

# MEDIA RELEASE

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## **BANK ISLAM WELCOMES FURTHER SUPPORT FOR SMEs AND MICRO BUSINESSES**

*Additional Allocation of RM10 Billion Will Ensure Business' Continuity,  
Safeguard Jobs and Support Growth*

**KUALA LUMPUR, Wednesday, [8 April 2020]:** Bank Islam Malaysia Berhad ("Bank Islam") welcomes the additional allocation of RM10 billion for Small and Medium Enterprises (SMEs) under the Additional Prihatin SME Economic Stimulus Package ("Prihatin SME+") as the measures announced were explicitly targeted for businesses to retain their employees in the current challenging landscape.

Bank Islam Chief Executive Officer, Encik Mohd Muazzam Mohamed said, "SMEs are the backbone of Malaysia's growth, contributing 38.3% of our economy and providing job opportunities to more than two-thirds of total employment in the country. The COVID-19 outbreak has affected every part of the business, including its supply chains, trade and transaction, as well as job security. Thus, measures must be specially formulated to support Malaysia's growth and address the adverse impact of the pandemic.

"From the announcement made by YAB Prime Minister, Tan Sri Muhyiddin Mohd Yassin two days ago, it can be concluded that the government is doing their best to ensure job security in the SME sector. The measures planned were also aimed at reducing the impact of the pandemic on businesses' cash flow and continues to provide financing access to the SMEs."

The supplementary budget for Prihatin Rakyat Economic Stimulus Package saw an additional allocation of RM10 billion for SMEs, out of which RM7.9 billion for the Wage Subsidy Programme that would benefit 4.8 million workers earning RM4,000 and below every month. Meanwhile, RM2.1 billion in grants that would be channelled to micro-businesses registered with the Inland Revenue Board ("IRB").

Apart from that, measures in providing discounts and deferments of rental fees for premises owned by Government-linked Companies will also alleviate the financial burden of the retail segment.

On 27 March, the Prime Minister has unveiled the RM250 billion Prihatin Rakyat Economic Stimulus Package that would benefit those affected by COVID-19 pandemic in the country. Of the total, RM128 billion was allocated to protect the welfare and wellbeing of the rakyat, while RM100 billion to help businesses, including the SMEs, and RM2 billion

to strengthen the economy. The whole stimulus package was a continuation from the RM20 billion fiscal stimulus which was made public on 27 February 2020.

“What matters now is to ensure all the financial assistance will reach its targeted group promptly. It is also hoped that the latest fiscal stimulus measures would incentivize micro and SME businesses to register their venture with the relevant authorities such as the Companies Commission of Malaysia (“SSM”), IRB and Social Security Organisation (“SOCSO”). This will make their businesses legitimate and improve their chances of getting access to financing or financial and technical assistance in the future,” said Encik Mohd Muazzam.

The latest measures announced by the Government bode well with the Bank’s Value-Based Intermediation (“VBI”) priorities that see Bank Islam continues to emphasize helping its customers and business partners to withstand the economic impact and challenges in ensuring the wellbeing and wealth of the nation.

Bank Islam is executing measures as advocated by Bank Negara Malaysia (BNM), which include automatic deferment of all financing repayments for individuals and SME customers for six months. The Bank is also implementing SME Special Relief Facility (“SSRF”) to help alleviate the short-term cash flow predicament faced by SME business owners, as well as offering SME i-Gain. This transactional current investment account provides up to 2% return for SME customers. The facility is made available until June 2020.

The Bank is currently refining the details on iTEKAD programme that focuses on supporting sustainable income generation and enhancing financial resilience of asnaf and B40-owned micro-enterprises. Bank Islam became the first Islamic bank to participate in the programme. Through its social financing platform, Sadaqa House, will utilise Zakat, Sadaqah and Waqf contributions to create a micro-financing package for potential recipients. The first phase implementation of the programme is expected to start in May 2020, with a target to benefit 100 recipients. It will also involve collaboration between Majlis Agama Islam Wilayah Persekutuan (“MAIWP”) and SME Corporation Malaysia (“SME Corp”) to provide structured entrepreneurship and financial management training for each recipient.

The initiatives are to bridge the sustenance of Real Economy, by preserving employment and ensuring continued economic activities during this period of uncertainty.

Encik Mohd Muazzam added, “It is the imperative that all measures are implemented efficiently as physical mobility is kept minimum during the Movement Control Order (“MCO”). Therefore, we would like to encourage the utilisation of banking and financial technology such as mobile banking, internet banking and e-wallets as it will reduce the need to travel among the rightful recipients of the aids.”

For further information, please visit [www.bankislam.com](http://www.bankislam.com).

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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.my](http://www.bankislam.com.my) or call Bank Islam Call Centre at 03-26 900 900.

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