
JOINT PRESS RELEASE

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CGC PARTNERS WITH AKPK TO ELEVATE MSMEs' FINANCIAL LITERACY

KELANA JAYA, 31 May 2022 – Credit Guarantee Corporation Malaysia Berhad (CGC) and Agensi Kaunseling Pengurusan Kredit (AKPK) signed a Memorandum of Understanding (MoU) today, agreeing on a collaboration to elevate Micro, Small, and Medium Enterprises (MSMEs') and individuals' financial literacy, promoting responsible behaviour and rational attitudes.

This collaboration is in line with Bank Negara Malaysia's vision of the National Strategy Financial Education Network (FEN), which aims to improve the financial well-being of Malaysians. FEN is an inter-agency grouping co-chaired by Bank Negara Malaysia and Securities Commission Malaysia with AKPK as one of its founding members. This National Strategy sets out priorities and actionable plans to equip Malaysians with the knowledge to make informed financial decisions and nurture healthy attitudes in financial management. CGC and AKPK's partnership is aligned with FEN's common objective to provide financial education to MSMEs and individuals, ensuring higher awareness of the importance of financial literacy.

The MoU was signed by CGC President/Chief Executive Officer, Datuk Mohd Zamree Mohd Ishak and AKPK Chief Executive Officer, Azaddin Ngah Tasir.

This partnership will enable CGC to refer its MSME customers to AKPK's e-learning courses, workshops and webinars on topics related to financial literacy and financial management. In addition, these MSME customers will also be referred to AKPK for debt management initiatives. Earlier this year, CGC started referring its BizMikro-i applicants to attend AKPK's e-learning course namely Bijak Wang Bijak Niaga. This is a part of the advisory services under the CGC Developmental Programme™ that provides hand-holding initiatives to MSMEs from the start of their journey with CGC all the way until they enter new markets.



AKPK's customers, interested in MSME financing will be able to leverage CGC's imSME portal, which is Malaysia's first SME online financing/loan referral platform. This will provide them with access to financing opportunities from CGC as well as from other Financial Institutions, Developmental Financial Institutions, and alternative financiers. They will also be able to participate in the CGC Developmental Programme™, a two-pronged programme providing interested participants with advisory services for Access to Financing and Access to Market.

Datuk Zamree in his speech mentioned, "2020 and 2021 were challenging, brought by the Covid-19 pandemic and the ensuing economic crisis. At CGC, we quickly re-aligned our strategies to support MSMEs, coordinating our initiatives with stakeholders in the Malaysian MSME ecosystem to assist them to weather these crises. As Malaysia progresses through the endemic phase, businesses are gradually resuming full operations, CGC is committed to driving its financial inclusion agenda, assisting affected MSMEs, having availed guarantees amounting to over RM10 billion in 2021. We enabled these MSMEs to rebuild and revive.

Many individuals too were impacted by the pandemic and the movement control orders, losing their jobs and turning to entrepreneurship to generate income. To be an effective and successful entrepreneur, financial literacy is important and CGC is committed to supporting this learning need. As an entrepreneur, one must be aware of the importance of a good track record and repayment conduct to gain trust and sustain their business. This is only possible through proper financial education."

Datuk Zamree further highlighted that the strong synergy between CGC and AKPK will assist the public in terms of financial education and support their aspiration should they aim to be entrepreneurs. CGC believes in skill enhancements and this collaboration will enable our MSME customers to capitalise on AKPK's e-learning courses, workshops and webinars on financial literacy, as well as its debt management initiatives. In turn, interested AKPK customers planning to embark on entrepreneurship can leverage CGC Developmental Programme™ workshops and access to new markets to realise their goals. He encouraged AKPK customers to leverage CGC imSME online referral platform for access to financing. This win-win collaboration will help promote financial literacy and address FEN's important agenda in helping Malaysians improve their financial well-being and building a strong foundation for the nation's financial future.

AKPK Chief Executive Officer, Azaddin Ngah Tasir, commented in his speech, "This collaboration is very significant as it allows the Agency the chance to further broaden its reach and offer its solutions to CGC customers and vice-versa. In a post-Covid-19



environment where MSMEs' are being challenged harder than the larger businesses, any form of assistance, be it financial education or debt management, is vital.

Our long-term aspiration is not only to be known as a one-stop centre for debt management but also as an authoritative and credible agency that offers quality financial education solutions to all Malaysians. Our ultimate objective is to see everyone managing their finances in an ethical and sustainable manner. This is in line with our tag line "Make Prudent Financial Management A Way of Life".

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About CGC

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on 5 July 1972. It is 78.65% owned by Bank Negara Malaysia and 21.35% by the commercial banks in Malaysia. CGC aims to assist Micro, Small, and Medium-Sized Enterprises (MSMEs) with inadequate or without collateral and track records to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. As of April 2022, CGC has availed over 514,000 guarantees and financing to MSMEs valued at over RM88.6 billion since its establishment.

On 9 February 2018, CGC introduced imSME, Malaysia's first SME online financing/loan referral platform. The imSME serves as an alternative channel for MSMEs to source for financing products, saving them both the time and the hassle of going through time-consuming processes. From the time of its inception to the end of December 2021, the imSME portal had received more than 2.24 million visits with more than 52,000 registered MSMEs under the portal. In August 2020, imSME won "The Asset Triple A Islamic Finance Awards for Best Digital Banking Solution", a recognition of its innovative solution to provide MSMEs with convenient online access to apply for financing products, anywhere, anytime. In April 2021, imSME was awarded the Most Innovative SME Financing Platform in Malaysia by the Global Economics Awards 2021.

For more information, please visit www.cgc.com.my and www.imsme.com.my

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About AKPK

Agensi Kaunseling dan Pengurusan Kredit (AKPK) provides an avenue for borrowers as well as potential borrowers—both households and Small & Medium Enterprises (SMEs)—to enhance financial discipline via Financial Education, Financial Advisory and Debt Management Programme.

Financial Education programmes aim to nurture more financially astute borrowers who take control of their finances, and at the same time, promote a good payment and repayment culture through the wise use of credit.

Financial Advisory assists individuals to work out budgets, among others, that will help them manage their money and expenses while helping them meet their loan and credit obligations. For SMEs and microenterprises, financial advisory is available under the Micro Enterprise Help Desk (MEHD).

Debt Management Programme (DMP) assists borrowers in improving their financial standing with a personalised debt repayment through loan restructuring. Apart from households, DMP also caters for sole proprietors who experience financing repayment difficulties. For MSMEs, AKPK offers a similar programme, i.e. Small Debt Resolution Scheme (SDRS) that provides repayment assistance on their existing financing facilities.

These services, i.e. Financial Advisory, DMP and SDRS are provided for FREE to individuals and MSMEs by AKPK, without the use of any third-party agent.

For more information, visit our website at www.akpk.org.my.

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