

## MESSAGE FROM MD OF BANK ISLAM MALAYSIA, BERHAD



**DATO' SRI ZUKRI SAMAT**  
MD of Bank Islam, Malaysia

As the pioneer of Islamic banking in Malaysia, we are proud to be part of the Global Islamic Finance Report 2016. We believe this annual initiative strengthens the Islamic finance capacity for businesses as well as banks and is a strategic platform that enhances the presence of Islamic finance globally.

Inevitably, Malaysia will be among the few countries that will drive the future of the Islamic finance industry. Malaysia's proven sustained track record of building a successful domestic Islamic financial industry of over 30 years gave the country a solid foundation - financial bedrock of stability that complements to the richness, diversity and maturity of the financial system. The scope of Malaysia's Islamic finance market is widening with several developments and initiatives from the government and private sector.

In 2013, the country's central bank, Bank Negara Malaysia (BNM) introduced the Islamic Financial Services Act (IFSA 2013). The act has led to the introduction of the deposit transition plan under which the funding of Islamic banks is being classified as either deposit or investment accounts. The evolution gives Islamic finance a new dimension with new value proposition, transforming Islamic banking from a credit intermediary into an investment intermediary, Islamic banks have, for the first time introduced investment accounts, through which they are able to offer consumers returns that commensurate with the risk taken.

Bank Islam was not only the first to introduce investment accounts that comply with the guidelines under IFSA. In February 2016, it was also one of the four founding Islamic banks to form a consortium to market investment accounts via the Investment Account Platform ("IAP"), a brainchild of BNM. The IAP will serve as a centralised multi-bank platform that will allow potential investors to view and choose from a wide range of ventures sponsored by the four banks to invest in. This platform will provide a new financing option for entrepreneurs with good and viable projects, and opportunities for the private sector as well as the investing public and institutions to finance these projects. This is the first time Islamic banks in Malaysia are collaborating in such a manner and Bank Islam feels honoured to be part of this effort to support such an important sector of the nation's economic machinery.

Being the leader in the industry, Bank Islam has played a pioneering role since 1983, in promoting the expansion of Malaysia's brand of Islamic finance into other markets, especially in the region. This has helped develop Bank Islam, the first Shariah-based banking institution in Malaysia, into a well-established and universally recognised brand.