

Press Release

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## **Maybank expands digital lending with introduction of 10-minute approval SME Digital Financing**

*A fully digitalised process with disbursement as fast as 1 minute*

Maybank today unveiled its 10-minute approval digital financing solution for Small and Medium sized Enterprise (SME) segment, Maybank SME Digital Financing - the first in the market to offer an end-to-end digital experience, with full straight-through processing (STP), from application to approval and disbursement.

Machine learning enabled, the entire process from application to approval is designed to be completed within 10 minutes, setting a new benchmark for turnaround time for SME financing in the country.

With this new solution, SMEs can apply for financing online via Maybank2U or Maybank2U Biz platforms 24 by 7, without having to visit a branch. The application process is hassle-free requiring minimal information and no documentation for existing customers. Existing customers will be informed of the decision of the application as quickly as 10 minutes (provided the customers' records are in order) and funds can be disbursed within one minute upon acceptance of the offer for eligible customers<sup>1</sup>.

New customers, however, will have to undergo a brief on-boarding verification process with no branch visit, prior to approval of application, and decisions will be provided within two working days.

**Maybank's Group President and Chief Executive Officer, Datuk Abdul Farid Alias** said that the Maybank SME Digital Financing is the culmination of the Bank's efforts to increase inclusivity for SME financing. "The launch of this solution is a breakthrough in our SME financing as it incorporates an enhanced credit tool, which allows us to expand our lending relationships beyond what we were doing before. Using our in-house data and credit knowledge while leveraging machine learning capabilities, we are now able to measure the risks of our customers better, and provide financing even to start-ups which have only been in operation for 1 year."

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<sup>1</sup> Existing Maybank customers which are sole proprietorships or partnerships applying for Maybank's online conventional clean loan up to RM100,000

He added that it has been a constant challenge for banks to design an approach for SME funding where the risks will be acceptable. However, by marrying technology and finance, Maybank was now able to assess the business viability and extend financing to start-ups which often struggle to secure funding mainly due to lack of credit history or collateral.

All term financing offered via the Maybank SME Digital Financing are collateral-free, to provide quick financing to ease the immediate cash flow needs for small businesses. Maybank is also collaborating with Credit Guarantee Corporation (CGC) to provide guarantee coverage for its Online PGX/PGX-i financing, one of the products offered on the digital channel, with guarantee coverage of up to 70%. This is a first of its kind digital collaboration with CGC, which shares Maybank's focus in growing SMEs.

Registered SME businesses with turnover below RM25 million, including non-Maybank customers are eligible to apply for financing via the SME Digital Financing. Approved applicants are able to obtain financing from as low as RM10,000 to a maximum of RM250,000 with a repayment tenure of up to five years.

Datuk Farid said that Maybank understands the pivotal role that SMEs play in the country and is on a constant journey to develop new solutions that are supportive of their growth, "The introduction of Maybank SME Digital Financing allows us to deliver a new experience to SMEs, one that provides a quick, convenient and hassle-free service, via our Maybank2U and Maybank2U Biz platforms. We pilot tested it in August with very encouraging results and positive response among SMEs. Our customers who had applied for financing via the channel during the pilot period were very pleased with the speed and convenience of the process because the quick decisions enable them to plan better for their businesses."

The launch of Maybank SME Digital Financing marks the Bank's further expansion in the digital lending space, achieving yet another key milestone in its digital banking journey.

"The year 2020 is also the final year of our current five year plan, which includes an aspiration to be a Digital Bank of Choice. We have plans to introduce several other digital products to provide even better experience for our customers, including the SME Digital Financing. We will roll them out progressively during the year," said Datuk Farid.

SMEs can apply for a loan/financing on Maybank SME Digital Financing via Maybank2U or Maybank2U Biz, 24 hours a day, 7 days a week. Currently, three types of loan are offered via the digital channel:

- i. SME Online Clean Loan/SME Online Clean Financing
- ii. SME Online PGX/SME Online PGX-i (70% guaranteed by CGC)
- iii. SME Online Micro Financing/SME Online Micro Financing-i

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