

RHB Insurance Berhad Launches Trade Credit Insurance

KUALA LUMPUR, 12 April 2012: RHB Insurance Berhad today has officially launched its Business Credit Insurance or also known as Trade Credit Insurance. The business credit insurance provides coverage both for the domestic and export markets.

In view of the bleak economic outlook arising from the financial turmoil, euro-zone debt crisis and natural disasters around the globe, it will be a challenge for any businessmen dealing with overseas trade given the weak market sentiments attributed by these events. RHB Insurance believes that by introducing the Trade Credit Insurance it can contribute in some way to spur economic activities for certain trading businesses in Malaysia.

Mr Kong Shu Yin, the Managing Director of RHB Insurance Berhad said, "Knowing your trading partners' financial position, the operating and geo-political environment will certainly go a long way in managing a credit crisis before it happens. Effective credit risk management is rudimentary to the success of any business. Getting paid for products sold and services rendered on credit are all important risk that cannot be ignored".

"Trade credit insurance is still rather small compared to the volume of trade recorded in Malaysia in 2011 had hit a record high of RM1.3 trillion. In 2010, Malaysia recorded a volume of trade at RM1.17 trillion. In a recent article it was mentioned that in terms of premium for trade credit insurance is still rather small amounting to RM34.0million in 2010. There is still a lot work to be done to bring about awareness that there are such insurance available. The benefits are enormous. Suppliers can protect their export or domestic receivables, improve credit management and enjoy better financing terms with the banks", Mr. Kong added.

Trade credit insurance essentially offers a value proposition in that it provides peace of mind to suppliers assuring them that their trade receivables are protected against the risk of non-payment. Trade credit insurance also provides valuable market intelligence on customers located in foreign countries. It will not be able to predict future events but it does help to mitigate the credit risk by knowing the financial viability of supplier's customers. Risks of trade peculiar in those countries may also be readily accessible. Hence, suppliers may leverage on trade credit insurance on existing marketing intelligence with international reach.

For more information about the trade credit insurance, contact our FinPro Department at 03 2180 3315, 2180 3310 and 2180 3318 or any of the nearest RHB Insurance branches.



Official launch of the Trade Credit Insurance, from left: Mr. Raymond Liew, Div Head, Insurance Strategy & Bancassurance; Mr Kong Shu Yin, the Managing Director of RHB Insurance Berhad; Norman Michael Tan, Dept Head, FinPro & New Products



News Room

Issued on behalf of RHB Banking Group by the Corporate Communications Division, RHB Capital Berhad. For more information, please call Zuraida Mohamad at 03-92802880 or Eza Dzul Karnain at 03-92802552.

About the RHB Banking Group

The RHB Banking Group is the fifth 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 Global Financial Banking Division includes 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 RHB Banking Group's aspiration to deliver superior customer experience and shareholder value; and be recognised as one of the top financial services group in the ASEAN Region.

It's time we simplify banking.