

MEDIA RELEASE

For Immediate Release



BANK ISLAM COLLABORATES WITH FARM DIRECT SHOP TO EMPOWER MICRO-ENTREPRENEURS AND SMALLHOLDER FARMERS IN SARAWAK

Financing aimed at facilitating a sustainable value chain to protect livelihoods and food security

KUCHING, Saturday, [5 August 2023]: Bank Islam Malaysia Berhad (Bank Islam or the Bank) is expanding its iTEKAD microfinancing programme access to local farmers and entrepreneurs through a collaboration with Farm Direct Shop (FDS), a local social enterprise. FDS provides a platform that facilitates direct sales to consumers by showcasing their produce and products and marketing services for the items through the WhatsApp messaging service and its outlet.

Launched in May 2020 in Federal Territory Kuala Lumpur, iTEKAD is designed to mobilise social finance instruments such as zakat (tithe), sadaqah (alms or donation), waqf (endowment) and social investment fund by offering seed capital with an affordable microfinancing arrangement to eligible applicants. The programme aims to empower eligible microentrepreneurs, including farmers, to achieve financial resilience, generate continuous income and create a sustainable value chain that would benefit the community.

Mohd Zikri Mohd Shairy, Bank Islam Assistant General Manager, Group Financial Inclusion Division, said, "Farmers are crucial to the welfare of communities, especially in rural areas where agriculture is a significant source of income. It helps reduce poverty by preventing hunger and generating economic activity. However, the agricultural sector, which is essential for food security, has been impacted by climate change, population growth, changing dietary preferences, global pandemics, and conflicts. In response, farmers must find ways to maximize their harvest and improve efficiency through better working methods and effective tools."

He adds, "Bank Islam is helping to advance the food value chain by offering opportunities for smallholder agriculture and small business owners to enhance their skills and capabilities through our comprehensive iTEKAD microfinancing program. With the support of FDS, we can engage directly with more than 400 suppliers under the mentorship of the platform."

In addition to working capital funding, iTEKAD involves collaborations with selected implementation partners such as State Islamic Religious Councils, government agencies, social enterprises, and non-government organisations. Through this strategic partnership, 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 two iTEKAD programmes – iTEKAD BangKIT and iTEKAD Maju – available nationwide to underbanked and B40-owned businesses. Since its launch, the Bank has empowered 675 microentrepreneurs by disbursing more than RM11.7 million in financial support under the iTEKAD.

“By working together, we can nurture this unbanked and underserved segment of the community to become a new generation of farmers and business owners capable of taking on challenges in the future. We welcome more participation in the programme, including from government agencies and non-government organisations,” Mohd Zikri commented further.

Earlier this morning, Mohd Zikri and Alan Hua Fong Wei, FDS's co-owner and Secretary General of the SME Association of Sarawak, hosted a briefing session at Biddu's Café with local microentrepreneurs to inform them on the resources available in facilitating their business growth.

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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