

● **PRESS RELEASE**

For Immediate Release

Bank Muamalat Malaysia Berhad Completes Successfully Tier 2 Capital Islamic Subordinated Sukuk Issuance of RM400 Million at 5.15 percent

Kuala Lumpur, 20 June 2011 - Bank Muamalat Malaysia Berhad ("BMMB") on 15 June 2011 successfully issued its Tier 2 Capital Islamic Subordinated Sukuk of RM400 million ("Subordinated Sukuk"). The Subordinated Sukuk carries a tenure of 10 years from the issue date on a 10 non-callable 5 basis.

The Subordinated Sukuk, which is based on the Islamic principle of Musyarakah, is rated A3 by RAM Ratings Services Berhad. The rating outlook is stable. The Subordinated Sukuk was lead arranged by BMMB and Maybank Investment Bank Berhad and the issuance was done on private placement basis at a profit rate of 5.15 percent.

The RM400 million Subordinated Sukuk will qualify as Tier 2 capital for BMMB for the purpose of Bank Negara Malaysia capital adequacy requirement.

Dato' Haji Mohd Redza Shah Abdul Wahid, the Chief Executive Officer of Bank Muamalat Malaysia Berhad said, "We are pleased that the placement was well received by investors and the competitive yield of 5.15 percent reflects their confidence in the Bank. We believe that this timely issuance will put the Bank in good stead to deliver on its 5-year Business Plan".

Redza also added, "This development is indeed very timely as it marks another significant milestone in developing a progressive Islamic finance industry in Malaysia – resilient in meeting the competitive demands of the business market."

Bank Muamalat is currently offering attractive refinancing package with a high financing margin of 95%; financing the cost of up to 10% Moving Costs & Related Expenses (MRCE); and there is no locking period. Additionally, Bank Muamalat's *OneReach* Mudharabah account holder can enjoy higher profits at the indicative rate of 1.5%.

About Bank Muamalat Malaysia Berhad

Bank Muamalat Malaysia Berhad commenced its operation on 1 October 1999 with its HQ in Kuala Lumpur. It is a full-fledged Islamic financial institution operating under the Islamic Banking Act (1983), and is a leading financial institution offering Shariah-based financial services and products.

As a commercial bank that offers Shariah-based products and services, the Bank provides a wide range of deposits, financing and banking products and services comparable to the Malaysian economy, irrespective of race, religion or company.

Bank Muamalat has personnel experienced in Islamic banking and its reach is underpinned by a nation-wide network of 55 branches, service centres and an off-shore branch based at the Labuan International Financial Centre.

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