



PRESS RELEASE

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**CGC RECOGNISES FINANCIAL PARTNERS AND SME CUSTOMERS
AT ITS 27TH FI/DFI & SME AWARDS 2021**

KUALA LUMPUR, 29 July 2022 – Credit Guarantee Corporation Malaysia Berhad (CGC) held its 27th FI/DFI & SME Awards 2021 at the Shangri-La Kuala Lumpur Hotel today. The awards ceremony was officiated by Yang Berhormat Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz, Minister of Finance, and attended by Chairmen and Chief Executive Officers of leading Financial Institutions (FIs) and Development Financial Institutions (DFIs), as well as representatives from the trade chambers, agencies, and media.

This annual awards ceremony, which also commemorates the Corporation's Golden Jubilee (1972-2022), recognises CGC's industry partners for supporting its journey since inception, progressing from a traditional guarantee provider to its involvement into a full-fledged partner to MSMEs.

An annual event since 1995, this awards ceremony is CGC's way of recognising its exemplary Micro, Small, and Medium Enterprise (MSME) customers with excellent exemplary records in meeting their financial obligations and success in developing and growing their businesses. The awards ceremony is also a platform for CGC to acknowledge FIs and DFIs, CGC's strategic partners for their commitment and support in providing MSMEs with better access to financing through their financial products.

At this year's awards ceremony, there were **31 awards** presented to the winners consisting of 16 awards for leading FIs and DFIs, 14 awards for MSMEs, and one award for the Non-FI Partner, this is a new category introduced in 2021. Tengku Zafrul presented the awards to the FIs and DFIs, witnessed by CGC Chairman, Dato' Mohammed Hussein and President/Chief Executive Officer, Datuk Mohd Zamree Mohd Ishak.

For the SME category, the following awards were presented to the deserving winners:

1. **TPUB-i Exemplary Customer Award** for CGC Tabung Projek Usahawan Bumiputera-i (TPUB-i) MSME customers with the highest number of contracts completed and good conduct of accounts.



2. **Merdeka Award** was introduced in 2021 to promote inclusivity, CGC wants to encourage substantive collaboration and joint ventures between various races. The focus is on substantive collaboration, where all partners are actively involved because competency is a key element in building resilience, and competency can only be acquired by way of experience through active participation.
3. **Top Rebate Customer Award** is given to MSMEs who have been exemplary in managing their financing and prompt in meeting their financial obligations.
4. **Top Graduate Customer Award** recognises MSMEs whose credit standings have improved and are now able to secure financing from FIs on their own without guarantees from CGC.

For the FIs and DFIs category, 16 awards were given away to recognise CGC's outstanding partners for their commitment and support in providing MSMEs with better access to financing and for assisting Malaysian MSMEs in their business recovery, enabling their businesses to be more resilient through the adoption of digitalisation during the pandemic and endemic phases.

In 2021, CGC introduced a **new category**, the **Top Non-FI Partner Award** to recognise outstanding Non-FI partners for their contribution to assisting MSMEs in obtaining financing. The non-FI partners play an important role in developing dynamic and resilient MSMEs by way of alternative financing.

Tengku Zafrul also launched the **CGC100**, a youth entrepreneurship programme, a collaboration between CGC and PINTAR Foundation. Khazanah Nasional Berhad is the Founding Member of PINTAR and it is supported by the Ministry of Education (MOE).

CGC100 aims to inculcate entrepreneurship in the youth and encourage entrepreneurship as a career option. This youth competency development programme on entrepreneurship focuses on developing new skills (up-skilling), empowering existing youth skills (re-skilling), and intersecting youth with other skills (cross-skilling). CGC100 offers a six-month Fast Track programme and a 12-month Comprehensive Track programme. The **Fast Track Programme** is targeted toward enrolling current MOE/TVET students and individuals, preferably aged 19 to 23 from the gig economy with some basic skills in entrepreneurship while the **Comprehensive Programme** will be geared toward youths, preferably aged 18-20 with minimum knowledge of entrepreneurship skills. Both programmes will be made available to youths from the B40/M40 communities in the Klang Valley/Selangor, for this pilot initiative. CGC100 is



strategised to empower these youths with soft skills and entrepreneurship training, enabling them to build feasible products and services.

In delivering his keynote address, YB Tengku Datuk Seri Utama Zafrul said, “A strong MSME sector contributes to a stronger Malaysian economy. Apart from digitalisation, MSMEs must also embrace sustainability principles, to ensure access to the increasingly growing ESG-based markets and ESG-based financing. To that end, banks and financial institutions play a critical role in facilitating the transition of MSMEs to low-carbon and sustainable practices, and where necessary, to guide the MSMEs in achieving their ESG targets.”

Dato’ Mohammed Hussein in his welcome speech said, “CGC is conscious that we have to play not only a growth-oriented role but also a counter-cyclical role to assist the MSMEs sector during difficult times. The last two years have certainly been difficult times for the MSMEs. Whilst the green shoots of recovery have blossomed for some, many MSMEs are still struggling to rebuild and scale up their business, or even restart their business. This is clearly evident when we visit major towns and still see many shops and offices with closed shutters.

Our response to the challenging last two years, therefore, has been to work strongly with our Financial Institution partners to provide SMEs with access to the various schemes provided by the Government and Bank Negara Malaysia to help the SMEs restart and rebuild. This has also forced us to review and enhance our own effectiveness so that there is congruence with our operational readiness to fulfill those needs.

Reflecting on these joint efforts with our financial institution partners, the wide impact of economic lockdown on the MSMEs, and their rate of recovery, from April 2020 to June 2022, these efforts have resulted in guarantees amounting to RM13.2 billion being issued for MSMEs of which RM6.1 billion was for the Special Relief Facility (SRF) and Target Relief and Recovery Facility (TRRF), and RM5.6 billion for the Portfolio Guarantee/Wholesale Guarantee schemes. Since its inception in 1972, CGC has assisted 360,000 MSMEs, and availed over 516,909 guarantees and financing valued at over RM89.0 billion, an average of RM1.78 billion annually. Prior to the pandemic, in 2018, CGC issued guarantees worth RM2.84 billion and RM3.32 billion in 2019. Currently, CGC is managing 62,276 active accounts (cumulative as of June 2022).”

In respect of the gig economy, which is becoming a major growth sector attracting younger budding entrepreneurs, Dato’ Mohammed Hussein said that while it is important to provide young entrepreneurs with access to financing, it is equally important to instil in them the skills and values that would build their resilience in coping



with good and difficult times. To develop these skills and instil the core values, CGC will soon launch the CGC100 youth entrepreneurship Program. He said, "It is our aspiration that upon completion of this programme, these youths will have a better understanding of how to identify and evaluate the viability of business opportunities. They will also be given the opportunity to present the viability of their ideas to CGC for financing possibilities."

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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 June 2022, CGC has availed over 516,909 guarantees and financing to MSMEs valued at over RM89 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 June 2022, the imSME portal had received more than 2.3 million visits with more than 59,000 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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