



Press Release

7 July 2020

Maybank and CGC jointly launch market-first Overdraft-Term Loan hybrid facility for SMEs

RM1 billion, collateral-free facility, with 70% to be guaranteed by CGC

Maybank and Credit Guarantee Corporation (CGC) today jointly launched **SME Clean Loan/Financing Plus**, a hybrid loan facility which combines **Overdraft and Term loan** to assist SMEs in their cash flow management during these trying times. First in the market, SME Clean Loan/Financing Plus consists of a combination of 30 percent Term Loan and 70 percent Overdraft facility, with no collateral required as 70 percent of the total loan is guaranteed by CGC. Maybank and CGC have allocated **RM1 billion** for this facility, which is available in both Islamic and conventional financing schemes.

Dato' John Chong, Maybank's Group Chief Executive Officer for Community Financial Services said that the Bank is pleased to collaborate with CGC to provide this unique solution to support SMEs particularly during this critical period as business activities are gradually picking up. "The introduction of SME Clean Loan/Financing Plus is timely given that many SMEs are currently facing liquidity issues after months of disruption to their business. The ingenuity of this solution lies in its flexibility which enables SMEs to obtain upfront cash from its Term Loan while readily available overdraft facility helps with their cash flow management. In addition, unlike other clean overdraft facilities in the market where the limit will normally reduce a month after disbursement, SME Clean Loan/Financing Plus will only start tapering 2 years after disbursement, giving ample liquidity to SMEs to meet their short-term cash flow requirement."

The financing amount offered is **RM250,000 to RM1 million** for a **minimum tenure of three years up to seven years**. Maybank and CGC are targeting to **disburse the first RM300 million** within the first year to benefit as many SMEs as possible. The SME Clean Loan/Financing Plus is available to all Maybank's customers as well as those new to the Bank.

Datuk Mohd Zamree Mohd Ishak, CGC President/Chief Executive Officer said, "CGC is pleased to work together with Maybank on this market-first Overdraft-Term Loan hybrid facility that will assist SMEs during this period of economic recovery. This facility supported by CGC's award winning Portfolio Guarantee Scheme has special features that will provide SMEs with the ability to better manage their liquidity challenges caused by



the current adverse economic conditions. This initiative is one of our efforts to soften the impact of Covid-19 by providing targeted cash flow support to SMEs so that they can sustain their operations and revive the economy.”

As part of its commitment to support the country’s SMEs, Maybank has **approved RM4.9 billion financing to SMEs with an approval rate of 85%** as at 31 May 2020. About 88% of its SME outstanding loan is currently on 6-month moratorium from March to September 2020. In addition, earlier this year, Maybank also introduced its instant online account opening services for SMEs via its online banking platform, Maybank2U, as part of its continuous effort to leverage digitalisation to provide greater convenience to SMEs.

More information on SME Clean Loan/Financing Plus can be obtained from Maybank’s official website at www.maybank2u.com.my or call [1-300-80-8668](tel:1-300-80-8668)

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About Maybank - Humanising Financial Services

Maybank is among Asia’s leading banking groups and South East Asia’s fourth largest bank by assets. The Maybank Group is present in Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, 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. (www.maybank.com)

About CGC

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on 5 July 1972. It is 78.65% owned by Bank Negara Malaysia and 21.35% by commercial banks and a credit company in Malaysia. CGC aims to assist Micro, Small and Medium-Sized Enterprises (MSMEs) with inadequate or without collateral and track record to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. CGC has availed over 470,000 guarantees and financing to MSMEs valued over RM75 billion since its establishment.

On 9 February 2018, CGC introduced imSME, Malaysia’s first SME online financing/loan referral platform. imSME serves as an alternative channel for MSMEs to source for financing products, saving them both time and the hassle of going through time consuming processes. From its inception to 31 May 2020, imSME has received more than 1.7 million visitors with more than 29,000 registered MSMEs under the portal.

CGC is a financially sustainable institution, providing a wide range of guarantees and financing products, which includes the RM300 million Bumiputera Entrepreneur Project Fund (TPUB-i). This contract financing scheme is funded by Bank Negara Malaysia (BNM) and provides working capital financing to Bumiputera entrepreneurs who have been awarded contracts or projects by the Government or its agencies.

In its effort of going Beyond Guarantee, the CGC Developmental Programme™ was launched in 2016 to promote the growth and development of SMEs in Malaysia. This two-pronged programme provides MSMEs with advisory for Access to Financing and Access to Market.

In August 2019, BNM established Khidmat Nasihat Pembiayaan (MyKNP), in collaboration with CGC and Agensi Kaunseling dan Pengurusan Kredit (AKPK) to enhance the financing ecosystem by promoting a strong, progressive, and inclusive financial sector. The programme helps to raise MSMEs’ eligibility for future financing by bridging the information gap between financing applicants and financial institutions. Unsuccessful SMEs can contact MyKNP@CGC to obtain advisory service and improve their eligibility for future financing.

Interested MSMEs can contact CGC’s Client Service Centre at 03-7880-0088, email csc@cgc.com.my or visit www.cgc.com.my | www.imsme.com.my | FB: @CGCmy | Instagram: @cgcmalaysia