

Bank Islam awaiting capital injection from Dubai group

KUALA LUMPUR: Bank Islam Malaysia Bhd is still waiting for capital injection from its Middle East shareholder, Dubai Investment Group (DIG), in its move to boost risk-weighted capital ratio and strengthen its capital.

Managing director Datuk Zukri Samat said DIG, which owns 40% of Bank Islam, has until Sept 15 to put in the money.

“So far, only Tabung Haji has put in the money and DIG has a deadline until Sept 15 to do so,” he told reporters on the sidelines of the IFN 2009 Issuers & Investors Forum yesterday.

He said this when asked on the status of the bank's move to raise RM540mil from the sale of preference shares to bolster its capital.

DIG's share of the capital call is RM216mil.

Bank Islam's capital move is part of its strategy to prepare for the worst in the industry.

The new capital is expected to boost Bank Islam's risk-weighted capital ratio to 17.3%, from 13.1% at the end of last year. The ratio measures a bank's ability to absorb potential writedowns and defaults.

BIMB Holdings Bhd is the bank's biggest shareholder with a 51% stake while Tabung Haji holds the balance 9% of Bank Islam. — Bernama