

OCBC Al-Amin more than doubles 2013 net profit

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OCBC Al-Amin Bank Bhd (OCBC Al-Amin), the wholly-owned Islamic banking subsidiary of OCBC Bank (M) Bhd (OCBC) has registered a 131% increase in pre-tax profit, to RM136 million from RM59 million in 2012.

It recorded a net profit of RM107 million for the year, which is an increase of 133% compared to the RM46 million seen in the previous corresponding period. Overall, total income rose by 47%.

As at 31 December 2013, the quality of the bank's financing and advances remained strong with a net impaired financing ratio of 0.91% while total assets grew 45% to RM10 billion.

Shareholders' funds strengthened to RM595 million and OCBC Al-Amin is well capitalised with a core capital ratio and risk weighted capital ratio respectively of 10.549% and 14.125%.

With this the bank has sustained more than a four-fold growth in pre-tax profit since its first full year of existence in 2009 when it registered a pre-tax profit of RM24 million.

According to its director and chief executive officer (CEO), Syed Abdull Aziz Syed Kechik, the strong growth both in 2013 and in previous years was "largely due to higher financing income from gross financing and advances, which grew 57% to RM6.9 billion and also a significant increase in customer deposits which grew 49% to RM6.7 billion."

"Our growth in 2013 was underpinned by intensive efforts to market Islamic financing and cash management solutions to corporates, SMEs and consumers. Our pioneering unsecured term financing product Business Cash-i, large corporate deals and consumer mortgage product contributed significantly to the gains," he added.

Syed Abdull said that the Business Cash-I programmed that was introduced in the fourth quarter 2012, continued to make significant inroads with SMEs and small businesses, serving the capital needs of over 5,000 companies.

Furthermore, the Bank expanded its foreign currency financing efforts in support of the country's global Islamic banking positioning under Malaysia Islamic Financing Center. OCBC Al-Amin also expanded its capability in Islamic Treasury with hedging and structured investment solutions for its wholesale customers.

Moving forward, Syed Abdull Aziz said OCBC Al-Amin will continue to build its capacity in the Islamic banking wholesale and retail segments, and reinforce its existing strong network of distribution channels to acquire new customers and offer innovative solutions to existing and potential customers.

With the opening of two new OCBC Al-Amin Xpres branches in 2013, the bank now has 10 standalone Islamic banking branches.

"The expansion of OCBC Al-Amin's distribution footprint is a key strategy for us to engage with and be more relevant to our target segments, particularly the urban young and Bumiputra segments.

"Through our corporate programmes, we will seek to penetrate the private sector employee market to become a financier of choice. We will, of course, leverage on the infrastructure within the OCBC group and the strong OCBC brand name to broaden our customer base and retain our position among foreign Islamic banks as a leading provider of innovative product solutions," he added.

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