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Bank Pembangunan gives out RM4.5bn

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BANK Pembangunan dan Infrastruktur Malaysia Bhd (BPIMP) has undertaken the financing of 10 infrastructure projects worth RM4.5 billion since it assumed responsibility for disbursing funds for such projects five months ago, Second Finance Minister Datuk Mustapa Mohamed says.

Six of the projects were approved by the bank's board of directors while two were given the green light by the Government and another two taken over recently from the Finance Ministry's Syarikat Prasarana Negara Bhd. They involve rail, highway, ports and land development.

Mustapa said five other projects, worth RM2 billion, are being considered by BPIMB and are expected to be approved by the end of the year.

"Discussions on these new projects are either at an advanced stage or almost completed," he said after launching the bank's new name and logo in Kuala Lumpur yesterday.

However, one or two will need public approval, especially the highway projects, Mustapa said.

Noting that BPIMP had taken charge of financing for the 10 projects only on February 26 1999, its managing director Datuk Nik Ibrahim Abdullah said: "We expect to disburse between RM3.5 billion and RM4 billion by the end of the year. To date, RM862 million of the approved RM4.5 billion has been released".

"Including the five projects under consideration, we expect to approve RM7.5 billion worth of project financing this year," Nik Ibrahim said. Mustapa also announced that BPIMB's paid-up capital has been increased to RM1 billion and its authorised capital to RM2 billion. The bank's paid-up capital had for a long time stayed at RM105.5 million, before being raised to RM650 million last year.

"This goes to show how developed the bank has become . . .to emerge as a major player in the banking industry.

"In times of economic turmoil, banks are too careful in their loans for infrastructure projects," he said.

With the presence of BPIMB, it is hoped that funding for such projects will be easier and faster, Mustapa said.

The bank launched its new corporate identity to reflect the increased responsibility, having been tasked with managing the government's funding of major infrastructure projects.

BPIMB executive chairman Tan Sri Dr Aris Othman said even though the bank's focus is now on providing funds for infrastructure projects, it will stay true to its original objective of assisting entrepreneurs and helping to develop small- and medium-sized businesses.

As of end-May 1999, the bank has approved funding for 192 projects worth RM163 million under various other categories.

"We are hoping that by the end of the year we can disburse RM350 million worth of non-infrastructure loans," he said.

Bank Pembangunan Malaysia Bhd changed its name to BPIMB at the beginning of the year, following a proposal by Prime Minister Datuk Seri Dr Mahathir Mohamad to transform the bank when he tabled the 1999 Budget in Parliament last October. Dr Mahathir was also serving as Finance Minister then.

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