

# MEDIA RELEASE

For Immediate Release



## **iTEKAD 2.0 introduced to extend support for the Asnaf and B40 communities**

*Bank Muamalat and CIMB Islamic joining Bank Islam to expand socio-economic support*

**KUALA LUMPUR, Wednesday, 25 August 2021:** Three Islamic banks are stepping up their efforts to better serve the asnaf and B40 communities in facing the effects of the COVID-19 pandemic through the expansion of the iTEKAD programme ("iTEKAD 2.0"). Bank Muamalat Malaysia Berhad ("Bank Muamalat") and CIMB Islamic Bank Berhad ("CIMB Islamic") are joining Bank Islam Malaysia Berhad ("Bank Islam") in offering this programme and set to amplify it further. This holistic social finance programme ensures sustainable income generation and financial resilience of the participants.

Launched in May 2020 in Federal Territory Kuala Lumpur, iTEKAD is designed to mobilise social finance instruments such as zakat (tithe), sadaqah (alms), waqf (endowment) and social investment fund. iTEKAD offers seed capital with an affordable microfinancing arrangement to eligible applicants. It aims to empower eligible micro-entrepreneurs among asnaf and B40 individuals to achieve financial resilience, generate sustainable income, and contribute to the community.

In addition to working capital funding, iTEKAD will use social finance funds such as zakat or sadaqah to reduce credit exposure of eligible asnaf micro-entrepreneurs through working capital or the purchase of business equipment. iTEKAD also involves collaborations with selected implementation partners such as State Islamic Religious Councils, government agencies and non-government organisations. Through this collaboration, recipients will receive structured entrepreneurship and financial management training to ensure a more holistic understanding, skills and knowledge in managing their venture efficiently and sustainably.

Mohd Muazzam Mohamed, Bank Islam Chief Executive Officer, said, "For the initial phase of iTEKAD, Bank Islam collaborated with Majlis Agama Islam Wilayah Persekutuan ("MAIWP") and SME Corporation Malaysia ("SME Corp. Malaysia"). We allocated RM5 million by tapping into Bank Negara Malaysia ("BNM") 's Micro Enterprises Facility ("MEF") fund for the programme. With the initial target of 100 micro-entrepreneurs, 98 business owners received financing approvals from Bank Islam as of 31 July 2021, totalling approximately RM1.8 million microfinancing. Out of that number, 49 asnaf entrepreneurs received zakat funds totalling RM205,000 through our collaboration with MAIWP, while SME Corp. Malaysia conducted six entrepreneurship and financial management training sessions for them. For its next phase, Bank Islam will expand iTEKAD coverage to Selangor and Perlis by collaborating with Teraju Ekonomi Asnaf Sdn. Bhd. ("TERAS") and Akademi Transformasi Asnaf MAIPs Sdn. Bhd. ("ATAM") that are subsidiaries of the State Islamic Religious Council of both states."

He adds, "Bank Islam welcomes the expansion of the iTEKAD programme with the involvement of Bank Muamalat and CIMB Islamic as we believe this will provide a more extensive socio-economic support needed in facing the adverse effects of COVID-19. We encourage more B40 and asnaf micro-entrepreneurs to participate in this microfinancing programme. This effort shows the importance of Islamic Social Finance in protecting the wellbeing of the most vulnerable segment in the community, particularly during this trying time."

Khairul Kamarudin, Bank Muamalat Chief Executive Officer, said, "Bank Muamalat is a trendsetter in its contributions to Islamic social finance and is leading the way by providing an innovative solution to the current economic uncertainties through its iTEKAD Mawaddah programme."

The iTEKAD Mawaddah programme is unique as it incorporates the Shariah innovation of two-tier mudarabah. Under this new concept, the Bank will source funds from investors to invest in businesses owned by B40 individuals and micro-entrepreneurs. The profit and loss of each business will be shared with the respective investors.

The target industries under the iTEKAD Mawaddah programme are Food and Beverages (F&B), Agriculture and Gig Economy. Entrepreneurs who participate in the programme will be provided financial advisory and Halal Certification. For the first

phase of the iTEKAD Mawaddah programme, Bank Muamalat has targeted an investment fund from selected investors amounting to RM200,000 for 20 entrepreneurs from the F&B industry.

Ahmad Shahrman Mohd Shariff, Chief Executive Officer, CIMB Islamic, said, "CIMB Islamic is pleased to support Bank Negara Malaysia's iTEKAD initiative, which closely reflects CIMB Islamic's values in contributing positively and creating a sustainable impact on the economy and local communities, including the B40 and asnaf, as well as those whose livelihoods are affected by the COVID-19 pandemic, aligned with the Shariah principles. Our upcoming initiative, a rider entrepreneur programme, will lay the foundation for building sustainable income generation for a group from the underprivileged community through upskilling, structured training and job creation."

CIMB Islamic's Rider Entrepreneur Programme will see the graduation of the first batch of participants in September, with options to further their interests in food delivery supported by grants for motorcycles. After completing the programme, they also can embark on further skill upgrading in pursuit of owning their own business. The programme will be operationalised through a seed fund of RM300,000.

Further details on these programmes will be announced by the respective banks soon.

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#### **About Bank Islam Malaysia Berhad**

Bank Islam Malaysia Berhad was established in 1983 as the Nation's first Islamic Bank. To date, the Bank has a network of 144 branches and more than 900 self-service terminals nationwide. To meet the diversity of the public's financial needs, Bank Islam offers more than 70 *Shariah*-based banking products and services which cater to Muslims and non-Muslims. For more information on Bank Islam products and services, visit [www.bankislam.com](http://www.bankislam.com) or call Bank Islam Call Centre at 03-26 900 900.

#### **About Bank Muamalat Malaysia Berhad**

Bank Muamalat is a leading Islamic bank, established on 1 October 1999, and is governed by Islamic Financial Services Act 2013 (IFSA). As a full-fledged Islamic financial institution, the bank offers its customers a broad range of services, meeting the needs of both individuals and institutions. In essence, Bank Muamalat provides individuals with services ranging from deposit accounts, asset management, financing needs for automobiles, homes and personal use as well as wealth management products such as family and general takaful, investments, Islamic estate planning to non-financial products such as Islamic funeral management, Quranic learning and halal tours. The Bank offers corporate and institutional customers the full product range of a leading corporate and investment bank, from cash management, payment solutions including trade and export finance to international foreign exchange, financing and capital market transactions. Bank Muamalat has presence nationwide via a network of 67 branches. In addition, Bank Muamalat also has its electronic channels encompassing i-Muamalat (the Bank's internet banking solution) and our Self Service Terminals (SST) which are available at almost 141 locations through its network of ATMs, CDMs and CICOs. We also provide corporate internet banking at your convenience. Bank Muamalat is a member of the DRB-HICOM Berhad Group which owns 70% of the Bank's shares with the remaining stake held by Khazanah Nasional Berhad. Bank Muamalat was officially accepted as a member of Global Alliance for Banking on Values (GABV) on 15 November 2017. Signaling a growing

appetite for the values-based banking movement, Bank Muamalat is the first Islamic bank in the world and the first in Southeast Asean region to be accepted as a member of GABV.

### **About CIMB Islamic Bank**

CIMB Islamic Bank, licensed under Malaysia's Islamic Financial Services Act 2013, is the main operating entity of CIMB Group's global Islamic banking and finance franchise. It offers Shariah-compliant products and services to CIMB Group's consumer banking, commercial banking, wholesale banking and asset management businesses.

CIMB Islamic's services, products and operations comply strictly with global Shariah principles and standards under the guidance of the CIMB Islamic Board Shariah Committee which comprises world renowned Shariah experts and scholars. CIMB Islamic provides comprehensive and innovative Shariah-compliant financial products and services to meet the needs of individuals, small and medium scale enterprises as well as large institutional customers.

CIMB Group's Islamic banking and finance business is supported by the Group's network of around 34,000 employees in 15 countries comprising an experienced senior management team and a global team of Islamic banking and financial services professionals in all core components of the Islamic banking and financial services market. CIMB Group has one of the most extensive retail branch networks in ASEAN, with 644 branches as at 31 March 2021.