

AECM Seminar in Istanbul

“Breaking down barriers: Guarantees, an international perspective”

Venue: Hotel Conrad, Istanbul, Turkey

Date: 17th October 2014

Time: 08:30 to 18:00

Corporate Information

Powering Malaysian SMEs

- **Authorised Capital:**
RM3.0bil (USD 0.73bil)
- **Paid Up Capital**
(Ordinary & Preference Shares:
RM1,785.6mil (USD 0.543mil)
- **Shareholders**
 - Bank Negara Malaysia - 80%
 - Financial Institutions - 20%

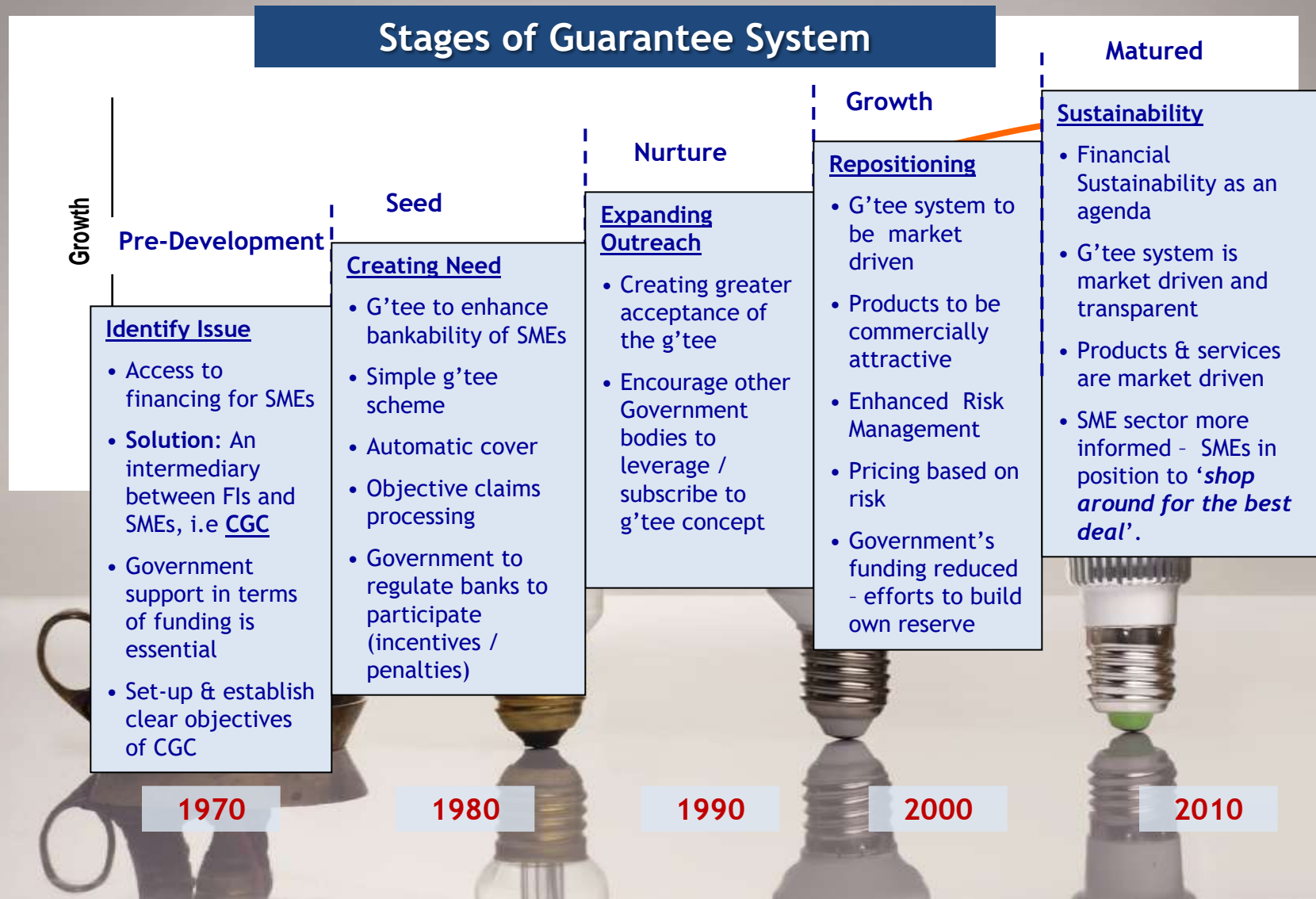
Vision

To be an effective financial institution dedicated to promoting the growth and development of competitive and dynamic SMEs.

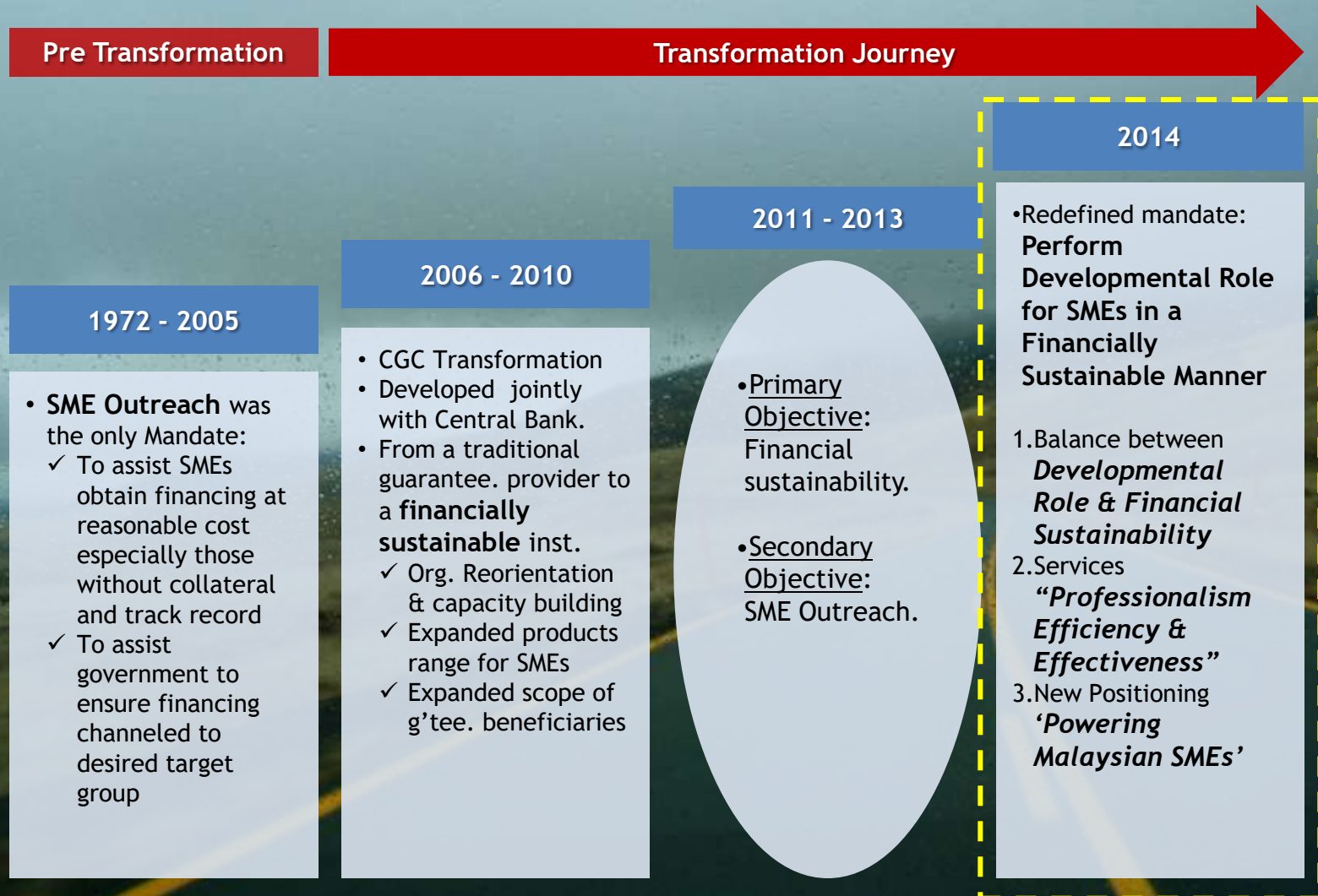
Mission

To enhance to viability of SMEs through the provision of products and services at competitive terms and, with the highest degree of professionalism, efficiency and effectiveness

The Evolution of the Credit Guarantee System



Mandate Role



Business Model



Product Segmentation

GUARANTEE PRODUCTS / DIRECT LENDING

Commercial

- Attractive & flexible features
- Generate returns

Government-backed Schemes

- High developmental content (Programme Lending)
- Backed by Government via Funding
- Risk sharing

- Credit Enhancer Scheme
- Enhancer Express Scheme
- Enhancer Excel
- Enhancer Bumi Scheme
- SmallBiz Express
- Flexi Guarantee Scheme
- Portfolio Guarantee (PG)
- BizMula-i

- Green Technology Financing Scheme
- IP Financing Scheme
- Franchise Financing Scheme
- Bumiputera Entrepreneur Project Fund - i / Tabung Project Usahawan Bumiputera-i

General Product Features

- **Loan amount:**
 - Between RM10,000 to RM10 mil
- **Guarantee cover:**
 - Between 30% to 100%
- **Guarantee fee :**
 - Between 0.5% - 5.75% (based on risk adjusted pricing)
- **Interest / profit rate:**
 - Depending on the scheme or FIs may determine $\leq 50\%$ guarantee

Profit and Loss (P&L)

P&L
Operating Income
Operating Expenses
Provision
Profit After Provision
Investment Income
Net Profit



SME Outreach in a Financially Sustainable Manner
Operating Income sufficient to cover operating expenses (including provision)



Investment income :

- support development agenda
- Build guarantee reserve



Profit Oriented
vs Profit Motivated

Moving Forward

Perform Developmental Role for SMEs in a Financially Sustainable Manner

New Positioning
‘Powering Malaysian SMEs’

Balance between
*Developmental Role &
Financial Sustainability*

Services
*“Professionalism Efficiency
& Effectiveness”*

Improve
*Bankability &
Credit Standing of SMEs*

Key Focus

Starts-Up

Focusing on security for loans obtained viable SMEs with insufficient collateral and no track record

Support Government Schemes

Manage and implement scheme funded by the Government aimed at specific sectors such as the Green Technology Financing Scheme (GTFS) and Intellectual Property

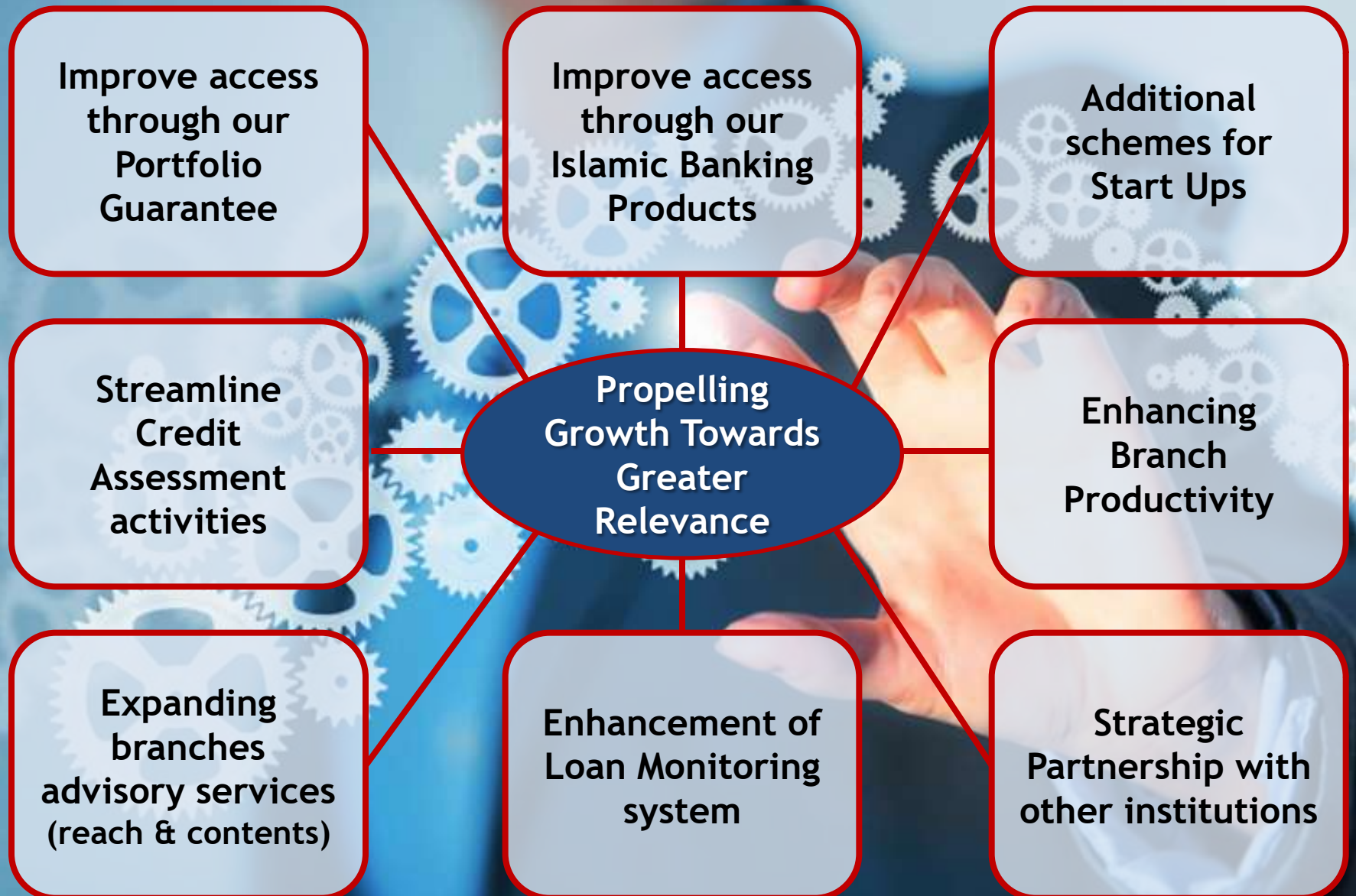
New Growth Areas

Channeling funds to areas of new growth and new business opportunities such as Youth Entrepreneur, Online Business, Intellectual Property Financing

Enhancing the SME Rating System

Integrated approach in the way we do our business

The Journey Continues....



Credit
Guarantee
Corporation

