



Press Release

For immediate release

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CREDIT GUARANTEE CORPORATION AND STANDARD CHARTERED BANK MALAYSIA SIGN PORTFOLIO GUARANTEE AGREEMENT

Kuala Lumpur, 7 April 2009 - Credit Guarantee Corporation Malaysia Berhad (CGC) and Standard Chartered Bank Malaysia Berhad (Standard Chartered) have entered into a partnership agreement that would enable SCB to extend financial assistance to SMEs via the Portfolio Guarantee.

The agreement was signed by CGC's Managing Director, Datuk Wan Azhar Wan Ahmad and Standard Chartered's Chief Executive Officer, Mr Julian Wynter at a signing ceremony held today in Kuala Lumpur. The ceremony was witnessed by Dato' Zamani Abdul Ghani, Deputy Governor of Bank Negara Malaysia, who is also CGC's Chairman.

The Portfolio Guarantee Agreement, the first agreement of its kind to be signed in the financial industry, would enable SMEs not only to enjoy a new avenue to gain access to financing but also improved turnaround time in terms of approval and disbursement of loans.

Speaking to the media at the signing ceremony, CGC's Managing Director Datuk Wan Azhar Wan Ahmad said: "Through this arrangement, designed for Standard Chartered's SMEs loans, we hope to deliver speedier application processing time as the customers eligible for this portfolio guarantee are pre-selected based on certain criteria."

He also added that this initiative is in line with the call of the government for greater government-private sector collaboration to drive economic growth.

“CGC and Standard Chartered Bank Malaysia have an important role in helping to stimulate economic growth, and supporting viable SMEs to sustain their businesses is the way to go at this crucial period,” he said.

Julian Wynter, Managing Director and CEO of Standard Chartered Malaysia, “SMEs will be the engine of any global economic recovery. Yet, worldwide they are struggling to survive as flight away from risk affects credit flows. It is critical that governments, banks and public agencies, collaborate to avert consistent and wide-scale failure of this sector.

“As a bank, we recognise our role in the equation. This Portfolio Guarantee partnership with CGC sees Standard Chartered leading the way in supporting SME potential. By enabling working capital financing to small businesses, we demonstrate our promise to be their right partner through both bull and bear times.”

Through the Portfolio Guarantee, a facility of RM50 million shall be made available to the SMEs in the first tranche and eventually up to RM300 million in subsequent tranches. The Portfolio Guarantee, a term loan facility, offers a loan range of between RM100,000 to RM500,000 and is designed with the primary objective of providing working capital and asset acquisition to SMEs.

With Standard Chartered on board, CGC hopes to see more such opportunities with other financial institutions to further enhance its support to the SME sector in efforts to sustain the growth of this key component of the economy.

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About CGC

CGC was established on 5 July 1972. Current shareholders are Bank Negara Malaysia (major shareholder) and all commercial banks. The core business focus of CGC is assisting SMEs especially those without or with inadequate collateral and track record to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. The Corporation has 16 branches nationwide. To date, it has cumulatively guaranteed 388,818 loans valued at more than RM41.0 billion since its establishment.

Standard Chartered in Malaysia

Standard Chartered Bank Malaysia Berhad, a member of the Standard Chartered Group was established in Malaysia in 1875 and locally incorporated on 1 July 1994. As Malaysia's first bank, Standard Chartered leads the way through product innovation, consistent and strong growth performance and sustainability initiatives. It provides a comprehensive range of financial products and services including retail and wholesale banking for individuals, small and medium-sized enterprises, corporate and institutions through its network of more than 30 branches across Malaysia.

In 2001, Standard Chartered established a global shared service centre named Scope International in Kuala Lumpur, Malaysia to provide software development, banking operations and IT support services to the Bank in up to 70 countries – the first international bank to do so in Malaysia. It now houses the biggest software development company in the country, International Software Centre Malaysia (ISCM). Standard Chartered's two other global shared service centres are in Chennai, India and Tianjin, China.

Another wholly-owned subsidiary of the Group, Price Solutions Sdn. Bhd is also located in Malaysia. The company promotes and markets Standard Chartered's financial products in Malaysia through a network of direct sales agents.

Standard Chartered Saadiq Berhad, its Islamic Banking subsidiary was established in November 2008. It offers a comprehensive range of Shariah-compliant products and services to individuals and corporates through its first Saadiq financial centre (branch) located in Taman Tun Dr Ismail, Kuala Lumpur.

Standard Chartered employs more than 5,000 employees in all its Malaysian operations.