

● **PRESS RELEASE**

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For Immediate Release

BANK MUAMALAT RECORDS 41.6% INCREASE IN EARNINGS FOR ITS 1st QUARTER 2012/13

- Net Profit soared 41.6% to RM45.2 million compared to the previous corresponding period of RM32.0 million
- Annualized ROE of 12.7%
- Gross financing expanded by 29.7% to RM9.9 billion from a year ago
- Total deposits rose to RM15.8 billion, a 9.3% increase year-on-year
- Sturdy capital ratios with core capital and risk weighted capital ratios at 13.6% and 18.9% respectively

Kuala Lumpur - Bank Muamalat Malaysia Berhad (BMMB) posted a 41.6% higher net profit of RM45.2 million for its first quarter ended 30 June 2012 compared to RM32.0 million registered a year ago. On an annualised basis, this translates into a Return on Equity (ROE) of 12.7%, doubling the 6.1% ROE registered for the previous financial year ended 31 March 2012.

Underpinning this quarter's encouraging performance was the 14.5% higher revenue of RM255.6 million compared to RM223.3 million recorded in the previous corresponding period. Financing income rose 18.1% to RM148.3 million, due to increased financing growth. Fee and other income on the other hand, delivered a significant 55.8% year-on-year improvement with major increases registered in wealth management, trade and financing related activities, besides some capital gains from sale of securities registered during the quarter.

At the same time, financing provisions reduced to RM0.3 million from RM7.9 million previously, reflecting the continued improvements in the bank's credit portfolio, collection and recovery efforts. These provision numbers are in compliant and have fully adopted the more rigorous FRS 139 in its impairment assessment during this quarter.

The quarter also recorded gross financing expansion of 29.7% to RM9.9 billion from a year ago, characterised by 27.5% and 20.4% year-on-year growth in consumer and wholesale portfolios, respectively. BMMB's CEO Dato Mohd Redza Shah Abdul Wahid commented, "The growth is encouraging despite being in a competitive market and we are on track to surpass the RM10 billion financing mark in the next quarter". The bank's asset quality also continued to further improve with its gross impaired financing ratio reducing further to 4.3% as at end of June 2012 from 4.9% in the preceding corresponding period.

Meanwhile, year-on-year customer deposits rose 9.3% or RM1.3 billion to reach RM15.8 billion. Most notably, saving deposits increased 29.1% over the same period.

In respect of capital adequacy, the bank's key capital ratios remain higher than the industry level, with Core Capital Ratio and Risk Weighted Capital Ratio (RWCR) standing at 13.6% and 18.9% respectively, well above the minimum regulatory requirement.

"While we are pleased with our first quarter progress, we will continue to place great emphasis on strengthening our balance sheet to position the bank towards long term sustainable growth", said Dato' Mohd Redza.

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