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Bank Muamalat Malaysia Berhad
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Bank Muamalat Reports 6 Months Results

Net profit increased to RM22.6 million from RM10.3 million in previous corresponding period on the back of lower cost of funds and lower allowance for losses on financing.

RWCR stands firm at 18.6%, underpinned by proactive capital raising exercise that elevated share capital to RM1 billion.

Kuala Lumpur – Bank Muamalat Malaysia Berhad (“Bank Muamalat”) is pleased to report its first half results, referring to performance for the six months to June 2009.

Net profit increased to RM22.6 million from RM10.3 million in the preceding corresponding period. The 118.8% increase in net profit reflected the lower allowance for losses on financing, which narrowed by 15% to RM77.7 million. At the same time, the accommodative monetary policy that prevailed during the period under review, amidst the sluggish economic momentum, had lowered the bank’s cost of funds, in essence, income attributable to depositors eased 33% to RM105.2 million.

Total assets were little changed from a year ago, amounting to RM12.9 billion as at end June 2009. The modest change in total assets reflects the modest appetite for financing in light of the challenging economic environment where the group’s total gross financing hovered at RM6.7 billion as at end June 2009, characterized by a marginal rise in consumer financing, which grew 2.9% on an annualized basis.

Significantly, the first half of 2009 also saw the bank’s share capital increased to RM1 billion following the successful raising of capital by shareholders in March, an exercise that further bolstered its Risk-Weighted Capital Ratio (“RWCR”), which has remained firm at 18.6% as at end June 2009. Still, the return on equity remains steady at 4.8% for the period under review compared to 4.5% for the financial year 2008.

Net profit for the latest quarter amounted to RM16.2 million, reversing the loss of RM3.0 million in the previous corresponding period. The improved performance for the three months to June 2009 was attributed to higher net income, increasing 53.5% to RM72.7 million, underpinned largely by the lower cost of funds, which eased to RM41.2 million from RM79.5 million previously.

Please refer to the financial interim report for further details, which is available online in the Corporate Overview section at www.muamalat.com.my
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 47 branches, 5 service centres and an offshore branch based at the Labuan International Financial Centre.

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