

**PUBLIC BANK BERHAD
INNOVATIVE TIER 1 CAPITAL SECURITIES
LISTED ON SINGAPORE EXCHANGE**

**ANNOUNCEMENT BY PUBLIC BANK BERHAD
TO SINGAPORE EXCHANGE**

**PROPOSED ESTABLISHMENT BY PUBLIC ISLAMIC BANK BERHAD
(THE WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK BERHAD)
OF A SUKUK MURABAHAH PROGRAMME UNDER THE SHARIAH
PRINCIPLE OF MURABAHAH (VIA A TAWARRUQ ARRANGEMENT)
FOR THE ISSUANCE OF UP TO RM5.0 BILLION NOMINAL VALUE
SENIOR SUKUK MURABAHAH AND/OR SUBORDINATED SUKUK
MURABAHAH**

Public Bank Berhad (“PBB”) wishes to announce that its wholly-owned subsidiary, Public Islamic Bank Berhad (“PIBB”) has obtained approvals from Bank Negara Malaysia (“BNM”) and the Securities Commission vide their letters dated 24 March 2014 and 21 April 2014 respectively, to establish an Islamic medium term notes programme under the Shariah principle of Murabahah (via a Tawarruq arrangement) to facilitate the issuance of Senior Sukuk Murabahah and/or Subordinated Sukuk Murabahah (collectively known as “Sukuk Murabahah”) of up to RM5.0 billion in nominal value (“Sukuk Murabahah Programme”).

The Subordinated Sukuk Murabahah to be issued from time to time under the Sukuk Murabahah Programme will qualify as Tier 2 capital for the computation of the regulatory capital of PIBB and PBB Group in accordance with the Capital Adequacy Framework (Capital Components) for Islamic Banks issued by BNM.

The tenure of the Sukuk Murabahah Programme is up to 30 years from the date of first issuance of Sukuk Murabahah under the Sukuk Murabahah Programme.

RAM Rating Services Berhad has assigned respective long-term ratings of AAA and AA₁ to the Senior Sukuk Murabahah and Subordinated Sukuk Murabahah under the Sukuk Murabahah Programme.

Public Investment Bank Berhad, the investment banking subsidiary of PBB, is the Principal Adviser/Lead Arranger/Lead Manager and Facility Agent, and Amanie Advisors Sdn Bhd is the Shariah Advisor in respect of the Sukuk Murabahah Programme.

This announcement is dated 23 April 2014.