

CIMB expects SME loan to maintain last year's growth pace

BY YIMIE YONG

KUALA LUMPUR: CIMB Group Holdings Bhd expects its lendings to the small and medium enterprise (SME) division to maintain last year's growth momentum.

"We expect about the same as last year. It will continue to grow," said its chief executive officer (CEO) of group consumer banking Renzo Viegas.

"Even though the time is more challenging, SME is able to grow about the same like last year," he told reporters after the memorandum of understanding (MoU) signing ceremony between CIMB Bank Bhd and Credit Guarantee Corp Malaysia Bhd (CGC).

Last year, the loan growth for the SME segment of the bank stood at

46%, according to Viegas. The SME loan growth for the whole banking industry was at 18%.

Viegas said CIMB Bank has about 400,000 SME customers, close to 40% market share as there are one million registered SME customers in the country.

CGC president and CEO Mohd Zamree Mohd Ishak said that there are signs that SMEs from the construction sector are affected by the slower economic growth. But he believes that the impact will be mitigated by the kick-start of several major projects such as the Pan Borneo Highway, Petroliaam Nasional Bhd's refinery and petrochemical integrated development (Rapid) in Pengerang, Johor, and the Sungai Buloh-Serdang-Putra-

jaya mass rapid transit line.

CIMB Bank and CGC inked the MoU to offer up to a total of RM1 billion of Enterprise Clean Loan (ECL) as part of their joint initiative to nurture and develop Malaysian SMEs.

The ECL is based on a customised portfolio guarantee product offered by CGC to CIMB Bank, to enable the latter to offer unsecured business loans to SMEs.

The MoU marks the enhancement of an already successful strategic collaboration between CIMB Bank and CGC since 2005, by making available a further RM750 million for the ECL.

CIMB Bank and CGC had launched earlier three tranches of the ECL amounting to RM250 million.