

Bank Rakyat plans to control 50pc of Ar-Rahnu market

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At present, Bank Rakyat controls 25 per cent of the Islamic pawn broking market, also known as Ar-Rahnu, with loan disbursements totalling RM1.2 billion annually.

"The increase in disbursements and the Ar-Rahnu loan balance to be disbursed from year-to-year has made it among the business portfolios that contributed significantly to our performance.

"Loan disbursements from January to August this year reached as high as RM816 million while the Ar-Rahnu loan balance until August was RM915 million," he told a media conference after officiating at the eighth Ar-Rahnu X'Change franchise network in Semenyih, Selangor, yesterday.

The network, operational from July 1 this year, is owned and managed by the Koperasi Pekerja-Pekerja Jabatan Perdana Menteri Malaysia Bhd as a franchise.

It is understood that the Yayasan Pembangunan Ekonomi Islam Malaysia, Permodalan Kelantan Bhd and Agrobank also offer the Ar-Rahnu scheme.

Ar-Rahnu is a Islamic pawn-broking business that offers loans without any interest (only a low safe-keeping charge) and a high and flexible period of financing.

To control 50 per cent of the Islamic pawn broking market, Kamaruzaman said, Bank Rakyat, through its fully-owned subsidiary Rakyat Management Services Sdn Bhd, plans to open four Ar-Rahnu X'Change franchise outlets. - Bernama