



**BANK MUAMALAT MALAYSIA BERHAD**

Company No. 6175-W  
(Incorporated in Malaysia)

**BASEL II  
PILLAR 3 DISCLOSURES**

**FOR THE HALF YEAR ENDED  
30 SEPTEMBER 2017 (10 MUHARRAM 1439H)**

**Bank Muamalat Malaysia Berhad**  
**Basel II Pillar 3 Quantitative Disclosure**

**Pillar 3 Disclosure Content**

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**30 September 2017**

**Overview**

The Pillar 3 Disclosure is a regulatory requirement aimed at enhancing market transparency and discipline. It is prepared in accordance to the Bank Negara Malaysia's (BNM's) guidelines "Capital Adequacy Framework for Islamic Banks (CAFIB) - Disclosure Requirements (Pillar 3)" and contains qualitative and quantitative information on Bank Muamalat Malaysia Berhad's (BMMB's) risk exposures and capital adequacy levels as well as on its capital and risk management practices.

In assessing its capital position, BMMB applies the prescribed Standardised Approach to measure its credit and market risk exposures and the Basic Indicator Approach for operational risk, as outlined under the BNM's CAFIB guidelines.

This Pillar 3 disclosure should be read in conjunction with the Bank's half year unaudited 30 September 2017 Interim Financial Statements.

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The tables below present the capital adequacy ratios of the Group and the Bank.

**Table 1: Capital adequacy ratios**

	Group		Bank	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
CET1 capital ratio	<b>14.98%</b>	14.35%	<b>14.86%</b>	14.15%
Total capital ratio	<b>17.40%</b>	16.69%	<b>17.29%</b>	16.50%

The table below presents the capital position of the Group and Bank.

**Table 2: Capital structure**

	Group		Bank	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
	RM'000	RM'000	RM'000	RM'000
<b>Tier-I capital</b>				
Paid-up ordinary share capital	<b>1,195,000</b>	1,195,000	<b>1,195,000</b>	1,195,000
Retained profits	<b>294,528</b>	294,528	<b>289,726</b>	289,726
<b>Other Reserves</b>				
Statutory reserve	<b>658,158</b>	658,158	<b>656,561</b>	656,561
Unrealised gain on available for-sale financial instruments	<b>(18,539)</b>	(11,298)	<b>(23,420)</b>	(33,734)
Foreign exchange translation reserve	<b>233</b>	2,183	<b>233</b>	2,183
<b>Regulatory Adjustment</b>				
Less: Deferred tax assets (net)	<b>(18,604)</b>	(19,589)	<b>(18,604)</b>	(19,589)
Less: Investment in subsidiaries	-	-	<b>(8,055)</b>	(8,055)
Less: Intangible Asset (net of deferred tax liabilities)	<b>(85,487)</b>	(99,573)	<b>(86,753)</b>	(99,183)
<b>Total Tier-I Capital</b>	<b>2,025,289</b>	2,019,409	<b>2,004,688</b>	1,982,909
<b>Tier-II capital</b>				
Subordinated sukuk	<b>254,016</b>	253,964	<b>254,016</b>	253,964
Collective assessment	<b>73,849</b>	75,211	<b>73,849</b>	75,211
<b>Total Tier-II Capital</b>	<b>327,865</b>	329,175	<b>327,865</b>	329,175
<b>Total Capital Base</b>	<b>2,353,154</b>	2,348,584	<b>2,332,553</b>	2,312,084

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) issued on 13 October 2015. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

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The following tables present the minimum regulatory capital requirement to support the Group's and the Bank's risk-weighted assets:

**Table 3: Minimum capital requirement and risk-weighted assets**

	30 September 2017		31 March 2017	
	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
<b>Group</b>				
Credit Risk	12,320,282	985,623	12,913,767	1,033,101
Market Risk	25,897	2,072	26,483	2,119
Operational Risk	1,174,082	93,927	1,131,625	90,530
<b>Total</b>	<b>13,520,261</b>	<b>1,081,622</b>	<b>14,071,875</b>	<b>1,125,750</b>
	30 September 2017	31 March 2017		
	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
<b>Bank</b>				
Credit Risk	12,312,284	984,983	12,870,829	1,029,666
Market Risk	25,897	2,072	26,483	2,119
Operational Risk	1,151,575	92,126	1,115,342	89,227
<b>Total</b>	<b>13,489,756</b>	<b>1,079,181</b>	<b>14,012,654</b>	<b>1,121,012</b>

The Group and the Bank do not have any capital requirement for Large Exposure Risk as there is no amount in excess of the lowest threshold arising from equity holdings as specified in the BNM's RWCAF.

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Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows:

**Table 4: Minimum capital requirement and risk-weighted assets by exposures**

Group	Gross Exposures RM'000	*Net Exposures RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
<b>30 September 2017</b>				
<b>(i) Credit Risk (Standardised Approach)</b>				
<b>(a) On Balance Sheet Exposures</b>				
Sovereign/Central Banks	5,071,256	5,071,256	-	-
PSEs	754,969	754,547	150,909	12,073
Banks, Development Financial Institution & MDBs	409,088	409,088	122,653	9,812
Corporates	5,914,353	5,856,758	4,238,619	339,089
Regulator Retail	5,054,308	5,041,957	4,592,251	367,380
Residential Real Estate	4,375,805	4,375,805	1,858,910	148,713
Higher Risk Assets	6,831	6,831	10,247	820
Other Assets	322,119	322,119	212,545	17,004
Defaulted Exposures	133,505	133,505	102,048	8,164
	<b>22,042,234</b>	<b>21,971,866</b>	<b>11,288,182</b>	<b>903,055</b>
<b>(b) Off-Balance Sheet Exposures**</b>				
Credit-related off-balance sheet exposure	1,099,704	1,099,704	998,293	79,863
Derivative financial instruments	84,794	84,794	33,807	2,705
	<b>1,184,498</b>	<b>1,184,498</b>	<b>1,032,100</b>	<b>82,568</b>
<b>Total Credit Exposures</b>	<b>23,226,732</b>	<b>23,156,364</b>	<b>12,320,282</b>	<b>985,623</b>
<b>(ii) Market Risk (Standardised Approach)</b>				
	Long Position	Short Position	Risk Weighted Assets	Capital Requirement
Benchmark Rate Risk	834	(1,099)	15,661	1,253
Foreign Currency Risk	6,756	(10,236)	10,236	819
Equity Position Risk	-	-	-	-
			<b>25,897</b>	<b>2,072</b>
<b>(iii) Operational Risk (Basic Indicators Approach)</b>				
			<b>1,174,082</b>	<b>93,927</b>
<b>(iv) Total RWA and Capital Requirements</b>				
			<b>13,520,261</b>	<b>1,081,622</b>

\* After netting and credit risk mitigation

\*\* Credit Risk of off balance sheet items

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Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows: (cont'd)

**Table 4: Minimum capital requirement and risk-weighted assets by exposures (cont'd)**

Group	Gross Exposures RM'000	*Net Exposures RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
<b>31 March 2017</b>				
<b>(i) Credit Risk (Standardised Approach)</b>				
<b>(a) On Balance Sheet Exposures</b>				
Sovereign/Central Banks	5,773,468	5,773,468	-	-
PSEs	750,517	750,514	150,103	12,008
Banks, Development Financial Institution & MDBs	482,807	482,807	135,127	10,810
Corporates	6,264,026	6,192,163	4,394,026	351,522
Regulator Retail	5,485,315	5,470,596	4,920,807	393,665
Residential Real Estate	4,190,636	4,190,636	1,824,418	145,953
Higher Risk Assets	37,285	37,285	55,927	4,474
Other Assets	376,566	376,566	261,510	20,921
Defaulted Exposures	114,106	114,106	87,562	7,005
	23,474,727	23,388,142	11,829,482	946,359
<b>(b) Off-Balance Sheet Exposures**</b>				
Credit-related off-balance sheet exposure	1,100,164	1,100,164	993,858	79,509
Derivative financial instruments	192,672	192,672	90,427	7,234
	1,292,836	1,292,836	1,084,285	86,743
<b>Total Credit Exposures</b>	24,767,563	24,680,978	12,913,767	1,033,101
<b>(ii) Market Risk (Standardised Approach)</b>	<b>Long Position</b>	<b>Short Position</b>	<b>Risk Weighted Assets</b>	<b>Capital Requirement</b>
Benchmark Rate Risk	1,049	(1,407)	10,011	801
Foreign Currency Risk	13,691	(16,473)	16,473	1,318
Equity Position Risk	-	-	-	-
			26,483	2,119
<b>(iii) Operational Risk (Basic Indicators Approach)</b>			1,131,625	90,530
<b>(iv) Total RWA and Capital Requirements</b>			14,071,875	1,125,750

\* After netting and credit risk mitigation

\*\* Credit Risk of off balance sheet items

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Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows: (cont'd)

**Table 4: Minimum capital requirement and risk-weighted assets by exposures (cont'd)**

Bank	Gross	*Net	Risk	Minimum
30 September 2017	Exposures	Exposures	Weighted	Capital
	RM'000	RM'000	Assets	Requirement
			RM'000	at 8%
				RM'000
<b>(i) Credit Risk (Standardised Approach)</b>				
<b>(a) On Balance Sheet Exposures</b>				
Sovereign/Central Banks	5,071,256	5,071,256	-	-
PSEs	754,969	754,547	150,909	12,073
Banks, Development Financial Institution & MDBs	409,088	409,088	122,653	9,812
Corporates	5,914,148	5,856,552	4,238,414	339,073
Regulator Retail	5,054,308	5,041,957	4,592,251	367,380
Residential Real Estate	4,375,805	4,375,805	1,858,910	148,713
Higher Risk Assets	-	-	-	-
Other Assets	324,574	324,574	214,999	17,200
Defaulted Exposures	133,505	133,505	102,048	8,164
	<b>22,037,653</b>	<b>21,967,284</b>	<b>11,280,184</b>	<b>902,415</b>
<b>(b) Off-Balance Sheet Exposures**</b>				
Credit-related off-balance sheet exposure	1,099,704	1,099,704	998,293	79,863
Derivative financial instruments	84,794	84,794	33,807	2,705
	<b>1,184,498</b>	<b>1,184,498</b>	<b>1,032,100</b>	<b>82,568</b>
<b>Total Credit Exposures</b>	<b>23,222,151</b>	<b>23,151,782</b>	<b>12,312,284</b>	<b>984,983</b>
			Risk	Capital
<b>(ii) Market Risk (Standardised Approach)</b>	Long	Short	Weighted	Requirement
	Position	Position	Assets	
Benchmark Rate Risk	834	(1,099)	15,661	1,253
Foreign Currency Risk	6,756	(10,236)	10,236	819
Equity Position Risk	-	-	-	-
			<b>25,897</b>	<b>2,072</b>
<b>(iii) Operational Risk (Basic Indicators Approach)</b>			<b>1,151,575</b>	<b>92,126</b>
<b>(iv) Total RWA and Capital Requirements</b>			<b>13,489,756</b>	<b>1,079,181</b>

\* After netting and credit risk mitigation

\*\* Credit Risk of off balance sheet items



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Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows: (cont'd)

**Table 4: Minimum capital requirement and risk-weighted assets by exposures (cont'd)**

Bank	Gross	*Net	Risk	Minimum
31 March 2017	Exposures	Exposures	Weighted	Capital
	RM'000	RM'000	Assets	Requirement
			RM'000	at 8%
				RM'000
<b>(i) Credit Risk (Standardised Approach)</b>				
<b>(a) On Balance Sheet Exposures</b>				
Sovereign/Central Banks	5,773,468	5,773,468	-	-
PSEs	750,517	750,514	150,103	12,008
Banks, Development Financial Institution & MDBs	482,807	482,807	135,127	10,810
Corporates	6,271,012	6,199,149	4,401,012	352,081
Regulator Retail	5,485,315	5,470,596	4,920,807	393,665
Residential Real Estate	4,190,636	4,190,636	1,824,418	145,953
Higher Risk Assets	-	-	-	-
Other Assets	382,570	382,570	267,515	21,401
Defaulted Exposures	114,106	114,106	87,562	7,005
	<b>23,450,431</b>	<b>23,363,846</b>	<b>11,786,544</b>	<b>942,923</b>
<b>(b) Off-Balance Sheet Exposures**</b>				
Credit-related off-balance sheet exposure	1,100,164	1,100,164	993,858	79,509
Derivative financial instruments	192,672	192,672	90,427	7,234
	<b>1,292,836</b>	<b>1,292,836</b>	<b>1,084,285</b>	<b>86,743</b>
<b>Total Credit Exposures</b>	<b>24,743,267</b>	<b>24,656,682</b>	<b>12,870,829</b>	<b>1,029,666</b>
<b>(ii) Market Risk (Standardised Approach)</b>				
	Long	Short	Risk	Capital
	Position	Position	Weighted	Requirement
			Assets	
Benchmark Rate Risk	1,049	(1,407)	10,011	801
Foreign Currency Risk	13,691	(16,473)	16,473	1,318
Equity Position Risk	-	-	-	-
			<b>26,483</b>	<b>2,119</b>
<b>(iii) Operational Risk (Basic Indicators Approach)</b>			<b>1,115,342</b>	<b>89,227</b>
<b>(iv) Total RWA and Capital Requirements</b>			<b>14,012,654</b>	<b>1,121,012</b>

\* After netting and credit risk mitigation

\*\* Credit Risk of off balance sheet items

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**Credit Risk Exposures and Credit Risk Concentration**

**Table 5: Credit risk exposures and credit risk concentration by sector analysis**

<b>Group</b>	<b>Government and statutory bodies</b>	<b>Finance, takaful and business services</b>	<b>Agriculture, manufacturing, wholesale, retail and restaurant</b>	<b>Construction and real estate</b>	<b>Purchase of transport vehicles</b>	<b>Others</b>	<b>Total</b>
<b>30 September 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On balance sheet exposures</b>							
Cash and short-term funds	-	464,561	-	-	-	-	464,561
Cash and placements with financial institutions	-	21,179	-	-	-	-	21,179
Investment accounts due from designated financial institution	-	266	-	-	-	-	266
Financial investments designated at fair value through profit and loss	-	200,746	-	-	-	-	200,746
Financial investment available-for-sale	3,632,308	313,104	602,019	96,438	-	1,096,214	5,740,083
Financial investment held-to-maturity	142,952	-	-	-	-	-	142,952
Islamic derivative financial assets	-	21,348	-	-	-	-	21,348
Financing of customers	750,568	642,771	1,318,494	1,723,829	18,078	10,053,180	14,506,920
Statutory deposits with Bank Negara Malaysia	679,135	-	-	-	-	-	679,135
Other financial assets	-	-	-	-	-	93,086	93,086
	<b>5,204,963</b>	<b>1,663,975</b>	<b>1,920,513</b>	<b>1,820,267</b>	<b>18,078</b>	<b>11,242,480</b>	<b>21,870,276</b>
<b>Commitments and contingencies</b>							
Contingent liabilities	-	25,080	146,331	431,954	8,628	38,126	650,119
Commitments	-	241,369	682,125	845,507	8,614	245,384	2,022,999
Derivative financial instruments	-	3,927,400	-	-	-	-	3,927,400
	<b>-</b>	<b>4,193,849</b>	<b>828,456</b>	<b>1,277,461</b>	<b>17,242</b>	<b>283,510</b>	<b>6,600,518</b>
<b>Total credit exposures</b>	<b>5,204,963</b>	<b>5,857,824</b>	<b>2,748,969</b>	<b>3,097,728</b>	<b>35,320</b>	<b>11,525,990</b>	<b>28,470,794</b>

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**Credit Risk Exposures and Credit Risk Concentration (cont'd)**

**Table 5: Credit risk exposures and credit risk concentration by sector analysis (cont'd)**

<b>Group</b>	<b>Government and statutory bodies RM'000</b>	<b>Finance, takaful and business services RM'000</b>	<b>Agriculture, manufacturing, wholesale, retail and restaurant RM'000</b>	<b>Construction and real estate RM'000</b>	<b>Purchase of transport vehicles RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>31 March 2017</b>							
<b>On balance sheet exposures</b>							
Cash and short-term funds	-	1,027,742	-	-	-	-	1,027,742
Cash and placements with financial institutions	-	22,183	-	-	-	-	22,183
Investment accounts due from designated financial institution	-	382	-	-	-	-	382
Financial investments designated at fair value through profit and loss	-	197,208	-	-	-	-	197,208
Financial investment available-for-sale	3,869,209	424,018	535,371	116,498	-	1,186,320	6,131,416
Financial investment held-to-maturity	142,168	-	-	-	-	-	142,168
Islamic derivative financial assets	-	55,948	-	-	-	-	55,948
Financing of customers	752,618	1,038,203	1,177,571	1,426,835	14,757	10,508,288	14,918,272
Statutory deposits with Bank Negara Malaysia	698,636	-	-	-	-	-	698,636
Other financial assets	-	-	-	-	-	113,891	113,891
	<b>5,462,631</b>	<b>2,765,684</b>	<b>1,712,942</b>	<b>1,543,333</b>	<b>14,757</b>	<b>11,808,499</b>	<b>23,307,846</b>
<b>Commitments and contingencies</b>							
Contingent liabilities	-	65,049	118,254	401,321	9,957	67,498	662,079
Commitments	-	127,162	696,737	671,528	11,021	311,594	1,818,042
Derivative financial instruments	-	4,875,367	-	-	-	-	4,875,367
	<b>-</b>	<b>5,067,578</b>	<b>814,991</b>	<b>1,072,849</b>	<b>20,978</b>	<b>379,092</b>	<b>7,355,488</b>
<b>Total credit exposures</b>	<b>5,462,631</b>	<b>7,833,262</b>	<b>2,527,933</b>	<b>2,616,182</b>	<b>35,735</b>	<b>12,187,591</b>	<b>30,663,334</b>

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**Credit Risk Exposures and Credit Risk Concentration (cont'd)**

**Table 5: Credit risk exposures and credit risk concentration by sector analysis (cont'd)**

<b>Bank</b>	<b>Government and statutory bodies</b>	<b>Finance, takaful and business services</b>	<b>Agriculture, manufacturing, wholesale, retail and restaurant</b>	<b>Construction and real estate</b>	<b>Purchase of transport vehicles</b>	<b>Others</b>	<b>Total</b>
<b>30 September 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On balance sheet exposures</b>							
Cash and short-term funds	-	464,561	-	-	-	-	464,561
Cash and placements with financial institutions	-	21,179	-	-	-	-	21,179
Investment accounts due from designated financial institution	-	266	-	-	-	-	266
Financial investments designated at fair value through profit and loss	-	200,746	-	-	-	-	200,746
Financial investment available-for-sale	3,632,308	313,104	602,019	96,438	-	1,086,440	5,730,309
Financial investment held-to-maturity	142,952	-	-	-	-	-	142,952
Islamic derivative financial assets	-	21,348	-	-	-	-	21,348
Financing of customers	750,568	642,774	1,318,492	1,723,829	18,078	10,055,918	14,509,659
Statutory deposits with Bank Negara Malaysia	679,135	-	-	-	-	-	679,135
Other financial assets	-	-	-	-	-	98,838	98,838
	<b>5,204,963</b>	<b>1,663,978</b>	<b>1,920,511</b>	<b>1,820,267</b>	<b>18,078</b>	<b>11,241,196</b>	<b>21,868,993</b>
<b>Commitments and contingencies</b>							
Contingent liabilities	-	25,080	146,331	431,954	8,628	38,126	650,119
Commitments	-	241,369	682,125	845,507	8,614	245,384	2,022,999
Derivative financial instruments	-	3,927,400	-	-	-	-	3,927,400
	<b>-</b>	<b>4,193,848</b>	<b>828,456</b>	<b>1,277,461</b>	<b>17,242</b>	<b>283,510</b>	<b>6,600,518</b>
<b>Total credit exposures</b>	<b>5,204,963</b>	<b>5,857,826</b>	<b>2,748,967</b>	<b>3,097,728</b>	<b>35,320</b>	<b>11,524,706</b>	<b>28,469,511</b>

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**Credit Risk Exposures and Credit Risk Concentration (cont'd)**

**Table 5: Credit risk exposures and credit risk concentration by sector analysis (cont'd)**

<b>Bank</b>	<b>Government and statutory bodies</b>	<b>Finance, takaful and business services</b>	<b>Agriculture, manufacturing, wholesale, retail and restaurant</b>	<b>Construction and real estate</b>	<b>Purchase of transport vehicles</b>	<b>Others</b>	<b>Total</b>
<b>31 March 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On balance sheet exposures</b>							
Cash and short-term funds	-	1,027,742	-	-	-	-	1,027,742
Cash and placements with financial institutions	-	22,183	-	-	-	-	22,183
Investment accounts due from designated financial institution	-	382	-	-	-	-	382
Financial investments designated at fair value through profit and loss	-	197,208	-	-	-	-	197,208
Financial investment available-for-sale	3,869,209	424,018	535,371	116,498	-	1,136,437	6,081,533
Financial investment held-to-maturity	142,168	-	-	-	-	-	142,168
Islamic derivative financial assets	-	55,948	-	-	-	-	55,948
Financing of customers	752,618	1,038,203	1,184,917	1,426,836	14,757	10,520,525	14,937,856
Statutory deposits with Bank Negara Malaysia	698,636	-	-	-	-	-	698,636
Other financial assets	-	-	-	-	-	113,183	113,183
	<b>5,462,631</b>	<b>2,765,684</b>	<b>1,720,288</b>	<b>1,543,334</b>	<b>14,757</b>	<b>11,770,145</b>	<b>23,276,839</b>
<b>Commitments and contingencies</b>							
Contingent liabilities	-	65,049	118,254	401,321	9,957	67,498	662,079
Commitments	-	127,162	696,737	671,528	11,021	311,594	1,818,042
Derivative financial instruments	-	4,875,367	-	-	-	-	4,875,367
	<b>-</b>	<b>5,067,578</b>	<b>814,991</b>	<b>1,072,849</b>	<b>20,978</b>	<b>379,092</b>	<b>7,355,488</b>
<b>Total credit exposures</b>	<b>5,462,631</b>	<b>7,833,262</b>	<b>2,535,279</b>	<b>2,616,183</b>	<b>35,735</b>	<b>12,149,237</b>	<b>30,632,327</b>

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**Credit Risk Exposures and Credit Risk Concentration (cont'd)**

**Table 6: Credit risk exposures and credit risk concentration by geographical analysis**

The analysis of credit concentration risk of financial assets and commitments and contingencies of the Group and the Bank categorised by geographical distribution (based on the geographical location where the credit risk resides) are as follows:

	Group		Bank	
	Domestic RM'000	Labuan RM'000	Domestic RM'000	Labuan RM'000
<b>30 September 2017</b>				
<b>On Balance Sheet</b>				
<b>Exposures</b>				
Cash and short-term funds	389,204	75,357	389,204	75,357
Cash and placements with financial institutions	21,179	-	21,179	-
Investment accounts due from designated financial institution	266	-	266	-
Financial investment designated at fair value through profit and loss	-	200,746	-	200,746
Financial investment available-for-sale	5,718,948	21,135	5,709,174	21,135
Financial investment held-to-maturity	142,952	-	142,952	-
Islamic derivative financial assets	21,348	-	21,348	-
Financing of customers	14,506,920	-	14,509,659	-
Statutory deposits with Bank Negara Malaysia	679,135	-	679,135	-
Other financial assets	93,083	3	98,835	3
	<b>21,573,035</b>	<b>297,241</b>	<b>21,571,752</b>	<b>297,241</b>
<b>Commitments and contingencies</b>				
Contingent liabilities	650,119	-	650,119	-
Commitments	2,022,999	-	2,022,999	-
Derivative financial instruments	3,927,394	6	3,927,394	6
	<b>6,600,512</b>	<b>6</b>	<b>6,600,512</b>	<b>6</b>
<b>Total credit exposures</b>	<b>28,173,547</b>	<b>297,247</b>	<b>28,172,264</b>	<b>297,247</b>

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**Credit Risk Exposures and Credit Risk Concentration (cont'd)**

**Table 6: Credit risk exposures and credit risk concentration by geographical analysis (cont'd)**

The analysis of credit concentration risk of financial assets and commitments and contingencies of the Group and the Bank categorised by geographical distribution (based on the geographical location where the credit risk resides) are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>Domestic RM'000</b>	<b>Labuan RM'000</b>	<b>Domestic RM'000</b>	<b>Labuan RM'000</b>
<b>31 March 2017</b>				
<b>On Balance Sheet</b>				
<b>Exposures</b>				
Cash and short-term funds	901,303	126,439	901,303	126,439
Cash and placements with financial institutions	22,183	-	22,183	-
Investment accounts due from designated financial institution	382	-	382	-
Financial investment designated at fair value through profit and loss	-	197,208	-	197,208
Financial investment available-for-sale	6,109,192	22,224	6,059,309	22,224
Financial investment held-to-maturity	142,168	-	142,168	-
Islamic derivative financial assets	55,948	-	55,948	-
Financing of customers	14,908,544	9,728	14,928,128	9,728
Statutory deposits with Bank Negara Malaysia	698,636	-	698,636	-
Other financial assets	113,888	3	113,180	3
	<u>22,952,244</u>	<u>355,602</u>	<u>22,921,237</u>	<u>355,602</u>
<b>Commitments and contingencies</b>				
Contingent liabilities	662,079	-	662,079	-
Commitments	1,818,023	19	1,818,023	19
Derivative financial instruments	4,875,367	-	4,875,367	-
	<u>7,355,469</u>	<u>19</u>	<u>7,355,469</u>	<u>19</u>
<b>Total credit exposures</b>	<u><b>30,307,713</b></u>	<u><b>355,621</b></u>	<u><b>30,276,706</b></u>	<u><b>355,621</b></u>

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**Credit Exposures of Financial Assets by Maturity Distribution**

**Table 7: Maturities of financial assets by remaining contractual maturity**

<b>Group</b>	<b>Up to 6</b>	<b>&gt; 6 - 12</b>	<b>&gt; 1 - 5</b>	<b>Over 5</b>	<b>Total</b>
<b>30 September 2017</b>	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On-Balance Sheet Exposures</b>					
Cash and short-term funds	464,561	-	-	-	464,561
Cash and placements with financial institutions	21,179	-	-	-	21,179
Investment accounts due from designated financial institution	266	-	-	-	266
Financial investments designated at fair value through profit and loss	-	-	-	200,746	200,746
Financial investment available-for-sale	218,567	379,652	2,808,836	2,333,028	5,740,083
Financial investment held-to-maturity	-	-	-	142,952	142,952
Islamic derivative financial assets	8,786	12,562	-	-	21,348
Financing of customers	3,133,365	948,371	4,734,835	5,690,349	14,506,920
Statutory deposits with Bank Negara Malaysia	-	-	-	679,135	679,135
Other financial assets	-	93,086	-	-	93,086
<b>Total On-Balance Sheet Exposures</b>	<b>3,846,724</b>	<b>1,433,671</b>	<b>7,543,671</b>	<b>9,046,210</b>	<b>21,870,276</b>
<b>Group</b>					
<b>31 March 2017</b>	<b>Up to 6</b>	<b>&gt; 6 - 12</b>	<b>&gt; 1 - 5</b>	<b>Over 5</b>	<b>Total</b>
	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On-Balance Sheet Exposures</b>					
Cash and short-term funds	1,027,742	-	-	-	1,027,742
Cash and placements with financial institutions	22,183	-	-	-	22,183
Investment accounts due from designated financial institution	-	382	-	-	382
Financial investments designated at fair value through profit and loss	-	-	-	197,208	197,208
Financial investment available-for-sale	821,761	268,726	2,448,260	2,592,669	6,131,416
Financial investment held-to-maturity	-	-	-	142,168	142,168
Islamic derivative financial assets	51,716	4,232	-	-	55,948
Financing of customers	3,063,738	1,004,063	4,957,337	5,893,134	14,918,272
Statutory deposits with Bank Negara Malaysia	-	-	-	698,636	698,636
Other financial assets	-	113,891	-	-	113,891
<b>Total On-Balance Sheet Exposures</b>	<b>4,987,140</b>	<b>1,391,294</b>	<b>7,405,597</b>	<b>9,523,815</b>	<b>23,307,846</b>



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**Credit Exposures of Financial Assets by Maturity Distribution (cont'd)**

**Table 7: Maturities of financial assets by remaining contractual maturity (cont'd)**

<b>Bank</b>	<b>Up to 6</b>	<b>&gt; 6 - 12</b>	<b>&gt; 1 - 5</b>	<b>Over 5</b>	<b>Total</b>
<b>30 September 2017</b>	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On-Balance Sheet Exposures</b>					
Cash and short-term funds	464,561	-	-	-	464,561
Cash and placements with financial institutions	21,179	-	-	-	21,179
Investment accounts due from designated financial institution	266	-	-	-	266
Financial investments designated at fair value through profit and loss	-	-	-	200,746	200,746
Financial investment available-for-sale	218,567	379,652	2,799,061	2,333,029	5,730,309
Financial investment held-to-maturity	-	-	-	142,952	142,952
Islamic derivative financial assets	8,786	12,562	-	-	21,348
Financing of customers	3,133,956	948,549	4,735,721	5,691,433	14,509,659
Statutory deposits with Bank Negara Malaysia	-	-	-	679,135	679,135
Other financial assets	-	98,838	-	-	98,838
<b>Total On-Balance Sheet Exposures</b>	<b>3,847,315</b>	<b>1,439,601</b>	<b>7,534,782</b>	<b>9,047,295</b>	<b>21,868,993</b>
<b>Bank</b>					
<b>31 March 2017</b>	<b>Up to 6</b>	<b>&gt; 6 - 12</b>	<b>&gt; 1 - 5</b>	<b>Over 5</b>	<b>Total</b>
	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>On-Balance Sheet Exposures</b>					
Cash and short-term funds	1,027,742	-	-	-	1,027,742
Cash and placements with financial institutions	22,183	-	-	-	22,183
Investment accounts due from designated financial institution	-	382	-	-	382
Financial investments designated at fair value through profit and loss	-	-	-	197,208	197,208
Financial investment available-for-sale	821,402	219,202	2,448,259	2,592,670	6,081,533
Financial investment held-to-maturity	-	-	-	142,168	142,168
Islamic derivative financial assets	51,716	4,232	-	-	55,948
Financing of customers	3,063,656	1,004,035	4,968,748	5,901,417	14,937,856
Statutory deposits with Bank Negara Malaysia	-	-	-	698,636	698,636
Other financial assets	-	113,183	-	-	113,183
<b>Total On-Balance Sheet Exposures</b>	<b>4,986,699</b>	<b>1,341,034</b>	<b>7,417,007</b>	<b>9,532,099</b>	<b>23,276,839</b>

Disclosures on Off Balance Sheet Exposures and Counterparty Credit Risk

Table 8: Commitments and contingencies

	Group and Bank					
	30 September 2017			31 March 2017		
	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
The commitments and contingencies constitute the following :						
<b>Contingent liabilities</b>						
Direct credit substitutes	186,621	186,621	164,926	213,136	213,136	181,099
Trade-related contingencies	30,318	6,064	5,426	22,970	4,594	4,581
Transaction related contingencies	433,180	216,590	211,936	425,973	212,986	208,304
<b>Commitments</b>						
Credit extension commitment:						
- Maturity within one year	1,070,231	214,046	195,005	798,577	159,715	146,883
- Maturity exceeding one year	952,768	476,384	420,999	1,019,465	509,732	452,990
<b>Islamic Derivative financial instruments</b>						
Foreign exchange related contracts	1,927,400	61,650	29,178	2,875,367	88,561	69,605
Profit rate related contract	2,000,000	23,145	4,629	2,000,000	104,111	20,822
<b>Total off-balance sheet exposures</b>	<b>6,600,518</b>	<b>1,184,500</b>	<b>1,032,099</b>	<b>7,355,487</b>	<b>1,292,836</b>	<b>1,084,285</b>

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**Credit Risk Mitigation**

The following tables present the credit exposures covered by eligible financial collateral and financial guarantees as defined under the Standardised Approach. Eligible financial collateral consists primarily of cash, securities from listed exchange, unit trust or marketable securities. The Group and the Bank does not have any credit exposure which is reduced through the application of other eligible collateral.

**Table 9: Credit risk mitigation on credit exposures**

Group	Total Exposures Covered by		
	Gross Exposures	Eligible Financial Collateral	*Net Exposures
30 September 2017	RM'000	RM'000	RM'000
<b>Credit Risk</b>			
<b>(a) On Balance sheet exposures</b>			
Sovereign/Central banks	5,071,256	-	5,071,256
Public sector entities	754,969	423	754,546
Banks, Development Financial Institution & MDBs	409,088	-	409,088
Corporates	5,914,353	57,596	5,856,757
Regulatory retail	5,054,308	12,351	5,041,957
Residential real estate	4,375,805	-	4,375,805
Higher risk assets	6,831	-	6,831
Other assets	322,119	-	322,119
Defaulted exposure	133,505	-	133,505
	<b>22,042,234</b>	<b>70,370</b>	<b>21,971,864</b>
<b>(b) Off-Balance Sheet Exposures</b>			
Credit-related off-balance sheet exposure	1,099,704	-	1,099,704
Derivative financial instruments	84,794	-	84,794
	<b>1,184,498</b>	<b>-</b>	<b>1,184,498</b>
<b>Total Credit Exposures</b>	<b>23,226,732</b>	<b>70,370</b>	<b>23,156,362</b>

Note:

\* After netting and credit risk mitigation

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**Credit Risk Mitigation (cont'd)**

**Table 9: Credit risk mitigation on credit exposures (cont'd)**

<b>Group</b>	<b>Total Exposures Covered by</b>		
<b>31 March 2017</b>	<b>Gross Exposures</b>	<b>Eligible Financial Collateral</b>	<b>*Net Exposures</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Credit Risk</b>			
<b>(a) On Balance sheet exposures</b>			
Sovereign/Central banks	5,773,468	-	5,773,468
Public sector entities	750,517	-	750,517
Banks, Development Financial Institution & MDBs	482,807	-	482,807
Corporates	6,264,026	67,209	6,196,817
Regulatory retail	5,485,315	14,294	5,471,021
Residential real estate	4,190,636	-	4,190,636
Higher risk assets	37,285	-	37,285
Other assets	376,566	-	376,566
Defaulted exposure	114,106	-	114,106
	<u>23,474,727</u>	<u>81,503</u>	<u>23,393,224</u>
<b>(b) Off-Balance Sheet Exposures</b>			
Credit-related off-balance sheet exposure	1,100,164	-	1,100,164
Derivative financial instruments	192,672	-	192,672
	<u>1,292,836</u>	<u>-</u>	<u>1,292,836</u>
<b>Total Credit Exposures</b>	<u>24,767,563</u>	<u>81,503</u>	<u>24,686,060</u>

Note:

*\* After netting and credit risk mitigation*

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**Credit Risk Mitigation (cont'd)**

**Table 9: Credit risk mitigation on credit exposures (cont'd)**

Bank	Total Exposures Covered by Eligible		
	Gross Exposures RM'000	Financial Collateral RM'000	*Net Exposures RM'000
<b>30 September 2017</b>			
<b>Credit Risk</b>			
<b>(a) On Balance Sheet Exposures</b>			
Sovereign/Central Banks	5,071,256	-	5,071,256
Public Sector Entities	754,969	423	754,546
Banks, Development Financial Institution & MDBs	409,088	-	409,088
Corporates	5,914,148	57,597	5,856,551
Regulatory Retail	5,054,308	12,351	5,041,957
Residential Real Estate	4,375,805	-	4,375,805
Higher Risk Assets	-	-	-
Other Assets	324,574	-	324,574
Defaulted Exposures	133,505	-	133,505
	<b>22,037,653</b>	<b>70,371</b>	<b>21,967,282</b>
<b>(b) Off-Balance Sheet Exposures</b>			
Credit-related Off-Balance Sheet Exposure	1,099,704	-	1,099,704
Derivative Financial Instruments	84,794	-	84,794
	<b>1,184,498</b>	<b>-</b>	<b>1,184,498</b>
<b>Total Credit Exposures</b>	<b>23,222,151</b>	<b>70,371</b>	<b>23,151,780</b>

Note:

\* After netting and credit risk mitigation

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**Credit Risk Mitigation (cont'd)**

**Table 9: Credit risk mitigation on credit exposures (cont'd)**

Bank	Total Exposures Covered by Eligible		
	Gross Exposures RM'000	Financial Collateral RM'000	*Net Exposures RM'000
<b>31 March 2017</b>			
<b>Credit Risk</b>			
<b>(a) On Balance Sheet Exposures</b>			
Sovereign/Central Banks	5,773,468	-	5,773,468
Public Sector Entities	750,517	-	750,517
Banks, Development Financial Institution & MDBs	482,807	-	482,807
Corporates	6,271,012	67,209	6,203,803
Regulatory Retail	5,485,315	14,294	5,471,021
Residential Real Estate	4,190,636	-	4,190,636
Higher Risk Assets	-	-	-
Other Assets	382,570	-	382,570
Defaulted Exposures	114,106	-	114,106
	<b>23,450,431</b>	<b>81,503</b>	<b>23,368,928</b>
<b>(b) Off-Balance Sheet Exposures</b>			
Credit-related Off-Balance Sheet Exposure	1,100,164	-	1,100,164
Derivative Financial Instruments	192,672	-	192,672
	<b>1,292,836</b>	<b>-</b>	<b>1,292,836</b>
<b>Total Credit Exposures</b>	<b>24,743,267</b>	<b>81,503</b>	<b>24,661,764</b>

Note:

\* After netting and credit risk mitigation

Credit Risk (Disclosures for Portfolio under the Standardised Approach)

Table 10: Rating distribution on credit exposures

Group  
30 September 2017

Exposure Class	Rating by Approved ECAIS								Unrated RM'000	Others RM'000	Grand Total RM'000
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+ TO BB- RM'000	P1/MARC1 RM'000			
<b>On and Off Balance-Sheet Exposures</b>											
<b>Credit Exposures - Standardised Approach</b>											
Sovereigns/Central Banks	5,071,252	-	-	-	-	-	-	-	-	-	5,071,252
Public Sector Entities	-	-	-	-	-	-	-	-	769,813	-	769,813
Banks, Development Financial Institutions & MDBs	5,014	-	45,512	-	136,119	-	-	30,215	255,001	3	471,864
Corporates	2,021,353	99,718	444,988	137,519	195,741	143,508	-	40,103	3,420,305	480,708	6,983,943
Regulatory Retail	-	-	-	-	-	-	-	-	5,177,493	-	5,177,493
Residential Mortgages	-	-	-	-	-	-	-	-	4,427,793	-	4,427,793
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	324,574	-	324,574
<b>Total</b>	<b>7,097,619</b>	<b>99,718</b>	<b>490,500</b>	<b>137,519</b>	<b>331,860</b>	<b>143,508</b>	<b>-</b>	<b>70,318</b>	<b>14,374,979</b>	<b>480,711</b>	<b>23,226,732</b>

Group  
31 March 2017

Exposure Class	Rating by Approved ECAIS								Unrated RM'000	Others RM'000	Grand Total RM'000
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+ TO BB- RM'000	P1/MARC1 RM'000			
<b>On and Off Balance-Sheet Exposures</b>											
<b>Credit Exposures - Standardised Approach</b>											
Sovereigns/Central Banks	-	-	-	-	5,773,468	-	-	-	-	-	5,773,468
Public Sector Entities	-	-	-	-	-	-	-	-	762,502	-	762,502
Banks, Development Financial Institutions & MDBs	5,005	2	93,813	-	128,553	-	-	167,000	210,261	-	604,634
Corporates	743,771	94,580	470,588	121,972	33,488	142,168	-	0	67,960	5,440,619	7,379,783
Regulatory Retail	-	-	-	-	-	-	-	-	-	5,630,783	5,630,783
Residential Mortgages	-	-	-	-	-	-	-	-	-	4,233,823	4,233,823
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	382,570	382,570
<b>Total</b>	<b>748,776</b>	<b>94,582</b>	<b>564,400</b>	<b>121,972</b>	<b>5,935,509</b>	<b>142,168</b>	<b>(0)</b>	<b>234,960</b>	<b>6,413,381</b>	<b>10,511,815</b>	<b>24,767,563</b>

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Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Table 10: Rating distribution on credit exposures (cont'd)

**Bank**  
**30 September 2017**

Exposure Class	Rating by Approved ECAIS								Unrated RM'000	Others RM'000	Grand Total RM'000
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+ TO BB- RM'000	P1/MARC1 RM'000			
<b>On and Off Balance-Sheet Exposures</b>											
<b>Credit Exposures - Standardised Approach</b>											
Sovereigns/Central Banks	5,071,253	-	-	-	-	-	-	-	-	-	5,071,253
Public Sector Entities	-	-	-	-	-	-	-	-	769,813	-	769,813
Banks, Development Financial Institutions & MDBs	5,014	-	45,512	-	136,119	-	-	30,215	255,001	3	471,864
Corporates	2,021,353	99,718	444,988	137,519	195,741	143,508	-	40,103	3,415,723	480,708	6,979,361
Regulatory Retail	-	-	-	-	-	-	-	-	5,177,493	-	5,177,493
Residential Mortgages	-	-	-	-	-	-	-	-	4,427,793	-	4,427,793
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	324,574	-	324,574
<b>Total</b>	<b>7,097,620</b>	<b>99,718</b>	<b>490,500</b>	<b>137,519</b>	<b>331,860</b>	<b>143,508</b>	<b>-</b>	<b>70,318</b>	<b>14,370,397</b>	<b>480,711</b>	<b>23,222,151</b>

**Bank**  
**31 March 2017**

Exposure Class	Rating by Approved ECAIS								Unrated RM'000	Others RM'000	Grand Total RM'000
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+ TO BB- RM'000	P1/MARC1 RM'000			
<b>On and Off Balance-Sheet Exposures</b>											
<b>Credit Exposures - Standardised Approach</b>											
Sovereigns/Central Banks	-	-	-	-	5,773,468	-	-	-	-	-	5,773,468
Public Sector Entities	-	-	-	-	-	-	-	-	762,502	-	762,502
Banks, Development Financial Institutions & MDBs	5,005	2	93,813	-	128,553	-	-	167,000	210,261	-	604,634
Corporates	743,771	94,580	470,588	121,972	33,488	142,168	(0)	67,960	5,416,323	264,639	7,355,487
Regulatory Retail	-	-	-	-	-	-	-	-	-	5,630,783	5,630,783
Residential Mortgages	-	-	-	-	-	-	-	-	-	4,233,823	4,233,823
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	382,570	382,570
<b>Total</b>	<b>748,776</b>	<b>94,582</b>	<b>564,400</b>	<b>121,972</b>	<b>5,935,509</b>	<b>142,168</b>	<b>(0)</b>	<b>234,960</b>	<b>6,389,086</b>	<b>10,511,815</b>	<b>24,743,267</b>



Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Table 11: Ratings of corporate by approved ECAs

Exposure Class	Ratings of Corporate by Approved ECAs					
	Moody's S&P Fitch RAM MARC Rii Inc RM'000	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA- AAA to AA- RM'000	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A- A+ to A- RM'000	Baa1 to Ba3 BBB+ to BB- BBB+ to BB- BBB1 to BB3 BBB+ to BB- BBB+ to BB- RM'000	B1 to C B+ to D B+ to D B to D B+ to D B+ to D RM'000	Unrated Unrated Unrated Unrated Unrated Unrated RM'000

On and Off Balance-Sheet Exposures

Credit Exposures (Using Corporate Risk Weights)

Group and Bank  
30 September 2017

Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)	-	-	-	-	769,813
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporates	2,743,681	195,741	143,508	-	3,896,431
<b>Total</b>	<b>2,743,681</b>	<b>195,741</b>	<b>143,508</b>	<b>-</b>	<b>4,666,244</b>

Group and Bank  
31 March 2017

Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)	-	-	-	-	762,502
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporates	1,498,870	33,488	142,168	(0)	5,680,962
<b>Total</b>	<b>1,498,870</b>	<b>33,488</b>	<b>142,168</b>	<b>-</b>	<b>6,443,464</b>

Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Table 12: Short term ratings of banking institutions and corporate by approved ECAs

Exposure Class	Short term Ratings of Banking Institutions and Corporate by Approved ECAs					
	Moody's	P-1	P-2	P-3	Others	Unrated
	S&P	A-1	A-2	A-3	Others	Unrated
	Fitch	F1+,F1	2	3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
	MARC	MARC-1	MARC-2	MARC-3-	MARC-4	Unrated
	RII Inc	a-1+,a-1	a-2	a-3	b,c	Unrated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>On and Off Balance-Sheet Exposures</b>						
<b>Group and Bank</b>						
<b>30 September 2017</b>						
Banks, MDBs and FDIs	30,215	-	-	-	-	-
<b>Credit Exposures (using Corporate Risk Weights)</b>						
Corporates	-	-	-	-	-	-
<b>Total</b>	<b>30,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Group and Bank</b>						
<b>31 March 2017</b>						
Banks, MDBs and FDIs	167,000	-	-	-	-	-
<b>Credit Exposures (using Corporate Risk Weights)</b>						
Corporates	-	-	-	-	-	-
<b>Total</b>	<b>167,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Table 13: Ratings of sovereigns and Central Banks by approved ECAs

Group and Bank  
 30 September 2017

Exposure Class	Ratings of Sovereigns and Central Banks by Approved ECAs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rii Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>On and Off Balance-Sheet Exposures</b>							
Sovereigns and Central Banks	-	5,071,253	-	-	-	-	-
<b>Total</b>	-	<b>5,071,253</b>	-	-	-	-	-

Group and Bank  
 31 March 2017

Exposure Class	Ratings of Sovereigns and Central Banks by Approved ECAs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rii Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>On and Off Balance-Sheet Exposures</b>							
Sovereigns and Central Banks	-	5,773,468	-	-	-	-	-
<b>Total</b>	-	<b>5,773,468</b>	-	-	-	-	-

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Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Table 14: Ratings of banking institutions by approved ECAs

Exposure Class	Ratings of Banking Institutions by Approved ECAs						
	Moody's S&P Fitch RAM MARC RII Inc	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA- AAA to AA-	A1 to A3 A+ to A- A+ to A- A1 to A3 A+ to A- A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1 to BBB3 BBB+ to BBB- BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B- BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1 to D C+ to D CCC+ to C	Unrated Unrated Unrated Unrated Unrated Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>On and Off Balance-Sheet Exposures</b>							
<b>Group and Bank</b>							
<b>30 September 2017</b>							
Banks, MDBs and FDIs		50,527	136,119	-	-	-	255,003
<b>Total</b>		<b>50,527</b>	<b>136,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,003</b>
<b>Group and Bank</b>							
<b>31 March 2017</b>							
Banks, MDBs and FDIs		98,820	128,553	-	-	-	210,261
<b>Total</b>		<b>98,820</b>	<b>128,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,261</b>

Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Credit risk disclosure by risk weights (including deducted exposures) as at 30 September 2017, are as follows:

Table 15: Credit risk disclosure by risk weights

Group	Exposures after Netting and Credit Risk Mitigation									Total Exposures after Netting and Mitigation	Total Risk Weighted Assets
	Sovereign & Central Banks RM'000	Public Sector Entities RM'000	Banks, MDBs and FDIs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Equity Exposures RM'000	Higher Risk Assets RM'000	Other Assets RM'000	RM'000	RM'000
Risk-Weights											
0%	5,071,256	-	-	-	-	-	-	-	109,575	5,180,831	-
20%	-	769,391	335,745	1,818,605	-	-	-	-	-	2,923,741	584,748
35%	-	-	-	-	-	3,047,841	-	-	-	3,047,841	1,066,744
50%	-	-	136,119	473,696	35,519	1,111,024	-	-	-	1,756,358	878,179
75%	-	-	-	-	1,866,107	25,120	-	-	-	1,891,227	1,418,420
100%	-	-	-	4,607,373	3,260,992	243,807	-	-	212,545	8,324,717	8,324,717
150%	-	-	-	22,294	2,524	-	-	6,831	-	31,649	47,474
<b>Total</b>	<b>5,071,256</b>	<b>769,391</b>	<b>471,864</b>	<b>6,921,968</b>	<b>5,165,142</b>	<b>4,427,792</b>	<b>-</b>	<b>6,831</b>	<b>322,120</b>	<b>23,156,364</b>	<b>12,320,282</b>

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**Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)**

Credit risk disclosure by risk weights (including deducted exposures) as at 31 March 2017, are as follows: (cont'd)

**Table 15: Credit risk disclosure by risk weights (cont'd)**

Group	Exposures after Netting and Credit Risk Mitigation									Total Exposures after Netting and Mitigation	Total Risk Weighted Assets
	Sovereign & Central Banks RM'000	Public Sector Entities RM'000	Banks, MDBs and FDIs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Equity Exposures RM'000	Higher Risk Assets RM'000	Other Assets RM'000	RM'000	RM'000
<b>Risk-Weights</b>											
0%	5,773,468	-	-	-	-	-	-	-	115,056	5,888,524	-
20%	-	762,499	476,081	2,055,782	-	-	-	-	-	3,294,361	658,872
35%	-	-	-	-	-	2,778,346	-	-	-	2,778,346	972,421
50%	-	-	128,553	463,085	32,032	1,146,904	-	-	-	1,770,574	885,287
75%	-	-	-	-	2,294,962	33,740	-	-	-	2,328,702	1,746,527
100%	-	-	-	4,737,711	3,286,038	274,834	-	-	261,510	8,560,093	8,560,093
150%	-	-	-	20,061	3,032	-	-	37,285	-	60,378	90,567
<b>Total</b>	<b>5,773,468</b>	<b>762,499</b>	<b>604,634</b>	<b>7,276,639</b>	<b>5,616,064</b>	<b>4,233,823</b>	<b>-</b>	<b>37,285</b>	<b>376,566</b>	<b>24,680,978</b>	<b>12,913,767</b>

**Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)**

Credit risk disclosure by risk weights (including deducted exposures) as at 30 September 2017, are as follows: (cont'd)

**Table 15: Credit risk disclosure by risk weights**

Bank	Exposures after Netting and Credit Risk Mitigation									Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereign & Central Banks RM'000	Public Sector Entities RM'000	Banks, MDBs and FDIs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Equity Exposures RM'000	Higher Risk Assets RM'000	Other Assets RM'000		
<b>Risk-Weights</b>											
0%	5,071,256	-	-	-	-	-	-	-	109,575	5,180,831	-
20%	-	769,391	335,745	1,818,604	-	-	-	-	-	2,923,740	584,748
35%	-	-	-	-	-	3,047,841	-	-	-	3,047,841	1,066,744
50%	-	-	136,119	473,696	35,519	1,111,025	-	-	-	1,756,359	878,180
75%	-	-	-	-	1,866,107	25,120	-	-	-	1,891,227	1,418,418
100%	-	-	-	4,607,168	3,260,992	243,807	-	-	214,999	8,326,966	8,326,966
150%	-	-	-	22,294	2,524	-	-	-	-	24,818	37,227
<b>Total</b>	<b>5,071,256</b>	<b>769,391</b>	<b>471,864</b>	<b>6,921,762</b>	<b>5,165,142</b>	<b>4,427,793</b>	<b>-</b>	<b>-</b>	<b>324,574</b>	<b>23,151,782</b>	<b>12,312,284</b>

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Credit Risk (Disclosures for Portfolio under the Standardised Approach) (cont'd)

Credit risk disclosure by risk weights (including deducted exposures) as at 31 March 2017, are as follows: (cont'd)

Bank	Exposures after Netting and Credit Risk Mitigation									Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereign & Central Banks RM'000	Public Sector Entities RM'000	Banks, MDBs and FDIs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Equity Exposures RM'000	Higher Risk Assets RM'000	Other Assets RM'000		
<b>Risk-Weights</b>											
0%	5,773,468	-	-	-	-	-	-	-	115,056	5,888,524	-
20%	-	762,499	476,081	2,055,782	-	-	-	-	-	3,294,361	658,872
35%	-	-	-	-	-	2,778,346	-	-	-	2,778,346	972,421
50%	-	-	128,553	463,085	32,032	1,146,904	-	-	-	1,770,574	885,287
75%	-	-	-	-	2,294,962	33,740	-	-	-	2,328,702	1,746,527
100%	-	-	-	4,744,696	3,286,038	274,834	-	-	267,514	8,573,082	8,573,082
150%	-	-	-	20,061	3,032	-	-	-	-	23,093	34,640
<b>Total</b>	<b>5,773,468</b>	<b>762,499</b>	<b>604,634</b>	<b>7,283,625</b>	<b>5,616,064</b>	<b>4,233,823</b>	<b>-</b>	<b>-</b>	<b>382,570</b>	<b>24,656,682</b>	<b>12,870,828</b>



**Bank Muamalat Malaysia Berhad**  
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**Credit Quality Financing of Customers**

**Table 16: Credit quality financing of customers**

The credit quality for financing of customers is managed by the Group and the Bank using the internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings.

Financing of customers are analysed as follows:

<b>Group</b>	<b>Neither past due nor impaired</b>		<b>Past due</b>	<b>Impaired</b>	<b>Total</b>
	<b>Good</b>	<b>Satisfactory</b>	<b>but not</b>	<b>financing</b>	
<b>30 September 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>impaired</b>	<b>RM'000</b>	<b>RM'000</b>
Term financing					
- Home financing	4,087,018	260,587	210,673	97,432	4,655,710
- Syndicated financing	634,913	-	-	-	634,913
- Hire purchase receivables	620,233	18,887	20,916	20,546	680,582
- Leasing receivables	-	-	-	2,462	2,462
- Other term financing	5,853,937	87,822	84,180	202,229	6,228,168
Other financing	2,541,048	10,934	16,116	73,219	2,641,317
	<b>13,737,149</b>	<b>378,230</b>	<b>331,885</b>	<b>395,888</b>	<b>14,843,152</b>
Less:					
- Collective assesment allowance	-	-	-	-	(251,611)
- Individual assesment allowance	-	-	-	(84,621)	(84,621)
<b>Total net financing</b>	<b>13,737,149</b>	<b>378,230</b>	<b>331,885</b>	<b>311,267</b>	<b>14,506,920</b>

**Bank Muamalat Malaysia Berhad**  
**Basel II Pillar 3 Quantitative Disclosure**

**Credit Quality Financing of Customers (cont'd)**

**Table 16: Credit quality financing of customers (cont'd)**

Financing of customers are analysed as follows:

<b>Group</b>	<b>Neither past due nor impaired</b>		<b>Past due</b>	<b>Impaired</b>	<b>Total</b>
	<b>Good</b>	<b>Satisfactory</b>	<b>but not</b>	<b>financing</b>	
<b>31 March 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>impaired</b>	<b>RM'000</b>	<b>RM'000</b>
			<b>RM'000</b>		
Term financing					
- Home financing	4,208,374	243,960	176,074	86,530	4,714,938
- Syndicated financing	620,274	-	-	-	620,274
- Hire purchase receivables	705,538	24,275	20,905	22,826	773,544
- Leasing receivables	-	-	-	4,997	4,997
- Other term financing	6,158,024	58,114	79,843	178,049	6,474,030
Other financing	2,561,234	10,235	12,526	59,518	2,643,513
	<u>14,253,444</u>	<u>336,584</u>	<u>289,348</u>	<u>351,920</u>	<u>15,231,296</u>
Less:					
- Collective assesment allowance	-	-	-	-	(236,159)
- Individual assesment allowance	-	-	-	(76,865)	(76,865)
Total net financing	<u>14,253,444</u>	<u>336,584</u>	<u>289,348</u>	<u>275,055</u>	<u>14,918,272</u>

**Bank Muamalat Malaysia Berhad**  
**Basel II Pillar 3 Quantitative Disclosure**

**Credit Quality Financing of Customers (cont'd)**

**Table 16: Credit quality financing of customers (cont'd)**

The credit quality for financing of customers is managed by the Group and the Bank using the internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings.

Financing of customers are analysed as follows:

<b>Bank</b>	<b>Neither past due nor impaired</b>		<b>Past due</b>	<b>Impaired</b>	<b>Total</b>
	<b>Good</b>	<b>Satisfactory</b>	<b>but not</b>	<b>financing</b>	
<b>30 September 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>impaird</b>	<b>RM'000</b>	<b>RM'000</b>
			<b>RM'000</b>		
Term financing					
- Home financing	4,087,018	260,587	210,673	97,432	4,655,710
- Syndicated financing	634,913	-	-	-	634,913
- Hire purchase receivables	620,233	18,887	20,916	20,546	680,582
- Leasing receivables	-	-	-	2,462	2,462
- Other term financing	5,856,678	87,822	84,180	207,160	6,235,840
Other financing	2,541,048	10,934	16,116	73,219	2,641,317
	<b>13,739,890</b>	<b>378,230</b>	<b>331,885</b>	<b>400,820</b>	<b>14,850,824</b>
Less:					
- Collective assesment allowance	-	-	-	-	(251,611)
- Individual assesment allowance	-	-	-	(89,554)	(89,554)
Total net financing	<b>13,739,890</b>	<b>378,230</b>	<b>331,885</b>	<b>311,266</b>	<b>14,509,659</b>

**Bank Muamalat Malaysia Berhad**  
**Basel II Pillar 3 Quantitative Disclosure**

**Credit Quality Financing of Customers (cont'd)**

**Table 16: Credit quality financing of customers (cont'd)**

Financing of customers are analysed as follows:

<b>Bank</b>	<b>Neither past due nor impaired</b>		<b>Past due</b>	<b>Impaired</b>	<b>Total</b>
	<b>Good</b>	<b>Satisfactory</b>	<b>but not</b>	<b>financing</b>	
<b>31 March 2017</b>	<b>RM'000</b>	<b>RM'000</b>	<b>impaired</b>	<b>RM'000</b>	<b>RM'000</b>
			<b>RM'000</b>		
Term financing					
- Home financing	4,208,374	243,960	176,074	86,530	4,714,938
- Syndicated financing	620,274	-	-	-	620,274
- Hire purchase receivables	705,538	24,275	20,905	22,826	773,544
- Leasing receivables	-	-	-	4,997	4,997
- Other term financing	6,177,608	58,114	79,843	182,982	6,498,547
Other financing	2,561,234	10,235	12,526	59,518	2,643,513
	<b>14,273,028</b>	<b>336,584</b>	<b>289,348</b>	<b>356,853</b>	<b>15,255,813</b>
Less:					
- Collective assesment allowance	-	-	-	-	(236,159)
- Individual assesment allowance	-	-	-	(81,798)	(81,798)
Total net financing	<b>14,273,028</b>	<b>336,584</b>	<b>289,348</b>	<b>275,055</b>	<b>14,937,856</b>

**Neither past due nor impaired**

Financing of customers which are neither past due nor impaired are identified into the following grades:

- "Good grade" refers to financing of customers which are neither past due nor impaired in the last six months and have never undergone any rescheduling or restructuring exercise previously.
- "Satisfactory grade" refers to financing of customers which may have been past due but not impaired or impaired during the last six months or have undergone a rescheduling or restructuring exercise previously.

**Credit Quality Financing of Customers (cont'd)**

**Table 17: Past due but not impaired**

Past due but not impaired financing of customers refers to a situation where the customer has failed to make principal or profit payment or both after the contractual due date for more than one day but less than three (3) months.

Aging analysis of past due but not impaired is as follows:

<b>Group and Bank</b>	<b>Less than</b>	<b>1 - 2</b>	<b>&gt;2 - 3</b>	<b>Total</b>
<b>30 September 2017</b>	<b>1 month</b>	<b>months</b>	<b>months</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term financing				
- Home financing	-	150,998	59,675	210,673
- Hire purchase receivables	-	15,332	5,584	20,916
- Other term financing	-	55,104	29,076	84,180
Other financing	-	11,492	4,624	16,116
<b>Total</b>	<b>-</b>	<b>232,925</b>	<b>98,959</b>	<b>331,885</b>
<b>31 March 2017</b>	<b>Less than</b>	<b>1 - 2</b>	<b>&gt;2 - 3</b>	<b>Total</b>
	<b>1 month</b>	<b>months</b>	<b>months</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term financing				
- Home financing	-	131,838	44,236	176,074
- Hire purchase receivables	-	16,217	4,688	20,905
- Other term financing	-	44,160	35,683	79,843
Other financing	-	8,684	3,842	12,526
<b>Total</b>	<b>-</b>	<b>200,899</b>	<b>88,449</b>	<b>289,348</b>

**Credit Quality Financing of Customers (cont'd)**

**Table 17: Past due but not impaired (cont'd)**

The following tables present an analysis of the past due but not impaired financing by economic purpose.

<b>Group and Bank</b>	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of transport vehicles	<b>20,355</b>	20,586
Purchase of landed properties of which:		
– residential	<b>210,809</b>	180,127
– non-residential	<b>25,587</b>	23,272
Purchase of fixed assets (excluding landed properties)	<b>65</b>	-
Personal use	<b>67,867</b>	60,824
Construction	-	-
Working capital	<b>4,150</b>	1,651
Other purpose	<b>3,052</b>	2,888
	<b>331,885</b>	<b>289,348</b>

The following table presents an analysis of the past due but not impaired financing by geographical area:

<b>Group and Bank</b>	<b>30 September</b>	<b>31 March</b>
	<b>2017</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic	<b>331,885</b>	-
Labuan Offshore	-	-
	<b>331,885</b>	<b>-</b>

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**Credit Quality Financing of Customers (cont'd)**

**Table 18: Impaired financing by economic purpose**

The following tables present an analysis of the impaired financing by economic purpose.

Group	30 September 2017						
	Individual Assessment	Individual Assessment	Amounts Written Off/Other Movements	Individual Assessment	Collective Assessment	Total Impairment Allowances	
	Impaired Financing RM'000	Allowance at 1 April RM'000	Net Charge for the Year RM'000	Allowance at 30 September RM'000	Allowance at 30 September RM'000	for Financing RM'000	
Purchase of securities	62	-	-	-	64	64	
Purchase of transport vehicles	19,443	6,301	(347)	5,954	17,849	23,803	
Purchase of landed properties of which:							
– residential	102,519	-	-	-	61,012	61,012	
– non-residential	14,577	-	-	-	7,149	7,149	
Purchase of fixed assets (excluding landed properties)	2,727	112	(18)	94	173	267	
Personal use	152,801	-	-	-	153,371	153,371	
Construction	17,884	19,112	(1,228)	17,884	100	17,984	
Working capital	80,282	49,050	9,460	58,510	8,938	67,448	
Other purpose	5,593	2,290	(111)	2,179	2,955	5,134	
	<b>395,888</b>	<b>76,865</b>	<b>7,756</b>	<b>-</b>	<b>84,621</b>	<b>251,611</b>	<b>336,232</b>

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**Credit Quality Financing of Customers (cont'd)**

**Table 19: Impaired financing by economic purpose (cont'd)**

The following tables present an analysis of the impaired financing by economic purpose.

Group	31 March 2017						
	Individual Assessment Allowance	Impaired Financing	Net Charge for the Year	Amounts Written Off/Other Movements	Individual Assessment Allowance at 31 March	Collective Assessment Allowance at 31 March	Total Impairment Allowances for Financing
	at 1 April	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Purchase of securities	-	63	-	-	-	93	93
Purchase of transport vehicles	7,561	21,687	(1,260)	-	6,301	19,822	26,123
Purchase of landed properties of which:							
– residential	-	87,000	-	-	-	52,559	52,559
– non-residential	-	7,706	-	-	-	5,887	5,887
Purchase of fixed assets (excluding landed properties)	1	5,326	111	-	112	366	478
Personal use	-	139,326	-	-	-	142,379	142,379
Construction	15	19,112	19,097	-	19,112	586	19,698
Working capital	69,824	65,597	(359)	(20,414)	49,050	11,156	60,206
Other purpose	3,677	6,103	(1,388)	-	2,290	3,311	5,601
		351,920	16,201	(20,414)	76,865	236,159	313,024



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**Credit Quality Financing of Customers (cont'd)**

**Table 18: Impaired financing by economic purpose**

The following tables present an analysis of the impaired financing by economic purpose.

Bank	30 September 2017						
	Individual Assessment	Individual Assessment	Amounts Written	Individual Assessment	Collective Assessment	Total Impairment Allowances	
	Impaired Financing RM'000	Allowance at 1 April RM'000	Net Charge for the Year RM'000	Off/Other Movements RM'000	Allowance at 30 September RM'000	Allowance at 30 September RM'000	for Financing RM'000
Purchase of securities	62	-	-	-	-	64	64
Purchase of transport vehicles	19,442	6,301	(347)	-	5,954	17,849	23,803
Purchase of landed properties of which:							
– residential	102,519	-	-	-	-	61,012	61,012
– non-residential	14,577	-	-	-	-	7,149	7,149
Purchase of fixed assets (excluding landed properties)	2,727	111	(18)	-	93	173	266
Personal use	152,802	-	-	-	-	153,371	153,371
Construction	17,884	19,112	(1,228)	-	17,884	100	17,984
Working capital	85,214	53,982	9,460	-	63,442	8,938	72,380
Other purpose	5,593	2,292	(111)	-	2,181	2,955	5,136
	<b>400,820</b>	<b>81,798</b>	<b>7,756</b>	<b>-</b>	<b>89,554</b>	<b>251,611</b>	<b>341,165</b>

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**Credit Quality Financing of Customers (cont'd)**

**Table 19: Impaired financing by economic purpose (cont'd)**

The following tables present an analysis of the impaired financing by economic purpose.

Bank	31 March 2017						
	Individual Assessment Allowance	Impaired Financing	Net Charge for the Year	Amounts Written Off/Other Movements	Individual Assessment Allowance at 31 March	Collective Assessment Allowance at 31 March	Total Impairment Allowances for Financing
	at 1 April	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Purchase of securities	-	63	-	-	-	93	93
Purchase of transport vehicles	7,561	21,687	(1,260)	-	6,301	19,822	26,123
Purchase of landed properties of which:							
– residential	-	87,000	-	-	-	52,559	52,559
– non-residential	-	7,706	-	-	-	5,887	5,887
Purchase of fixed assets (excluding landed properties)	-	5,326	111	-	111	366	477
Personal use	-	139,326	-	-	-	142,379	142,379
Construction	15	19,112	19,097	-	19,112	586	19,698
Working capital	69,824	70,529	4,573	(20,414)	53,982	11,156	65,139
Other purpose	3,678	6,104	(1,387)	-	2,292	3,311	5,602
		356,853	21,134	(20,414)	81,798	236,159	317,958

**Credit Quality Financing of Customers (cont'd)**

**Table 19: Impaired financing by geographical distribution**

The following tables present an analysis of the impaired financing by geographical distribution.

		<b>30 September 2017</b>					
<b>Group</b>	<b>Impaired Financing RM'000</b>	<b>Individual Assessment Allowance at 1 April RM'000</b>	<b>Net Charge for the Year RM'000</b>	<b>Amounts Written Off/Other Movements RM'000</b>	<b>Individual Assessment Allowance at 30 September RM'000</b>	<b>Collective Assessment Allowance at 30 September RM'000</b>	<b>Total Impairment Allowances for Financing RM'000</b>
Domestic	395,888	76,865	7,756	-	84,621	251,611	336,232
Labuan offshore	-	-	-	-	-	-	-
	<b>395,888</b>	<b>76,865</b>	<b>7,756</b>	<b>-</b>	<b>84,621</b>	<b>251,611</b>	<b>336,232</b>

		<b>31 March 2017</b>					
<b>Group</b>	<b>Impaired Financing RM'000</b>	<b>Individual Assessment Allowance at 1 April RM'000</b>	<b>Net Charge for the Year RM'000</b>	<b>Amounts Written Off/Other Movements RM'000</b>	<b>Individual Assessment Allowance at 31 March RM'000</b>	<b>Collective Assessment Allowance at 31 March RM'000</b>	<b>Total Impairment Allowances for Financing RM'000</b>
Domestic	351,920	81,078	16,201	(20,414)	76,865	236,133	312,998
Labuan offshore	-	-	-	-	-	26	26
	<b>351,920</b>	<b>81,078</b>	<b>16,201</b>	<b>(20,414)</b>	<b>76,865</b>	<b>236,159</b>	<b>313,024</b>

**Credit Quality Financing of Customers (cont'd)**

**Table 19: Impaired financing by geographical distribution**

The following tables present an analysis of the impaired financing by geographical distribution.

		30 September 2017					
Bank	Impaired Financing	Individual Assessment Allowance at 1 April	Net Charge for the Year	Amounts Written Off/Other Movements	Individual Assessment Allowance at 30 September	Collective Assessment Allowance at 30 September	Total Impairment Allowances for Financing
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic	400,821	81,798	7,756	-	89,554	251,611	341,165
Labuan offshore	-	-	-	-	-	-	-
	<b>400,821</b>	<b>81,798</b>	<b>7,756</b>	<b>-</b>	<b>89,554</b>	<b>251,611</b>	<b>341,165</b>

		31 March 2017					
Bank	Impaired Financing	Individual Assessment Allowance at 1 April	Net Charge for the Year	Amounts Written Off/Other Movements	Individual Assessment Allowance at 31 March	Collective Assessment Allowance at 31 March	Total Impairment Allowances for Financing
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic	356,853	81,078	21,134	(20,414)	81,798	236,133	317,931
Labuan offshore	-	-	-	-	-	26	26
	<b>356,853</b>	<b>81,078</b>	<b>21,134</b>	<b>(20,414)</b>	<b>81,798</b>	<b>236,159</b>	<b>317,957</b>

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**Credit Quality Financing of Customers (cont'd)**

**Market Risk**

**Rate of return risk**

**Table 20: Sensitivity analysis of rate of return risk**

The increase or decline in earnings and economic value for upwards and downward rate shocks which are consistent with shocks applied in the stress test for measuring:

Increase/(decrease) in basis points	Tax rate	Group		Bank	
		-50 Basis Points RM'000	+50 Basis Points RM'000	-50 Basis Points RM'000	+50 Basis Points RM'000
<b>30 September 2017</b>					
Effect on profit after tax	24%	10,688	(10,688)	10,516	(10,516)
Effect on other comprehensive income, net of tax	24%	95,525	(95,525)	93,963	(93,963)
Effect on equity		94,710	(94,710)	92,414	(92,414)
<b>31 March 2017</b>					
Effect on profit after tax	25%	4,305	(4,305)	4,514	(4,514)
Effect on other comprehensive income, net of tax	25%	96,974	(96,974)	95,362	(95,362)
Effect on equity		122,630	(122,630)	120,573	(120,573)

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**Liquidity and Funding Risk**

**Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity.**

<b>Group</b>	<b>Up to</b>	<b>&gt;7 Days -</b>	<b>&gt;1-3</b>	<b>&gt;3-6</b>	<b>&gt;6-12</b>	<b>&gt;1 - 5</b>	<b>Over 5</b>	<b>Total</b>
<b>30 September 2017</b>	<b>7 Days</b>	<b>1 Month</b>	<b>Months</b>	<b>Months</b>	<b>Months</b>	<b>Years</b>	<b>Years</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>								
Cash and short-term funds	401,410	61,082	2,069	-	-	-	-	464,561
Cash and placements with financial institutions	-	74	21,105	-	-	-	-	21,179
Investment accounts due from designated financial institution	-	1	-	265	-	-	-	266
Financial investments designated at fair value through profit and loss	-	-	-	-	-	-	200,746	200,746
Financial investment available-for-sale	5,100	10,205	117,292	85,970	379,652	2,808,836	2,333,029	5,740,084
Financial investment held-to-maturity	-	-	-	-	-	-	142,952	142,952
Financing of customers	174,971	1,008,572	1,108,178	841,644	948,371	4,734,835	5,690,349	14,506,920
Islamic derivative financial assets	459	3,106	736	4,485	12,562	-	-	21,348
Other assets	-	29,875	-	-	80,280	106,234	767,358	983,747
<b>TOTAL ASSETS</b>	<b>581,940</b>	<b>1,112,915</b>	<b>1,249,380</b>	<b>932,364</b>	<b>1,420,865</b>	<b>7,649,905</b>	<b>9,134,434</b>	<b>22,081,803</b>
<b>LIABILITIES AND EQUITY</b>								
Deposits from customers	5,537,298	4,205,772	2,903,354	1,916,677	3,341,077	380,045	40,835	18,325,058
Investment accounts of customers	-	-	-	-	-	-	-	-
Deposits and placements of banks and other financial institutions	201	-	151,136	643	1,367	7,543	-	160,890
Islamic derivative financial liabilities	826	2,975	30	4,516	12,703	10,822	-	31,872
Other liabilities	-	75,398	126	-	40,084	1,244,722	-	1,360,330
<b>Total Liabilities</b>	<b>5,538,325</b>	<b>4,284,145</b>	<b>3,054,646</b>	<b>1,921,836</b>	<b>3,395,231</b>	<b>1,643,132</b>	<b>40,835</b>	<b>19,878,150</b>
Equity attributable to shareholders of the Bank	-	-	-	-	-	-	2,203,653	2,203,653
<b>NET MATURITY MISMATCH</b>	<b>(4,956,385)</b>	<b>(3,171,230)</b>	<b>(1,805,266)</b>	<b>(989,472)</b>	<b>(1,974,366)</b>	<b>6,006,773</b>	<b>6,889,946</b>	<b>-</b>

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**Liquidity and Funding Risk (cont'd)**

**Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity. (cont'd)**

<b>Group</b>	<b>Up to</b>	<b>&gt;7 Days -</b>	<b>&gt;1-3</b>	<b>&gt;3-6</b>	<b>&gt;6-12</b>	<b>&gt;1 - 5</b>	<b>Over 5</b>	<b>Total</b>
<b>31 March 2017</b>	<b>7 Days</b>	<b>1 Month</b>	<b>Months</b>	<b>Months</b>	<b>Months</b>	<b>Years</b>	<b>Years</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>								
Cash and short-term funds	908,976	110,610	8,156	-	-	-	-	1,027,742
Cash and placements with financial institutions	-	-	22,183	-	-	-	-	22,183
Investment accounts due from designated financial institution	-	-	-	-	382	-	-	382
Financial investments designated at fair value through profit and loss	1	-	-	-	-	-	197,207	197,208
Financial investment available-for-sale	5,087	120,511	273,509	422,654	268,726	2,448,260	2,592,669	6,131,416
Financial investment held-to-maturity	-	-	-	-	-	-	142,168	142,168
Islamic derivative financial assets	1,021	22,626	17,560	10,509	4,232	-	-	55,948
Financing of customers	26,679	1,149,119	1,080,069	807,871	1,004,063	4,957,337	5,893,134	14,918,272
Other assets	-	43,546	-	-	77,761	10,252	899,464	1,031,023
<b>TOTAL ASSETS</b>	<b>941,764</b>	<b>1,446,412</b>	<b>1,401,477</b>	<b>1,241,034</b>	<b>1,355,164</b>	<b>7,415,849</b>	<b>9,724,642</b>	<b>23,526,342</b>
<b>LIABILITIES AND EQUITY</b>								
Deposits from customers	6,395,675	5,158,588	4,784,519	1,784,192	1,375,893	380,306	38,309	19,917,482
Deposits and placements of banks and other financial institutions	250,523	301,361	200	-	1,612	7,958	-	561,654
Bills and acceptances payable	-	9,196	-	-	-	-	-	9,196
Islamic derivative financial liabilities	285	22,512	16,974	10,688	3,777	8,852	-	63,088
Other liabilities	-	24,004	-	-	37,178	7,086	-	68,268
Subordinated sukuk	-	-	4,262	-	-	249,702	-	253,964
Senior sukuk	-	-	14,724	-	-	499,395	-	514,119
<b>Total Liabilities</b>	<b>6,646,483</b>	<b>5,515,661</b>	<b>4,820,679</b>	<b>1,794,880</b>	<b>1,418,460</b>	<b>1,153,299</b>	<b>38,309</b>	<b>21,387,771</b>
Equity attributable to shareholders of the Bank	-	-	-	-	-	-	2,138,571	2,138,571
<b>NET MATURITY MISMATCH</b>	<b>(5,704,719)</b>	<b>(4,069,249)</b>	<b>(3,419,202)</b>	<b>(553,846)</b>	<b>(63,296)</b>	<b>6,262,550</b>	<b>7,547,762</b>	<b>(0)</b>

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Liquidity and Funding Risk (cont'd)

Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity. (cont'd)

Bank 30 September 2017	Up to 7 Days RM'000	>7 Days - 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 - 5 Years RM'000	Over 5 Years RM'000	Total RM'000
<b>ASSETS</b>								
Cash and short-term funds	401,410	61,082	2,069	-	-	-	-	464,561
Cash and placements with financial institutions	-	74	21,105	-	-	-	-	21,179
Investment accounts due from designated financial institution	-	1	-	265	-	-	-	266
Financial investments designated at fair value through profit and loss	-	-	-	-	-	-	200,746	200,746
Financial investment available-for-sale	5,100	10,205	117,292	85,970	379,652	2,799,061	2,333,029	5,730,309
Financial investment held-to-maturity	-	-	-	-	-	-	142,952	142,952
Financing of customers	175,004	1,008,762	1,108,387	841,803	948,549	4,735,721	5,691,433	14,509,659
Islamic derivative financial assets	459	3,106	736	4,485	12,562	-	-	21,348
Other assets	6,100	29,875	-	-	68,875	8,426	872,922	986,198
<b>TOTAL ASSETS</b>	<b>588,073</b>	<b>1,113,105</b>	<b>1,249,589</b>	<b>932,523</b>	<b>1,409,638</b>	<b>7,543,208</b>	<b>9,241,082</b>	<b>22,077,218</b>
<b>LIABILITIES AND EQUITY</b>								
Deposits from customers	5,547,423	4,217,146	2,905,854	1,916,656	3,341,023	380,044	40,835	18,348,981
Investment accounts of customers	-	-	-	-	-	-	-	-
Deposits and placements of banks and other financial institutions	201	-	151,135	643	1,367	7,544	-	160,890
Islamic derivative financial liabilities	826	2,975	30	4,516	12,702	10,823	-	31,872
Other liabilities	-	55,941	12,545	-	35,168	1,243,180	-	1,346,834
<b>Total Liabilities</b>	<b>5,548,450</b>	<b>4,276,062</b>	<b>3,069,564</b>	<b>1,921,815</b>	<b>3,390,260</b>	<b>1,641,591</b>	<b>40,835</b>	<b>19,888,577</b>
Equity attributable to shareholders of the Bank	-	-	-	-	-	-	2,188,641	2,188,641
<b>NET MATURITY MISMATCH</b>	<b>(4,960,377)</b>	<b>(3,162,957)</b>	<b>(1,819,975)</b>	<b>(989,292)</b>	<b>(1,980,622)</b>	<b>5,901,617</b>	<b>7,011,606</b>	<b>-</b>



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**Liquidity and Funding Risk (cont'd)**

**Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity. (cont'd)**

<b>Bank</b>	<b>Up to</b>	<b>&gt;7 Days -</b>	<b>&gt;1-3</b>	<b>&gt;3-6</b>	<b>&gt;6-12</b>	<b>&gt;1 - 5</b>	<b>Over 5</b>	<b>Total</b>
<b>31 March 2017</b>	<b>7 Days</b>	<b>1 Month</b>	<b>Months</b>	<b>Months</b>	<b>Months</b>	<b>Years</b>	<b>Years</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>								
Cash and short-term funds	908,976	110,610	8,156	-	-	-	-	1,027,742
Cash and placements with financial institutions	-	-	22,183	-	-	-	-	22,183
Investment accounts due from designated financial institution	-	-	-	-	382	-	-	382
Financial investments designated at fair value through profit and loss	1	-	-	-	-	-	197,207	197,208
Financial investment available-for-sale	5,087	120,152	273,509	422,654	219,202	2,448,259	2,592,670	6,081,533
Financial investment held-to-maturity	-	-	-	-	-	-	142,168	142,168
Islamic derivative financial assets	1,021	22,626	17,560	10,509	4,232	-	-	55,948
Financing of customers	26,679	1,149,088	1,080,040	807,849	1,004,035	4,968,748	5,901,417	14,937,856
Other assets	141	43,546	-	-	75,998	10,252	907,090	1,037,027
<b>TOTAL ASSETS</b>	<b>941,905</b>	<b>1,446,022</b>	<b>1,401,448</b>	<b>1,241,012</b>	<b>1,303,849</b>	<b>7,427,259</b>	<b>9,740,552</b>	<b>23,502,047</b>
<b>LIABILITIES AND EQUITY</b>								
Deposits from customers	6,397,152	5,168,881	4,785,026	1,784,192	1,375,893	380,306	38,309	19,929,759
Deposits and placements of banks and other financial institutions	250,523	301,361	200	-	1,612	7,958	-	561,654
Bills and acceptances payable	-	9,196	-	-	-	-	-	9,196
Islamic derivative financial liabilities	285	22,512	16,974	10,688	3,777	8,852	-	63,088
Other liabilities	-	23,590	-	-	36,941	-	-	60,531
Subordinated sukuk	-	-	4,262	-	-	249,702	-	253,964
Senior sukuk	-	-	14,724	-	-	499,395	-	514,119
<b>Total Liabilities</b>	<b>6,647,960</b>	<b>5,525,540</b>	<b>4,821,186</b>	<b>1,794,880</b>	<b>1,418,223</b>	<b>1,146,213</b>	<b>38,309</b>	<b>21,392,311</b>
Equity attributable to shareholders of the Bank	-	-	-	-	-	-	2,109,736	2,109,736
<b>NET MATURITY MISMATCH</b>	<b>(5,706,055)</b>	<b>(4,079,518)</b>	<b>(3,419,738)</b>	<b>(553,868)</b>	<b>(114,374)</b>	<b>6,281,046</b>	<b>7,592,507</b>	<b>-</b>

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**Table 21: Minimum regulatory requirement for market risk**

The following tables present the minimum regulatory requirement for market risk of the Group and the Bank.

**Group and Bank**  
**30 September 2017**

	Long Position RM' 000	Short Position RM' 000	Risk weighted Assets RM' 000	Minimum Capital Requirement at 8% RM' 000
Benchmark Rate Risk	834	(1,099)	15,661	1,253
Foreign Currency Risk	6,756	(10,236)	10,236	819
<b>Total</b>	<b>7,590</b>	<b>(11,335)</b>	<b>25,897</b>	<b>2,072</b>

**Group and Bank**  
**31 March 2017**

	Long Position RM' 000	Short Position RM' 000	Risk weighted Assets RM' 000	Minimum Capital Requirement at 8% RM' 000
Benchmark Rate Risk	1,049	(1,407)	10,011	801
Foreign Currency Risk	13,691	(16,473)	16,473	1,318
<b>Total</b>	<b>14,740</b>	<b>(17,879)</b>	<b>26,483</b>	<b>2,119</b>

**Table 22: Equity exposures**

**Group and Bank**  
**30 September 2017**

	Gross Credit Exposure RM'000	Risk Weighted Assets RM'000	Unrealised Gain/(Losses) RM'000
<b>Publicly Traded</b>			
Investment in Unit Trust Funds	-	-	-
Investment in Quoted Shares	106,217	106,217	(29,672)
<b>Total</b>	<b>106,217</b>	<b>106,217</b>	<b>(29,672)</b>

**31 March 2017**

	Gross Credit Exposure RM'000	Risk Weighted Assets RM'000	Unrealised Gain/(Losses) RM'000
<b>Publicly Traded</b>			
Investment in Unit Trust Funds	-	-	-
Investment in Quoted Shares	109,977	109,977	(8,423)
<b>Total</b>	<b>109,977</b>	<b>109,977</b>	<b>(8,423)</b>

**Bank Muamalat Malaysia Berhad**  
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**Rectification Process of Shariah Non-Compliance Income (SNCI) and Unidentified Funds**

**Earning and Expenditure Prohibited by Shariah**

Policy on Management of Shariah Non-Compliant Income is formulated pursuant to the BNM Shariah Governance Framework for IFI, which define the principles and practices to be applied by the Bank in managing its SNCI.

SNCI is an income generated from any transaction(s) that breaches the governing Shariah principles and requirements determined by the Bank's SC and/or other Shariah Authorities (SA).

The SA are as follows:

- Shariah Advisory Council of Bank Negara Malaysia.
- Shariah Advisory Council of Securities Commission Malaysia.
- Any other relevant Shariah resolutions and rulings as prescribed and determined by the SC of the Bank from to time.

The amount of SNCI and events decided by SC is as follows:

**Table 23: Shariah Non- compliant income and events**

<b>30-Sep-17</b>	<b>31-Mar-17</b>
Event - NIL plus monthly Nostro interest received	RM 217.25 - 1 incident plus monthly Nostro interest received

The reported SNCI has been fully utilised during the year by channelling the fund for charitable purposes as guided by SC of the Bank.

**Unidentified Funds / *Shubhah***

During the bank's daily operation, there are certain funds received by the bank where the source is not clear or uncertain. These fund are therefore not recognised as income and are retained in the Maslahah Ammah account. The utilisation of the fund follows the similar procedure set for the SNCI funds.

Example of unidentified funds are cash excess at teller and ATM machines and unidentified credit balances.

The earning prohibited by Shariah and the unidentified fund during the period as at 30 September 2017 was recorded at RM767 (31 March 2017: RM80,447).

**Operational Risk**

The following tables present the minimum regulatory requirement for operational risk of the Group and the Bank.

**Table 24: ORM minimum capital requirement**

	<b>30 September 2017</b>		<b>31 March 2017</b>	
	<b>Risk Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>	<b>Risk Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
Group	<b>1,174,082</b>	<b>93,927</b>	1,131,625	90,530
Bank	<b>1,151,575</b>	<b>92,126</b>	1,115,342	89,227