

The RHB Banking Group Teams With The Credit Guarantee Corporation to Assist SMEs

Kuala Lumpur, 18 October 2010: The RHB Banking Group and Credit Guarantee Corporation Malaysia Berhad (CGC) have signed a Portfolio Guarantee Agreement that will enable RHB to extend financial assistance to SMEs.



(From left) Amy Ooi, Director of Business Banking of the RHB Banking Group, Dato' Tajuddin Atan, Group Managing Director of the RHB Banking Group, Datuk Wan Azhar Wan Ahmad, Managing Director of CGC, and Alex Lim Keat Chye, General Manager of CGC.

The RM50 million Portfolio Guarantee Joint Programme represents the 1st tranche out of a potential RM200 million Portfolio Guarantee Agreement, which was signed by Datuk Wan Azhar Wan Ahmad, the Managing Director of CGC, and Dato' Tajuddin Atan, the Group Managing Director of the RHB Banking Group.

RHB Bank is the first local bank to have this exclusive agreement with CGC that will provide SMEs with a new avenue to gain access to financing with an improved turnaround time in terms of approvals and disbursements of loans, even with a lack of collateral. It will be available through all RHB Commercial Banking Business Centers nationwide.

"The RHB Banking Group is pleased to build on our existing rewarding partnership with CGC. We believe that the offering of this Portfolio Guarantee Arrangement will bring additional beneficial value propositions to the SME, especially at a time when SMEs are more cost-conscious and prudent. The objective of this Portfolio Guarantee arrangement will be to assist Malaysian SMEs who have viable businesses with strong potential for growth, but lack sufficient collateral to obtain the required financing. The Portfolio Guarantee in essence provides a guarantee through a risk partnership basis. This will also benefit SMEs through transparent credit assessment and underwriting, based on RHB's established BizPower credit evaluation model. This product is among the many initiatives taken to enhance RHB's position in lending to SMEs, to be one of the top SME financiers in Malaysia," said Dato' Tajuddin Atan.

Through the Portfolio Guarantee, a term loan facility is offered with the primary objective of providing working capital to SMEs. With this effort, RHB hopes the SME sector will continue to sustain growth in the challenging market.

Commenting on the initiative, CGC's Managing Director Datuk Wan Azhar Wan Ahmad said, "The Portfolio Guarantee agreement that we have signed with RHB Bank Berhad is part of our on-going efforts to deliver services fast and meet SME's rising expectations. With the processing and approval carried out on a portfolio basis, it takes only three (3) working days for CGC to approve the guarantee cover essentially addressing SMEs concerns about speed at which loan applications are being processed and disbursements of funds are being done at the moment."

As a leading credit enhancer in the country, CGC aims to provide more new and innovative guarantee schemes to assist SMEs gain easier access to financing. Towards this end, CGC plans to develop the PG as one of its core products, within the next year and as part of its continued efforts to address pertinent issues faced by SMEs.



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In line with the Government's call to facilitate greater access to financing for SMEs, CGC will continue to pursue the PG business model by working hand in hand with other financial institutions to improve PG arrangements in the future. "By end of the year, we expect our PG portfolio to expand to RM315 million and within the next one year, we target to roll out RM490 million via the PG financing facility," said Datuk Wan Azhar.

Issued on behalf of RHB Bank Berhad by the Corporate Communications Division, RHB Capital Berhad. For more information, please call Azman Shah Md Yaman at 012-3930044 or Eza Dzul Karnain at 012-3420060.

About the RHB Banking Group

The RHB Banking Group is the fourth largest fully integrated financial services group in Malaysia. The Group's core businesses are streamlined into seven Strategic Business Groups (SBGs): Retail Banking, Business Banking, Group Transaction Banking, Corporate & Investment Banking, Islamic Banking, Global Financial Banking and Group Treasury. These businesses are offered through its main subsidiaries – RHB Bank Berhad, RHB Investment Bank Berhad, RHB Insurance Berhad and RHB Islamic Bank Berhad, while its asset management and unit trust businesses are held under RHB Investment Management Berhad. RHB's International Banking Division include the commercial banking operations in Singapore, Thailand and Brunei. The Group also has a non-ringgit based offshore funding operations in Labuan as well as a representative office in Vietnam. It is the RHB Banking Group's aspiration to deliver superior customer experience and shareholder value; and be recognised as one of the top financial services groups in ASEAN.

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