

MDV To Focus On Islamic Finance This Year

By Mohd Khairi Idham Amran

KUALA LUMPUR, Jan 3 (Bernama) -- Malaysia Debt Ventures Bhd (MDV), a wholly-owned subsidiary of the Ministry of Finance, will focus more of its activities, this year, on Islamic financing, said Managing Director cum Chief Executive Officer Md Zubir Ansori Yahaya.

He said the company was determined to support the government's effort to promote Islamic finance and utilise the funds raised from sukuk issue to finance development projects.

The company, to date, has issued two Sukuk worth RM1 billion.

"All (new) loans will be approved based on the syariah regulation. In the instance, the loan does not fall into this category, it will than be converted into conventional financing," he told Bernama recently.

He said conventional financing would only be considered in instances where the project, to be financed, does not comply with syariah principals.

Zubir said the largest beneficiary of MDV's services this year would be the information and communication technology (ICT) sector which would account for 80 per cent of the loans disbursed.

The remaining 20 per cent of MDV's financing will go towards biotechnology and green technology sectors in equal proportions.

At present, 90 per cent of MDV's loan portfolio is made of up the ICT sector while the biotechnology sector accounted for the remainder.

Asked about this year's loan disbursement, Zubir said MDV expected to loan out between RM600 and RM700 million worth of funds.

"The repayment rate of loans, so far, is 30 per cent and this is healthy," he said, adding that the repayment would be rolled over as loans for new applications.

Currently, about 230 companies patronised MDV's services.

Since its establishment in 2002, the premier financier and development facilitator for the ICT, biotechnology and emerging technology sectors in Malaysia, has approved financing to more than 480 companies.

With a fund size of RM4.1 billion and competitively priced financing products, with a financing amount up to RM120 million, MDV offers innovative financing solutions and nurturing initiatives to spur the growth of these sectors.

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