PRESS RELEASE

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Bank Muamalat Reports Improved Profit before Tax of 168.7% to RM118.4 million in its latest 12 months

- Underpinned by strong capital with Core Capital and Risk-Weighted Capital ratios sustained at 13.2% and 17.0%, respectively

Kuala Lumpur – Bank Muamalat Malaysia Berhad is pleased to report its performance for the 12-month ending 31 December 2009. During this period, profit before tax was at RM118.4 million or 168.7% higher compared to the preceding 12 months.

This enhanced performance was achieved despite the challenging global economic environment in the first half of the year, which subsequently improved in the latter half of 2009.

The combination of improved asset quality, including an increase in write-backs of specific allowances led to a lower specific allowance for losses on financing, which narrowed by 36.8%. Lower cost of funds amidst the accommodative monetary stance that prevailed during the year and enhanced cost discipline had contributed to the substantial gains in earnings that at the net profit level stood at RM82.3 million or 157.5% higher compared to corresponding period in 2008. The bank's total distributable income fell slightly by 5.9% to RM584.7 million, compared to last year mainly due to lower rates for money market placements in financial institutions.

Total assets increased to RM15.9 billion, equivalent to a 10.5% increase on an annualized basis whilst net financing rose to RM6.6 billion from RM6.0 billion a year ago. Customer deposits similarly grew to RM13.7 billion or 10.4% higher compared to the same period in 2008.

Significantly, the bank's asset quality ratio as measured by total non-performing financing to total financing strengthened to 3.3% as at end December 2009 from 4.4% in the preceding corresponding period. At the same time, the improved performance is underpinned by a strong capital where the bank's core capital and risk-weighted capital ratios were sustained at a robust 13.2% and 17.0% respectively, being amongst the highest in the industry.

Net profit for the latest quarter ending 31 December 2009 increased to RM25.7 million from RM9.5 million in the corresponding period in 2008. The improvement was mainly attributed to improved credit recoveries.
Please refer to the financial interim report for further details, which is available online in the Corporate Overview section at www.muamalat.com.my.

Issued by:

Corporate Communications Department
Bank Muamalat Malaysia Berhad

Contact person:
Encik Abdul Hanif Abu Bakar
03-2059 1350