

MEDIA RELEASE

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BANK ISLAM PARTNERS WITH GLOBAL PSYTECH TO IMPLEMENT INNOVATIVE CREDIT RISK ASSESSMENT TOOL

Addressing the Credit Gap for MSMEs

KUALA LUMPUR, Thursday, [16 January 2020]: Bank Islam Malaysia Berhad (“Bank Islam”) and local financial technology (Fintech) company Global Psytech Sdn Bhd (“Global Psytech”), are currently collaborating to implement an innovative credit risk assessment solution known as General Financial Insights (GFI). GFI estimates the risk of providing financing to an applicant, even in the absence of a traditional credit history. It will allow a financial institution to finance with confidence to aspiring entrepreneurs who might otherwise be sidelined from the financial system, particularly those in the Micro, Small & Medium Enterprises (MSME) sector.

Sharing the goal of leveraging on non-traditional qualitative and quantitative data, the two organisations worked in partnership to provide an avenue for assessing applications even when credit history is unavailable or inadequate. GFI accurately estimates the risks associated with financing, using behavioural analytics and machine learning algorithms. Within minutes, GFI automatically generates detailed reports that will help a financier decide whether to approve or reject an application. Following the implementation of this system, Bank Islam foresees an increase in approved financing applications, especially for MSME clients, as GFI will expedite and simplify current procedures.

Bank Islam’s Chief Executive Officer (“CEO”), Mohd Muazzam Mohamed said, “This partnership between Bank Islam and Global Psytech is aimed at addressing the credit gap for MSMEs. It further improves the existing underwriting and credit-scoring models, as well as capitalising on the advancement of digital technologies in finance. GFI will

contribute to bridging the financing gap that affects MSMEs and further catalyse MSMEs contribution to Malaysia’s economy. GFI has the potential to promote more equitable economic growth, financial inclusion and increased participation of young business owners. This partnership will also make Bank Islam a leader in utilising advanced risk-assessment technologies that will benefit MSMEs.”

Mohd Muazzam added, “Bank Islam endeavours to strengthen the role and impact of Islamic finance by adopting the principles of Value-based Intermediation (“VBI”) as advocated by Bank Negara Malaysia. It is at the heart of our business model in delivering a sustainable performance with a strategic focus on supporting economic, social and environmental development, with emphasis on the MSME sector. Hence, we are always on the lookout for fresh and innovative ideas to assist our clients in those sectors”.

Meanwhile, the CEO of Global Psytech, Dr Haniza Yon, said, “Global Psytech has leveraged its extensive experience in developing digital assessment solutions by offering a technologically advanced credit risk assessment system that can benefit financiers as well as MSMEs. This method will allow financiers to provide appropriately-priced credit efficiently and securely to foster the growth of the entrepreneurship ecosystem in Malaysia.”

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

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 1,000 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 or call Bank Islam Call Centre at 03-26 900 900.

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