

Headline	Tabung Haji may sell 20pc stake in BIMB Holdings		
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Tabung Haji may sell 20% stake in BIMB Holdings

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by MOHAMAD AZLAN JAAFAR

LEMBAGA Tabung Haji (TH) is considering the sale of up to 20% interest in BIMB Holdings Bhd, the parent of Bank Islam Malaysia Bhd, according to sources.

TH is the largest shareholder, which owns about 53.4% of BIMB and holds other Shariah financial interest in takaful and securities.

It is understood that several potential buyers for the shares have been identified, including another shareholder, the Employees Provident Fund, which now has a 12.3% stake.

BIMB's other shareholders include Permodalan Nasional Bhd and the Retirement Fund Inc with 10.8% and

5.9% interests, respectively.

News of the proposed divestment comes after a market speculation that TH was about to trim its holdings.

TH is expected to generate about RM1.3 billion from the 20% stake sale if the deal goes through, which requires the board's and Bank Negara Malaysia's (BNM) approvals.

Reducing the stake in BIMB, which is also the financial holding company (FHC) for Bank Islam,

would be in line with efforts to reduce TH's risk exposure by trimming holdings to within 30% of the prescribed limit allowed by BNM.

This follows the central bank's guidelines related to FHC and the Islamic Financial Services Act 2013. The central bank has extended the requirement to fulfil the capital adequacy ratio (CAR) under Basel III to the lenders' holding company.

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BIMB required to restructure shareholdings



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FROM P1 **Tabung Haji**

BIMB, like other holding company for lenders, is required to restructure their shareholdings and meet the capital adequacy requirement, which will take effect from Jan 1, 2019.

Under the requirement, the minimum CAR for lenders' holding company must be similar to the banks.

Prior to this, the Basel III capital adequacy requirement was only applicable to licensed bank.

Recently, RHB Capital Bhd completed its restructuring and transferred its listing status to RHB Bank Bhd. Similar corporate restructuring has been rumoured to be on the cards for BIMB.

Bank Islam, with an asset of about RM55.4 billion as at March 31, 2016, is the country's

oldest Islamic bank. BIMB also holds a 59.9% stake in Syarikat Takaful Malaysia Bhd and 100% interest in BIMB Securities (Holdings) Sdn Bhd.

Any similar corporate restructuring will depend on TH.

Bank Islam had been posting strong numbers in the last five years following a successful restructuring exercise. Its share prices rose from RM1.72 in December 2011 to RM4.26 yesterday, valuing the holding company at RM6.91 billion, based on market capitalisation.

For the second-quarter ended June 30, 2016, BIMB posted a profit of RM162.3 million and for the first-half of 2016, recorded net earnings of RM315 million, higher than RM300 million recorded a year ago.