantee fees	311	374	1,057	1,196
Processing fees	446	1,401	2,297	4,511
Service charges and fees	2,381	6,637	7,739	12,819
Commission	10,671	10,140	39,724	30,074
	13,809	18,552	50,817	48,600
Total	316,626	308,348	1,041,582	919,141

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

Group	3 months ended		9 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	2,113	1,752	5,748	5,617
Financial assets at amortised cost				
Money at call and deposit with financial institutions	264	606	1,280	1,891
	<u>2,377</u>	<u>2,358</u>	<u>7,028</u>	<u>7,508</u>
Amortisation of premium less Accretion of discounts	(153)	(248)	(595)	(831)
Total finance income and hibah	<u>2,224</u>	<u>2,110</u>	<u>6,433</u>	<u>6,677</u>
Other operating income				
Net gain/(loss) from foreign exchange transaction	55,825	3,591	55,433	(20,203)
Unrealised (loss)/gain on revaluation from foreign exchange derivatives	(48,570)	1,901	(34,645)	33,288
Unrealised (loss)/gain on revaluation from financial investments designated at FVTPL	(172)	202	482	235
Net gain from sale of financial investments at fair value through other comprehensive income	8	4	8	4
Fair value loss of financial liabilities designated at FVTPL	(1,123)	(941)	(3,306)	(461)
Gross dividend income from investment: -shares in Malaysia	17	17	52	50
	<u>5,985</u>	<u>4,774</u>	<u>18,024</u>	<u>12,913</u>
Fees and commission				
Corporate advisory fees	1,371	1,074	2,124	1,854
Service charges and fees	1,597	2,180	4,947	6,367
Commission	279	249	937	742
	<u>3,247</u>	<u>3,503</u>	<u>8,008</u>	<u>8,963</u>
Other income				
Rental income	189	168	806	685
Profit on sale of fixed assets	4	-	4	1
Profit on termination ROU assets	72	3	72	3
	<u>265</u>	<u>171</u>	<u>882</u>	<u>689</u>
Total	<u>11,721</u>	<u>10,558</u>	<u>33,347</u>	<u>29,242</u>

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

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Bank	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	2,113	1,752	5,748	5,617
Financial assets at amortised cost				
Money at call and deposit with financial institutions	264	606	1,280	1,891
	<u>2,377</u>	<u>2,358</u>	<u>7,028</u>	<u>7,508</u>
Amortisation of premium less				
Accretion of discounts	(153)	(248)	(595)	(831)
Total finance income and hibah	<u>2,224</u>	<u>2,110</u>	<u>6,433</u>	<u>6,677</u>
Other operating income				
Net gain/(loss) from foreign exchange transaction	55,825	3,591	55,433	(20,203)
Unrealised (loss)/gain on revaluation from foreign exchange derivatives	(48,570)	1,901	(34,645)	33,288
Unrealised (loss)/gain on revaluation from financial investments designated at FVTPL	(172)	202	482	237
Net gain from sale of financial investments at fair value through other comprehensive income	8	4	8	4
Fair value loss of financial liabilities designated at FVTPL	(1,123)	(941)	(3,306)	(461)
Gross dividend income from investment: -subsidiary	3,000	-	5,000	8,000
	<u>8,968</u>	<u>4,757</u>	<u>22,972</u>	<u>20,865</u>
Fees and commission				
Corporate advisory fees	725	1,442	1,584	2,186
Service charges and fees	19	18	54	53
Commission	279	249	937	742
	<u>1,023</u>	<u>1,709</u>	<u>2,575</u>	<u>2,981</u>
Other income				
Rental income	219	198	896	775
Loss on sale of fixed assets	4	-	4	1
Profit on termination ROU	72	3	72	3
	<u>295</u>	<u>201</u>	<u>972</u>	<u>779</u>
Total	<u>12,510</u>	<u>8,777</u>	<u>32,952</u>	<u>31,302</u>

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21. Income derived from investment of investment account funds

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	2,506	2,098	7,857	8,372
	<u>2,506</u>	<u>2,098</u>	<u>7,857</u>	<u>8,372</u>

22. Allowance for impairment on financing

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Expected credit losses on advances and financing made/(written back):				
Financing and advances				
- Stage 1	3,754	3,918	(4,379)	16,921
- Stage 2	1,309	1,463	5,336	13,047
- Stage 3	32,504	20,136	117,542	48,564
Impaired financing written off	428	65	1,015	83
Impaired financing recovered	(19,524)	(6,839)	(30,462)	(25,007)
	<u>18,471</u>	<u>18,743</u>	<u>89,052</u>	<u>53,608</u>

23. Allowance for impairment losses on financial investments, net

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Group and Bank	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)	495	20	532
Impairment losses on corporate bonds included under Amortised Cost ("AC")	42,894	-	44,481	-
	<u>42,873</u>	<u>495</u>	<u>44,501</u>	<u>532</u>

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

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Cash and short term funds				
- ECL, net	1,024	(103)	910	34
Other assets				
- ECL, net	635	-	635	-
	<u>1,659</u>	<u>(103)</u>	<u>1,545</u>	<u>34</u>

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25. Income attributable to depositors

Group	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	11	16	34	85
Non-Mudharabah funds	276,418	212,834	786,978	586,673
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	5,775	1,799	19,999	8,020
	282,204	214,649	807,011	594,778

Bank	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	11	16	34	85
Non-Mudharabah funds	276,497	212,925	787,236	586,921
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	5,775	1,799	19,999	8,020
	282,283	214,740	807,269	595,026

26. Personnel expenses

Group	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salary and wages	56,241	49,991	165,297	150,881
Contribution to defined contribution plan	10,642	9,248	32,353	27,793
Social security contributions	661	626	1,948	1,852
Allowances and bonuses	10,770	6,217	33,767	17,752
Others	9,971	7,125	29,242	20,655
	88,285	73,207	262,607	218,933

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26. Personnel expenses (cont'd)

Bank	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salary and wages	55,775	49,504	164,029	149,325
Contribution to defined contribution plan	10,576	9,165	32,164	27,529
Social security contributions	661	626	1,948	1,852
Allowances and bonuses	10,768	6,194	33,751	17,682
Others	9,963	7,113	29,190	20,597
	87,743	72,602	261,082	216,985

27. Other overheads and expenditures

Group	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Promotion				
Advertisement and publicity	2,961	1,882	11,078	6,417
Others	682	291	1,639	1,071
Establishment				
Rental	114	107	371	312
Depreciation of property, plant and equipment	2,617	2,668	7,322	8,070
Depreciation of right-of-use assets	2,891	2,802	8,584	8,342
Amortisation of intangible assets	8,911	8,728	26,866	24,432
Information technology expenses	19,833	15,594	57,273	44,953
Repair and maintenance	1,396	950	4,598	3,061
Hire of equipment	2,052	950	4,742	4,087
Takaful	2,819	1,982	8,823	5,313
Utilities expenses	1,396	1,439	4,122	4,186
Security expenses	2,474	2,110	7,119	6,600
Others	1,710	1,144	4,458	3,707
General expenses				
Auditors' fees	138	374	475	710
Professional fees	1,475	757	3,550	2,301
Legal expenses	44	259	364	343
Telephone	389	333	1,096	995
Stationery and printing	499	428	1,398	1,323
Postage and courier	1,007	894	2,716	2,425
Travelling	651	549	1,440	1,100
Directors remuneration and Shariah Committee allowance	941	971	3,017	2,396
Others	5,809	4,387	16,273	12,063
	60,809	49,599	177,324	144,207

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27. Other overheads and expenditures (cont'd)

	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Bank	RM'000	RM'000	RM'000	RM'000
Promotion				
Advertisement and publicity	2,964	1,882	11,078	6,417
Others	679	291	1,636	1,070
Establishment				
Rental	114	107	371	312
Depreciation of property, plant and equipment	2,653	2,704	7,310	8,058
Depreciation of right-of-use assets	2,891	2,802	8,584	8,342
Amortisation of intangible assets	8,851	8,668	26,806	24,373
Information technology expenses	19,780	15,545	57,122	44,810
Repair and maintenance	1,392	950	4,595	3,061
Hire of equipment	1,942	839	4,426	3,821
Takaful	2,819	1,982	8,823	5,313
Utilities expenses	1,388	1,430	4,098	4,161
Security expenses	2,474	2,110	7,119	6,600
Others	1,710	1,144	4,458	3,707
General expenses				
Auditors' fees	138	374	475	710
Professional fees	1,454	706	3,489	2,141
Legal expenses	44	259	364	343
Telephone	388	333	1,095	994
Stationery and printing	499	427	1,392	1,322
Postage and courier	1,007	894	2,716	2,425
Travelling	651	549	1,440	1,100
Directors remuneration and Shariah Committee allowance	928	960	2,978	2,334
Others	6,390	4,476	17,987	12,983
	61,156	49,432	178,362	144,397

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28. Finance cost

Group and Bank	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Dividend paid- subordinated sukuk	9,728	9,633	28,785	28,797
Financing sold to Cagamas	10,354	12,564	31,600	29,871
Finance cost of lease liabilities	495	460	1,503	1,382
	20,577	22,657	61,888	60,050

29. Zakat

Group	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	1,154	1,840	3,537	4,851
Over provision in prior year	-	-	(14)	-
	1,154	1,840	3,523	4,851

Bank	3 months ended		9 months ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	1,088	1,800	3,366	4,696

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30. Taxation

Group	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Current income tax	11,548	21,387	38,044	44,996
Under/(over) provision in prior year	59	(1,530)	57	(1,533)
	11,607	19,857	38,101	43,463
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,508)	(3,099)	(3,908)	1,182
Over provision in prior year	700	1,333	700	1,358
	(1,808)	(1,766)	(3,208)	2,540
	9,799	18,091	34,893	46,003
Bank	3 months ended		9 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Current income tax	11,088	21,094	36,866	43,905
Over provision in prior year	76	(1,472)	76	(1,472)
	11,164	19,622	36,942	42,433
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,519)	(3,080)	(3,919)	1,200
Over provision in prior year	152	1,335	152	1,335
	(2,367)	(1,745)	(3,767)	2,535
	8,797	17,877	33,175	44,968

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% (31 December 2023: 24%) of the estimated assessable profit for the period.

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31. Credit exposures arising from credit transactions with connected parties

	Group	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>2,726,925</u>	<u>2,485,242</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.2%</u>	<u>6.1%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>
	Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>2,970,185</u>	<u>2,689,309</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.8%</u>	<u>6.6%</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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32. Commitments and contingencies

- (i) In the normal course of business, the Group and the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

Risk weighted exposures of the Group and the Bank are as follows:

	Group and Bank					
	30 September 2024			31 December 2023		
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	528,038	528,038	516,650	491,244	491,244	480,156
Trade-related contingencies	669,037	133,807	887	96,919	19,384	1,527
Transaction-related contingencies	440,699	220,350	209,103	413,280	206,640	195,471
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	953,238	190,648	141,200	994,501	198,900	142,547
- Maturity exceeding one (1) year	1,383,822	691,911	372,826	1,307,511	653,756	394,962
Other miscellaneous commitments & contingencies	311,944	49,909	37,432	60,040	-	-
Islamic derivative financial instruments						
Foreign exchange related contracts	1,555,048	86,791	36,033	2,287,363	38,933	19,355
	5,841,826	1,901,454	1,314,131	5,650,858	1,608,857	1,234,018

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

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

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
Computation of Total Risk Weighted Assets ("RWA")				
Total credit RWA	24,249,802	22,739,787	24,240,837	22,729,923
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	(108,148)	(126,607)	(108,148)	(126,607)
Total market RWA	56,573	77,388	56,573	77,388
Total operational RWA	1,536,805	1,508,264	1,521,801	1,483,198
Total RWA	25,735,032	24,198,832	25,711,063	24,163,902
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	1,720,027	1,742,374	1,708,417	1,730,764
Other Reserves				
Regulatory reserve	151,317	155,747	151,317	155,747
FVOCI reserve	21,505	(6,966)	21,505	(6,966)
Foreign exchange translation reserve	6,891	1,591	6,892	1,592
Regulatory Adjustment				
Deferred tax assets	(39,596)	(42,929)	(39,613)	(42,389)
Investment property gain	(8,363)	(8,363)	(8,363)	(8,363)
Regulatory reserve	(151,317)	(155,747)	(151,317)	(155,747)
FVOCI reserve	(11,828)	-	(11,828)	-
Cumulative gains of financing measured at FVTPL	(13,778)	(17,084)	(13,778)	(17,084)
Investment in subsidiaries	-	-	(13,159)	(13,159)
Intangible asset (net of deferred tax liabilities)	(102,796)	(104,651)	(102,570)	(104,365)
Total Common Equity Tier-I Capital	2,767,062	2,758,972	2,742,503	2,735,030
Tier-I Capital				
Perpetual Sukuk	350,000	350,000	350,000	350,000
Total Tier-I Capital	3,117,062	3,108,972	3,092,503	3,085,030
<u>Tier-II capital</u>				
Subordinated sukuk	800,000	800,000	800,000	800,000
Loss provision and regulatory reserve*	303,123	284,124	303,010	284,124
Add: Investment property gain	3,763	3,763	3,763	3,763
Total Tier-II Capital	1,106,886	1,087,887	1,106,773	1,087,887
Total Capital Base	4,223,948	4,196,859	4,199,276	4,172,917
Ratio (%)				
CET 1 Capital	10.752%	11.401%	10.667%	11.319%
Tier 1 Capital	12.112%	12.848%	12.028%	12.767%
Total Capital	16.413%	17.343%	16.333%	17.269%

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

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33. Capital adequacy (cont'd.)

The current year's core capital ratios and risk-weighted capital ratios were computed using reported amounts which form part of the current year financial statements that have been prepared in accordance with MFRS.

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

	Group			
	30 September 2024 RM'000		31 December 2023 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%	12,273,558	-	12,045,012	-
20%	4,089,200	817,840	2,414,622	482,924
35%	3,509,458	1,228,310	3,749,471	1,312,315
50%	1,352,191	676,096	1,239,287	619,644
75%	3,981,096	2,985,822	3,706,671	2,780,003
100%	18,401,394	18,401,394	17,402,222	17,402,222
150%	93,561	140,340	95,120	142,679
Risk weighted assets for credit risk	43,700,458	24,249,802	40,652,405	22,739,787
Less: Credit risk absorbed by PSIA		(108,148)		(126,607)
Risk weighted assets for market risk		56,573		77,388
Risk weighted assets for operational risk		1,536,805		1,508,264
Total risk weighted assets		25,735,032		24,198,832

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33. Capital adequacy (cont'd.)

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

	Bank			
	30 September 2024 RM'000			31 December 2023 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%	12,273,558	-	12,045,012	-
20%	4,089,200	817,840	2,414,622	482,924
35%	3,509,458	1,228,310	3,749,471	1,312,315
50%	1,352,191	676,096	1,239,287	619,644
75%	3,981,096	2,985,822	3,706,671	2,780,003
100%	18,397,763	18,397,763	17,398,736	17,398,736
150%	90,004	135,006	90,867	136,301
Risk weighted assets for credit risk	43,693,270	24,240,837	40,644,666	22,729,923
Less: Credit risk absorbed by PSIA		(108,148)		(126,607)
Risk weighted assets for market risk		56,573		77,388
Risk weighted assets for operational risk		1,521,801		1,483,198
Total risk weighted assets		25,711,063		24,163,902

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34. Fair values of financial instruments

(a) Financial instruments measured at fair value

Determination of fair value and the fair value hierarchy

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

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

Level 2 - valuation techniques based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (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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34. Fair values of financial instruments (cont'd.)

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

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

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

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price Level 1 RM'000	Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
30 September 2024				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	7,118	-	25,366	32,484
Financial investments fair value through other comprehensive income	125,656	7,505,706	88,246	7,719,608
Derivative financial assets	-	60,890	-	60,890
Total financial assets measured at fair value	132,774	7,566,596	113,612	7,812,982
Financial liabilities				
Derivative financial liabilities	-	104,235	-	104,235
Total financial liabilities measured at fair value	-	104,235	-	104,235

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

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

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

Group (cont'd.)	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit or loss	6,585	5,112	22,010	33,707
Financial investments at FVOCI	75,381	6,322,200	107,885	6,505,466
Derivative financial assets	-	12,819	-	12,819
Total financial assets measured at fair value	81,966	6,340,131	129,895	6,551,992
Financial liabilities				
Derivative financial liabilities	-	21,519	-	21,519
Total financial liabilities measured at fair value	-	21,519	-	21,519

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

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

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

Bank	Quoted 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 September 2024				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	4,456	-	25,366	29,822
Financial investments fair value through other comprehensive income	125,656	7,505,706	88,246	7,719,608
Derivative financial assets	-	60,890	-	60,890
Total financial assets measured at fair value	130,112	7,566,596	113,612	7,810,320
Financial liabilities				
Derivative financial liabilities	-	104,235	-	104,235
Total financial liabilities measured at fair value	-	104,235	-	104,235

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

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

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

Bank (cont'd.)	<u>Valuation technique using</u>			Total
	Quoted Market Price Level 1 RM'000	Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2023				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	3,974	5,112	22,010	31,096
Financial investments at FVOCI	75,381	6,322,200	107,885	6,505,466
Derivative financial assets	-	12,819	-	12,819
Total financial assets measured at fair value	79,355	6,340,131	129,895	6,549,381
Financial liabilities				
Derivative financial liabilities	-	21,519	-	21,519
Total financial liabilities measured at fair value	-	21,519	-	21,519

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

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

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

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

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
At 1 January 2024 / 2023	129,895	321,240	129,895	321,240
Gain recognised in profit or loss	12,553	135	12,553	135
Loss recognised in other comprehensive income	-	(35,570)	-	(35,570)
Disposal	-	(152,052)	-	(152,052)
Sales/ redeemed	(18,353)	(10,014)	(18,353)	(10,014)
Foreign exchange translation difference	(10,483)	6,156	(10,483)	6,156
At 30 September 2024/ 31 December 2023	113,612	129,895	113,612	129,895

	Group and Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Total gain recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	12,553	135

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35. 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	Investment banking and		Total
30 September 2024	RM'000	RM'000	Treasury	Others	RM'000
			RM'000	RM'000	
Revenue	323,896	1,010,513	256,853	7,916	1,599,178
Total income	111,649	429,071	(11,123)	262,415	792,012
Allowance for impairment on financing	(28,026)	(61,026)	-	-	(89,052)
Allowance for impairment losses on investments	-	-	(44,501)	-	(44,501)
Writeback of impairment on other financial assets, net	-	-	(1,545)	-	(1,545)
Other expenses	-	-	-	(27,499)	(27,499)
Total net income	83,623	368,045	(57,169)	234,916	629,415
Total overhead expenses					(501,819)
Profit before zakat and taxation					127,596
Zakat					(3,523)
Taxation					(34,893)
Profit for the period					89,180

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35. Segment information (cont'd.)

(a) Business segments (cont'd.)

Group	Business banking	Consumer banking	Investment banking and Treasury		Others	Total
30 September 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	284,437	799,748	192,666	10,750	1,287,601	
Total income	141,791	316,942	41,831	192,078	692,642	
(Allowance for)/writeback of impairment on financing	(1,987)	(52,867)	1,246	-	(53,608)	
Allowance for impairment losses on investments	-	-	(532)	-	(532)	
Allowance for impairment on other financial assets, net	-	-	(34)	-	(34)	
Other expenses	-	-	-	(31,014)	(31,014)	
Total net income	139,804	264,075	42,511	161,064	607,454	
Total overhead expenses					(423,190)	
Profit before zakat and taxation					184,264	
Zakat					(4,851)	
Taxation					(46,003)	
Profit for the period					<u>133,410</u>	
Bank	Business banking	Consumer banking	Investment banking and Treasury		Others	Total
30 September 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	323,896	1,010,513	256,853	7,521	1,598,783	
Total Income	111,649	429,071	(11,123)	261,762	791,359	
Allowance for impairment on financing	(28,026)	(61,026)	-	-	(89,052)	
Allowance for impairment losses on investments	-	-	(44,501)	-	(44,501)	
Writeback of impairment on other financial assets, net	-	-	(1,545)	-	(1,545)	
Other expenses	-	-	-	(27,499)	(27,499)	
Total net income	83,623	368,045	(57,169)	234,263	628,762	
Total overhead expenses					(501,332)	
Profit before zakat and taxation					127,430	
Zakat					(3,366)	
Taxation					(33,175)	
Profit for the period					<u>90,889</u>	

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35. Segment information (cont'd.)

(a) Business segments (cont'd.)

Bank 30 September 2023	Business banking RM'000	Consumer banking RM'000	Treasury RM'000	Investment banking and Others RM'000	Total RM'000
Revenue	284,437	799,748	194,726	10,750	1,289,661
Total Income	141,791	316,942	43,643	192,078	694,454
(Allowance for)/writeback of impairment on financing	(1,987)	(52,867)	1,246	-	(53,608)
Allowance for impairment losses on investments	-	-	(532)	-	(532)
Allowance for impairment on other financial assets, net	-	-	(34)	-	(34)
Other expenses	-	-	-	(31,014)	(31,014)
Total net income	139,804	264,075	44,323	161,064	609,266
Total overhead expenses					(421,432)
Profit before zakat and taxation					187,834
Zakat					(4,696)
Taxation					(44,968)
Profit for the period					<u>138,170</u>

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36. Performance review and outlook

Key Profit or Loss Items:	Group 9 months ended			
	30 September 2024 RM'000	30 September 2023 RM'000	Variance	
			RM'000	%
Revenue	1,599,178	1,287,601	311,577	24.2
Income attributable to depositors	(807,011)	(594,778)	(212,233)	35.7
Net Income	629,415	607,454	21,961	3.6
Profit Before Zakat and Tax ("PBZT")	127,596	184,264	(56,668)	(30.8)
Profit After Zakat and Tax ("PAZT")	89,180	133,410	(44,230)	(33.2)

For the nine (9) months period ended 30 September 2024, the Group recorded a PBZT of RM127.6 million, lower by 30.8% as compared to the RM184.3 million recorded year-on-year ("y-o-y").

The Group has demonstrated a commendable growth in revenue for the period under review, surging by 24.2% to RM1.6 billion, primarily driven by a rise in financing income from the growth in gross financing and the increase in average profit rate under yield optimisation initiatives. The Group also sees its investment income increased y-o-y from the increase in investment balances and its acquisitions of Treasury papers with higher yield.

The Group's income attributable to depositors has increased by RM212.2 million or 35.7% y-o-y, consistent with other industry players due to high deposit market rate, causing a reduction in margin. However, the Group observes that its margin is slowly recovering in the current Quarter as the cost of fund stabilizes. While allowance for impairment losses was higher by RM80.9 million mainly due to additional impairment for financing and financial investments coming from legacy accounts.

Total Group assets grew by 7.2% to RM41.9 billion from RM39.1 billion recorded as at 31 December 2023. This growth was primarily driven by an 11.0% increase, or RM3.2 billion in total gross financing of customers. Total deposits from customers also rose by 7.2%, aligned with growth in total assets.

The Group continues to maintain its internal and minimum regulatory capital adequacy requirement, with the CET 1, Tier 1 and Total Capital Ratio standing at 10.752%, 12.112% and 16.413% respectively.

Economic review and outlook in the 3Q2024

In the second quarter of 2024, Malaysia's GDP growth continued to accelerate, with the economy expanding by 5.9% y-o-y, up from 4.2% in the previous quarter. This growth was primarily driven by a 6.9% increase in domestic demand, particularly in investments, which surged by 11.5%, alongside a 5.6% rise in consumption. Additionally, net exports grew positively by 3.4% during the quarter, following four consecutive quarters of contraction.

In the third quarter of 2024, financial market signals indicate a significant boost in foreign investor confidence in the Malaysian economy. Net foreign fund inflows into the equities and bond markets increased to RM4.4 billion and RM17.8 billion, respectively, compared to RM112 million and RM5.5 billion in the previous quarter. Additionally, total approved investments for the first half of 2024 reached RM160 billion, up from RM135 billion in the same period last year, marking an 18.0% growth. Of this total, domestic investments rose by 19.1% to RM85.4 billion, while foreign investments grew by 16.7% to RM74.6 billion.

As a result, the ringgit appreciated by 14.4% against the US dollar in the third quarter of 2024, supported by increased foreign inflows that boosted demand for the Malaysian currency. Consequently, bond yields declined, with 3-, 5-, and 10-year Malaysian Government Securities (MGS) falling by 19, 14, and 15 basis points to 3.34%, 3.51%, and 3.71%, respectively. The impact to the bank is reflected in an increase on the investment income y-o-y. The FBMKLCI also gained 3.7% in the third quarter of 2024, reaching 1,648.91 points. In this context, the Malaysian economy is poised for solid growth in the third quarter, with economic reforms and political stability expected to propel GDP growth toward the official 2024 target range of 4.0% to 5.0%.

Premised on the above financial landscape, the Bank will continue to focus on delivering sustainable shareholders' return by growing its revenues through its strategic initiatives across its operations. Concurrently, the Bank will selectively grow its financing book whilst continue to defend its low-cost funding base. The Bank also aims to enable Islamic bank for all through customer base diversification and continue to expand its digital propositions.