



EMGN Autumn Academy 2022

25 October 2022, Tunisia

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MALAYSIAN
SMEs

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SMEs

Overview of CGC

Overview



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Incorporated under
Companies Act of 1965 on
5 July 1972

**Guarantee
and Financing**

**USD 19.2
Billion**

**360 K
MSMEs**

- No collateral
- Inadequate track record

Shareholders

Bank Negara Malaysia
78.6%

22 Commercial Banks
& 1 Credit Co.
21.4%

Figures as of 30 September 2022
Exchange rate MYR4.6870/USD as of 13 October 2022

Branch Network



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Malaysia's MSMEs Financing Landscape



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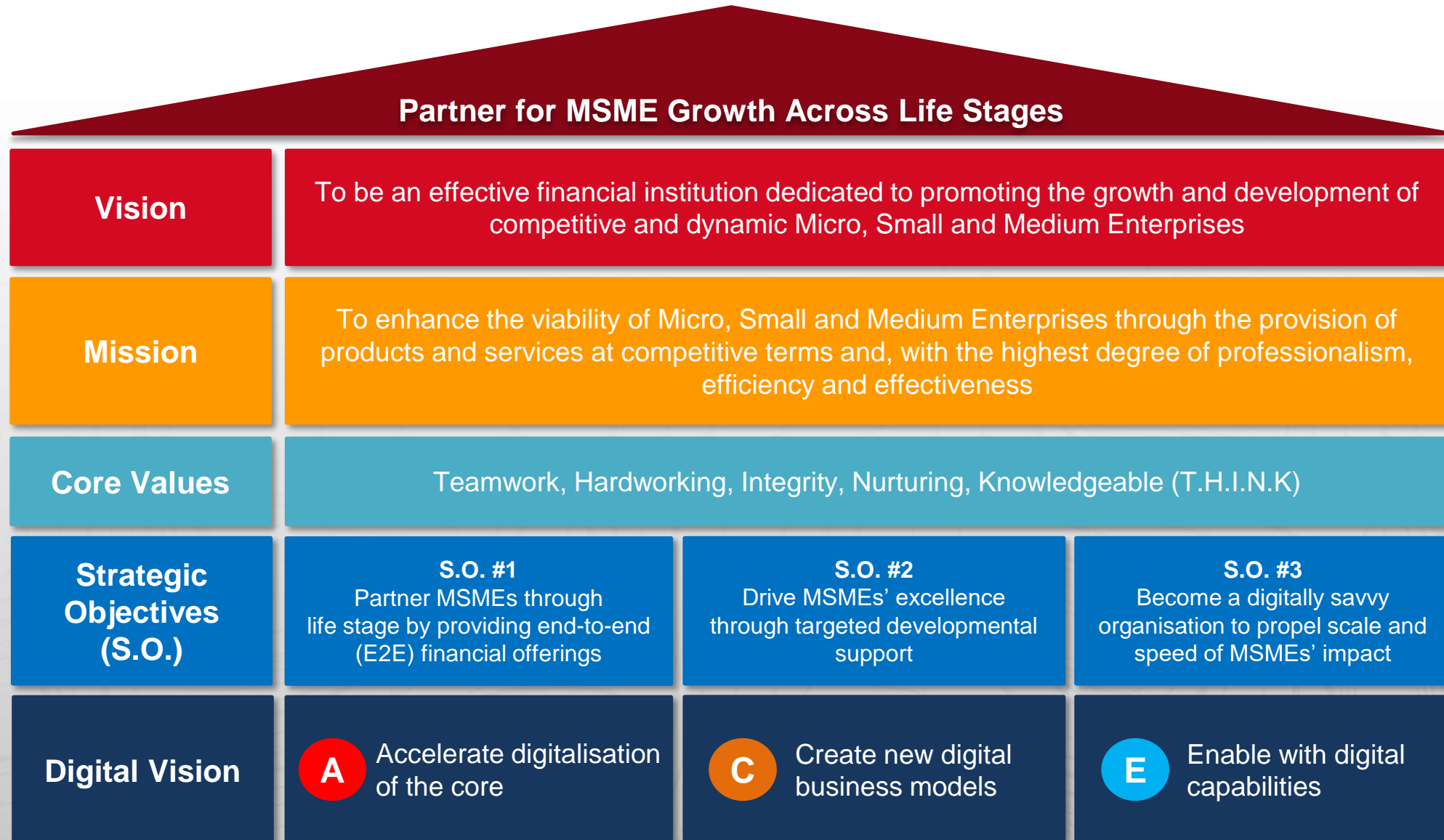


**Note:*
P2P : Peer to Peer
ECF : Equity Crowdfunding

CGC 5-Year Strategic Plan 2021-2025



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Products & Services



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3 pillars of CGC's products and services to support MSMEs access to financing and address market gap

GUARANTEE



DIRECT FINANCING

2009 TO DATE

- Tabung Projek Usahawan Bumiputera-i (TPUB-i)
 - BizMula-i
 - BizWanita-i
 - BizBina-i
 - BizMikro-i

BEYOND GUARANTEE





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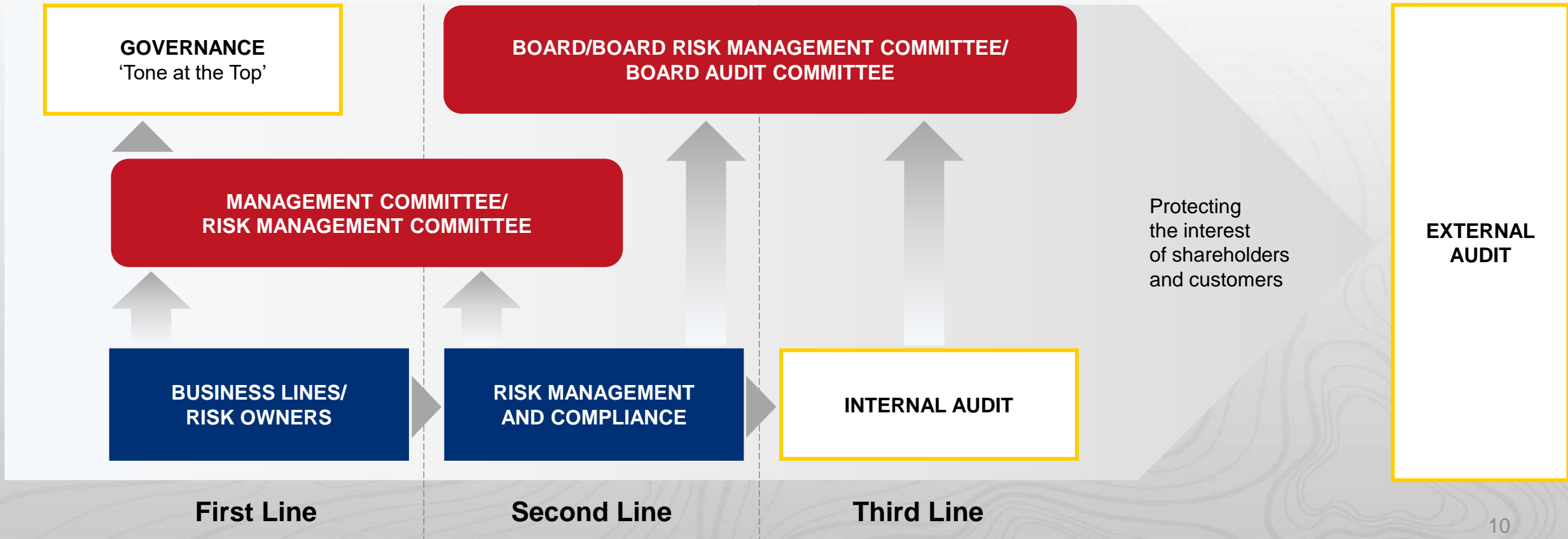
CGC's Regulators and Regulations

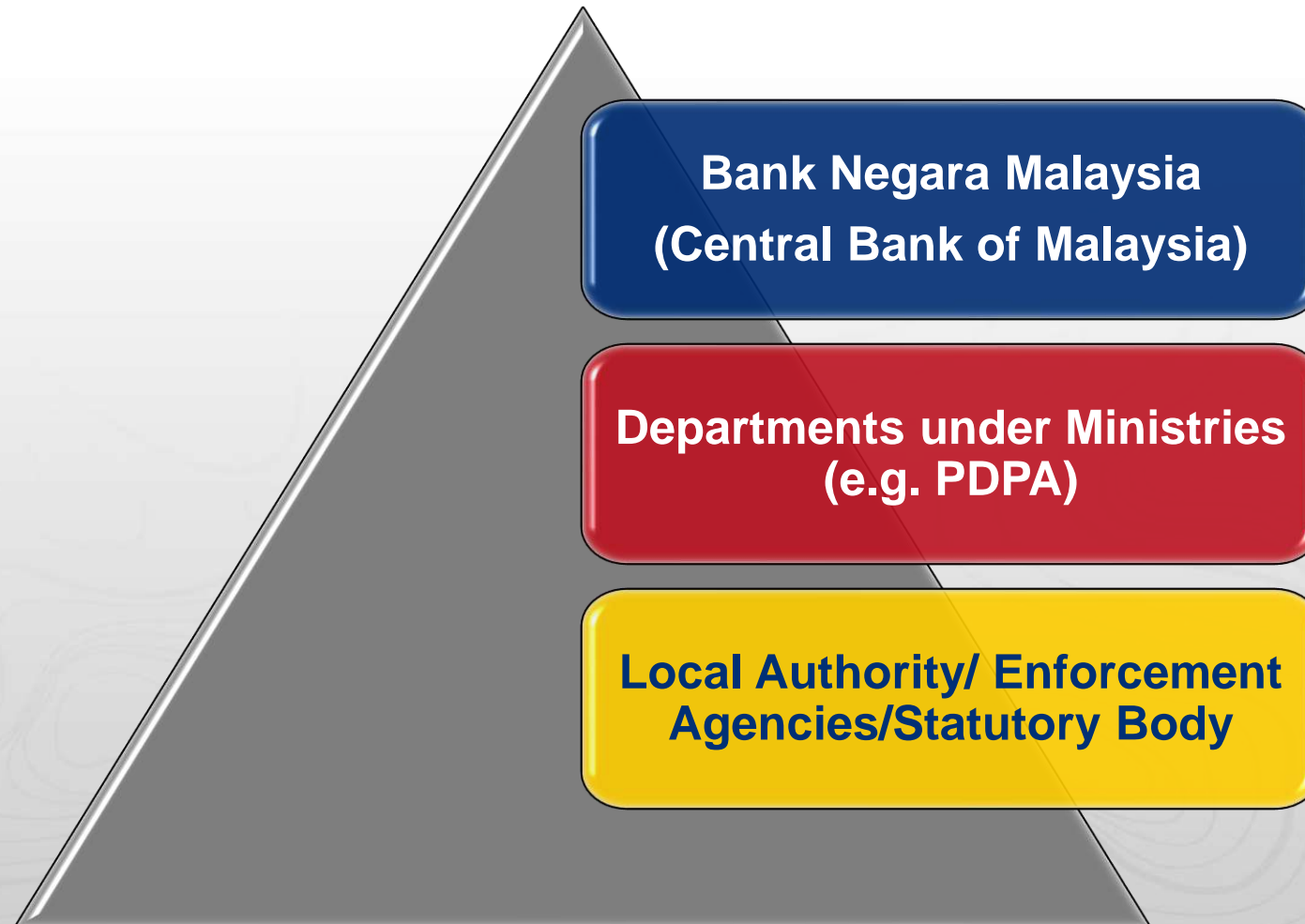
CGC Three-Lines-of-Defence Model



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CGC has adopted the three-lines-of-defence model in which business lines and independent risk management and compliance functions work in collaboration to ensure that business strategies and activities are consistent with policies and limits.





Compliance Requirements



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Statutory Requirements

- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001
- Personal Data Protection Act 2010
- Section 17A of MACC Act 2009
- Whistleblower Protection Act 2010

Business Requirements

- Operational Guidelines for BNM Funds for SMEs
- Eligibility Criteria for BNM Funds
- Capital Adequacy Ratio
- Guarantee Reserve Ratio
- Other Guidelines, Circulars, Directives issued by BNM for funding for SMEs

Operational Requirements/Best Practices

- e-KYC requirements
- Cybersecurity, data protection, client information protection
- Connected party policy
- Product disclosure requirements

Benefits of a Well-regulated Environment



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Promotes stability, certainty & trust



Protect our stakeholder's as well as public's interest



Corporation's vision & mission remain intact



Reputational, Non-Compliance and Legal risk are minimized





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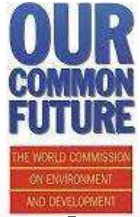
Sustainability



Sustainability in Malaysia



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Brundtland Report

Defines the concept of sustainable development
“..meeting the needs of the present without compromising the ability of future generations to meet their own needs...”

1987

1994



Triple Bottom Line, John Elkington

Companies should be preparing three different bottom lines of **Profit, People, Planet**

Kyoto Protocol

Commits its country parties by setting non-binding emission reduction targets

1997



Paris Agreement

First ever universal legally binding global climate deal adopted by 195 countries. Strengthening global response to climate change by “pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels”

- Malaysia set a target to reduce intensity of GHG emissions by 45% by 2030, 35% unconditionally and 10% conditional

2015



Sustainable Development Goals (SDGs)

The UN 2030 Agenda sets out 17 goals, related to ESG, to be achieved until 2030.

2017



Task Force on Climate related Financial Disclosures (TCFD)

Provides recommendations for transition (policy, technology, market) risks and physical risks associated with climate change across industries.

2019



European Green Deal

New EU growth strategy with 4 objectives

- Climate neutrality by 2050
- Reduction of environmental pollution
- Global leadership in clean products and technologies
- Ensuring a fair and inclusive transition.

2021

Carbon neutral Malaysia by 2050

Under the 12th Malaysia Plan, Malaysia has set an ambition to be a carbon neutral nation by 2050

- Malaysia upgraded its NDC target to reduce intensity of GHG emissions by 45% by 2030 unconditionally
- A net-zero emissions target by 2050 was tabled at COP26.

Sustainability in CGC



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ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE



imSME

Reduce Paper
Dependency

Community &
Stakeholder
Engagements

Risk Management

CGC Developmental
Programme™

Green Technology
Financing Scheme 2.0
(GTFS/i 2.0)

Staff Engagements &
Talent Development

Board Diversity,
Effectiveness &
Independence

Corporate Partnerships

Cybersecurity and Data
Protection

Anti-Money Laundering &
Countering Financing of
Terrorism

CGC is currently developing CGC's Sustainability Strategy and Framework which is expected to complete in **December 2022**



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CGCmy

www.cgc.com.my