

DATE	7 / 2 / 2014	SECTION	MALAYSIAN RESERVE
PAGE	2	COLUMN	CORPORATE MALAYSIA

Bank Islam expects 20% loan growth



Pic by Halzi Mohamed

(From left) Bank Islam consumer banking division Mujibburrahman Abd Rashid and Khairul present a mock-up check to Al-Awfar campaign winner Mohd Suhaimi Abdullah during the Al-Awfar prize presentation ceremony at Sri Pentas, Bandar Utama

by TANU PANDEY

BANK Islam Malaysia Bhd expects a 20% year-on-year growth for its financing assets this year led by its retail financing business with demand for individual and housing credit.

"We expect to maintain consistent growth in our financing asset in line with the last three to four years," its director of business development Khairul Kamarudin said yesterday on the sidelines of a function to award the winner of the bank's Al-Awfar "Dream of a Lifetime" draw held last month.

The bank which has not announced its full-year financial results for 2013, had total assets worth RM37.4 billion at the end of December 2012, a 16% growth compared to RM32.2 billion in 2011 fiscal.

Bank Islam will also focus on growing its fee-based

The lender will also focusing on growing its fee-based income

income which has been very encouraging in the recent period, Khairul said.

When asked if the business financing is expected to see a tepid growth, Khairul said: "It depends on which sectors you are exposed to. There are some sectors you may want to stay away from while there are some which have a lot of scope. For example in the oil and gas sector, there is still room to play. We are trying to increase our market share in that sector."

He said cost is a major concern for banks. "If banks want to sustain they have to manufacture products for the middle-income group," he added.

An overall growth of 20% for

the bank is above the industry loan growth estimates in this year for commercial banks which is pegged at about 10%. The commercial banking sector in Malaysia is expecting a lower loan growth this year on the back of lower economic expansion and cooling measures taken by Bank Negara Malaysia to arrest high household borrowings.

"There has been some softening in loan demand but its very marginal. Bank Islam has originally been concentrating more on owner occupied houses rather than speculation-based buying," Khairul said.

The bank is planning to open at least five new branches all over Malaysia by the end of this year with the first one being in Kelantan. Currently the bank has 133 branches and a total retail deposit of about RM8 billion.