

**Maybank Islamic issues RM1.5 bil sukuk**  
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**By G.Sharmila**

Maybank Islamic Berhad (Maybank Islamic) has issued its maiden Basel III-compliant Tier 2 Capital Subordinated Sukuk Murabahah of RM1.5 billion (subordinated sukuk murabahah) pursuant to a Subordinated Sukuk Murabahah Programme of up to RM10.0 billion in nominal value (subordinated sukuk programme) established in March 2014.

According to a statement by the bank yesterday, the subordinated sukuk murabahah will have a tenure of 10 years from the issue date on a 10 non-callable 5 basis. The subordinated sukuk programme has been rated AA1/stable by RAM Rating Services Berhad.

The bank said that the subordinated sukuk murabahah offering was priced at 4.75% and had received an encouraging response from investors resulting in an over subscription of 2.9 times. In view of the strong demand, Maybank Islamic had upsized the issue size to RM1.5 billion from the initial offering of RM1.0 billion, the bank said.

“We are pleased that the Subordinated Sukuk Murabahah has received overwhelming response from investors. The tight pricing reflects investors’ confidence in Maybank Islamic’s superior credit and leading position in the Islamic banking sector,” said Abdul Farid Alias, group president and chief executive officer of Maybank.

The RM1.5 billion subordinated sukuk will qualify as Tier 2 capital of Maybank Islamic for the purpose of Bank Negara Malaysia’s Capital Adequacy Framework for Islamic Banks.

“This is the largest single issuance of Ringgit Malaysia Basel III-compliant Subordinated Sukuk Murabahah by an Islamic Financial Institution to date. Proceeds raised from the Subordinated Sukuk Murabahah can be used to augment the business of the bank thus positioning Maybank Islamic for stronger growth domestically and regionally,” said Muzaffar Hisham, the chief executive officer of Maybank Islamic.

The lead Arranger and lead manager for the subordinated sukuk programme was Maybank Investment Bank Berhad.

Maybank Islamic's parent company, Malayan Banking Berhad, closed the trading session 4 sen lower at RM9.74 today.

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