



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
31 MARCH 2024 (20 RAMADHAN 1445H)**

Company No. 196501000376 (6175-W)

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

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

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (20 RAMADHAN 1445H)

	Note	Group		Bank	
		As at 31 March 2024 RM'000	As at 31 December 2023 RM'000	As at 31 March 2024 RM'000	As at 31 December 2023 RM'000
Assets					
Cash and short-term funds		2,407,377	3,039,191	2,407,377	3,039,191
Financial investments at fair value through profit or loss	7(i)	65,484	33,707	62,855	31,096
Financial investments at fair value through other comprehensive income	7(ii)	6,526,419	6,505,466	6,526,419	6,505,466
Financial investments at amortised cost	7(iii)	118,521	116,871	118,521	116,871
Islamic derivative financial assets	8	10,545	12,819	10,545	12,819
Financing of customers	9	29,312,678	28,347,644	29,306,514	28,343,392
Other assets	10	61,042	133,707	60,560	132,866
Statutory deposits with Bank Negara Malaysia		600,809	583,809	600,809	583,809
Investment in subsidiaries		-	-	13,159	13,159
Investment properties		56,756	56,756	56,756	56,756
Right-of-use assets		42,154	36,113	42,155	36,113
Intangible assets		127,851	123,096	127,585	122,811
Property, plant and equipment		45,949	46,615	45,918	46,580
Deferred tax assets	11	29,139	24,483	28,589	23,943
Total assets		39,404,724	39,060,277	39,407,762	39,064,872
Liabilities					
Deposits from customers	12	32,734,386	32,795,736	32,750,267	32,811,802
Investment account of customer	14	245,711	247,689	245,711	247,689
Deposits and placements of banks and other financial institutions	13	805,394	529,634	805,394	529,634
Bills and acceptances payable		11,566	13,773	11,566	13,773
Islamic derivative financial liabilities	8	2,370	21,519	2,370	21,519
Other liabilities	15	214,286	100,640	214,398	101,105
Lease Liabilities		44,553	38,469	44,553	38,469
Provision for zakat and taxation	16	12,468	10,647	12,397	10,320
Recourse obligation on financing sold to Cagamas	17	1,051,838	1,058,745	1,051,838	1,058,745
Subordinated sukuk	18	808,546	806,924	808,546	806,924
Total liabilities		35,931,118	35,623,776	35,947,040	35,639,980

196501000376 (6175-W)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (20 RAMADAN 1445H) - (CONT'D.)

	Note	Group		Bank	
		As at 31 March 2024 RM'000	As at 31 December 2023 RM'000	As at 31 March 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		1,929,851	1,892,746	1,916,967	1,881,137
Equity attributable to owners of the Company		3,124,851	3,087,746	3,111,967	3,076,137
Perpetual Sukuk		348,755	348,755	348,755	348,755
Total Equity		3,473,606	3,436,501	3,460,722	3,424,892
Total liabilities and shareholders' equity		39,404,724	39,060,277	39,407,762	39,064,872
Restricted investment accounts	14	20	32	20	32
Total Islamic banking asset and asset under management		39,404,744	39,060,309	39,407,782	39,064,904
Commitments and contingencies	32	5,774,501	5,650,858	5,774,501	5,650,858
Capital adequacy *					
CET 1 capital ratio	33	11.172%	11.401%	11.092%	11.319%
Tier I capital ratio	33	12.592%	12.848%	12.513%	12.767%
Total capital ratio	33	17.027%	17.343%	16.955%	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 FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	Note	Group		Bank	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Income derived from investment of depositors' funds and others	19	503,638	374,945	503,638	374,945
Income derived from investment of shareholders' funds	20	12,130	10,378	10,404	13,383
Income derived from investment of investment account funds	21	2,744	3,100	2,744	3,100
Allowance for impairment losses on financing	22	(26,684)	(19,137)	(26,684)	(19,137)
(Allowance for)/writeback of impairment losses on financial investments, net	23	(41)	7	(41)	7
Allowance for impairment losses on other financial assets, net	24	(14)	(61)	(14)	(61)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(8,502)	(8,133)	(8,502)	(8,133)
Total distributable income		483,271	361,099	481,545	364,104
Income attributable to depositors	25	(257,253)	(178,991)	(257,351)	(179,072)
Income attributable to investment account holders		(52)	(59)	(52)	(59)
Total net income		225,966	182,049	224,142	184,973
Personnel expenses	26	(85,146)	(71,763)	(84,658)	(71,106)
Other overheads and expenditures	27	(56,899)	(46,102)	(57,281)	(46,340)
Finance costs	28	(20,828)	(17,543)	(20,828)	(17,543)
Profit before zakat and taxation		63,093	46,641	61,375	49,984
Zakat	29	(1,577)	(1,174)	(1,534)	(1,250)
Taxation	30	(16,510)	(11,958)	(16,110)	(11,517)
Profit for the period		45,006	33,509	43,731	37,217
Earnings per share attributable to shareholders (sen) (basic and diluted):		15.06	11.22		

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.

196501000376 (6175-W)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Profit for the period	45,006	33,509	43,731	37,217
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss				
Gain on financial investments at fair value through other comprehensive income	442	29,512	442	29,512
- Gain on change in fair value	9,683	39,833	9,683	39,833
- Changes in expected credit losses	41	(6)	41	(6)
- Income tax effect	(1,859)	(8,826)	(1,859)	(8,826)
- Realised gain transferred to profit or loss on disposal	(7,423)	(1,489)	(7,423)	(1,489)
Exchange fluctuation reserve	(1,242)	(113)	(1,242)	(113)
Items that may not be reclassified subsequently to profit or loss				
Net unrealised gain/(loss) on equity securities at fair value through other comprehensive income	3,981	(2,653)	3,981	(2,653)
Other comprehensive (loss)/gain for the period, net of tax	3,181	26,746	3,181	26,746
Total comprehensive income for the period	48,187	60,255	46,912	63,963

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.

196501000376 (6175-W)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	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	-	-	-	-	-	45,006	45,006
Other comprehensive loss for the period	-	-	4,423	-	(1,242)	-	3,181
Total comprehensive income for the period	-	-	4,423	-	(1,242)	45,006	48,187
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	603	-	-	(603)	-
Transfer from regulatory reserve	-	-	-	742	-	(742)	-
Transaction with Owners							
Distribution to Perpetual Sukuk holders	-	-	-	-	-	(11,082)	(11,082)
At 31 March 2024	1,195,000	348,755	(1,940)	156,489	349	1,774,953	3,473,606
At 1 January 2023	1,195,000	-	(1,342)	94,239	3,066	1,595,641	2,886,604
Profit for the period	-	-	-	-	-	33,509	33,509
Other comprehensive loss for the period	-	-	26,859	-	(113)	-	26,746
Total comprehensive income for the period	-	-	26,859	-	(113)	33,509	60,255
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	(3,972)	-	3,972	-
At 31 March 2023	1,195,000	-	25,517	90,267	2,953	1,633,122	2,946,859

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.

196501000376 (6175-W)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	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	-	-	-	-	-	43,731	43,731
Other comprehensive loss for the period	-	-	4,423	-	(1,242)	-	3,181
Total comprehensive income for the period	-	-	4,423	-	(1,242)	43,731	46,912
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	603	-	-	(603)	-
Transfer from regulatory reserve	-	-	-	742	-	(742)	-
Transaction with Owners							
Distribution to Perpetual Sukuk holders						(11,082)	(11,082)
At 31 March 2024	1,195,000	348,755	(1,940)	156,489	350	1,762,068	3,460,722
At 1 January 2023	1,195,000	-	(1,342)	94,239	3,067	1,577,800	2,868,764
Profit for the period	-	-	-	-	-	37,217	37,217
Other comprehensive loss for the period	-	-	26,859	-	(113)	-	26,746
Total comprehensive income for the period	-	-	26,859	-	(113)	37,217	63,963
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	-	-	-	-	-
Transfer from regulatory reserve	-	-	-	(3,972)	-	3,972	-
At 31 March 2023	1,195,000	-	25,517	90,267	2,954	1,618,989	2,932,727

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 FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	Note	Group		Bank	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		63,093	46,641	61,375	49,984
Adjustment for					
Fair value gain/(loss) of financial liabilities	20	1,048	(1,387)	1,048	(1,387)
Amortisation of intangible asset	27	9,154	7,698	9,134	7,679
Depreciation of property, plant and equipment	27	2,348	2,644	2,345	2,641
Depreciation of right-of-use assets	27	2,832	2,749	2,832	2,749
Amortisation of cost on Subordinated Sukuk Issued		106	106	106	106
Amortisation of premium (net)	19 & 20	6,522	10,826	6,522	10,826
Net gain from sale of financial investments at fair value through other comprehensive income	19 & 20	(7,423)	(1,489)	(7,423)	(1,489)
Unrealised gain on revaluation of financial investment designated at FVTPL	19 & 20	(1,114)	(613)	(1,114)	(615)
Net loss on revaluation of foreign exchange transaction	20	8,791	14,974	8,791	14,974
Net gain from foreign exchange derivatives	20	(16,875)	(18,568)	(16,875)	(18,568)
of hedged items	20	259	1,758	259	1,758
Allowance/(Writeback of) for impairment losses on financial investments, net	23	41	(7)	41	(7)
Allowance for impairment on other financial assets, net	24	14	-	14	-
Net allowance for impairment on financing	22	30,626	29,624	30,626	29,624
Financing written off	22	579	(16)	579	(16)
Finance cost	28	20,828	17,543	20,828	17,543
Gross dividend income	20	(18)	(17)	-	(5,000)
Operating profit before working capital changes		120,811	112,465	119,088	110,801

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	Note	Group		Bank	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
(Increase)/decrease in operating assets:					
Financial investment portfolio		(17,587)	(11,424)	(17,585)	(11,424)
Islamic derivative financial assets		19,149	12,914	19,149	12,914
Financing of customers		(996,237)	(712,666)	(994,325)	(713,527)
Statutory deposits with Bank Negara Malaysia		(17,000)	(99,231)	(17,000)	(99,231)
Other assets		52,420	(62,350)	52,025	(61,980)
Increase/(decrease) in operating liabilities:					
Deposits from customers		(61,350)	1,060,947	(61,535)	1,056,713
Investment accounts of customers		(1,979)	(6,982)	(1,979)	(6,982)
Deposits and placements of banks and other financial institutions		274,712	735,071	274,712	735,071
Islamic derivative financial liabilities		(19,149)	(12,914)	(19,149)	(12,914)
Bills and acceptances payable		(2,208)	(11,357)	(2,208)	(11,357)
Other liabilities		122,517	15,738	122,165	16,536
Cash (used in)/generated from operations		(525,901)	1,020,211	(526,642)	1,014,620
Finance cost on lease liabilities paid	28	(498)	(451)	(498)	(451)
Tax paid		(21,173)	(8,078)	(20,714)	(7,500)
Net cash (used in)/ generated from operating activities		(547,856)	1,011,682	(547,854)	1,006,669
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		1,696,394	275,134	1,696,394	275,134
Purchase of financial investment in securities		(1,725,189)	(124,612)	(1,725,173)	(124,596)
Purchase of property, plant and equipment		(1,682)	(1,747)	(1,682)	(1,747)
Purchase of intangible asset		(13,907)	(13,020)	(13,907)	(13,006)
Dividend income	20	18	17	-	5,000
Net cash (used in)/ generated from investing activities		(44,366)	135,773	(44,368)	140,786

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (20 RAMADHAN 1445H)

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Cash flows from financing activities				
Dividend paid on Islamic subordinated sukuk	(7,995)	(7,995)	(7,995)	(7,995)
Repayment of lease liability	(2,789)	(2,764)	(2,789)	(2,764)
Repayment of principal for recourse obligation on financing sold to Cagamas	(6,863)	(7,772)	(6,863)	(7,772)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(10,863)	(7,573)	(10,863)	(7,573)
Distribution to Perpetual Sukuk holders	(11,082)	-	(11,082)	-
Net cash used in financing activities	(39,592)	(26,104)	(39,592)	(26,104)
Net increase/(decrease) in cash cash equivalents	(631,814)	1,121,351	(631,814)	1,121,351
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	2,407,377	2,378,552	2,407,377	2,378,552
Cash and cash equivalents consist of:				
Cash and short term funds	2,407,377	2,278,042	2,407,377	2,278,042
Cash and placements with financial institutions	-	100,510	-	100,510
	2,407,377	2,378,552	2,407,377	2,378,552

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 THREE (3) MONTHS ENDED 31 MARCH
2024 (20 RAMADHAN 1445H)**

1. Basis of preparation

The unaudited condensed financial statements for the first financial quarter ended 31 March 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"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act, 2016 in Malaysia. These consolidated financial statements also comply with Bank Negara Malaysia policy documents ("BNM"), and the principles of Shariah.

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000) except when otherwise indicated.

The financial statements of the Group and of the Bank are prepared under the historical cost basis except for the following assets and liabilities that are stated at fair values: financial investments at fair value through other comprehensive income ("FVOCI"), financial investments at fair value through profit or loss ("FVTPL"), Islamic derivative financial instruments.

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

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 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*

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

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 first quarter ended 31 March 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 first quarter ended 31 March 2024.

5. Changes in accounting estimates

There were no material changes in estimates during the first quarter ended 31 March 2024.

6. Dividends

There was no dividend payment during the first quarter ended 31 March 2024.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)
7. Financial investments

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Note	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss	(i) 65,484	33,707	62,855	31,096
Financial investments at fair value through other comprehensive income	(ii) 6,526,419	6,505,466	6,526,419	6,505,466
Financial investments at amortised cost	(iii) 118,521	116,871	118,521	116,871
	6,710,424	6,656,044	6,707,795	6,653,433
	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
(i) Financial investments at fair value through profit or loss				
Unquoted securities in Malaysia:				
Islamic private debt securities in Malaysia	58,456	27,122	58,456	27,122
Unit trusts	7,028	6,585	4,399	3,974
	65,484	33,707	62,855	31,096
	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
(ii) Financial investments at fair value through other comprehensive income				
Debt instruments:				
Government securities and treasury bills:				
Malaysian government investment certificates	3,933,318	4,278,305	3,933,318	4,278,305
Unquoted securities:				
Islamic private debt securities in Malaysia	1,652,267	1,370,104	1,652,267	1,370,104
Cagamas sukuk	478,405	473,926	478,405	473,926
Bank Negara Malaysia Bills and Notes	282,890	199,865	282,890	199,865
	2,413,562	2,043,895	2,413,562	2,043,895
Equity instruments:				
Quoted securities in Malaysia:				
Quoted shares	89,812	75,381	89,812	75,381
	89,812	75,381	89,812	75,381
Money market instruments:				
Unquoted securities:				
Private equity funds	85,096	103,254	85,096	103,254
Shares in Malaysia	4,631	4,631	4,631	4,631
	89,727	107,885	89,727	107,885
Total financial assets at fair value through other comprehensive income	6,526,419	6,505,466	6,526,419	6,505,466

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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:

	Stage 1	Stage 2	Stage 3	
	12	Lifetime ECL	Lifetime ECL	
	Months	not credit	credit	
	ECL	impaired	impaired	Total ECL
At 31 March 2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	49	-	22,667	22,716
Allowance made	39	-	13	52
Amount written back in respect of recoveries	(11)	-	-	(11)
At 31 March 2024	77	-	22,680	22,758

	Stage 1	Stage 2	Stage 3	
	12	Lifetime ECL	Lifetime ECL	
	Months	not credit	credit	
	ECL	impaired	impaired	Total ECL
At 31 December 2023	RM'000	RM'000	RM'000	RM'000
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	49	-	22,667	22,716

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

7. Financial investments (cont'd.)

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
(iii) Financial investments at amortised cost		
At amortised cost		
Unquoted Islamic corporate sukuk in Malaysia	150,459	148,809
less: Accumulated impairment losses	<u>(31,938)</u>	<u>(31,938)</u>
Total financial investments at amortised cost	<u>118,521</u>	<u>116,871</u>

(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	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2024	-	-	31,938	<u>31,938</u>
	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 December 2023				
At 1 January 2023	-	-	34,185	34,185
Management overlay redesignated At 31 December 2023	-	-	<u>(2,247)</u>	<u>(2,247)</u>
	-	-	<u>31,938</u>	<u>31,938</u>

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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					
	31 March 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	1,007,021	6,353	(658)	931,445	362	(16,555)
- Currency swaps						
Less than one year	894,920	4,014	(1,202)	1,317,642	12,451	(4,671)
- Currency spot						
Less than one year	223,680	178	(510)	38,276	6	(293)
	2,125,621	10,545	(2,370)	2,287,363	12,819	(21,519)

9. Financing of Customers

(i) By type and Shariah concepts

Group 31 March 2024	Ijarah		Inah RM'000	Tawarruq RM'000	Bai'		Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Shirkah Mutanaqisah RM'000	Total financing RM'000
	Bai' Bithaman Ajil RM'000	Thumma Al-Bai RM'000			Al-Dayn RM'000	Murabahah RM'000					
Cash line	-	-	847	520,123	-	-	-	-	-	-	520,970
Term financing:											
Home financing	1,079,169	-	-	8,901,920	-	-	8,097	-	-	-	9,989,186
Syndicated financing	-	-	-	530,212	-	-	-	-	-	-	530,212
Hire purchase receivables	37,046	149,291	-	-	-	-	-	-	1,567,675	-	1,754,012
Personal financing	27,948	-	-	8,415,157	-	-	-	-	-	-	8,443,105
Other term financing	92,838	-	-	4,265,320	-	-	-	-	-	55,645	4,413,803
Trust receipts	-	-	-	-	64,807	15,813	-	-	-	-	80,620
Claims on customers under acceptance credits	-	-	-	-	228,630	1,058,398	-	-	-	-	1,287,028
Staff financing	15,519	-	-	70,453	-	-	207	112	-	-	86,291
Revolving credit	-	-	-	1,996,304	-	-	-	-	-	-	1,996,304
Credit card	-	-	-	67,173	-	-	-	-	-	-	67,173
Ar-Rahnu	-	-	-	377,001	-	-	-	-	-	-	377,001
Gross financing	1,252,520	149,291	847	25,143,663	293,437	1,074,211	8,304	112	1,567,675	55,645	29,545,705
Fair value changes arising from fair value hedge ¹	-	-	-	13,198	-	-	-	-	-	-	13,198
	1,252,520	149,291	847	25,156,861	293,437	1,074,211	8,304	112	1,567,675	55,645	29,558,903
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(1,256)	(611)	(5)	(110,147)	(89)	(796)	(8)	-	(5,471)	-	(118,383)
-Stage 2 - Lifetime ECL not credit impaired	(368)	(37)	(46)	(24,987)	(6,188)	(199)	(2)	-	(390)	-	(32,217)
-Stage 3 - Lifetime ECL credit impaired	(4,123)	(341)	(185)	(87,495)	(2,687)	-	-	-	(794)	-	(95,625)
Total net financing ²	1,246,773	148,302	611	24,934,232	284,473	1,073,216	8,294	112	1,561,020	55,645	29,312,678

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 RM354,528,000 (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	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	Musarakah Mutanaqisah RM'000	Total financing RM'000
31 December 2023											
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	Ijarah				Murabahah to				Total financing	
	Bai' Bithaman Ajil	Thumma Al-Bai	Inah	Tawarruq	Bai' Al-Dayn	Murabahah	Istisna'	Qard		the Purchase Orderer
31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line	-	-	847	520,123	-	-	-	-	-	520,970
Term financing:										
Home financing	1,079,169	-	-	8,901,920	-	-	8,097	-	-	9,989,186
Syndicated financing	-	-	-	530,212	-	-	-	-	-	530,212
Hire purchase receivables	37,046	149,291	-	-	-	-	-	-	1,567,675	1,754,012
Personal financing	27,948	-	-	8,415,157	-	-	-	-	-	8,443,105
Other term financing	92,838	-	-	4,265,320	-	-	-	49,481	-	4,407,639
Trust receipts	-	-	-	-	64,807	15,813	-	-	-	80,620
Claims on customers under acceptance credits	-	-	-	-	228,630	1,058,398	-	-	-	1,287,028
Staff financing	15,519	-	-	70,453	-	-	207	112	-	86,291
Revolving credit	-	-	-	1,996,304	-	-	-	-	-	1,996,304
Credit card	-	-	-	67,173	-	-	-	-	-	67,173
Ar-Rahnu	-	-	-	377,001	-	-	-	-	-	377,001
Gross financing	1,252,520	149,291	847	25,143,663	293,437	1,074,211	8,304	49,593	1,567,675	29,539,541
Fair value changes arising from fair value hedge ¹	-	-	-	13,198	-	-	-	-	-	13,198
	1,252,520	149,291	847	25,156,861	293,437	1,074,211	8,304	49,593	1,567,675	29,552,739
Less : Allowance for impaired financing										
-Stage 1 - 12 Months ECL	(1,256)	(611)	(5)	(110,147)	(89)	(796)	(8)	-	(5,471)	(118,383)
-Stage 2 - Lifetime ECL not credit impaired	(368)	(37)	(46)	(24,987)	(6,188)	(199)	(2)	-	(390)	(32,217)
-Stage 3 - Lifetime ECL credit impaired	(4,123)	(341)	(185)	(87,495)	(2,687)	-	-	-	(794)	(95,625)
Total net financing ²	1,246,773	148,302	611	24,934,232	284,473	1,073,216	8,294	49,593	1,561,020	29,306,514

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 RM348,366,000 (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'	Ijarah Thumma	Inah RM'000	Tawarruq RM'000	Bai'	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase	Total financing RM'000
	Bithaman Ajil RM'000	Al-Bai RM'000			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	-	-	-	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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

9. Financing of customers (cont'd.)

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

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Uses of Qard fund:				
Staff financing	112	84	112	84
Other term financing	-	-	49,481	49,781
	112	84	49,593	49,865

(ii) By type of customer

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Domestic non-banking institutions	655,406	430,184	655,406	430,184
Domestic business enterprises:				
-Small business enterprises	1,332,809	1,239,745	1,332,809	1,239,745
-Others	5,204,229	5,614,844	5,198,065	5,610,592
Government and statutory bodies	912,412	919,210	912,412	919,210
Individuals	21,426,616	20,337,871	21,426,616	20,337,871
Other domestic entities	10,464	10,367	10,464	10,367
Foreign entities	3,771	3,969	3,771	3,969
Gross Financing	29,545,707	28,556,190	29,539,543	28,551,938

(iii) By profit rate sensitivity

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Fixed rate:				
Home financing	499,862	316,947	499,862	316,947
Hire purchase receivables	1,754,011	1,543,092	1,754,011	1,543,092
Others	2,128,415	2,213,794	2,122,251	2,209,542
Variable rate:				
Home financing	9,593,719	9,114,456	9,593,719	9,114,456
Others	15,569,700	15,367,901	15,569,700	15,367,901
Gross Financing	29,545,707	28,556,190	29,539,543	28,551,938

(iv) By residual contractual maturity

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Maturity				
- within one year	3,681,094	3,876,883	3,681,094	3,876,883
- more than one to five years	4,129,370	4,064,870	4,129,370	4,064,870
- more than five years	21,735,243	20,614,437	21,729,079	20,610,184
Gross Financing	29,545,707	28,556,190	29,539,543	28,551,938

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

9. Financing of customers (cont'd.)

(v) **By sector**

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Agriculture	99,520	100,083	99,520	100,083
Mining and quarrying	35,763	34,411	35,763	34,411
Manufacturing	1,030,280	1,109,710	1,030,280	1,109,710
Electricity, gas and water	141,334	133,870	141,334	133,870
Construction	944,961	909,472	944,961	909,472
Household	21,430,388	20,341,841	21,430,388	20,341,841
Real estate	1,133,412	1,158,661	1,133,412	1,158,661
Wholesale, retail and restaurant	1,067,988	1,050,243	1,067,988	1,050,243
Transport, storage and communication	173,928	176,407	173,930	176,407
Finance, takaful and business services	2,128,886	2,190,259	2,128,884	2,190,259
Community, social and personal services	446,835	432,023	440,671	427,771
Government and statutory bodies	912,412	919,210	912,412	919,210
Gross Financing	29,545,707	28,556,190	29,539,543	28,551,938

(vi) **By geographical area**

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Domestic	29,545,707	28,556,190	29,539,543	28,551,938
Gross Financing	29,545,707	28,556,190	29,539,543	28,551,938

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

9. Financing of customers (cont'd.)

Impaired financing

(i) Movements in the impaired financing

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
At 1 January 2024/ At 1 January 2023	266,229	205,957	266,229	205,957
Classified as impaired during the period	118,320	238,238	118,320	238,238
Reclassified as performing during the period	(41,861)	(25,019)	(41,861)	(25,019)
Recovered during the period	(20,823)	(50,920)	(20,823)	(50,920)
Written off during the period	(7,547)	(102,027)	(7,547)	(102,027)
Gross impaired financing	314,318	266,229	314,318	266,229
Less: Stage 3-Lifetime ECL credit impaired	(95,625)	(79,024)	(95,625)	(79,024)
Net impaired financing	218,693	187,205	218,693	187,205

Calculation ratio of impaired financing:

Gross financing of customers	29,545,705	28,556,190	29,539,541	28,551,938
Less: Stage 3 - Lifetime ECL credit impaired	(95,625)	(79,024)	(95,625)	(79,024)
Net financing of customers	29,450,080	28,477,166	29,443,916	28,472,914

Ratio of gross impaired financing to
total financing

1.06%	0.93%	1.06%	0.93%
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Net impaired financing ratio

0.74%	0.66%	0.74%	0.66%
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(ii) Impaired financing by sector

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Agriculture	375	295
Manufacturing	8,739	6,519
Construction	6,333	5,837
Household	231,124	199,191
Electricity, gas and water	538	491
Real estate	11,134	11,168
Wholesale, retail and restaurant	30,934	27,359
Transport, storage and communication	10,415	6,855
Finance, takaful and business services	12,193	7,991
Community, social and personal service	2,533	523
	314,318	266,229

(iii) Impaired financing by geographical area

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Domestic	314,318	266,229

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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 31 March 2024				
At 1 January 2024	120,238	23,258	79,024	222,520
Transfer to Stage 1	6,047	(2,915)	(3,132)	-
Transfer to Stage 2	(1,957)	7,566	(5,609)	-
Transfer to Stage 3	(188)	(1,910)	2,098	-
New financial assets originated	13,414	-	-	13,414
Financial assets derecognised	(7,786)	(261)	(10,679)	(18,726)
Changes due to change in credit risk	(11,385)	6,479	26,974	22,068
Amount written-off/realised	-	-	6,949	6,949
At 31 March 2024	118,383	32,217	95,625	246,225
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	-
Changes in credit risk	(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	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Deposits	7,035	7,005	11,872	6,972
Prepayments	28,730	16,485	23,688	16,255
Tax recoverable	39	1,363	-	1,357
Golf club membership	500	500	500	500
Other receivables	25,963	109,579	25,725	109,007
	62,267	134,932	61,785	134,091
Less: Accumulated impairment losses	(1,225)	(1,225)	(1,225)	(1,225)
	61,042	133,707	60,560	132,866

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

11. Deferred tax assets & liabilities

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
At 1 January 2024/ At 1 January 2023	24,483	36,442	23,943	36,442
Recognised in the profit or loss (Note 30)	6,515	(3,107)	6,505	(3,647)
Recognised in other comprehensive income	(1,859)	(8,852)	(1,859)	(8,852)
At 31 March 2024/ At 31 December 2023	29,139	24,483	28,589	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	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Deferred tax assets, net	29,139	24,483	28,589	23,943
	29,139	24,483	28,589	23,943

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

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Deferred tax assets	47,072	42,929	46,522	42,389
Deferred tax liabilities	(17,933)	(18,446)	(17,933)	(18,446)
	29,139	24,483	28,589	23,943

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Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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	-	1,051	10	(49)	4,994	(4)	6,002
Recognised in other comprehensive income	-	-	(1,859)	-	-	-	(1,859)
At 31 March 2024	5,438	23,674	(1,261)	1,891	17,105	225	47,072

	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	5,438	22,623	588	1,940	12,111	229	42,929

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Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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 and Bank :

	Property, plant and equipment & intangible asset	Total RM'000
At 1 January 2024	(18,446)	(18,446)
Recognised in profit and loss	513	513
At 31 March 2024	<u>(17,933)</u>	<u>(17,933)</u>
At 1 January 2023	(16,478)	(16,478)
Recognised in profit and loss	(1,968)	(1,968)
At 31 December 2023	<u>(18,446)</u>	<u>(18,446)</u>

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

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	-	1,051	10	(25)	4,961	(5)	5,992
Recognised in other comprehensive income	-	(1,859)	-	-	-	-	(1,859)
At 31 March 2024	4,890	21,815	622	1,897	17,074	224	46,522

	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

**Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)**
12. Deposits from customers
(a) By type of deposits

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Savings Deposit				
Qard	900,179	863,230	900,179	863,230
Tawarruq	853,435	716,342	853,435	716,342
Demand Deposit				
Qard	3,888,696	4,044,951	3,891,777	4,047,217
Tawarruq	4,557,945	4,596,899	4,557,945	4,596,899
Term Deposit				
Mudharabah				
General investment deposits	3,098	3,087	3,098	3,087
Tawarruq				
Short term accounts	12,872,554	14,039,111	12,872,554	14,039,111
Fixed term accounts tawarruq	9,607,737	8,412,594	9,620,537	8,426,394
Other deposits	50,742	119,522	50,742	119,522
	32,734,386	32,795,736	32,750,267	32,811,802

(b) By type of customer

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Government and statutory bodies	16,255,961	16,453,954	16,255,961	16,453,954
Business enterprises	8,730,139	8,865,238	8,746,020	8,881,304
Individuals	2,613,100	2,394,751	2,613,100	2,394,751
Domestic non-bank financial institutions	3,823,691	3,840,718	3,823,691	3,840,718
Domestic banking financial institutions	88,892	91,727	88,892	91,727
Others	1,222,603	1,149,348	1,222,603	1,149,348
	32,734,386	32,795,736	32,750,267	32,811,802

The maturity structure of term deposits are as follows :

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Due within six months	18,606,020	18,796,012	18,618,820	18,809,812
More than six months to one year	2,902,184	2,662,142	2,902,184	2,662,142
More than one year to three years	678,239	699,818	678,239	699,818
More than three years to five years	296,946	296,820	296,946	296,820
	22,483,389	22,454,792	22,496,189	22,468,592

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

13. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Non-Mudharabah		
Bank Negara Malaysia	355,413	345,666
Other financial institutions	449,981	183,968
	805,394	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 RM313,530,000 (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	
	31 March 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Mudarabah		
Without maturity		
- SURIA	245,711	247,689
Restricted investment accounts:		
Mudarabah		
Maturity		
- within one year	20	32

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 to RM52,644 (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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

(ii) By types of customer are as follows:

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Individuals	<u>245,711</u>	<u>247,689</u>
Restricted investment accounts:		
Individuals	<u>20</u>	<u>32</u>

(iii) Movement of investment accounts of customers:

	Group and Bank 31 March 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 2023/ 2022	247,689	32	301,158	79
New placement	(1,978)	-	1,817,186	32
Redemption	-	(12)	(1,870,655)	(79)
At 31 March 2024/December 2023	<u>245,711</u>	<u>20</u>	<u>247,689</u>	<u>32</u>

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Home financing	<u>245,711</u>	<u>247,689</u>
Total investment	<u>245,711</u>	<u>247,689</u>
Restricted investment accounts:		
Term financing	<u>20</u>	<u>32</u>
Total investment	<u>20</u>	<u>32</u>

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

	Group and Bank 31 March 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	<u>2.00%</u>	<u>0.09%</u>	2.00%	0.09%
Restricted investment accounts	<u>95.00%</u>	<u>0.00%</u>	95.00%	0.00%

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

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Sundry creditors	1,230	853	1,230	853
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 15(a))	10,191	10,231	10,191	10,231
Provision for bonus	35,274	25,246	35,139	25,111
Accrued expenses	27,610	18,233	27,756	18,744
Accrual for directors' fees	351	-	351	-
Accrual for audit fees	627	640	605	620
Other liabilities	139,003	45,437	139,126	45,546
	214,286	100,640	214,398	101,105

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

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2024				
At 1 January 2024	8,121	410	1,700	10,231
Transfer to Stage 1	14	(14)	-	-
Transfer to Stage 2	(48)	48	-	-
Transfer to Stage 3	(3)	(13)	16	-
New financing originated or purchased	1,894	-	-	1,894
Financing derecognised	(1,182)	(6)	(144)	(1,332)
Changes due to change in credit risk	(922)	(54)	366	(610)
Amount written-off/realised	-	-	8	8
At 31 March 2024	7,874	371	1,946	10,191
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 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	-	-	(801)	(801)
Other movements	3	7	-	10
At 31 December 2023	8,121	410	1,700	10,231

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

16. Provision for zakat and taxation

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Zakat	11,911	10,618	11,854	10,320
Taxation	557	29	543	-
	12,468	10,647	12,397	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 31 March 2024 relates to two tranches of Subordinated Sukuk Murabahah (Series 2 and Series 3) which qualifies for Tier 2 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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Income derived from investment of:				
(a) Fixed term deposits	147,714	84,570	147,714	84,570
(b) Other deposits	355,924	290,375	355,924	290,375
	503,638	374,945	503,638	374,945

(a) Income derived from investment of fixed term deposits

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Finance income and hibah				
Income from financing	116,763	69,702	116,763	69,702
Financial investments designated at FVTPL	152	471	152	471
Financial assets at fair value through other comprehensive income	17,314	10,451	17,314	10,451
Financial assets at amortised cost	405	308	405	308
Money at call and deposit with financial institutions	4,836	1,370	4,836	1,370
	139,470	82,302	139,470	82,302
Amortisation of premium less accretion of discounts	(1,838)	(2,372)	(1,838)	(2,372)
Total finance income and hibah	137,632	79,930	137,632	79,930
Other operating income/(loss)				
Net gain from sale of:				
- financial investments at fair value through other comprehensive income	2,177	336	2,177	336
Unrealised gain on revaluation from financial investments designated at FVTPL	202	132	202	132
	2,379	468	2,379	468
Fees and commission				
Guarantee fees	151	120	151	120
Processing fees	298	415	298	415
Service charges and fees	1,090	979	1,090	979
Commission	6,164	2,658	6,164	2,658
	7,703	4,172	7,703	4,172
Total	147,714	84,570	147,714	84,570

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

(b) Income derived from investment of other deposits

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Finance income and hibah				
Income from financing	281,348	239,327	281,348	239,327
Financial investments designated at FVTPL	365	1,616	365	1,616
Financial assets at fair value through other comprehensive income	41,718	35,885	41,718	35,885
Financial assets at amortised cost	975	1,057	975	1,057
Money at call and deposit with financial institutions	11,652	4,705	11,652	4,705
	336,058	282,590	336,058	282,590
Amortisation of premium less accretion of discounts	(4,428)	(8,146)	(4,428)	(8,146)
Total finance income and hibah	331,630	274,444	331,630	274,444
Other operating income/(loss)				
Net gain from sale of:				
- financial investments at fair value through other comprehensive income	5,246	1,153	5,246	1,153
Unrealised gain on revaluation from financial investments designated at FVTPL	486	453	486	453
	5,732	1,606	5,732	1,606
Fees and commission				
Guarantee fees	364	413	364	413
Processing fees	718	1,424	718	1,424
Service charges and fees	2,626	3,361	2,626	3,361
Commission	14,854	9,127	14,854	9,127
	18,562	14,325	18,562	14,325
Total	355,924	290,375	355,924	290,375

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)
20. Income derived from investment of shareholders' funds

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	1,833	2,144	1,833	2,144
Financial assets at amortised cost				
Money at call and deposit with financial institutions	575	717	575	717
	2,408	2,861	2,408	2,861
Amortisation of premium less Accretion of discounts	(256)	(308)	(256)	(308)
Total finance income and hibah	2,152	2,553	2,152	2,553
Other operating (loss)/income				
Net loss from foreign exchange transaction	(8,791)	(14,974)	(8,791)	(14,974)
Unrealised gain on revaluation from foreign exchange derivatives	16,875	18,568	16,875	18,568
Fair value (loss)/gain of financial liabilities	(1,048)	1,387	(1,048)	1,387
Unrealised gain on revaluation from financial investments designated at FVTPL	425	28	425	30
Gross dividend income from investment:				
-shares in Malaysia	18	17	-	-
-subsidiary	-	-	-	5,000
	7,479	5,026	7,461	10,011
Fees and commission				
Corporate advisory fees	393	417	346	180
Service charges and fees	1,707	1,788	16	15
Commission	264	260	264	260
	2,364	2,465	626	455

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Other income				
Rental income	135	333	165	363
Profit on sale of fixed assets	-	1	-	1
	135	334	165	364
Total	12,130	10,378	10,404	13,383

21. Income derived from investment of investment account funds

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Finance income and hibah				
Income from financing	2,744	3,100	2,744	3,100

22. Allowance for impairment on financing

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Expected credit losses on advances and financing made/(written back):				
Financing and advances				
- Stage 1	(2,102)	5,802	(2,102)	5,802
- Stage 2	8,922	14,585	8,922	14,585
- Stage 3	23,806	9,238	23,806	9,238
Impaired financing written off	579	(16)	579	(16)
Impaired financing recovered	(4,521)	(10,471)	(4,521)	(10,471)
	26,684	19,137	26,684	19,137

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

	Group and Bank	
	31 March	31 March
	2024	2023
	RM'000	RM'000
Allowance/(writeback of) for Impairment write back on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	41	(7)

24. Allowance for impairment losses on other financial assets, net

	Group and Bank	
	31 March	31 March
	2024	2023
	RM'000	RM'000
Cash and short term funds - ECL , net	14	61

25. Income attributable to depositors

	Group		Bank	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	12	34	12	34
Non-Mudharabah funds	248,869	177,714	248,967	177,795
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	8,372	1,243	8,372	1,243
	257,253	178,991	257,351	179,072

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)
26. Personnel expenses

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Salary and wages	54,111	47,645	53,707	47,111
Contribution to defined contribution plan	10,623	9,121	10,558	9,031
Social security contributions	632	606	632	606
Allowances and bonuses	10,046	8,960	10,040	8,936
Others	9,734	5,431	9,721	5,422
	85,146	71,763	84,658	71,106

27. Other overheads and expenditures

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Promotion				
Advertisement and publicity	4,420	1,543	4,420	1,543
Others	537	366	535	365
Establishment				
Rental	86	119	86	119
Depreciation of property, plant and equipment	2,348	2,644	2,345	2,641
Depreciation of right-of-use assets	2,832	2,749	2,832	2,749
Amortisation of intangible assets	9,154	7,698	9,134	7,679
Information technology expenses	17,971	15,061	17,922	15,016
Repair and maintenance	1,545	876	1,545	876
Hire of equipment	1,275	1,170	1,171	1,101
Takaful	2,643	2,239	2,643	2,239
Utilities expenses	679	1,310	670	1,303
Security expenses	2,072	2,146	2,072	2,146
Others	1,232	1,200	1,232	1,200
General expenses				
Auditors' fees	122	162	122	162
Professional fees	999	509	976	449
Legal expenses	291	29	291	29
Telephone	402	330	402	330
Stationery and printing	466	410	466	410
Postage and courier	657	731	657	731
Travelling	450	229	450	229
Directors remuneration and Shariah Committee allowance	1,040	731	1,028	703
Others	5,678	3,850	6,282	4,320
	56,899	46,102	57,281	46,340

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

28. Finance cost

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Dividend paid- subordinated sukuk	9,511	9,525	9,511	9,525
Financing sold to Cagamas	10,818	7,567	10,818	7,567
Finance cost of lease liabilities	499	451	499	451
	20,828	17,543	20,828	17,543

29. Zakat

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Provision for zakat for the year	1,591	1,174	1,534	1,250
Over provision in prior year	(14)	-	-	-
	1,577	1,174	1,534	1,250

30. Taxation

	Group		Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Current income tax	23,025	16,741	22,615	16,325
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,515)	(4,808)	(6,505)	(4,808)
Over provision in prior year	-	25	-	-
	(6,515)	(4,783)	(6,505)	(4,808)
	16,510	11,958	16,110	11,517

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

Domestic current income tax is calculated at the statutory tax rate of 24% (31 December 2023: 24%) of the estimated assessable profit for the period.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

31. Credit exposures arising from credit transactions with connected parties

	Group	
	31 March 2024 RM'000	31 March 2023 RM'000
Outstanding credit exposures with connected parties (RM'000)	2,367,423	2,327,851
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	5.8%	7.1%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-
	Bank	
	31 March 2024 RM'000	31 March 2023 RM'000
Outstanding credit exposures with connected parties (RM'000)	2,580,807	2,385,987
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.3%	7.2%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transaction and Exposures with Connected Parties, which are issued on 16 July 2014.

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

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

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Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

32. Commitments and contingencies

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

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

	Group and Bank					
	31 March 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	619,104	619,104	606,493	491,244	491,244	480,156
Trade-related contingencies	94,021	18,804	494	96,919	19,384	1,527
Transaction-related contingencies	409,256	204,628	191,504	413,280	206,640	195,471
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	1,237,608	247,522	196,402	994,501	198,900	142,547
- Maturity exceeding one (1) year	1,228,356	614,178	345,308	1,307,511	653,756	394,962
Other miscellaneous commitments & contingencies	60,535	-	-	60,040	-	-
Islamic derivative financial instruments						
Foreign exchange related contracts	2,125,621	42,553	28,820	2,287,363	38,933	19,355
	5,774,501	1,746,789	1,369,021	5,650,858	1,608,857	1,234,018

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

33. Capital adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 9 December 2020 issued the Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Islamic banks. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier 1 (CET1) Ratio	Tier 1 Capital Ratio	Total Capital Ratio
4.50%	6.00%	8.00%

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

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 3 May 2019 for Islamic banks.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital is not subjected to any further capital charges in the computation of RWA.

(b) Compliance and Application of Capital Adequacy Ratios

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Bank (Risk Weighted Assets). The total risk weighted assets are computed based on the following approaches:

- (i) Credit risk under 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.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)
33. Capital adequacy (cont'd.)

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

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Computation of Total Risk				
Weighted Assets ("RWA")				
Total credit RWA	23,186,013	22,739,787	23,173,625	22,729,923
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	(122,371)	(126,607)	(122,371)	(126,607)
Total market RWA	75,342	77,388	75,342	77,388
Total operational RWA	1,515,348	1,508,264	1,490,622	1,483,198
Total RWA	24,654,332	24,198,832	24,617,218	24,163,902
Computation of Capital Ratio				
Tier-I capital				
Share capital	1,195,000	1,195,000	1,195,000	1,195,000
Retained profits	1,742,374	1,742,374	1,730,764	1,730,764
Other Reserves				
Regulatory reserve	156,489	155,747	156,489	155,747
FVOCI reserve	(1,940)	(6,966)	(1,940)	(6,966)
Foreign exchange translation reserve	349	1,591	350	1,592
Regulatory Adjustment				
Deferred tax assets	(47,071)	(42,929)	(46,522)	(42,389)
Investment property gain	(8,363)	(8,363)	(8,363)	(8,363)
Regulatory reserve	(156,489)	(155,747)	(156,489)	(155,747)
Cumulative gains of financing measured at FVTPL	(16,036)	(17,084)	(16,036)	(17,084)
Investment in subsidiaries	-	-	(13,159)	(13,159)
Intangible asset (net of deferred tax liabilities)	(109,918)	(104,651)	(109,652)	(104,365)
Total Common Equity Tier-I Capital	2,754,395	2,758,972	2,730,442	2,735,030
Tier-I Capital				
Perpetual Sukuk	350,000	350,000	350,000	350,000
Total Tier-I Capital	3,104,395	3,108,972	3,080,442	3,085,030
Tier-II capital				
Subordinated sukuk	800,000	800,000	800,000	800,000
Loss provision and regulatory reserve*	289,670	284,124	289,670	284,124
Add: Investment property gain	3,763	3,763	3,763	3,763
Total Tier-II Capital	1,093,433	1,087,887	1,093,433	1,087,887
Total Capital Base	4,197,828	4,196,859	4,173,875	4,172,917
Ratio (%)				
CET 1 Capital	11.172%	11.401%	11.092%	11.319%
Tier 1 Capital	12.592%	12.848%	12.513%	12.767%
Total Capital	17.027%	17.343%	16.955%	17.269%

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

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

33. Capital adequacy (cont'd.)

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

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

	Group			
	31 March 2024			31 December 2023
	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%	12,115,023	-	12,045,012	-
20%	2,353,259	470,652	2,414,622	482,924
35%	3,624,479	1,268,568	3,749,471	1,312,315
50%	1,249,032	624,516	1,239,287	619,644
75%	4,077,603	3,058,202	3,706,671	2,780,003
100%	17,616,217	17,616,217	17,402,222	17,402,222
150%	98,572	147,858	95,120	142,679
Risk weighted assets for credit risk	41,134,185	23,186,013	40,652,405	22,739,787
Less: Credit risk absorbed by PSIA		(122,371)		(126,607)
Risk weighted assets for market risk		75,342		77,388
Risk weighted assets for operational risk		1,515,348		1,508,264
Total risk weighted assets		<u>24,654,332</u>		<u>24,198,832</u>

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

33. Capital adequacy (cont'd.)

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

	Bank			
	31 March 2024		31 December 2023	
	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%	12,115,023	-	12,045,012	-
20%	2,353,259	470,652	2,414,622	482,924
35%	3,624,478	1,268,567	3,749,471	1,312,315
50%	1,249,032	624,516	1,239,287	619,644
75%	4,077,603	3,058,202	3,706,671	2,780,003
100%	17,613,076	17,613,076	17,398,736	17,398,736
150%	92,408	138,612	90,867	136,301
Risk weighted assets for credit risk	41,124,879	23,173,625	40,644,666	22,729,923
Less: Credit risk absorbed by PSIA		(122,371)		(126,607)
Risk weighted assets for market risk		75,342		77,388
Risk weighted assets for operational risk		1,490,622		1,483,198
Total risk weighted assets		<u>24,617,218</u>		<u>24,163,902</u>

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

34. Fair values of financial instruments

(a) Financial instruments measured at fair value

Determination of fair value and the fair value hierarchy

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

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

Level 2 - valuation techniques based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (ie. prices) or indirectly (ie. derived from prices), are used; and

Level 3 - valuation techniques using significant unobservable inputs: inputs used are not based on observable market data and the unobservable inputs have a significant impact on the instrument's valuation.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, profit rate yield curves, estimates of future cash flows and other factors. Changes in these assumptions could materially affect the fair values derived. The Bank generally uses widely recognised valuation techniques with market observable inputs for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

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

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

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

Group	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 March 2024				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	7,028	35,392	23,064	65,484
Financial investments fair value through other comprehensive income	89,812	6,346,880	89,727	6,526,419
Derivative financial assets	-	10,545	-	10,545
Total financial assets measured at fair value	96,840	6,392,817	112,791	6,602,448
Financial liabilities				
Derivative financial liabilities	-	2,370	-	2,370
Total financial liabilities measured at fair value	-	2,370	-	2,370

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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	
31 December 2023				
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

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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	
31 March 2024				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	4,399	35,392	23,064	62,855
Financial investments fair value through other comprehensive income	89,812	6,346,880	89,727	6,526,419
Derivative financial assets	-	10,545	-	10,545
Total financial assets measured at fair value	94,211	6,392,817	112,791	6,599,819
Financial liabilities				
Derivative financial liabilities	-	2,370	-	2,370
Total financial liabilities measured at fair value	-	2,370	-	2,370

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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

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

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

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

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

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 and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
At 1 January 2024/2023	129,895	321,240
Gain/(Loss) recognised in statements of in profit or loss	(1,350)	135
Loss recognised in other comprehensive income		(35,570)
Purchases/(Disposal)	1,054	(162,066)
Sales/ redeemed	(19,845)	-
Foreign exchange translation difference	3,037	6,156
At 31 March 2024/ 31 December 2023	112,791	129,895

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

	Group and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Total gain recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	(1,350)	135

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

35. Segment information

(a) Business segments (cont'd.)

The Bank is organised into three (3) major business segments:

- (i) Business banking - this segment comprises the full range of products and services offered to business customers in the region, ranging from large corporates and the public sector and also commercial enterprises. The products and services offered include long-term financing such as project financing, short-term credit (e.g Muamalat Cashline and trade financing), and fee-based services (e.g cash management).
- (ii) Consumer banking - this segment comprises the full range of products and services offered to individual customers in Malaysia, including savings accounts, current accounts, fixed term accounts, remittance services, internet banking services, cash management services, consumer financing such as mortgage financing, personal financing, hire purchases financing, micro financing, wealth management and bancatakaful products.
- (iii) Treasury and investment banking - this segment comprises the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and trading of capital market securities.

Investment banking focuses on business needs of mainly large corporate customers and financial institutions, which include corporate advisory services, bond issuances, Initial Public Offerings ("IPOs") and debt restructuring advisory services. It also explores investment opportunities via private equity investments for the Bank.

Other business segments include rental services, none of which is of sufficient size to be reported separately.

Group	Business banking	Consumer banking	Treasury	Investment banking and Others	Total
31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	104,516	321,849	89,924	2,223	518,512
Total income	50,426	121,010	3,355	86,416	261,207
Allowance for impairment on financing	(10,993)	(15,691)	-	-	(26,684)
Allowance for impairment on investments	-	-	(41)	-	(41)
Allowance for impairment on other financial assets, net	-	-	(14)	-	(14)
Other expenses	-	-	-	(8,502)	(8,502)
Total net income	39,433	105,319	3,300	77,914	225,966
Total overhead expenses					(162,873)
Profit before zakat and taxation					63,093
Zakat					(1,577)
Taxation					(16,510)
Profit for the period					45,006

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

35. Segment information (cont'd.)

(a) Business segments (cont'd.)

Group	Business	Consumer	Investment		Total
31 March 2023	banking	banking	Treasury	banking and	Total
	RM'000	RM'000	RM'000	Others	RM'000
				RM'000	RM'000
Revenue	89,260	243,012	50,590	5,561	388,423
Total income	52,025	71,965	(3,030)	88,413	209,373
(Allowance for)/writeback of impairment on financing	(9,702)	(10,647)	1,212	-	(19,137)
Writeback of impairment on investments	-	-	7	-	7
Allowance for impairment on other financial assets, net	-	-	(61)	-	(61)
Other expenses	-	-	-	(8,133)	(8,133)
Total net income	42,323	61,318	(1,872)	80,280	182,049
Total overhead expenses					(135,408)
Profit before zakat and taxation					46,641
Zakat					(1,174)
Taxation					(11,958)
Profit for the period					33,509
Bank	Business	Consumer	Investment		Total
31 March 2024	banking	banking	Treasury	banking and	Total
	RM'000	RM'000	RM'000	Others	RM'000
				RM'000	RM'000
Revenue	104,516	321,849	89,924	497	516,786
Total Income	50,426	121,010	3,355	84,592	259,383
Allowance for impairment on financing	(10,993)	(15,691)	-	-	(26,684)
Allowance for impairment on investments	-	-	(41)	-	(41)
Allowance for impairment on other financial assets, net	-	-	(14)	-	(14)
Other expenses	-	-	-	(8,502)	(8,502)
Total net income	39,433	105,319	3,300	76,090	224,142
Total overhead expenses					(162,767)
Profit before zakat and taxation					61,375
Zakat					(1,534)
Taxation					(16,110)
Profit for the period					43,731

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

35. Segment information (cont'd.)

(a) Business segments (cont'd.)

Bank	Business banking	Consumer banking	Treasury	Investment banking and Others	Total
31 March 2023	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	89,260	243,012	58,710	446	391,428
Total Income	52,025	71,965	3,851	84,456	212,297
(Allowance for)/writeback of impairment on financing	(9,702)	(10,647)	1,212	-	(19,137)
Writeback of impairment on investments	-	-	7	-	7
Allowance for impairment on other financial assets, net	-	-	(61)	-	(61)
Other expenses	-	-	-	(8,133)	(8,133)
Total net income	42,323	61,318	5,009	76,323	184,973
Total overhead expenses					(134,989)
Profit before zakat and taxation					49,984
Zakat					(1,250)
Taxation					(11,517)
Profit for the period					37,217

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

36. Performance review and outlook

The Group posted an unaudited profit before zakat and taxation of RM63.1 million for the three (3) months period ended 31 March 2024, 35.3% higher than the previous corresponding period in 2023.

The Group's total income grew by RM130.1 million or 33.5% as compared with the previous corresponding period, contributed by strong year on year growth in total financing which has expanded by 3.4%, coupled with higher Overnight Policy Rate (OPR) of 3.00% as compared to 2.75% in previous corresponding quarter.

The increase in the Group's income attributable to depositors and investment account holder by RM78.3 million or 43.7% was due to significant growth of deposits from customers to RM32.7 billion as compared to position as at 31 March 2023 of RM27.4 billion, coupled with higher OPR of 3.00% as compared to 2.75% in previous corresponding quarter. Allowance for impairment losses on financing of the Group has increased by RM7.5 million to RM26.7 million for the period ended 31 March 2024, an increase of 39.4% from the previous corresponding quarter mainly from the decline in asset quality from Corporate segment.

Total asset in the Group stood at RM39.4 billion, an expansion of 0.9% from RM39.1 billion registered at 31 December 2023. This was mainly contributed by the higher financing of customer which has grown by 3.4% or RM965.0 million from the previous financial year end. Meanwhile, the Group's deposit of customers and placement in other financial institution recorded a similar increase of 0.6% or RM212.4 million to close at RM33.8 billion as at 31 March 2024.

The Group's capital ratios remained stable with CET 1, Tier 1 and Total Capital Ratios stood at 11.172%, 12.592% and 17.027% respectively.

OUTLOOK

The Malaysian economy continues to demonstrate a period of stability during the first of quarter of 2024. The labour market was in a healthy condition, with the unemployment rate persistently on a declining trend to 3.3% in February from 3.5% a year ago. Such a trend indicates that more Malaysians are being employed and have been receiving a steady income. This has allowed consumer spending to grow, with Wholesale Trade and Retail Trade growing by 4.3% and 4.6% respectively in February, up from 4.0% and 1.5% in the prior month.

However, the external sector appears to be lagging behind as global demand remains highly uncertain. The ongoing geopolitical risks surrounding the Middle East, especially in the Red Sea area, have taken a toll on international trade as shipping lines have had to be rerouted into low-risk regions. Such maneuvering can be a costly affair and may impact the productivity of a country. As such, major central banks have been exercising prudence in their monetary policy approach for fear of possible relapse in inflationary pressures.

All in all, the Malaysian economy is set to grow within a range of 4.0% to 5.0% in 2024, with the domestic engine being the primary driver underpinned by expansionary fiscal policy as well as a supportive monetary stance by the BNM. The Overnight Policy Rate (OPR) has remained steady at 3.00% during the first three months of 2024 and is likely to stay at the prevailing level throughout the year. Economic reforms on tax policies, subsidies rationalization and a move towards a market-driven economy are expected to improve the country's productivity and provide the necessary boost to investor confidence.