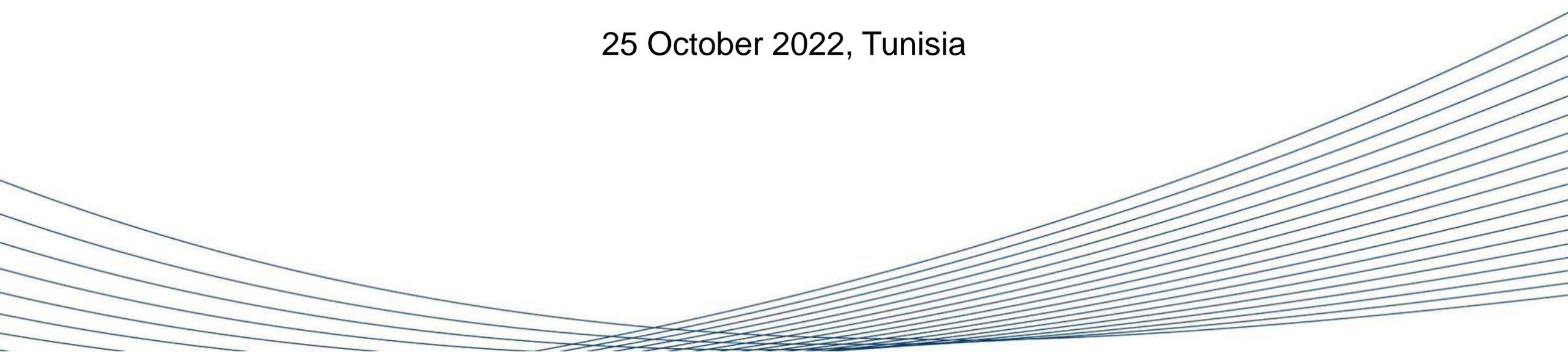




EMGN Autumn Academy 2022

25 October 2022, Tunisia



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MALAYSIAN
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

Partner for MSME Growth Across Life Stages

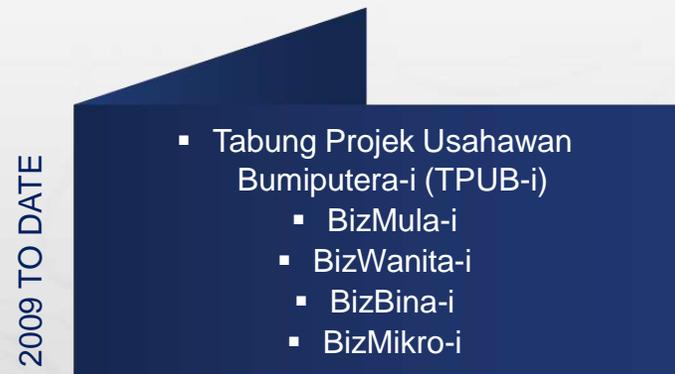
Vision	To be an effective financial institution dedicated to promoting the growth and development of competitive and dynamic Micro, Small and Medium Enterprises		
Mission	To enhance the viability of Micro, Small and Medium Enterprises through the provision of products and services at competitive terms and, with the highest degree of professionalism, efficiency and effectiveness		
Core Values	Teamwork, Hardworking, Integrity, Nurturing, Knowledgeable (T.H.I.N.K)		
Strategic Objectives (S.O.)	S.O. #1 Partner MSMEs through life stage by providing end-to-end (E2E) financial offerings	S.O. #2 Drive MSMEs' excellence through targeted developmental support	S.O. #3 Become a digitally savvy organisation to propel scale and speed of MSMEs' impact
Digital Vision	 Accelerate digitalisation of the core	 Create new digital business models	 Enable with digital capabilities

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

GUARANTEE



DIRECT FINANCING



BEYOND GUARANTEE





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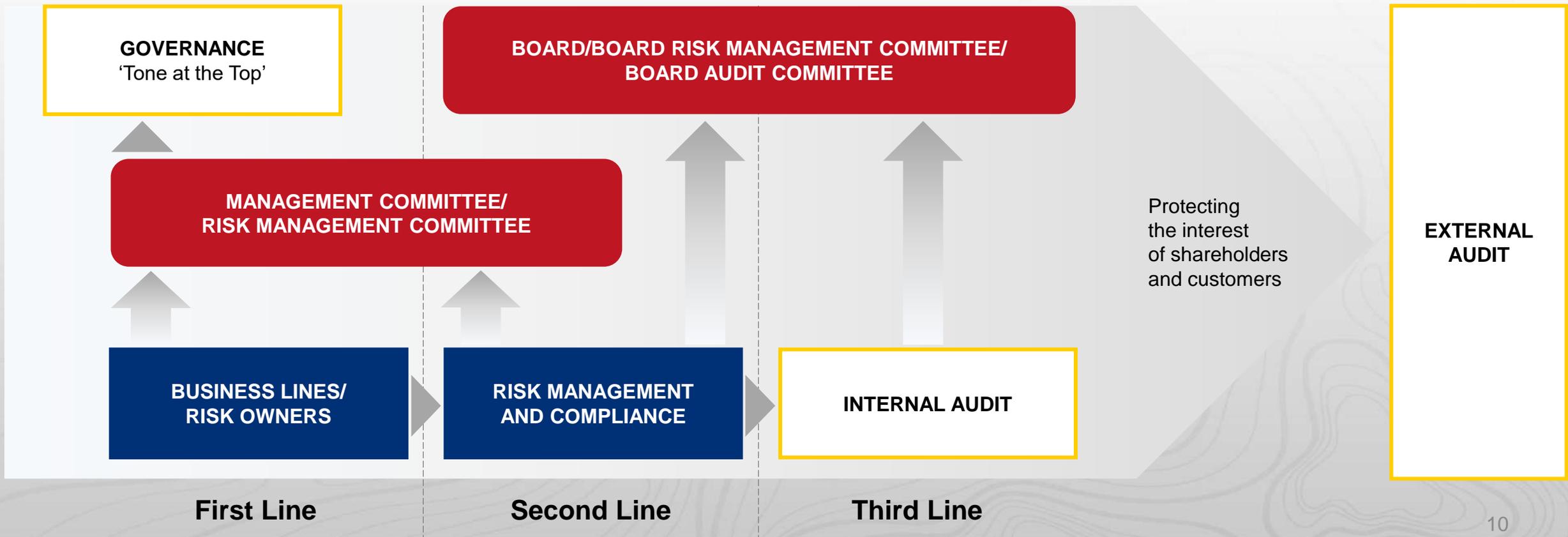
CGC's Regulators and Regulations

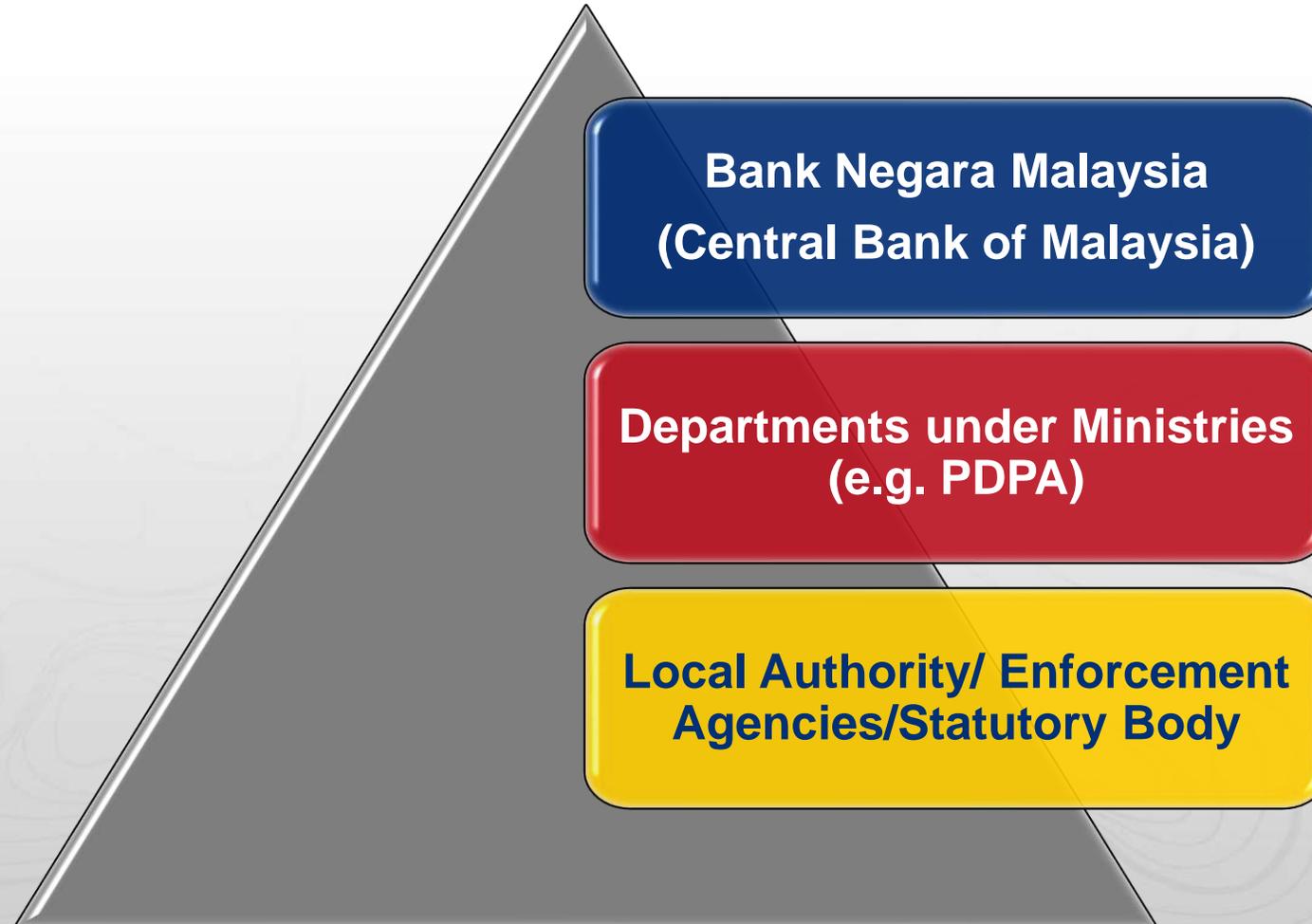
CGC Three-Lines-of-Defence Model



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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.





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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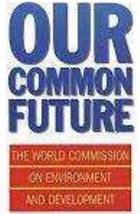
Sustainability



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



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21-CMP11

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.



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.

2019

2021

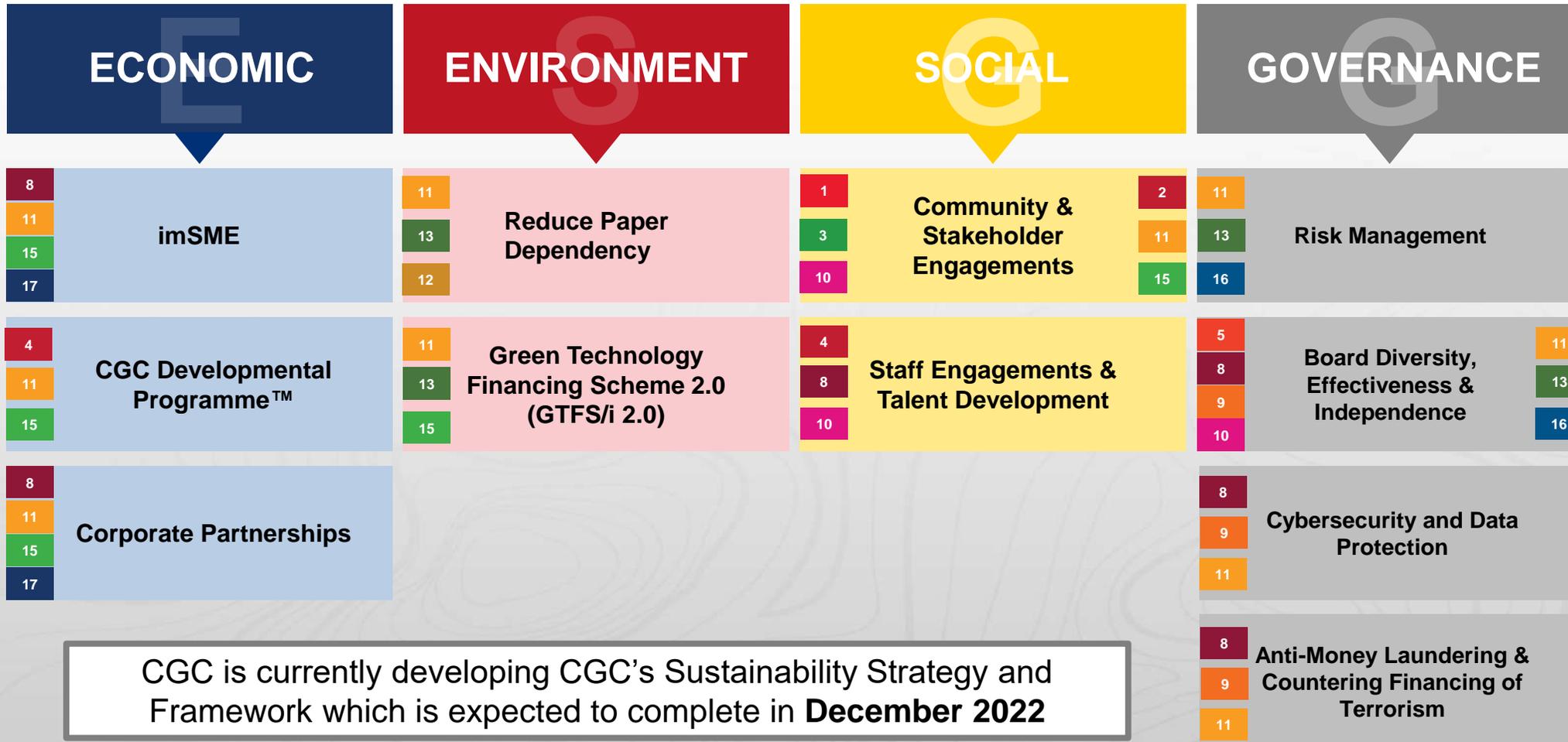
Carbon neutral Malaysia by 2050
Under the 12th Malaysia Plan, Malaysia has set an ambition to be a carbon neutral nation by 2050

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





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