

Media Release

Willowton Group and Al Baraka Bank create a lifeline for SMMEs with R100m initial funding towards R500m proposed fund

Small, Medium and Micro Enterprises (SMMEs) that have been crippled by the COVID-19 pandemic need an immediate lifeline if they are to survive and recover after the lockdown is lifted. A group of businesses, led by Willowton Group and Al Baraka Bank, have joined forces to provide this urgently needed lifeline through the creation of the Giving For Hope Foundation (GFHF).

Speaking at the webinar media launch of the GFHF on Wednesday, April 8, Mr Mahomed Zubeir Moosa, chief executive officer of Willowton Group and founder of the GFHF said that combined loan of R85 million from Willowton Group and its shareholders, together with R10-million funding by Al Baraka Bank and R5-million from the South African Muslim Charitable Trust provided the start-up capital for the trust.

The aim is to launch with R100 million and Moosa called on businesses across the country to loan money to the GFHF with the ultimate aim of raising R500-million within the next few weeks. This will be split into small loans which will be effective for two years. Businesses will only need to begin to repay the loans, in 12 monthly instalments, after the first year. The loan will be interest-free, profit free and admin-cost free basis

The fund will be administered by Al Baraka Bank. All lending to be fully Shariah-compliant and will meet FICA and other banking regulations.

Moosa said that loans would be open to all SMME's irrespective of sector, race, gender or religion. However, loans would not be advanced for passive income type businesses such as property investment or alcohol or gambling related business.

As one of the main reasons for the establishment of the GFHF is job preservation, there will be a direct link between the quantum of loans and the number of employees employed by potential clients.

"Our duty as large businesses in South Africa extends beyond generating shareholder wealth. The whole intention is to keep people in their jobs. We want to encourage people to not retrench – and part of this process has to be to assist businesses in distress. The effect of COVID 19 on developed economies has been huge and as this virus spreads to emerging markets like South Africa, one can hardly imagine the impact that it will have. With a three-week general lockdown, we are already seeing multiple large enterprises seeking protection from bankruptcy. This has a ripple effect. The biggest impact will be felt by SMMEs and their employees," Moosa said.

Durban-based Al Baraka Bank's chief executive, Mr Shabir Chohan, who is a trustee of the GFHF added: "The South African economy is being exceptionally hard-hit with the COVID-19 and attendant, though necessary, lockdown coming hard on the heels of another rating downgrade and the lasting effects of load-shedding. As a responsible corporate citizen, the bank believes it must respond to government's requests for business to assist in boosting the economy in the face of the COVID-19 pandemic. We intend to assist SMMEs facing devastating

hardship because of the loss of business activity, consumers remaining at home, decreased production and the attendant increase in costs."

He said he believed that, for the GFHF to provide meaningful relief, it would need substantial funding. "We will, accordingly, look to soliciting additional funding from other large corporate organisations to achieve a fund size of some R500 million. We are confident that this will make a considerable contribution towards national efforts to save South Africa's business community."

Chohan will be joined by certain experienced business persons who are also involved in welfare and charity work as independent Trustees, these include Abdul Razak Moosa, Phumzile Langeni and Shauket Fakie.

South African Muslim Charitable Trust (SAMCT) chairman, Mr Shoab Omar, said the organisation was delighted to contribute to a cause dedicated to assisting hard-hit and distressed business enterprises. "We all have a responsibility to help put our country back on a sound economic footing. Additional support is going to be vital going forward."

Commitment by funders must be made by the end of April and funding to be in by the end of June 2020.

The GFHF will appoint a maximum of 10 fund ambassadors to raise funds (loans) for the foundation. The initial five ambassadors to be appointed are Mr Mahomed Zubeir Moosa and Mr Ahmed Shoab Moosa from Willowton Group, Mr Mohammed Kaka from Al Baraka Bank, Ms Fatima Vawda from 27four Investment Managers and Ms Suzanne Ackerman-Berman from Pick 'n Pay.

Loan applications should be made to <https://givingforhope.co.za/> will be accepted from potential clients from 15 April with payouts to clients expected to begin by the end of April.

As all loans are expected to be repaid to the GFHF by the end of December 2022, the trust will repay loans to contributors and cease operating by February 2023.

Should any profits accrue, these will be donated to an institution for tertiary bursaries.

(734 words).

ENDS

ABOUT WILLOWTON GROUP

Willowton Group has been in operation since 1970 and has grown to become one of Africa's leading edible oil processors, as well as one of the leading agro-processors in the African FMCG market.

The group operates across South Africa with manufacturing facilities in Pietermaritzburg, Johannesburg and Cape Town. Willowton Group has recently completed expanding its manufacturing operations into Zambia and Zimbabwe, with aspirations to further extend its reach to customers throughout Africa.

A wide range of products encompasses edible oils, rice, sugar, margarines and spreads, beauty, toilet and laundry soaps, candles, baking and industrial fats, often distributed through its subsidiary Willowton Logistics. The Group has recently entered the milling industry with the launch of D'Lite Super Maize meal within Southern Africa. Well-

known brands include, among others, Sunfoil, Sunshine D, D'Lite, Daily, Sona, Eve, Crown, Wooden Spoon, and Allsome rice.

By combining flexibility and vision with a sound business approach, the company is set to strengthen its position in the FMCG market even further, now and into the future.

ABOUT AL BARAKA BANK

Al Baraka Bank was established in South Africa in 1989 and is geared to offer communities country-wide a practical and sustainable alternative to conventional banking.

Our Shariah-compliant products and services appeal to both Muslim and non-Muslim clients. Employing a faith-based system of financial management, our guiding principles are drawn from Shariah, upholding the ideal of profit-sharing, while prohibiting the payment or receiving of interest in any transaction.

With its head office in Durban, we enjoy a national business footprint and, as a commercial and fully-fledged Islamic bank, we offer clients a wide range of financial products and services.

Al Baraka Bank's board of directors comprises international and local business people, all with the requisite business skills, coupled with an exceptional collective knowledge of and expertise and experience in Islamic banking.

Al Baraka Banking Group (ABG), of which Al Baraka Bank in South Africa is a subsidiary, has progressively increased its shareholding in our financial institution, ensuring that the local business unit has grown to become an integral part of the international group. ABG is based in Bahrain and has a presence in 17 countries. In line with this, the bank has developed and honed an enviable standing in South Africa's financial sector as a financial services provider of high repute; one which demonstrates the professionalism, effectiveness and efficiency necessary to function at the leading-edge of Islamic banking in this country.

ABOUT SHARIAH COMPLIANCE

The difference between Shariah compliant and conventional banks is that conventional banks take deposits and advance funds on interest. In contrast, Shariah compliant banks take deposits and advance funds on a profit and loss sharing basis. In addition Shariah banks do not deal with entities engaged in activities that are detrimental to the socio-economic wellbeing of society.

Details on the four Trustees are:

Abdul Razak Moosa

Executive Director - Willowton Group, Chairman - S A Oil Processors Association. Chairman and Trustee – Oilseeds & Protein Seed Trust. Past Director – Consumer Goods Council of S A. Trustee of various charitable and religion Trusts. Past Director and Trustee of various special and welfare trusts. Recipient of Lifetime Achiever FNB Islamic Finance 2011 Award.

Shabir Chohan

Chief Executive of Al Baraka Bank Limited in South Africa. Serves as a trustee on a number of charitable organisations.

Qualifications: CA SA.

Phumzile Langeni

A qualified and non practicing stock broker by training and trade. Presidential Investment Envoy, former economic advisor to Minister B P Sonjica (Minerals and Energy) Currently Chairman of Afropulse Group together with listed and unlisted companies. Expertise in governance, corporate advisory, investments, finance and investor relations. Qualifications: B Com, B Com (Hons) MCom,

Shauket Fakie

Former Auditor General of South Africa. He has over 40 years experience in the auditing profession and cororate in auditing, risk management, accounting and governance. Currently serves on a number of Boards as Non Executive Director
Qualifications: CA SA.

This information has been prepared for Willowton Group and Al Baraka Bank

Distributed by Shirley Williams on 083 303 1663 or shirley@shirleywilliams.co.za