



Giving for Hope

Media Release

Giving For Hope Foundation calls for additional funding for SMMEs as applications open

The Giving For Hope Foundation (GFHF) is now processing applications from Small, Medium and Micro Enterprises (SMMEs) needing loans to survive the crippling COVID-19 pandemic and preserve jobs.

The GFHF, which was officially launched on April 8 with initial seed funding from the Willowton Group, Albaraka Bank and the South African Muslim Charitable Trust, is appealing to larger businesses with the resources to survive the lockdown, to contribute towards a pool of funds that will be used for “soft” loans for struggling SMMEs. Within the first 24 hours of applications opening on Wednesday 15th April, there were 257 applications requesting a total of R147 million in funding and accounting for the preservation of 3 577 jobs.

Mr Mahomed Zubeir Moosa, chief executive officer of Willowton Group and founder of the GFHF, said that a 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.

GFHF ambassadors are actively approaching businesses and asking them to contribute to the loan pool. Fatima Vawda, one of the fund's ambassadors said, “It is more important than ever to unite together and ensure the long term economic sustainability of our country and support of our fellow South African businesses that create and sustain vital jobs to our people”.

Through reaching out to smaller operations which faced almost certain closure without access to funding, jobs could be saved which would, in turn, ensure that all businesses within South Africa retained markets in which to sell their goods and services.

“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. We need to keep people in their jobs and encourage businesses to not retrench. Only then can we look forward to economic recovery,” he pointed out.

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

Chief executive of Durban-based Al Baraka Bank which will be administering the foundation and the loans, Mr Shabir Chohan, said that applications from SMMEs must be made via the fund's website (www.givingforhope.co.za). Since this went live on April 15, many struggling small businesses have already applied.

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

The money made available to the GFHF by businesses would be split into small loans depending on the needs of individual businesses. These will only need to begin to repay the loans, in 12 monthly instalments, after the first year. The loans will be extended on an interest-free, profit free and admin-cost free basis, he explained.

Mr Chohan noted that all lending would be fully Shariah-compliant and had to meet FICA and other banking regulations.

"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," he explained.

Loan applications should be made via <https://www.givingforhope.co.za/>. Loan pay-outs to clients are expected to begin by the end of April.

Mr Chohan said that the trustees of the GFHF were confident that other businesses would continue to come forward to boost the trust's funding so that more and more loans could be extended to struggling SMMEs. "Within hours of applications opening the sheer need for support for our SMMEs has been so apparent and we call on all willing and capable businesses to stand with us in this great cause", were some of the words echoed by esteemed independent GFHF Trustees, Shauket Fakie, Abdul Razak Moosa & Phumzile Langeni.

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 worthy and qualifying PBO's.

(737 words).

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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, WoodenSpoon, 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.

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

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