



FOR IMMEDIATE RELEASE
9 March 2016

RHB LAUNCHES NEW FINANCIAL SUPPLY CHAIN PORTFOLIO GUARANTEE WITH CGC

Kuala Lumpur – The RHB Banking Group (“RHB”) today signed an agreement with Credit Guarantee Corporation Malaysia Berhad (CGC) to mark the collaboration between both parties for a new product proposition, the RHB Financial Supply Chain Portfolio Guarantee (RHB FSCPG) which provides working capital financing, specifically for SMEs who lack collateral in supporting their need for funding.

“The FSCPG is aimed at providing Malaysian SMEs that are involved in the distribution chain with working capital to grow their businesses at reasonable cost, without the need for any collateral. Through this strategic partnership with CGC, financing of up to RM1 million is available, partially backed by CGC. This product is targeted at Malaysian SMEs who lack collateral to support their working capital needs,” said Dato’ Khairussaleh Ramli, Group Managing Director for RHB Banking Group.

Dato’ Khairussaleh reiterates that the FSCPG provides SMEs, their vendors and suppliers a platform to manage their cash flow and inventory more efficiently, through its web-based capabilities.

“This system is able to facilitate billing, financing and payment between buyers, sellers, suppliers and distributors. It addresses the need for simple, fact and seamless solutions for SMEs to stay competitive and thrive in today’s robust business landscape. The FSCPG connects buyers, sellers, suppliers and distributors through the seamless integration of supply chain processes and the availability of hassle-free working capital,” added Dato’ Khairussaleh.

“In our continuous efforts toward enhancing the viability of SMEs, our partnership with RHB would enable us to better assist SMEs who are in need of financing but are lacking in collateral. Through the RHB FSCPG, CGC will facilitate the access to working capital needs of SMEs,” said En. Mohd Zamree Mohd Ishak, President and Chief Executive Officer for CGC.

The Portfolio Guarantee (PG) is one of the innovative products that CGC had introduced in recent years that was aimed at not only further improving access to financing for the SMEs but also the speed at which loans are processed.

“The guarantee scheme that made the most contribution to CGC loans growth in 2015 was the PG. CGC approved a total of RM1.7 billion with five (5) financial institutions (FIs), which accounted for 50% of loan approvals,” emphasised Zamree.

“CGC is always committed in continuously inventing innovative financing solutions to suit the needs of Financial Institutions (FIs), which would eventually ease access to financing for SMEs. With the signing of this agreement today, we are looking forward to leverage on RHB's wide branch network to further strengthen our mandated role in spurring SME growth and development in the country,” noted Zamree.

A web-based solution, the RHB FSCPG provides a seamless platform for billing and payment processes between members of the supply chain community, which include buyers, sellers, suppliers and distributors. The Distributor Financing Facility (DFF), which is a feature within the RHB FSCPG platform, leverages on the online portal, where Reflex Cash Management allows buyers to submit financing requests and make repayments.

The programme is a convenient online platform with drawdown facilities that enable online payment transactions, without the need to submit physical documentation. The guarantee fees will be borne by RHB, and no monthly fees and security are required.

Issued on behalf of RHB Bank Berhad by the Group Marketing & Communications Division, RHB Capital Berhad. For more information, please contact Pn Norazzah Sulaiman at 03-9280 2125/ norazzah@rhbgroup.com or Cynthia Blemin at 012-249 4071/ cynthia.blemin@rhbgroup.com

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 three main business pillars, namely Group Retail and Commercial Banking, Group International Business and Group Corporate and Investment Banking. 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 undertaken by RHB Asset Management Sdn. Bhd. and RHB Islamic International Asset Management Berhad. The Group's regional presence now spans ten countries including Malaysia, Singapore, Indonesia, Thailand, Brunei, Cambodia, Hong Kong, Vietnam, Lao PDR and Myanmar. It is RHB Banking Group's aspiration to continue to deliver superior customer experience and shareholder value; and to be recognised as a Leading Multinational Financial Services Group.

About Credit Guarantee Corporation Malaysia Berhad (CGC)

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on 5 July 1972. Current shareholders are Bank Negara Malaysia (major shareholder) and commercial banks.

The core business of CGC is to assist SMEs, especially those with inadequate or without collateral and track record, to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. CGC also provides direct-financing for certain segments of the SMEs. CGC has availed over 435,000 financing to SMEs valued over RM59 billion since its establishment.

CGC's support for SMEs is not only confined to the provision of loan guarantees and financing facilities, but also credit information and credit rating services through its subsidiary Credit Bureau Malaysia. Through the Bureau, CGC assist SMEs to build a credit history and track record to enhance their credibility and bankability to secure financing on their own merit and at reasonable cost.

Government-backed schemes currently managed by CGC include the Green Technology Financing Scheme (GTFS) and the Bumiputera Entrepreneur Project Fund (TPUB-i) with a total allocation of RM3.5 billion and

RM300 million respectively. To date, CGC had managed a total of 44 guarantee schemes including 16 government-backed schemes.

Currently, seventeen (17) Commercial Banks, fifteen (15) Islamic Banks, and seven (7) Development Financial Institutions (DFIs) are participating in CGC's guarantee schemes in providing financing to customers through a wide network of more than 2,600 branches nationwide to avail financing.

SMEs who are interested to obtain more information may call CGC's Client Service Centre at 03-7880-0088 or email csc@cgc.com.my or visit www.cgc.com.my

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