

MEDIA RELEASE

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BANK ISLAM ISSUES ITS SECOND TRANCHE OF SUBORDINATED SUKUK MURABAHAH WORTH RM400 MILLION

The First Subordinated Sukuk Issued by an Islamic Bank in Malaysia for the Year 2020

KUALA LUMPUR, Thursday, [26 March 2020]: Bank Islam Malaysia Berhad ("Bank Islam") has successfully issued its second tranche of RM400 million Subordinated Sukuk Murabahah ("Sukuk") under its RM10 billion Sukuk Murabahah Programme today. The Sukuk is the first Subordinated Sukuk issued by an Islamic Bank in Malaysia for the year 2020.

The Sukuk shall qualify as Tier 2 regulatory capital of Bank Islam in compliance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components). Hence, it will enhance the capital adequacy of Bank Islam in line with the Basel III requirements.

The Sukuk, which will be redeemed at their full nominal value upon maturity, comes with a call option on its fifth anniversary and is rated A1/stable by RAM Rating Services Berhad.

The Sukuk Murabahah Programme was lodged with the Securities Commission Malaysia ("SC") on 6 September 2018. Under the programme, Bank Islam is given the flexibility to issue Subordinated Sukuk Murabahah and/or Senior Sukuk Murabahah during the availability period of the Sukuk Murabahah Programme.

RAM Rating Services Berhad has reaffirmed a final long-term rating of 'A1/stable' and 'AA3/stable' to the Subordinated Sukuk Murabahah and Senior Sukuk Murabahah respectively under the Sukuk Murabahah Programme.

Bank Islam is also the Principal Adviser, Lead Arranger, Lead Manager and Shariah Adviser for the Sukuk Murabahah Programme.

The Sukuk Murabahah Programme of RM10 billion is the second Sukuk programme established by the Bank. The first tranche under the programme was issued on 7 November 2018 amounting to RM300 million.

Since October 2014, Bank Islam had obtained approvals from Bank Negara Malaysia ("BNM") and the SC to established its first Sukuk Programme in the form of Subordinated Sukuk Murabahah Programme of RM1 billion. A total of three (3) tranches were issued under the said programme. The first tranche amounting to RM300 million was released in April 2015, while the second tranche amounting RM400 million was in December 2015. The third tranche of the programme amounting to RM300 million was issued in November 2017.

For further information, please visit www.bankislam.com.

About Bank Islam Malaysia Berhad

Bank Islam Malaysia Berhad was established in 1983 as the nation's first Islamic bank. To date, the Bank has a network of 144 branches and more than 900 self-service terminals nationwide. To meet the diversity of the public's financial needs, Bank Islam offers more than 70 *Shariah*-based banking products and services which cater to Muslims and non-Muslims. For more information on Bank Islam products and services, visit www.bankislam.com or call Bank Islam Call Centre at 03-26 900 900.

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