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**BANK ISLAM ISSUES ITS THIRD TRANCHE OF  
SUBORDINATED SUKUK MURABAHAH WORTH RM700 MILLION**

**Kuala Lumpur, Wednesday, [21 October 2020]** - Bank Islam Malaysia Berhad ("Bank Islam") has successfully issued the third tranche of RM700.0 million Subordinated Sukuk Murabahah ("Sukuk") under its RM10.0 billion Sukuk Murabahah Programme on 21 October 2020. The Sukuk is the second Subordinated Sukuk issued by Bank Islam in 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, redeemable 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 ("RAM Ratings").

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

RAM Ratings 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.

Bank Islam Chief Executive Officer, Mohd Muazzam Mohamed said, "The Sukuk Murabahah Programme of RM10.0 billion is the second Sukuk programme established by Bank Islam. The programme issued its first tranche on 7 November 2018 amounting to RM300.0 million, followed by the second tranche on 26 March 2020 with an amount of RM400.0 million."

"Historically, Bank Islam established our first Sukuk Programme in the form of Subordinated Sukuk Murabahah Programme of RM1.0 billion in three (3) tranches in October 2014. The Bank issued the first tranche of RM300.0 million in April 2015, the second tranche of RM400.0 million in December 2015 and the third tranche of the programme amounting to RM300.0 million in November 2017," he adds.

For further information, please visit [www.bankislam.com](http://www.bankislam.com).

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#### **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](http://www.bankislam.com) or call Bank Islam Call Centre at 03-26 900 900.

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