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11-13-1998

Danamodal to Inject RM50 billion into Perdana Merchant Bankers Berhad

Danamodal Nasional Berhad

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Danamodal Nasional Berhad, "Danamodal to Inject RM50 billion into Perdana Merchant Bankers Berhad" (1998). *YPFS Documents (Series 1)*. 10421.

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Release Date:13/11/1998

DANAMODAL TO INJECT RM50 MILLION INTO PERDANA MERCHANT BANKERS BERHAD

Danamodal Nasional Berhad today signed a Facility Agreement with Perdana Merchant Bankers Berhad for a capital injection of RM50 million. The funds in the form of an Exchangeable Subordinated Capital Loan (ESCL) were disbursed following the signing.

The ESCL which has been granted Tier 2 capital status by Bank Negara Malaysia, enables the capital base of Perdana Merchant Bankers to be strengthened immediately.

Its Risk Weighted Capital Ratio is 11.64% at end September 1998, but under a worst case scenario, this ratio may deteriorate by middle of 1999. The capital injection of RM50 million is a pre-emptive move, and would immediately enhance Perdana Merchant Bankers' RWCR to 16.97% based on its current level of risk weighted assets.

The ESCL is an interim facility which carries a 7.5% interest per annum. This facility will be restructured into long-term Tier 1 and/or Tier 2 instruments within three months.

Danamodal had on 21 October injected a total of RM4.5 billion, also in the form of ESCLs, into eight other banking institutions. The institutions and the sums involved were:

RHB Bank Berhad (RM1.5 billion), Arab-Malaysian Bank Berhad (RM800 million), ArabMalaysian Finance Berhad (RM500 million), Arab-Malaysian Merchant Bank Berhad (RM400 million), BSN Commercial Bank Berhad (RM210 million) Oriental Bank Berhad (RM150 million), Sabah Bank Berhad (RM140 million), and United Merchant Finance Berhad (RM800 million).

Danamodal's technical team is currently working with these respective institutions to restructure the ESCLs into Tier 1 and/or Tier 2 capital.

Disbursing the funds in the form of an ESCL, enables Danamodal to be responsive to the institutions' requests for funding support while ensuring adequate time for full diligence and for the institutions involved to seek the necessary approvals from their shareholders and relevant authorities.

**For enquiries please call: Cik Roro Dewi Mamat or
Encik Rizal II-Ehzan at 03- 2943954**

