

# MEDIA RELEASE



## BIMB HOLDINGS BERHAD RESTRUCTURES TO UNLOCK SIGNIFICANT VALUE

Paves the way for listing of Bank Islam

**KUALA LUMPUR, Wednesday, 11 December 2019:** BIMB Holdings Berhad (“BHB”) announced today it will undertake a group restructuring exercise that will unlock significant value for shareholders and transfer its listing status to its subsidiary, Bank Islam Malaysia Berhad (“Bank Islam”).

In its announcement to Bursa Malaysia Securities Berhad, BHB said the proposed restructuring would involve five components. They are:

- i. A Proposed Placement (Placement) of new BHB shares to raise RM800 million. The proceeds together with internal cash will be used to fully settle BHB’s outstanding sukuk, held by Lembaga Tabung Haji (“LTH”).
- ii. A Scheme of Arrangement (SOA) by BHB to settle its outstanding warrants, whereby the BHB warrant holders would be paid a cash consideration for the cancellation of exercise rights in respect of the warrants.
- iii. An Internal Reorganisation, whereby BHB will dispose its entire equity interests in its stockbroking and leasing subsidiaries to Bank Islam, to be settled in cash. The consideration for these disposals will be based on the latest audited net asset value of these subsidiaries.
- iv. Distribution and Capital Repayment.  
After the completion of the Placement, the SOA, the Internal Reorganisation, BHB’s entire shareholdings in Bank Islam and Syarikat Takaful Malaysia Keluarga Berhad (STMKB) will be distributed by way of distribution-in-specie to the shareholders of BHB.

Prior to the proposed distribution and capital repayment, BHB will undergo a capital reduction and Bank Islam will undertake a share consolidation. This is to match BHB’s outstanding shares so that the distribution of Bank Islam shares will be on a one-for-one basis.

The basis of distribution and entitlement of STMKB shares will be determined at a later date.

- v. Listing of Bank Islam.  
On completion of the Distribution-in-specie, BHB shareholders will hold a direct equity interest in Bank Islam and STMKB shares in proportion to their shareholding in BHB.

BHB’s listing status will then be transferred to Bank Islam, which will emerge as the one and only pure-play full-fledged Islamic financial institution to be listed in the region and enhance its corporate stature.

In 1992, Bank Islam was first listed on Bursa Malaysia Securities before BHB was formed in 1997 to replace the Bank as the holding company of the Group, thus becoming the Group's listing vehicle.

This listing will allow Bank Islam to better position itself in the Islamic finance and Islamic capital market and capitalise on the growth of both markets in its efforts to expand its customer base.

[The illustration of the corporate and shareholding structure before and after the proposals, are in Appendix 1]

BHB said following the Distribution and Capital Repayment, it is expected that the new group structure will be able to achieve potential earnings accretion through the elimination of, or minimisation of resources and infrastructure duplication as well as reducing the complexity of group risk management.

Both Bank Islam and STMKB will be able to focus on their respective strengths, allowing for a more efficient utilisation of their balance sheets and capital management to grow.

The proposed exercise, is subject to approvals and/or consent of several authorities including Bank Negara Malaysia (BNM), Ministry of Finance (on the recommendation of BNM), the Securities Commission, Bursa Securities, as well as shareholders of BHB and Bank Islam.

The principal adviser for the exercise is Maybank IB.

The full detailed announcement is available at [www.bimbholdings.com](http://www.bimbholdings.com) and [https://www.bursamalaysia.com/market\\_information/announcements/company\\_announcement/announcement\\_details?ann\\_id=3008848](https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3008848)

### **About BIMB Holdings Berhad**

BIMB Holdings Berhad ("BHB") is the first Islamic Financial Holding company approved by Bank Negara Malaysia under the Islamic Financial Services Act 2013. BHB was incorporated in Malaysia on 20 March 1997, and was listed on the Main Market of Bursa Malaysia Securities Berhad on 16 September in the same year. The core subsidiaries of the BHB Group are pioneers in various Islamic financial services including banking, takaful, stockbroking, and other related services namely Bank Islam Malaysia Berhad, Syarikat Takaful Malaysia Keluarga Berhad and BIMB Securities Sendirian Berhad.

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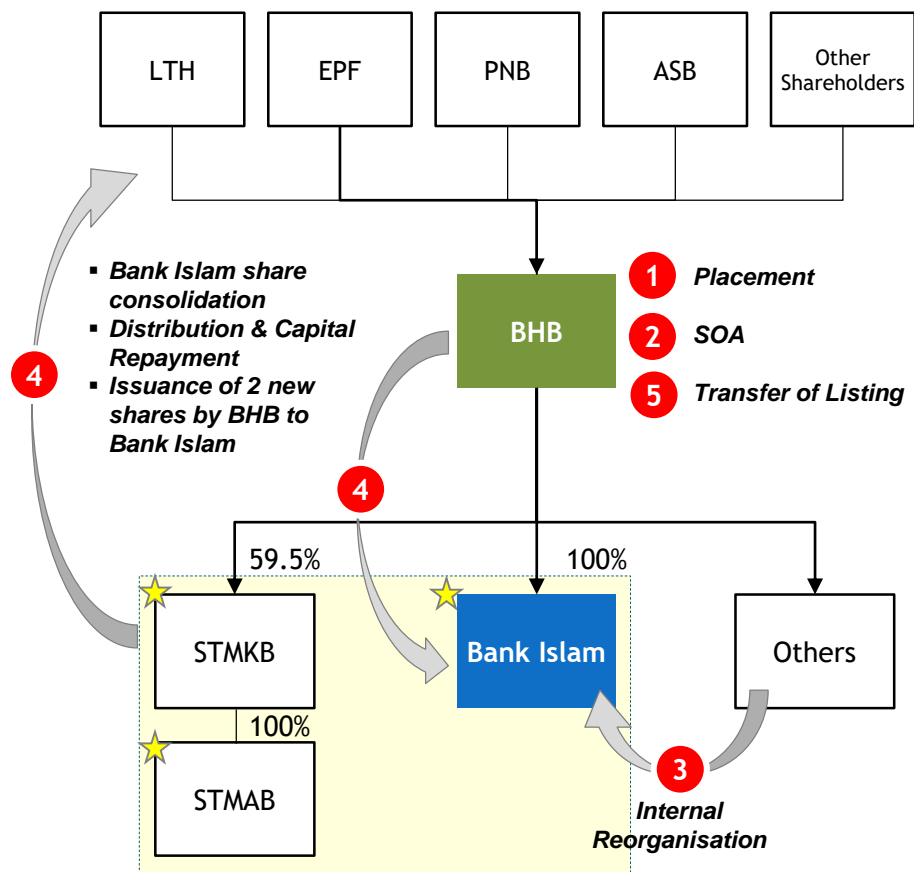
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# IMPLEMENTATION STEPS



**Notes:**

- ★ - Licensed financial institution
- LTH - Lembaga Tabung Haji
- EPF - Employees' Provident Fund Board
- PNB - Permodalan Nasional Berhad
- ASB - Amanah Saham Bumiputera

- BHB - BIMB Holdings Berhad
- STMKB - Syarikat Takaful Malaysia Keluarga Berhad
- STMAB - Syarikat Takaful Malaysia Am Berhad

## Implementation Steps

### 1. Placement

- The proceeds of up to RM800 million together with the internal cash of BHB will be used to fully settle BHB's outstanding sukuk

### 2. SOA

- SOA by BHB with its warrant holders to settle its outstanding warrants using internal cash

### 3. Internal Reorganisation

- Acquisition of BHB's stockbroking and leasing businesses by Bank Islam in cash

### 4. Distribution & Capital Repayment

- Bank Islam to undertake a share consolidation to match BHB's outstanding shares post the Placement so that the distribution basis will be 1 for 1
- Distribution and capital repayment of BHB's entire stakes in Bank Islam and STMKB to its shareholders on a pro-rata basis.

(For illustrative purposes only:

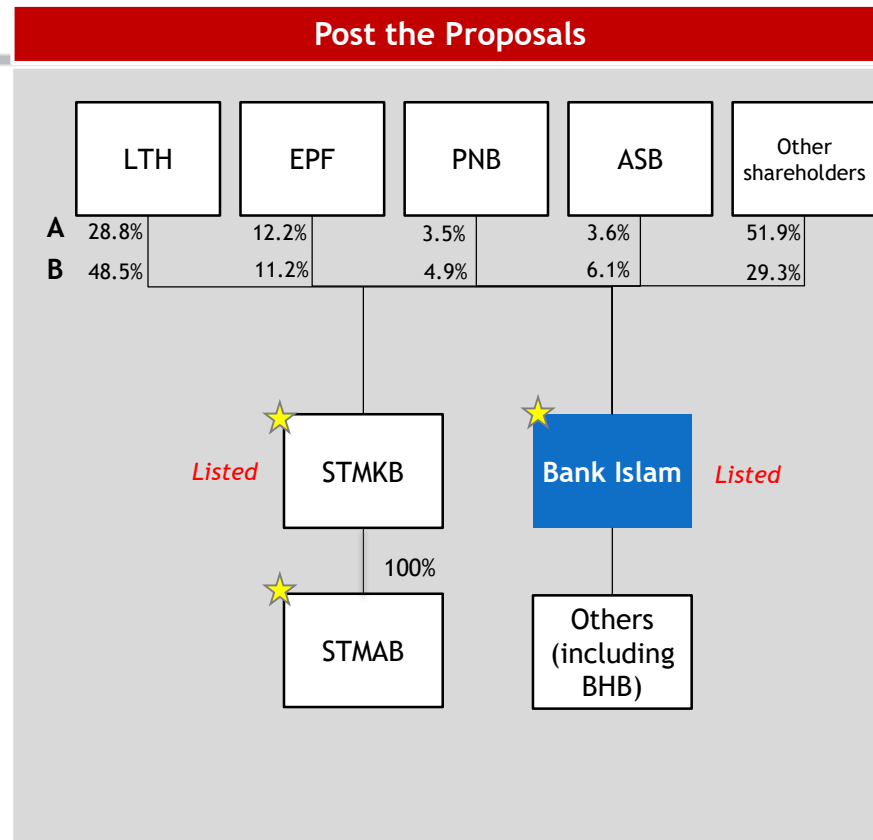
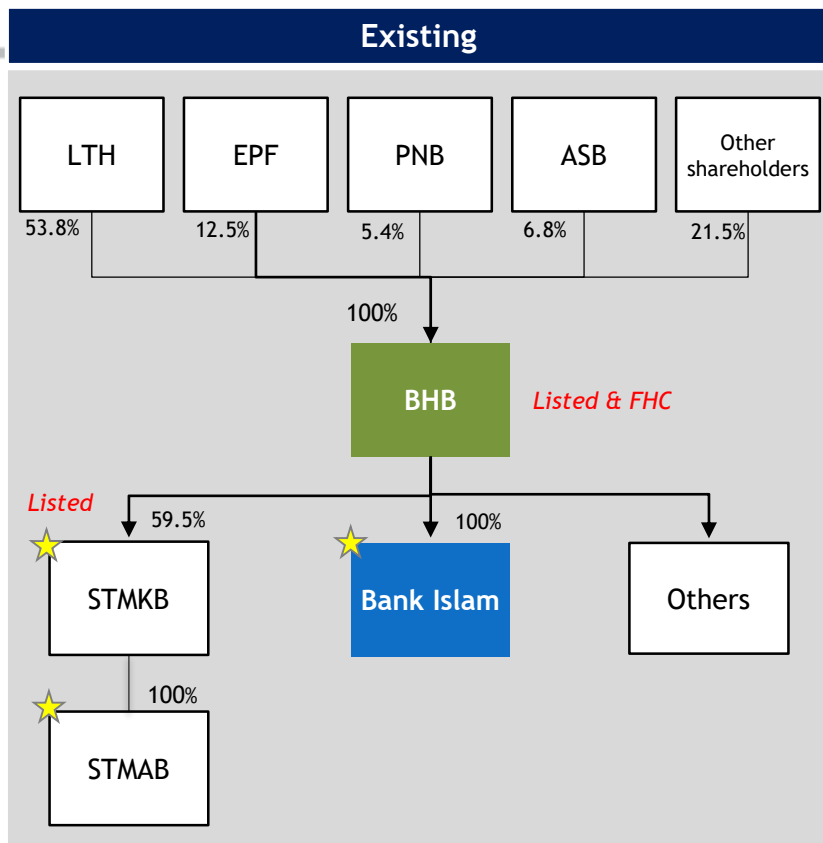
- 1 consolidated Bank Islam share for every 1.28 existing Bank Islam's shares
- 1 STMKB share for every 3.99 BHB shares)

- BHB to issue 2 new shares to Bank Islam such that BHB becomes a wholly-owned subsidiary of Bank Islam instead

### 5. Transfer of Listing

- Transfer of BHB's listing status to Bank Islam

# GROUP STRUCTURE



**Post the Proposals, the existing holding company structure will be collapsed with Bank Islam assuming BHB's listing status on the Main Market of Bursa Securities whilst STMKB will be demerged from the BHB Group and held directly by BHB's shareholders and its other existing shareholders**

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- A - % in STMKB
- B - % in Bank Islam