



Press Release

2nd September 2016

Maybank-CGC to provide up to RM1.5 billion of financing for local SMEs

Maybank has entered into a strategic partnership arrangement today with Credit Guarantee Corporation Malaysia Berhad (CGC) to avail up to RM1.5 billion of financing to the small & medium sized enterprises (SMEs) via CGC's portfolio guarantee scheme- the largest ever amount in Malaysia to support local SMEs in growing their businesses further.

This strategic partnership was formalised by Maybank Head of SME Banking, Mohd Zaini Aris and Leong Weng Choong, Chief Business Officer of CGC. It was witnessed by Maybank Head of Community Financial Services Malaysia, Datuk Hamirullah Boorhan and President/ CEO of CGC, Mohd Zamree Mohd Ishak.

Under the PG scheme, SMEs can apply for either Islamic or Conventional financing facilities from Maybank, from a minimum of RM50,000 up to a maximum of RM1.5 million and at a fixed tenure of up to seven years. While the financing is processed by the Bank, 70% of the principal financing amount will be guaranteed by CGC.

Speaking at the event, Datuk Hamirullah said the RM1.5 billion PG allocation is in addition to the RM1.26 billion approved by Maybank in 2014 and another RM1.1 billion in 2015, driven by the strong demand from the SME industry.

"It's an exciting time for both Maybank and CGC as we continue to grow and remain responsive to SME needs. Today, our decision to extend Maybank's collaboration with CGC for up to RM1.5 billion is a reflection of our commitment to support the growth of the SME sector in Malaysia which is an integral contributor to the Malaysian economy."

"With this partnership arrangement, Maybank remains the leading supporter of CGC's Portfolio Guarantee scheme in Malaysia, offering clean lending facilities to SMEs with a total approved amount of RM3.2 billion to date," he said.

Hamirullah said Maybank has also further improved the disbursement turnaround time from five (5) working days in the past to two (2) days, in order to give fast and hassle free customer experience to SMEs. "This means that once SMEs accept our offer and all relevant approval have been obtained, they can expect to receive the money within 48 hours. We hope this will further help SMEs stay competitive in their respective industries," he said.

Maybank's collaboration with CGC began in September 2013 when it became one of the first local bank to offer SME financing assistance without collateral under the Portfolio Guarantee Scheme. More than 6,000 SMEs have benefited from the PG scheme since then.

Hamirullah further said that Maybank's support to SMEs was not limited only to financing via CGC's PG scheme as the Bank had various other financing and deposit products for this sector. It has also offered other non-financing services to ensure SME players remain competitive and continuously appraised of growth opportunities.

"Among our non-financial services include advisory services, training roadshows and capacity building programmes such as the 'Building Capacity & Capability for SMEs' programme we introduced this year," he explained. "This programme is part of our efforts to ensure SMEs are able to leverage opportunities within the rapidly changing business environment through new branding and digital marketing strategies. To date, we have successfully reached out to more than 1,200 participants through this programme."

President / CEO of CGC, Mohd Zamree Mohd Ishak said "Since our first PG agreement back in 2013, we have availed a total of RM3.2 billion of financing to the SMEs via our PG collaboration with Maybank. Our strategic partnership with Maybank has enabled us to enhance our SME outreach even further as we are looking forward to reach out to 3,000 SMEs with the RM1.5 billion of financing in 2016."

"As for the current year, we aim to increase our SME outreach by 15% and 5% in terms of value and number respectively. Despite the challenging times that we face, both at the domestic and on the global front, we remain cautiously optimistic that we will achieve our targets" added Zamree. He further added that CGC is targeting to provide RM4.0 billion of guarantees and financing in 2016.

"We are looking at exciting times ahead through our strong partnership with Maybank as the momentous step taken today will open many more gateways and opportunities for both parties to join hands in uplifting the SMEs to another level," said Zamree.

"CGC has been serving SMEs for over four (4) decades, not only in terms of financial services, but also providing advisory services. We encourage SMEs to come forward and talk to us, always. Our aspiration is to be the 'Household name for SMEs by 2020', and we will continuously lend a helping hand to our SMEs," he added.
