

MEDIA RELEASE

For Immediate Release



BANK ISLAM LAYS FOUNDATION FOR A DIGITAL BANK PROPOSITION

Reaching the underbanked segment through collaborations with Mambu, Experian and Pod

KUALA LUMPUR, Sunday, [7 March 2021]: Bank Islam Malaysia Berhad ("Bank Islam") is charging ahead as a value-based intermediary to create a platform-based solution so more people can have access to Shariah-compliant products which are based on risk-sharing and fairness. Bank Islam, through its new division, Centre of Digital Experience ("CDX"), has been actively laying the foundation to set up a 100% digital bank built on a flexible platform that allows partners such as fintechs, digital marketplaces and other strategic partners to plug in directly.

In the course of setting up the all-new digital bank, two infrastructure partners - i.e. Mambu, the market leading SaaS banking platform and Experian, a leading global information services company - have been selected, while a Memorandum of Understanding ("MoU") has been inked with a local fintech player, Pod, to develop new product offerings.

This digital-first approach would see Bank Islam applying next generation technology such as Cloud Native Digital Banking and the Electronic Know Your Customer ("eKYC") to its products and services, enabling branchless propositions for greater accessibility to today's technology-savvy customers.

The engagement of Mambu allows the Bank to configure Shariah-compliant banking products, while Experian will provide the eKYC solution that enables customers to open a bank account without having to step into a bank branch.

On the product front, CDX is in the midst of developing an alternative credit scoring model in collaboration with Pod. Together, CDX and Pod will explore solutions for customers who are generally overlooked by financial institutions, such as gig workers. This

will be done by identifying alternative ways to assess credit worthiness of customers, beyond traditional means, enabling flexibility and inclusion in the formal banking system for this segment.

Bank Islam's Chief Executive Officer, Mohd Muazzam Mohamed said, "Bank Islam via CDX has appointed prominent strategic partners, namely Mambu, Experian and Pod, to address the needs of the underserved segments. The Bank is confident that we can provide greater accessibility to the market by capitalising on digital technologies. At the same time, this effort will further spur the digital transformation of the financial sector, especially in the Islamic banking industry."

He adds, "With Bank Islam's expertise in risk management and Shariah-related matters, coupled with Pod's technology and Mambu's agile SaaS banking platform, the partnership is able to introduce and promote Islamic financial solutions to the targeted segment. We also believe that this partnership will serve as a precedent to encourage more fintech collaborations with financial institutions, and ultimately contribute to the growth of our digital economy."

Pod's co-founder and chief executive officer, Nadia Ismadi said, "The underserved segments including gig workers are struggling to save money, have access to financing and consume financial products; even more so after the pandemic. Pod exists because we believe the job market as we know it is changing and soon, majority of the workforce will fall under the informal sector. Thus, it is important that we lay the basic building blocks to deep dive into their financial needs in order to service these segments."

Echoed Myles Bertrand, Managing Director of Mambu APAC: "We are delighted that Bank Islam has chosen to build CDX's greenfield operations on Mambu. Internet and mobile banking are key to unlocking economic development and financial inclusion and we are proud to support Bank Islam in its bold mission to improve access to digital banking services in Malaysia. Bank Islam has challenged itself to be the leading Islamic bank in the region and this implementation is a big step forward. We look forward to collaborating as it embarks on this exciting new phase of its journey."

The CDX solution is expected to be out in the second quarter of 2021.

For further information, please visit www.bankislam.com.

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 or call Bank Islam Call Centre at 03-26 900 900.

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