



**PRESS RELEASE**

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**Maybank sets aside RM1billion for SME financing in collaboration with CGC  
- Also launches first ever PG scheme for Bumiputra SMEs**

Kuala Lumpur, 18 March - Credit Guarantee Corporation Malaysia Berhad (CGC) and Maybank today sealed a new Portfolio Guarantee (PG) agreement reflecting their commitments to enhance access to financing for all levels of small and medium enterprises' (SMEs) in the country.

At the same event, Maybank announced that it will set aside RM1 billion for financing to viable SMEs under the PG schemes, of which a portion will be allocated for the bumiputra segment.

This new PG Bumiputra agreement is the first of its kind and the largest to be signed between CGC and any financial institutions in the country. The agreement will benefit Bumiputra SMEs that are in need of additional working capital to expand and grow their business.

Speaking at the event, Datuk Lim Hong Tat, Group Head, Community Financial Services and CEO, Maybank Singapore said, "Maybank has had a long history of supporting the SME community. Over the years, we have grown our SME portfolio to over RM40 billion currently and expect our market share to continue growing this year."

He also added by saying that Maybank's success in the SME financing business has also been due to the strong collaboration with CGC as they have been partnering in disbursing loans under its various schemes for the benefit of SMEs and micro-businesses.

"This new product is part of our commitment to serve the SME community better. Through this Portfolio Guarantee arrangement with CGC, both existing and new SME customers who



qualify can now have a greater access to financing. This collaboration will enable us to reach out to more SMEs, not only in urban areas, but also in sub-urban and rural areas where their financing needs will not be neglected. This is made possible via our extensive network throughout the country.”

“This is very much in line with our mission to humanise financial services by ensuring easy access as well as fair terms and pricing” added Datuk Lim

“The signing of the PG agreement with a focus on Bumiputra SMEs is in line with the national Bumiputera development agenda,” said CGC’s President and CEO Datuk Wan Azhar Wan Ahmad. “This is a very special PG because it addresses both the need for the bank to manage risks of availing financing as well as the need of SMEs to enjoy unsecured financing with simple documentations.”

“Through this initiative, we have resolved to provide a higher level of access to financing for the marginal but potentially viable Bumiputra SMEs by enhancing the bank’s level of confidence in providing financing through higher guarantee coverage by CGC. At the same time, as part of its strategic thrust to humanise banking, Maybank has agreed to minimise the cost of borrowing in order to assist the SMEs,” said Datuk Wan Azhar.

“As one of the biggest supporters of SME development in the country, Maybank’s commitment of RM1 billion worth of loans and financing this year augurs well for the SME sector,” added Datuk Wan Azhar.

He also said that with this PG agreement in place, SMEs that lacks collateral and track record can now look forward to financing from the country’s largest bank with greater ease as it has the most extensive and most effective network of branches nationwide.

The PG scheme enables SMEs to gain quicker access to financing with speedier turnaround time in terms of processing and approvals as applications are evaluated for eligibility based on a pre-determined and simplified set of criteria.



“Essentially, we are offering an innovative financing option that has proven to be a cost-effective and efficient delivery system. The turnaround time is faster and with an approval rate of almost 100%. SMEs can be rest assured they are getting the best possible assistance,” added Datuk Wan Azhar.

This PG is also offering Islamic PG financing scheme under the Murabahah concept which comply to Shariah principles under its subsidiary Maybank Islamic.

The Portfolio Guarantee agreement was signed by CGC’s Executive Vice President for Business Development, Ms. Kristine Ng Wei Miem and Maybank’s Head, Community Financial Services, Malaysia, Encik Hamirullah Boorhan.

The signing ceremony was witnessed by Datuk Wan Azhar Wan Ahmad and, Datuk Lim Hong Tat at the signing ceremony held at Menara Maybank today.

In 2014, CGC is targeting to provide RM 2.7 billion worth of SME financing by focusing on four main segments namely the Bumiputra entrepreneurs, Start Ups, new growth sectors and Syariah-based financing.

### **About CGC**

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on July 5, 1972. Current shareholders are Bank Negara Malaysia (major shareholder) and commercial banks. The core business focus of CGC is to assist SMEs, especially those without or with inadequate collateral and track record to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. CGC has cumulatively guaranteed more than 420,000 loans valued at close to RM52 billion since its establishment.

Today, CGC is well on track to achieve its financial sustainability agenda as envisaged under its business transformation plan. CGC has registered an increase in its net profits ranging from RM15.6 million in 2010 to RM160.8 million in 2012.

CGC, known as the ‘credit firm for the small man’ in its early years, focused on helping small enterprises in the agricultural, commercial and industrial sectors. As the Malaysian economy expanded over the years, the demand for CGC’s guarantee services also grew in tandem. The range



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of products and services were also expanded to cater to larger credit facilities required by medium-sized SMEs. CGC's support for SMEs is not only confined to the provision of loan guarantees and financing facilities, but also credit information and credit rating services through its subsidiary Credit Bureau Malaysia. Through the Bureau, CGC assists SMEs to build a credit history and track record to enhance their credibility and bankability to secure financing on their own merit and at reasonable cost.

Other funds currently managed by CGC include the Green Technology Financing Scheme (GTFS) and the Bumiputera Entrepreneur Project Fund (TPUB-i) with a total allocation of RM3.5 billion and RM300 million respectively. CGC had managed a total of 42 guarantee schemes including 16 government-funded schemes. To date, 15 Islamic banks, 17 commercial banks and seven (7) development financial institutions (DFIs) are participating in CGC's guarantee schemes, providing customers with a wide network of more than 2000 branches nationwide to avail financing.

SMEs wishing to obtain more information on CGC may call its Client Service Centre at 03-78800088 or visit [www.cgc.com.my](http://www.cgc.com.my).

#### **About Maybank**

The Maybank Group is South East Asia's fourth largest bank by assets. It has an international network of over 2,200 offices in 20 countries namely Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, Papua New Guinea, Hong Kong SAR & People's Republic of China, Bahrain, Uzbekistan, Myanmar, Laos, Pakistan, India, Saudi Arabia, Great Britain and the United States of America. The Group offers an extensive range of products and services, which includes consumer and corporate banking, investment banking, Islamic banking, stock broking, insurance and takaful and asset management. It has over 47,000 employees serving more than 22 million customers worldwide. ([www.maybank.com](http://www.maybank.com))