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Bank Muamalat successfully concludes RM500 million capital raising exercise

Proactive capital raising elevates Bank Muamalat’s RWCR to amongst the highest in Malaysia

Kuala Lumpur – Bank Muamalat Malaysia Berhad (“Bank Muamalat”) is pleased to announce that it has successfully completed a capital raising exercise (“exercise”), amounting to RM500 million of Tier-1 capital.

This exercise relates to the issuance of 500 million ordinary shares to its shareholders, DRB-HICOM Berhad (70%) and Khazanah Nasional Berhad (30%), effectively raising the bank’s total capital to RM1 billion.

Following the said exercise, which was completed on 5 March 2009, the bank’s Risk-Weighted Capital Ratio (“RWCR”) has strengthened to estimated 18.2% compared to 12.6% as at 31 December 2008. This has put the bank in a strong capital position with capital ratios above the minimum regulatory requirements. Meanwhile, the bank’s core capital ratio has been similarly improved, increasing to estimated 14.3% from 8.5% in the same period under review.

The exercise will further strengthen Bank Muamalat’s balance sheet at a period where preference has shifted towards Islamic financial institutions, thus offering the bank improved platform in contributing to Malaysia’s robust Islamic banking system, which now accounts for 17.4% of the total banking assets in the country.

Bank Muamalat’s enhanced capital position will provide the bank with a competitive advantage to strengthen existing relationships, seek out new markets, and selectively expand its business.
About Bank Muamalat Malaysia Berhad

Bank Muamalat is a leading Islamic bank offering Shari’ah compliant financial services and products and operates as a full-fledged Islamic financial institution under the Islamic Banking Act (1983). It commenced operations beginning October 1999 and is headquartered in Kuala Lumpur. In October 2008, the equity interest of Bank Muamalat changed hands following the successful completion of the shift in the 70% equity interest to DRB-Hicom Berhad from Bukhary Capital Sdn. Bhd. The remaining 30% equity stake remains with Khazanah Nasional Berhad.

Bank Muamalat has staff strength of about 1,400 employees with nation-wide presence via a network of 45 branches, 6 service centres and an offshore branch based at the Labuan International Financial Centre.

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