Syariah Banking

Our strategic focus in Syariah banking has shifted towards the individual as opposed to the corporate market. Syariah banking in 2005 represented about 2% of the total assets for the financial services industry in Indonesia, a figure expected to grow to 8% in the next five years with research indicating a greater willingness to experience Syariah banking among consumers with middle to upper level incomes.

In 2005 we launched various products, including Mudharabah Muqayyadah, a champion product for daily and special investment. During the year, we were also active in promoting a wider understanding of Syariah banking principles in cooperation with PKES (Center for Syariah Economic Communication), ASBISINDO (Indonesian Syariah Banks Association), and MES (Syariah Economic Community) using various forum events including television programmes and customer gatherings.

In addition, our Syariah banking has succeeded in achieving the position of the 2nd place in the Loyalty Index Sharia Bank Awards, conducted by Mark Plus and Info Bank Magazine. Following an evaluation and re-alignment of our current branch structure and taking into account the new regulations facilitating Syariah customers’ access via shared counter facilities within the conventional bank, we will be expanding our penetration in this high growth segment throughout the country.