

## HEAR FROM OUR PFI

### MAYBANK'S VIEW ON PARTNERSHIP WITH CGCC



### What is your bank perspective toward the credit guarantee scheme in Cambodia?

SMEs is a backbone of our economy and have substantial potential for driving economic growth in Cambodia as they make up the vast majority of businesses and employ large workforce in the country. Access to finance and cost of financing have been a major challenge due to lack of collateral and inadequate financial statement

Credit Guarantee Schemes are enabler in filling the financing gap of SMEs by providing guarantees to lessen the risk of the loan for the lender while also helping SME to develop their capacity and capability to manage their businesses. This would help entrepreneurs to grow and sustain their businesses, leading to more job creation in the country.

### What factors encourage Maybank to join CGCC as a Participating Financial Institution (PFI)?

As guided by our Maybank Strategy, M25, we are committed to building New Value Drivers involving transformative initiatives that go beyond the current business-as-usual outcomes and represent new growth opportunities, such as SME.

At Maybank, we recognize SMEs as a backbone to Cambodian economy hence we would like to increase our support to grow and nurture SMEs through providing more access to formal financing as the country is re-opening. Our Maybank Group has a rich and long experience in supporting and

nurturing SMEs in our home market in Malaysia and we will certainly leverage on our Group's experience and expertise to contribute to SME development and growth in Cambodia.

### How does credit guarantee benefit the bank and your customers?

**For Bank:** Collateral is one of key factors for the bank's decision on lending. The credit guarantee scheme enables us to offer financing solutions to a broader SME base with sound businesses that otherwise would not be able to get financing from us. Besides financing solutions, we will also work with CGCC and SMEs on capacity and capability building so that they can efficiently manage and grow their business in a more formal and sustainable manner which will, in turn, benefit the customers, banking industry, and our economy.

**For Customer:** Many SME businesses do not own enough assets to cover the collateral requirements when they want to expand or recover their businesses. It is where Credit Guarantee comes in. Entrepreneurs can access formal financing with a convenient and quick process without having property to secure the loan as long as the business is sound.

### How does Maybank structure loans with credit guarantee?

The fundamentals of loan structuring remains more or less the same – meeting customer's needs and given the nature of SME, the loan structuring itself is simple and easy for customer to understand and use.

## How will “SME's capacity building program” impact SME in greater access to finance regarding the guaranteed loans by CGCC?

In a rapidly globalizing world, there are changes in the public policies, economy and operational environment including disruption caused by COVID-19. Likewise, SMEs must be equipped with the knowledge and skills to survive and expand their businesses. Through Building Capacity and Capability program, SMEs will be provided with the latest business insights and knowledge to enable them to seek new opportunities and grow their enterprises.

The program covers various topics, including a Financial Literacy session to help SMEs gain a better understanding of financial management, banks' requirements for business financing applications, including guaranteed loans by CGCC, as well as financial solutions, social media/digital marketing, and technology to help ease SMEs to run and operate a business in a more effective and efficient way.

## What is Maybank's strategy of using credit guarantees?

Help existing and new SME customers to grow and expand their business by providing them with affordable financing solutions with a particular emphasis on assessing the soundness and strengths of the borrower and borrower's business when deciding whether to grant credit lines to customers.

## As the credit guarantee topic is a new topic in Cambodia, how should Maybank and CGCC do to raise awareness of credit guarantee to the borrowers?

So far, Maybank has proactively promoted the Credit Guarantee among our customers and communities. We introduced various promotions and awareness-raising through Business Forum on Advertisement on Khmer Times, news media, and many more. We also approached our individual customers we identified as having plans to expand or recover their businesses without adequate collateral to discuss Maybank and CGCC's partnership on Credit Guarantee. We have also discussed with CGCC about SME capacity and capability building and outreach programs in 2022 and beyond. ■

