

SME Bank sets modest loan growth target

KUALA LUMPUR: SME Bank is targeting a modest financing growth of RM400 million this year, compared with RM934 million recorded in 2020 as domestic economic activities continue to slow down due to the Covid-19 pandemic.

Group president and chief executive officer Aria Putera Ismail said the decline in financing growth is in line with weaker business sentiment amid prevailing uncertainties.

"The widespread containment measures such as the movement control order and international border closures have prompted a weak external demand environment as well as impacting the domestic economy," he told Bernama in an e-mail interview.

Aria said SME Bank, which focuses on financing small and medium enterprises (SMEs), has taken a direct hit as SMEs were facing an almost 90% plunge in sales during the initial containment period. This was followed by a liquidity crisis due to extreme cash flow constraints and disruptions in supply chains, he noted.

"Moving forward, we expect the recovery of SMEs and the Malaysian economy for this year and 2022 to be gradual. This would be supported by the easing of restrictions and improvement in global trade, coupled with the continued policy support, stimulus assistance and more importantly the success of the Covid-19 inoculation programme," he said.

Asked whether there is an increase in non-performing loans (NPL), Aria noted that the bank's gross impaired ratio stood at 16% as at Dec 31, 2020.

Taking into account the impact of the pandemic and the challenging business environment, the bank will strive its best to improve or at least maintain it at that level, he said.

Aria said SME Bank has been carefully managing its balance sheet and asset quality throughout this unprecedented period, which has provided greater leeway for the bank to grow its business with sufficient cushion against potential risks and challenges that may lie ahead.

On SME Bank's maiden sustainability sukuk wakalah issuance of RM500 million, which registered a final order of RM1.78 billion in its book-building exercise, translating into 3.56 times bid-to-cover, he said demand for sustainability-linked bonds will continue to gain traction as supply is still limited.

Aria also said SME Bank has been incorporating environmental, social and governance elements in carrying out its mandate since its establishment.

Get the learning right, and the earnings will follow

➤ YB Ventures Bhd executive director Au Yee Boon tells SunBiz there is nothing that cannot be achieved if you put your heart into it

SUCCESS: THE INSIGHT STORY

HOW has your life experience made you the leader you are today?

There were definitely times when life was tough, but these were the moments that shaped me into the person I am now. I am grateful for the experiences life has bestowed upon me. I believe that with perseverance and hard work, I can achieve anything.

What traits do you look for in your talent or how do you decide who is right for a job?

Efficiency, producing desired outcomes with minimal mistakes or error. Next is determination. Being able to commit despite stumbling into obstacles from time to time is the characteristic of a person who wins and wins big. Confidence is also something to highlight because it boosts your attitude and mentality.

How do you think the industry you are in will evolve?

Recently, we launched Talos Living Tiles, Malaysia's first antivirus tiles, using the groundbreaking nano glaze technology to produce endev negative ions. The unique tiles can improve indoor air quality, and much more. As people are increasingly more cautious about the state of their health due to the ongoing pandemic, I am strongly positive on future demand for Talos Living Tiles.

What advice can you offer those looking to start their career/own business?

Focus on learning, not earning. Once the learning is done right, then the earnings will follow. Don't be afraid to ask for help, path to success is hard to reach alone. Set goals to achieve and cultivate perseverance. There is nothing that cannot be achieved if you set your heart to it.

We all know

about the industrial revolution, are we in for a technological revolution? Your thoughts.

I see huge, but yet to be fully harnessed, potential in blockchain technology. Blockchain is an emerging technology, a digital ledger that stores transactional records; it supports both applications and complex programming. Many industries can capitalise on its benefits. Blockchain is the future of modern data transfer technology and its full potential has yet to be fully discovered.

How has mentorship made a difference in your professional life?

There are two ways on how I look at it. Coming from a mid-low income group and blue-collar worker family, I am disadvantaged in the sense that I don't actually have anyone to guide me for what I want to achieve since my younger days. At the same time, I am the lucky one because I like to read books, especially on autobiographies of successful people, I like to know their story. From there, I learnt a lot, and, without me realising it, these successful people have somehow become my mentors.

What do you want to accomplish in the next five years?

I always believe that we should never stop learning. I hope to be able to develop better leadership skills, to increase the income of the company and reduce operational expenses. To be the best person I can be for my family, friends and the company.

Best piece of advice you ever received on your career.

Play to your strengths and embrace your weakness.

Most-admired business leader? Why?

Carl Icahn. Icahn is a renowned businessman, popularly known as "Corporate Raider", founder of Icahn Enterprises and one of the most successful investors of Wall Street.

How do you stay abreast of issues affecting your industry?

The ability to observe alerts you to the big or minor changes that is happening around you.

This is where ideas come from. Never stop staying updated, so read and research to be in the trend. I continuously expand my network and we exchange favours in the business world frequently. We will never know when will we need a favour from anyone but it is a never a bad idea to have someone in your circle to have your back covered in vital times.

If you could have an hour with any thought leader in the world, who would it be and why?

Tony Robbins. He offers a lot of guidance and insights through his motivational speeches and books, which are really inspiring. I would surely not hesitate to meet him in person if there is a chance.

What has been the biggest challenge you have faced? And what did you learn from it?

Accepting responsibility. Once I had accepted it, I became more confident and began to see things from a different perspective. Doing the right thing and choosing the correct actions will have influence in producing the right outcome.

What man-made innovation confounds you? Why?

Artificial intelligence. I am certainly amazed by this technology as it can mimic human intelligence and simulate behaviors, making it possible for machines to help reduce the necessity for us to perform tedious or repetitive work and even dangerous tasks.

A must-read for every business owner/manager is ...

Good to Great by Jim Collins. Great content for owners and leaders, will read it every year to refresh the advice and value inside. I see things differently every other year I read it as experience change my perspectives towards the content.

How do you expect policies on climate change to impact businesses in the future?

Climate change, such as extreme weather, drought, and so on, will greatly impact our health and disruption to economic and social activity. We try to adapt as much as possible, by doing our part to reduce waste, energy consumption, by aiming to improve resource productivity in the most efficient and sustainable way.

What are the top three factors you would attribute your success to?

Resilience, optimism and proper mindset.

Tell us a joke.

Why is money called dough? Because we all knead it.



WARRANTS WATCH

HSI, DNeX and JAKS step into the spotlight

DESPITE a market closure last Tuesday in conjunction with the public holiday for Hari Raya Aidiladha, overall warrants turnover surged 85.7% to RM243.5 million last week due to the increased turnover in warrants over indices and single stocks (up 91% and 83% week-on-week respectively).

Hong Kong's Hang Seng Index (HSI) traded below the 28,000 level and was mostly in the red last week, resulting in a loss of 2.4%. It closed 1.5% lower on Friday at 27,321.98 points, wiping off its previous day's 1.8% rally. The HSI's bearish trend came on the back of lingering concerns about Beijing's crackdown against internet-platform companies along with the increased Delta variant Covid cases globally.

Call warrant HSI-CFR (-75.9% on-week) was the most active warrant as investors net bought 5.9 million units out of 121.7 million units traded, followed by put warrant HSI-HGR (+27.3%) which recorded a total trading volume of 116.6 million units. Investors trading these warrants should trade with caution as they are expiring on Thursday.

All warrants listed on Bursa Malaysia will have a last trading day, which is the last day that investors can buy or sell the warrants before they expire. The last trading day falls two days before the warrants' expiry date - in this instance, tomorrow is the last trading day for HSI-CFR and HSI-HGR.

Meanwhile, TENCENT-C11 was top traded among warrants over the

Top stock warrants by value traded:

Warrant name	Value (RM' mil)	Issuer	Exercise level	Expiry date
HSI-CFR	121.7	Macquarie	27,600	29 Jul 2021
HSI-HGR	116.6	Macquarie	26,800	29 Jul 2021
JAKS-CD	94.0	Kenanga	0,880	28 Mar 2022
DNeX-CF	91.0	Kenanga	0,900	30 May 2022
DNeX-CG	65.2	Kenanga	1.20	30 May 2022

Hong Kong shares, recording a volume of 10 million units. The warrant fell 33.3% on the week as its mother share Tencent Holdings weakened 5.9%.

On the local front, the call warrant over JAKS Resources, JAKS-CD, was in the spotlight as investors traded 94.0 million units, placing it third on the

top warrants list. Its mother share reversed the previous week's lacklustre performance, rallying to trade above the 50 sen mark and closing at 52 sen (-1.0%) last Friday, 8.3% higher on-week. Other popular warrants include those over Dagang NeXchange (DNeX) namely DNeX-CF and DNeX-CG with both registering

trading volumes of 91.0 million units and 65.2 million units, respectively. Similarly, DNeX rose 4.0% week-on-week, closing at 77 sen (-0.7%) on Friday.

To view the full list of structured warrants available on Bursa Malaysia, visit malaysiawarrants.com.my.

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Past performance is not indicative of future performance. You should make your own assessment and seek professional advice. The warrants will not be offered to any US persons.