

**PM: Islamic finance must 'reach out to poor'**  
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KUALA LUMPUR: Islamic financial institutions have been urged to develop more products and services to reach out to the poor.

Prime Minister Datuk Seri Najib Razak said at the heart of Islamic finance was the genuine philanthropic spirit that pervaded both its giving and business practices to transform the lives of billions of the world's poor.

In his keynote address at the Global Donors Forum 2012, themed "Impact Philanthropy and Investing", here yesterday, Najib said the ultimate focus of Islamic finance should be on its core value proposition and not just on furthering its assets.

In spite of significant progress, Islamic financial institutions had not succeeded in making financial services widely accessible to the poor.

"In recent years, some micro-finance institutions have stepped in to service low-income Muslim customers and to meet their needs for products consistent with Islamic financial principles.

"This has led to the emergence of Islamic micro-finance as a new market niche -- and it is now for us to build on that."

Najib also said at its heart, Islamic micro-finance was about financial inclusion, entrepreneurship and risk-sharing through partnership finance -- an approach that conventional micro-finance lacks.

With longstanding conflicts and slow creep of extremism causing Islam to be portrayed in a negative and hostile light, Najib said that Muslim philanthropy had not escaped suspicion.

"But for my part, I am convinced that the moderation that runs to the very heart of Islam will come to stand as the enduring value of our times."

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