

PressRelease

20 September 2010

AmIslamic Bank Berhad issues Senior Sukuk under its 30-year RM3.0 billion Senior Sukuk Musyarakah Programme

AmIslamic Bank Berhad ("AmIslamic Bank") has on 20 September 2010 successfully issued RM550.0 million Senior Sukuk under its newly established 30-year RM3.0 billion Senior Sukuk Musyarakah Programme ("the Programme").

The Programme which has been assigned a long term rating of AA3 by RAM Rating Services Berhad will enable AmIslamic Bank to tap the capital markets for long-dated funding and improve its asset-liability management, thereby mitigating liquidity and interest rate risks.

The Senior Sukuk issuance has a tenure of seven (7) years and carries a semi-annual profit rate of 4.30% per annum. The new issue was placed out to a broad range of investors including fund managers, insurance companies, financial institutions and government agencies.

"AmIslamic Bank is pleased to have successfully launched our inaugural Senior Sukuk Musyarakah Programme which offers an additional avenue to diversify its sources of funding as part of the management's efforts to enhance its liquidity risk management structure," said Mr Cheah Tek Kuang, Group Managing Director, AmBank Group.

The 30-year Programme follows a similar Senior Notes Issuance Programme established by AmBank (M) Berhad earlier this year. It will provide AmIslamic Bank greater flexibility to issue Senior Sukuk of varying tenures of up to 10 years on a "need to" basis from time to time to fund its general working capital requirements which shall be Shariah-compliant and to fund the growth of its Islamic financial services business at competitive pricing given its strengthening credit fundamentals and improved asset quality.

AmIslamic Bank is the core Islamic commercial banking entity within the larger AmBank Group which provides a full range of banking and financial services.

For media enquiries, kindly contact Encik Mohd Effendi Abdullah, Director/Head, Islamic Markets, AmInvestment Bank Berhad at tel: 03-2036 6415 or email: effendi@ambankgroup.com