

**BANK ISLAM**

Assuring Trust. Delivering Value.

MITIGATING THE PANDEMIC EFFECT  
**SUSTAINING OUR  
STAKEHOLDERS  
WELLBEING**

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 603 26 900 900

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قَالَ تَزْرَعُونَ سَبْعَ سِنِينَ دَابًّا فَمَا حَصَدْتُمْ فَذَرُوهُ فِي سُنْبُلِهِ إِلَّا قَلِيلًا مِّمَّا تَأْكُلُونَ

Yusuf said: "You will cultivate consecutively for seven years. Leave in the ears all that you have harvested except the little out of which you may eat.

ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ سَبْعٌ شِدَادٌ يَأْكُلْنَ مَا قَدَّمْتُمْ لَهُنَّ إِلَّا قَلِيلًا مِّمَّا تَحْصِنُونَ

Then there will follow seven years of great hardship in which you will eat up all you have stored earlier, except the little that you may set aside.

ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ عَامٌ فِيهِ يُغَاثُ النَّاسُ وَفِيهِ يَعْصِرُونَ

Then there will come a year when people will be helped by plenty of rain and they will press (grapes)."

*Surah Yusuf (Verse 47 – 49)*

## BACKGROUND

The outbreak of COVID-19 pandemic has exacted a serious toll on Malaysia's economy, with the massive interest rate cuts, reversal of fortune in the global equities market as well as cutback on asset purchases programmes. While the economic impact is clearly felt globally, all our stakeholders, from our customers and business partners to the public and communities, are affected as well, and not in a good way. At Bank Islam, our focus is on ensuring service deliverables to our stakeholders, and helping them back on their feet through sustainable measures.

Our commitment to living up to our **Value-Based Intermediation (VBI)** priorities will see the Bank continuing to place emphasis on helping out its customers and business partners to withstand the economic impact, standing by the communities in face of socio-economic challenges and to delivering sustainable values to its stakeholders that ensure the preservation of societal wellbeing, and health and wealth of a nation.

Bank Islam is executing measures as advocated by



**Bank Negara Malaysia (BNM)**, which will ensure the following:

- Financial intermediation function of the financial sector to remain intact
- Access to financing and banking facilities to remain available
- Banking institutions to focus on supporting the nation's economy circumstances.

Details of the measures are focused on the following:

- Moratorium on financing payment and repayment
- Financing limits
- Drawdown on prudential capital and liquidity buffers
- Review on financial, statistical and regulatory reporting requirements

## MESSAGE FROM THE CEO

Assalamualaikum w.b.t. & greetings to all Bank Islam partners, customers and employees.

First and foremost, our thoughts are with those who are personally affected by the coronavirus (COVID-19) pandemic. This is truly a moment like nothing we have experienced before, with almost all businesses being suspended and life, as we know it, being halted.

In this especially difficult situation, I am encouraged by how the people around us have responded, and the resilience they are showing. People are doing what they have to do to keep things going, and to contribute in fighting the pandemic and make life better for everyone. The medical staff, including the doctors and nurses keep working to treat the sick and care for the affected patients, despite the obvious risk to their health. The supermarket workers keep turning up day after day to ensure the essential supplies are well-stocked, and those in the food business keep working to ensure that the public don't stay hungry. And there are many others we don't see; those who care for their families, friends or even complete strangers in need. We keep hearing and seeing many acts of kindness and how, in these trying times, the people are united in helping each other out.

I would also like to share my feeling of admiration for our employees nationwide, of how they have responded by working around the clock to ensure the health and safety of our colleagues, the continuity of our business, the continued security of our customers and partners, and the wellbeing of the communities in which we operate in. Bank Islam is doing all it can to preserve its legacy of responsible business practices and keep everyone protected from whatever misfortune or calamity out there.

In line with the government's measures to safeguard the livelihood of the rakyat, I would like all of you to know that we are moving forward in this time of uncertainty with a strategy to ensure the wellbeing of our stakeholders, As a bank all of us have been taking the steps to keep our customers and partners safe, and that they continue to be able to access our services in a secure and safe manner. We have taken steps to ensure that our employees, customers and partners are kept informed on the current situations and measures, and that the risks to them and our business are mitigated. The crux of our business strategy is moving on from the concern on health and safety, to ensuring the sustainability of the businesses and our stakeholders' livelihoods. We have diligently implemented initiatives that preserve our customers' financial viability and communities' sustenance, and prepare for any eventuality as dictated by the government's adaptive policies.

My deep gratitude goes to everyone who has been working hard not just for Bank Islam, but also to all out there who have been overcoming challenges to keep the country working, and the rest of us continuing to experience a semblance of normal life. While we are especially advised to remain isolated and practice social distancing, it is important to remember that the entire world is facing this situation together, and all of us are united in face of the common problem.

This is indeed an unprecedented crisis but I truly believe that by standing together, we will be able to display the resiliency that will see us through this crisis and many other challenges that are to come, and become all the better for it.

Take care and Wassalamualaikum w.b.t.



**Mohd Muazzam Mohamed**

## PROTECTING THE PUBLIC, CUSTOMERS AND EMPLOYEES

As the government is executing its plan, including the **Movement Control Order**, to contain the virus outbreak, we have also been taking strict precautions to protect the public and our customers, in addition to our colleagues and their families.

We are following the advice from the government and health authorities, and proactively implementing a range of precautionary measures to ensure that all are best protected, while our customers and the public can continue to access services at banking sites, and our colleagues to carry out their work in ensuring better services.



- Some of Bank Islam branches are temporarily closed, while other branches continue to operate with reduced working staff.
- We have introduced shortened working hours for selected Bank Islam branches that remain open for customers.
- We have issued guidelines and notices to the public with regards to 'social distancing' and encourage our customers to use Internet Banking in performing their banking transactions and functions.
- To contain the virus, we have implemented measures that include stringent sanitisation and cleaning protocols, workplace distancing, and traveling restriction for the staff. Thermal scans are being performed for all who are entering the Bank's branches and other sites.
- The Bank's ATMs are regularly sanitised with sanitiser and tissue papers provided for customers at the Electronic Banking Centre (EBC). We have put in measure that ensure customers at EBC are lined up within the minimum 1 metre distance from each other.
- We have issued guidelines to branches on proper self-protection measures. Our employees are required to wear mask and provide hand sanitiser to customers. We have distributed the masks to the branches in highly impacted areas.

In these trying times, Bank Islam is aligning its measures in accordance with BNM's guidelines, which place emphasis on:

### PROTECTING CONSUMERS' FINANCIAL VIABILITY

- a) Automatic deferment of all financing facilities (personal, house and automobile) payment or repayment for six months, including charges for late-payment to be struck off (the moratorium is subject to financing term not in default exceeding 90 days as at 1 April 2020)
- b) Credit card balances can be converted into term financing of not more than three years at a financing rate of not more than 13% per annum
- c) **Rescheduling & Restructuring Facility** to provide financial assistance to customers in need, including individuals and businesses. Customers are allowed to pay lower monthly repayment so as to allow them to better manage their cash flow.

### SUSTAINING REAL ECONOMY

- a) Automatic deferment of financing repayment for SME business owners for six months
- b) **SME Special Relief Facility** to alleviate short-term cash flow predicament faced by SME business owners
- c) **SME i-Gain**, a transactional current investment account that gives up to 2% return for SME customers to be made available until June 2020.

### iTEKAD Programme

Following the announcement made by the Prime Minister, **YAB Tan Sri Muhyiddin Yassin**, on the introduction of **Prihatin Rakyat Stimulus Package 2020** that is designed to protect the nation's economy from the impact of COVID-19 pandemic, BNM has introduced its **iTEKAD** programme with focus on supporting sustainable income generation and enhancing financial resilience of the B40-owned micro-enterprises.

Bank Islam became the **first Islamic bank** to participate in this programme and, through its **Sadaqa House** social financing platform, will utilise its Zakat contributions to create micro-financing package for potential recipients. In the first phase of the programme's implementation, which is expected to be rolled out by **May 2020**, **100 recipients** stand to benefit. To ensure the recipients' success stories and thereby the success of this programme, a collaboration between **Majlis Agama Islam Wilayah Persekutuan (MAIWP)** and **SME Corporation Malaysia (SME Corp)** will provide structured entrepreneurship and financial management training for each recipient.

### AFFORDABLE INVESTING

Bank Islam is paving the way to create and preserve wealth through affordable investment for all walks of life with the introduction of **BEST Invest**. The first in the world, this **Shariah Sustainability Robo-Intelligence Investing** app offers potential investors an analytic-based investment system that assesses their investment risk-profile and investment goals by automatically allocating their investments through a diversified BIMB Investment Unit Trust fund. The app maximises returns and manages investment risks over time with a minimal entry point at **RM10** and **zero** upfront fee.



## SUPPORTING THE FRONTLINE WORKERS AND UNDERPRIVILEGED COMMUNITIES

While the frontline workers, including the medical staff and uniformed personnel will continue to work more than usual to stem the widespread of the virus, the underprivileged communities, including small-scale business owners and workers, will be badly affected through a combination of loss of income and difficulty in getting household items or basic necessities.

Bank Islam collaborates with the government agencies in assisting the frontline workers, especially the medical staff, and providing the much-needed aids to the underprivileged communities, to face the difficult times brought about by the pandemic.

Under this philanthropic effort, BIMB Holdings Berhad and Bank Islam have committed **RM1.6 million** to help out those who are badly affected by the pandemic.



The **#MusaadahCOVID19** mission was initiated by YB Senator Datuk Dr. Zulkifli Mohamad Al-Bakri, Minister in the Prime Minister's Department (Religious Affairs) on 19 March 2020. Its mission is to provide relief to the frontline workers and the asnaf (underprivileged) communities during the duration of the Movement Control Order.

- **RM1 million** was contributed to the #MusaadahCOVID mission

Working together with *Jabatan Kebajikan Masyarakat* (Social Welfare Department) and **Amanah Ikhtiar Malaysia (AIM)**, Bank Islam provides financial assistance to the small-scale entrepreneurs, who made up the **Sahabat AIM** fraternity, in countering the loss of income due to business disruptions brought about by the pandemic.

- **RM200,000** was allocated for this joint effort



Bank Islam participates in the fundraising programme initiated by the **Association of Islamic Banking and Financial Institutions in Malaysia (AIBIM)** to provide assistance to the medical establishments directly involved in combating the pandemic.

- **RM10,000** was contributed for the purchase of beds and mattresses for the frontline medical staff at **Hospital Sungai Buloh**



Hospital Kuala Lumpur



Hospital Sungai Buloh

Bank Islam's **Direct Relief Support Programme** helps to deliver cash and essential items, including basic necessities such as food, to various orphanages and old-folks home as well as hospitals and district health clinics.

- **RM390,000** worth of contributions was directly distributed to the beneficiaries under this programme.

## CONCLUSION

With VBI at the heart of our business model, the underlying values, moral compass and priority aim are to achieve the intended outcomes of **Shariah (Maqasid)**, focusing on enhancement of well-being of the people through preservation of wealth, faith, lives, posterity and intellect. As a member of **Lembaga Tabung Haji (LTH)** group, Bank Islam's strategic intent has been well guided by our pledge to help the nation realise its sustainable growth plan, where we help to shape a prosperous society that is caring towards each other and the environment that they live in.

With all these measures in place, Bank Islam hopes to be able to cushion the impact of the current adversaries for all communities across the society. In

this trying time, our initiatives further reflect our commitment towards financial inclusivity, which ensures development for all and that no one is left behind as we seek to build towards a peaceful and dignified nation.



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