

RHB Launches The Ar-Rahnu Facility-i at the RHB Islamic Kuala Terengganu Branch

Kuala Terengganu, 10 October - RHB Islamic Bank ("RHB Islamic"), the Islamic Banking arm of the RHB Banking Group, officially launched its Islamic Pawn-Broking or Ar-Rahnu Facility-i today at the RHB Islamic branch in Kuala Terengganu.



From left to right : En Zulkhairi Zabiri, Puan Wan Maznah Wan Yusof, Haji Abd Rani Lebai Jaafar, CEO of RHB Islamic Bank, and En Nazri Othman officiating RHB Islamic's Ar Rahnu-i product at the Kuala Terengganu branch

The product was first launched on 28th April 2011 at RHB Islamic Kubang Kerian branch, Kota Bharu, Kelantan. "After five months into operations, until the end of September 2011, RHB Islamic Kubang Kerian branch has issued total loans (qard) of up to RM1.30 million, while the total value of gold jewellery pledged to the branch stands at RM 1.84 million. On average, the loans (qard) and the value of gold jewellery are RM258,000 and RM369,000 respectively every month. This indicates that demand for the Ar-Rahnu service is very promising in line with demand for this kind of micro-credit financing" said Chief Executive Officer, RHB Islamic, Tuan Haji Abd Rani Lebai Jaafar at the launch.

The product was launched to cater to the financing needs of women entrepreneurs and families in the lower income bracket. Because gold jewellery can be exchanged for cash instantly and redeemed after a certain period, we are providing an alternative to the conventional pawn-broking. Ar-Rahnu Facility-i does not charge interest but safekeeping fees.

RHB Islamic has selected the Kuala Terengganu branch to be the next to offer the Ar-Rahnu product in view of the many self-employed, small businesses and entrepreneurs women in this state. This will enable them to obtain an alternative for their financing needs.

"Our long term goal is to extend the Ar-Rahnu product at each of our Islamic branches throughout Malaysia with seven initial targets - Bandar Baru Bangi, Johor Bahru, Batu Pahat, Kelana Jaya, Jalan Raja Laut Kuala Lumpur, Sungai Petani and Shah Alam branches. This plan will be realised in stages in line with the business strategies of the Group," said Tuan Haji Abd Rani at the launch.

The Ar-Rahnu Facility-i is open to everyone, to both Muslims and non-Muslims. Applicants need to be Malaysians who are aged 18 and above.

RHB will also offers special packages of Ar-Rahnu bundled with the Islamic Estate Planning product where customers can enjoy a higher loan (qard) margin if they choose to apply for Ar-Rahnu and Islamic Estate Planning products together.



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About the RHB Banking Group

The RHB Banking Group is the fifth largest fully integrated financial services group in Malaysia. The Group's core businesses are streamlined into seven Strategic Business Groups (SBGs): Retail Banking, Business Banking, Group Transaction Banking, Corporate & Investment Banking, Islamic Banking, Global Financial Banking and Group Treasury. These businesses are offered through its main subsidiaries - RHB Bank Berhad, RHB Investment Bank Berhad, RHB Insurance Berhad and RHB Islamic Bank Berhad, while its asset management and unit trust businesses are held under RHB Investment Management Berhad. RHB's Global Financial Banking Division includes commercial banking operations in Singapore, Thailand and Brunei. The Group also has a non-ringgit based offshore funding operations in Labuan as well as a representative office in Vietnam. It is RHB Banking Group's aspiration to deliver superior customer experience and shareholder value; and be recognised as one of the top financial services group in the ASEAN Region.

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