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Bank Islam **targets** 20% financing assets growth

> Lender hopes to maintain rate, driven by retail business

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PETALING JAYA: Bank Islam Malaysia Bhd wants to maintain its 20% growth in financing assets in 2014, driven by its retail business, mainly personal financing and mortgages.

Its director of business development Khairul Kamarudin (pic) said the bank has consistently registered 20% growth in the last three to four years.

The 20% target is almost double the banking industry's average growth expected this year but Khairul explained that Bank Islam is not as big as the other banks.

"In terms of percentage, they (the bigger banks) would be registering lower numbers



but in terms of volume, they may have more. It's a ratio game," he told reporters at the Al-Awfar Dream of A Lifetime Campaign prize presentation ceremony here yesterday.

He also said while the increase in costs is a major concern now, over the last few years wealth has increased for the top-tier customers. "Banks can sustain if they continue to manufacture products for the middle to higher income (group)."

On whether the bank is expecting a softening in home loans due to Bank Negara Malaysia's macro prudential measures, Khairul said: "Bank Islam is strict in its underwriting so the impact is marginal. We've always favoured owner-occupied

(borrowers) rather than speculators."

He said Bank Islam is also looking at increasing its fee-based income, as revenue from debit card products and transaction charges has been encouraging.

Analysts are expecting the stronger business loan growth to offset the slower momentum for retail loans this year, to which Khairul said Bank Islam is interested in the oil and gas sector in its business financing.

Khairul said the bank is also keen to increase its market share in the oil and gas sector. "It depends on which sector you are exposed to and the bank's risk appetites. You may want to avoid certain sectors but in growth sectors like oil and gas, there is room to play and we're interested in that segment."

Meanwhile, Bank Islam aims to open at least five more branches to add to the 133 outlets it has in the country today. "We've identified Sri Damansara, Kota Baru and a few more in the Klang Valley," Khairul said.