

MEDIA RELEASE

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BANK ISLAM AND SOSEA DRIVE SOCIAL ENTREPRENEUR GROWTH IN SABAH

KOTA KINABALU, SABAH, Friday [12 January 2024]: Malaysia's pioneering Islamic bank, Bank Islam Malaysia Berhad (Bank Islam or the Bank), today signed a Strategic Collaboration Agreement with the Sabah Social Entrepreneurs Association (SOSEA) for the development of social entrepreneurs, including extending access to financing to its members, at the Sabah International Convention Centre.

Bank Islam Group Chief Social Finance Officer Mohd Nazri Chik signed the agreement on behalf of Bank Islam, while SOSEA was represented by its President, Puan Zazila Roslan.

Founded in 2021, SOSEA comprises 70 social entrepreneurs and is Malaysia's second-largest social enterprise association. It aims to connect Sabah's social enterprises through networking and strategic cooperation. Social entrepreneurs play a vital role in empowering and addressing local communities' challenges by creating products or services that can help improve their quality of life.

Prior to the signing of the collaboration agreement, Bank Islam conducted site visits to various social enterprises affiliated with SOSEA in Kota Belud, Kundasang, and Papar. This morning, a productive engagement session was held between the Bank and SOSEA leaders and members to understand the challenges and untapped potential of Sabah's social entrepreneurship landscape.

With the signing of this agreement, Bank Islam appointed SOSEA as its change-maker, which will also be an implementation partner in realising the Bank's social finance agenda.

Hence, this collaborative venture intensifies the effort to achieve positive outcomes for eligible social entrepreneurs, underserved communities, and the environment.

Mohd Nazri explains that beginning 2024, Bank Islam will focus on developing social enterprises to grow the social impact and move towards a more inclusive financial system. Support from commercial banks like Bank Islam will increase the potential of social enterprises and further ensure the success of the Social Entrepreneurship Action Framework 2030 (SEMy2030), which the government launched through the Ministry of Entrepreneur and Cooperatives Development.

"Sabah is a thriving ground for dynamic social entrepreneurs and is poised to catalyse local socio-economic growth while championing environmental well-being. A notable exemplar is Magret Daddy, a SOSEA member and participant of Bank Islam's microfinance programme, iTEKAD BangKIT. This woman entrepreneur is spearheading the revitalisation of neglected cocoa farms in her village in Kota Belud. Her efforts not only enhance the quality of cocoa production but also create a positive effect, enriching the lives of her fellow villagers," he emphasised.

He added that Bank Islam is honoured to be entrusted to offer crucial support needed to social entrepreneurs such as Magret Daddy, enabling them to mobilise the efforts of entrepreneurs under their wings, including cocoa farmers, who play an essential role in generating the state's economy. Sabah, the country's leading producer of cocoa seeds, accounts for over half of Malaysia's cocoa crops.

"The Bank believes that the injection of funds through its iTEKAD programme will amplify the potential of the commodity, significantly contributing to the well-being of the local community," he adds.

"The same goes for the graduates of the International Islamic University Malaysia, Lukman Awaluddin and his wife, Siti Faznur Khaled, who founded Brutti&Besi, leverages and turned 40 tons of pallet wood into furniture that saved more than 500 trees but also organised the BaikiHero programme to train the youth to have the skills of repairing and making furniture to create employment opportunities in Sabah," he said.

Launched in May 2020, iTEKAD is designed to mobilise social finance instruments such as zakat (tithe), sadaqah (alms or donation), waqf (endowment) and social investment funds by offering structured microfinance as well as providing business and financial management training to qualified applicants. The programme aims to empower eligible microentrepreneurs, including social entrepreneurs, to achieve financial resilience, generate continuous income and create a sustainable value chain that would benefit the community.

Through iTEKAD, recipients will receive structured entrepreneurship and financial management training to ensure a more holistic understanding, skills, and knowledge in managing their venture efficiently and viably.

Bank Islam has three iTEKAD programmes - iTEKAD BangKit, iTEKAD Maju, and iTEKAD Jaya – offered to the underserves or ventures owned by the B40s. Since its launch, Bank Islam has empowered over 1,000 micro-entrepreneurs by distributing more than RM16 million in financial support under the iTEKAD programme.

Mohd Nazri adds that in 2024, Bank Islam will broaden its focus and collaborate with social enterprises in other Malaysian states.

"This year, the Bank plans to expand its efforts to develop social entrepreneurship in other states. This effort will provide opportunities for social entrepreneurs to enhance their skills and capabilities through our comprehensive iTEKAD microfinance programme while, at the same time, further strengthening their efforts in generating a more significant social impact on the communities and the environment," he said.

About Bank Islam Malaysia Berhad (Registration No [198301002944(98127-X)])

Bank Islam is Malaysia's first publicly listed Islamic Bank on the Main Market of Bursa Malaysia. Established in July 1983 as Malaysia's first Islamic Bank, Bank Islam has 135 branches and over 900 self-service terminals nationwide. As a full-fledged and pure-play Islamic bank, Bank Islam provides banking and financial solutions that strictly adhere to the Shariah rules and principles and are committed to the ideals of sustainable prosperity and ESG values. The core subsidiaries of the Bank Islam Group are pioneers in various Islamic financial services, including investment and stockbroking, namely BIMB Investment Management Berhad and BIMB Securities Sdn Bhd. For more information on the Group's products and services, visit www.bankislam.com.

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