



***DFI's  
&  
Entrepreneurial Development***

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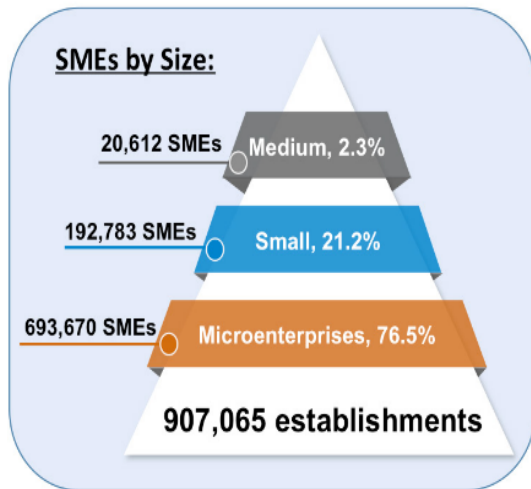
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# SME LANDSCAPE IN MALAYSIA

SMEs in Malaysia contributes to approximately 98.5% of business establishments

## SMEs in Malaysia

**98.5%**  
business establishments  
in Malaysia are SMEs  
...cut across all sizes & sectors



**20.6% of SMEs are women-owned**

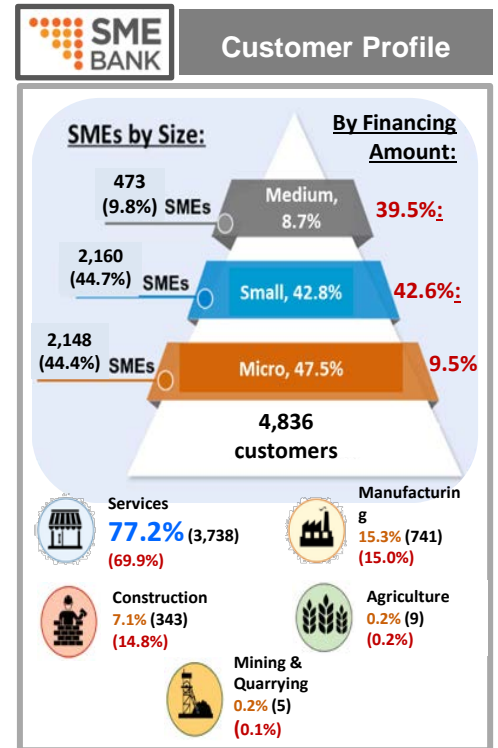
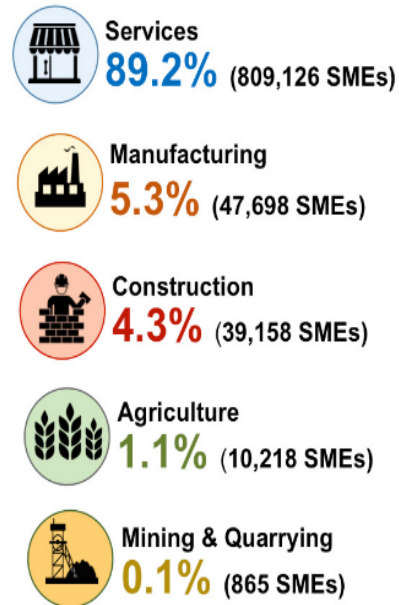
**Definition of Women-owned Company**

≥ 51% of the equity held by a woman / women

OR

CEO / MD is a woman that owns at least 10% of the equity

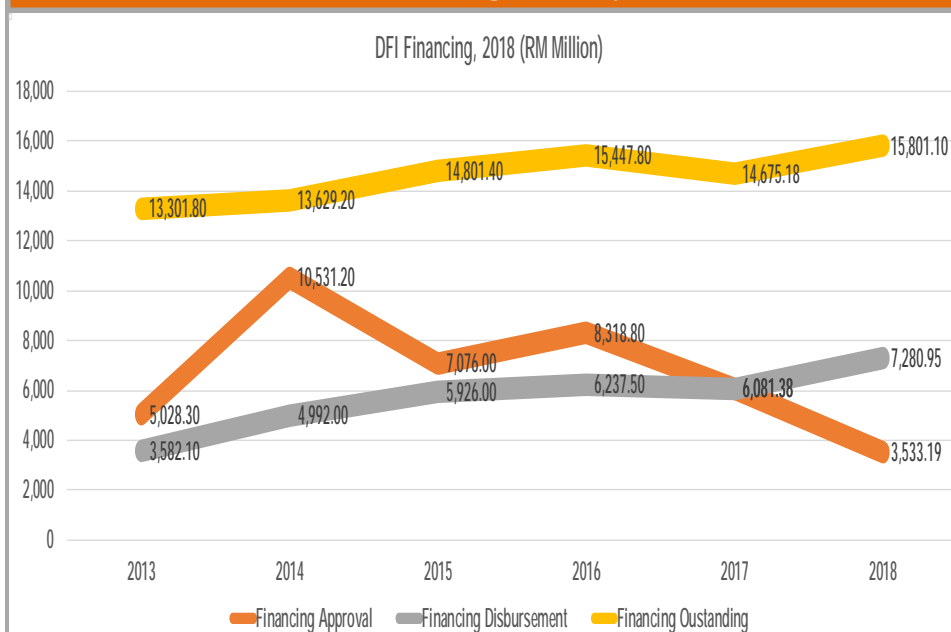
### SMEs by Sector:



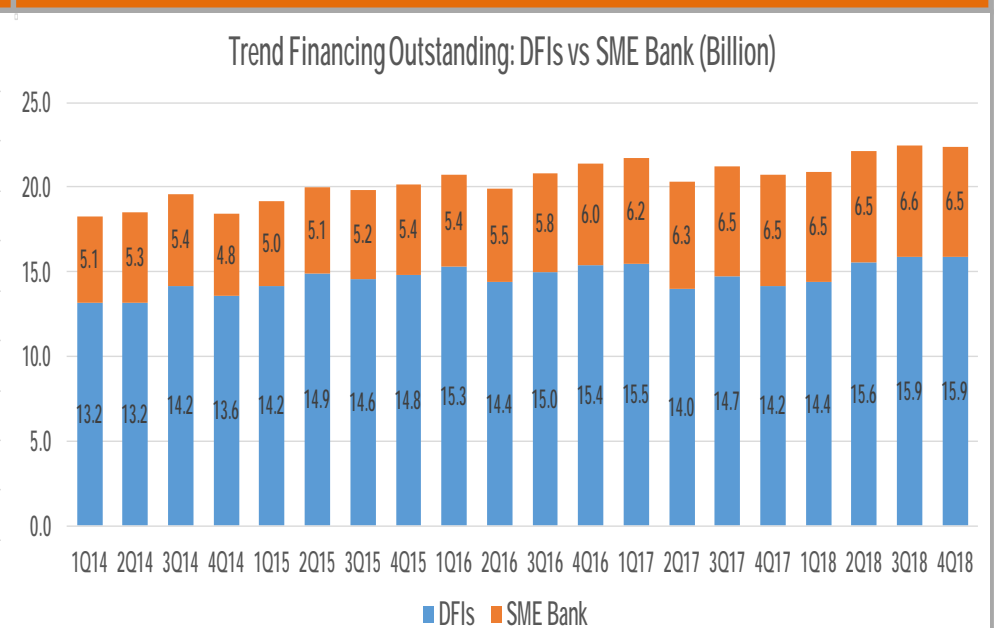
# SME FINANCING LANDSCAPE IN MALAYSIA

## Financial Inclusion: Performance by the banking sector in the Development Financial Institutions' space and SME Bank's market share

### DFI Financing in Malaysia

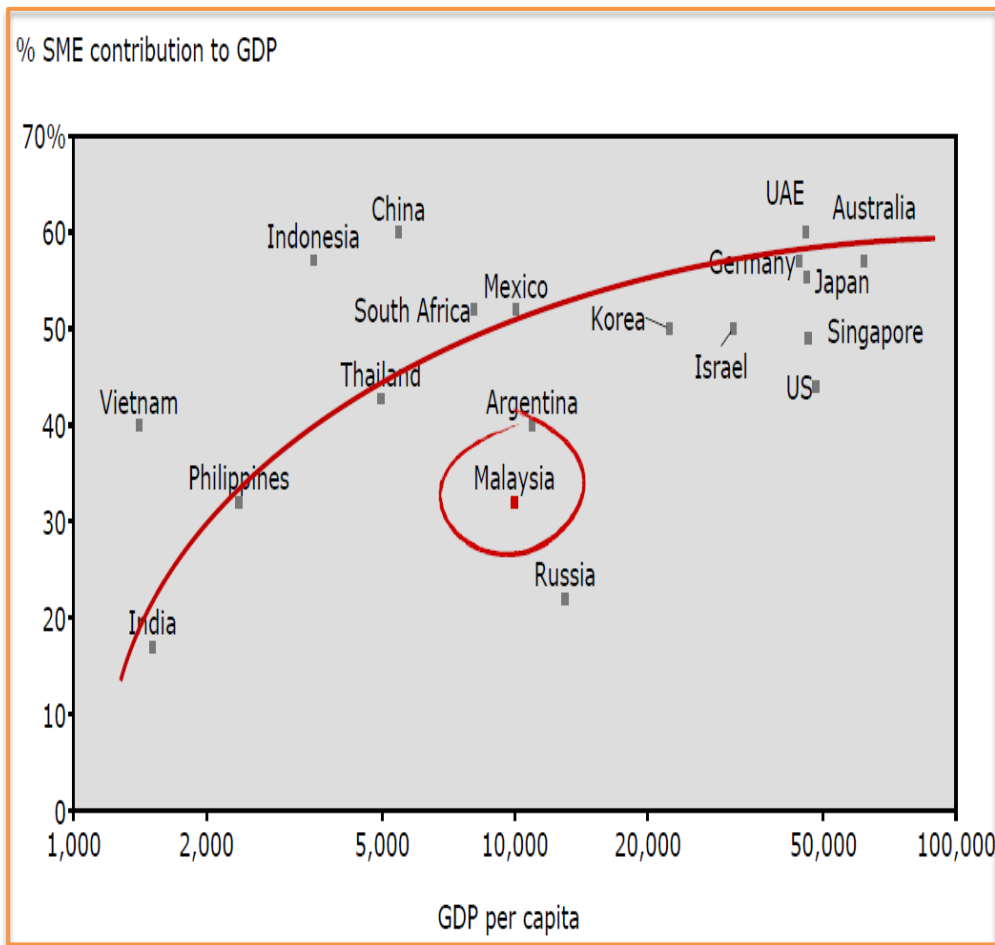


### SME Bank's Market Share



Between DFIs, SME Bank captures on average of 45% as at 2018.

# MALAYSIAN SMES' GDP CONTRIBUTION VIS-À-VIS MARKETS AND BY ECONOMIC ACTIVITY

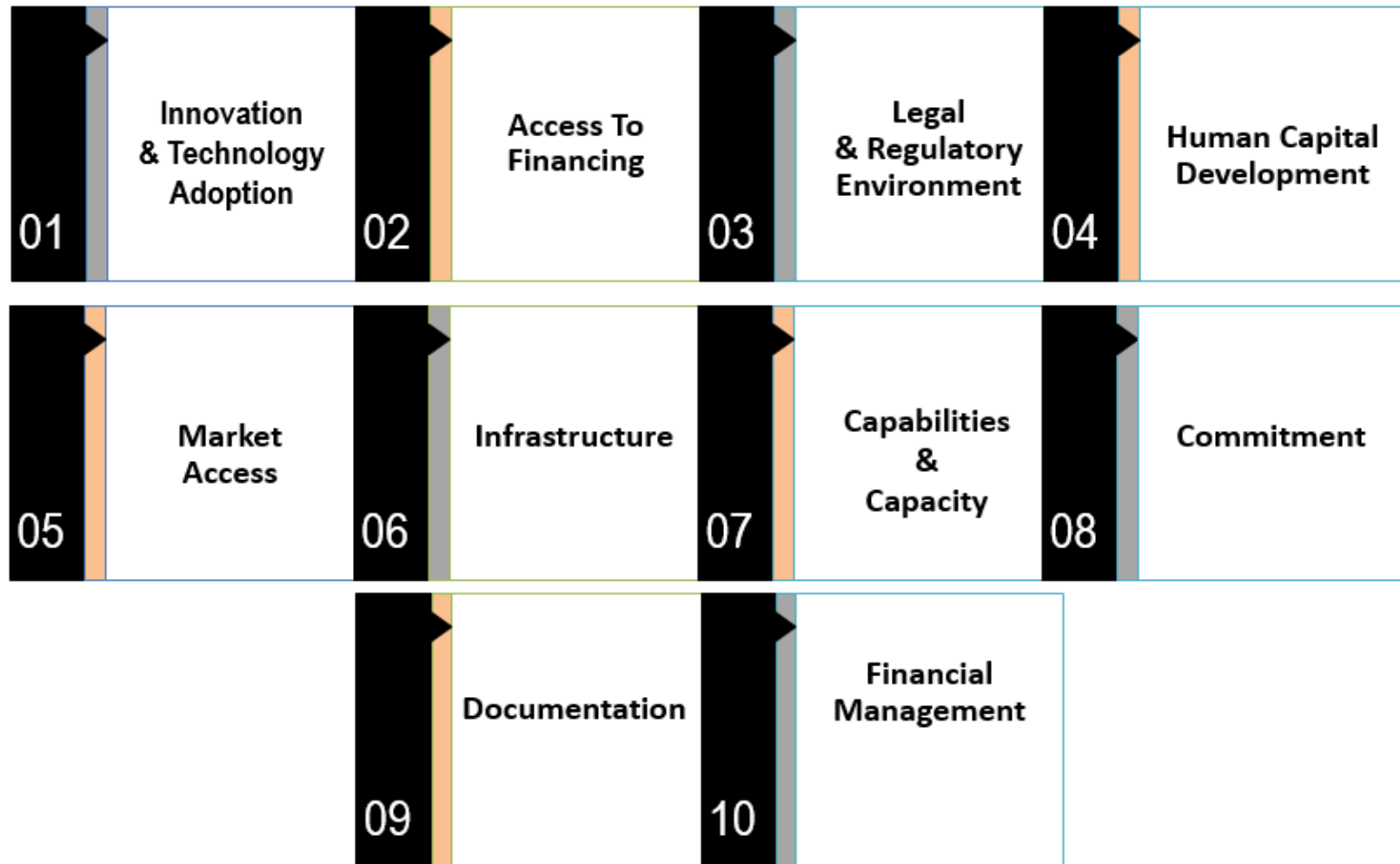


	SME Contribution to GDP			SME GDP Growth
	2010 (% share)	2014 (% share)	Increase / decrease in share	CAGR <sup>1</sup> 2011 – 2014
Overall <sup>2</sup>	32.2	35.9	+3.7	8.3
Construction	0.9	2.0	+1.1	28.9
Services	19.6	21.1	+1.5	7.3
Mining & Quarrying	0.0	0.1	+0.1	39.3
Agriculture	4.3	4.5	+0.2	6.7
Manufacturing	7.2	7.8	+0.6	7.5

<sup>1</sup> CAGR refers to compounded annual growth rate

<sup>2</sup> Total value-added after taking into account import duties

# KEY ISSUES & CHALLENGES FACED BY OUR SMES



# SME BANK'S MANDATE AND PLAYING THE DUAL ROLE

## Role of Development Financial Institutions (DFI)s in Malaysia



- ❑ DFIs are specialized FIs established by the Government with specific mandate to develop and promote key sectors that are considered of strategic importance to the overall socio-economic development objectives of the country
- ❑ Roles and functions in providing focused financial and development support to bolster economic growth, socio-economic agenda and human capital development
- ❑ The strategic sectors include agriculture, small and medium enterprises (SMEs), infrastructure, maritime, export oriented sector as well as capital-intensive and high-technology industries
- ❑ There are 13 DFIs in the country of which 6 are prescribed under the Development Financial Institutions Act 2002 or (Amended) Act 2015 and supervised by Central Bank of Malaysia.

## SME Bank's Value Proposition: Playing a Dual Role

### SME Bank's Mandate

Providing financing assistance and advisory services activities to SMEs involved in manufacturing, services and construction sectors

### Financially Sustainable

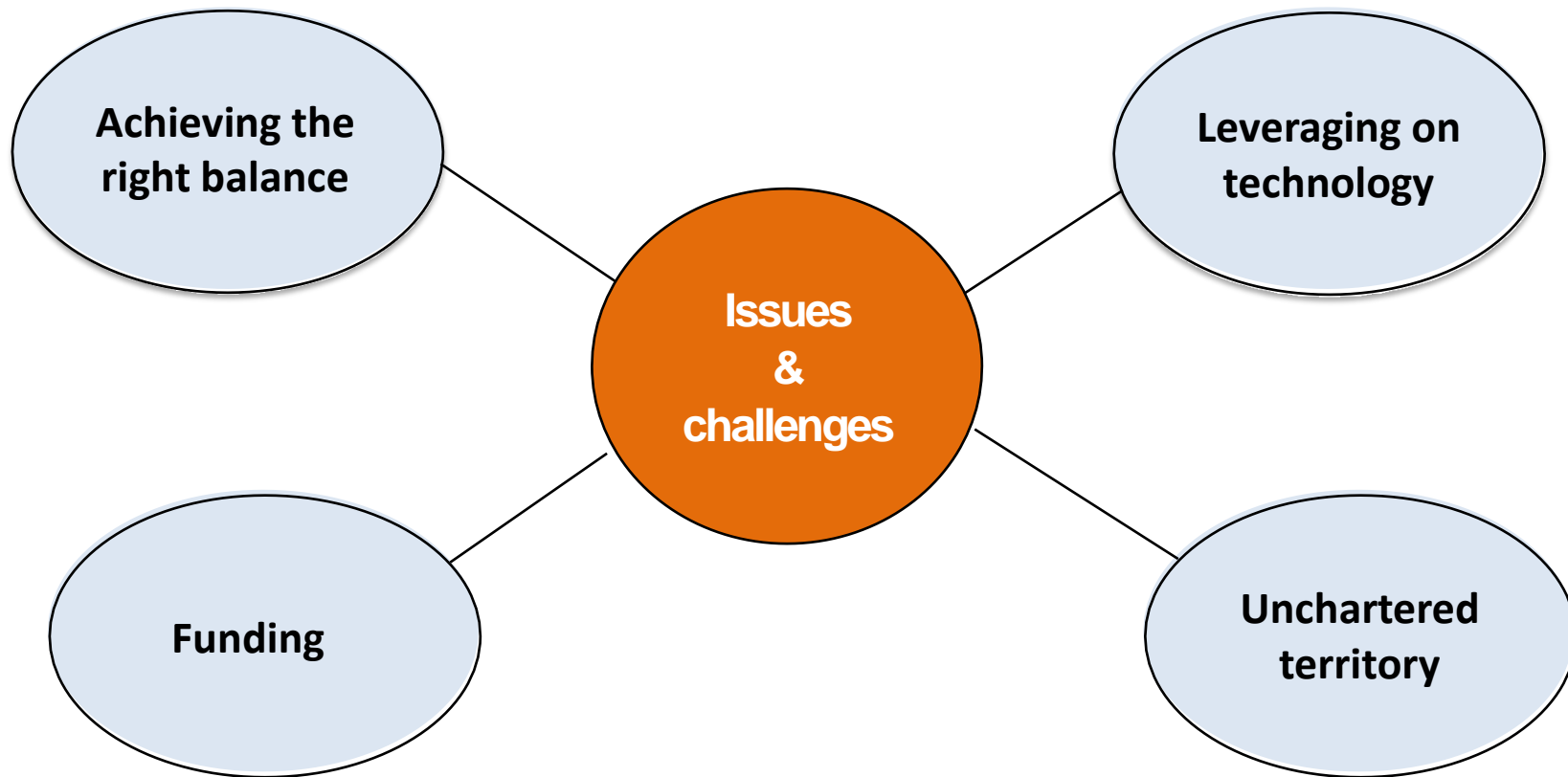
- ❑ SME Development Bank, as the name suggests is a development Bank governed by Central Bank of Malaysia with MITI as the supervising Ministry
- ❑ As a going-concern entity; it shall remain to be financially sound, self sustaining and able to generate returns to its shareholders

### Developmental Role: Entrepreneur Development

- ❑ SME Bank shall play a developmental role in developing SMEs to be the nation's engine of growth, in line with the Government's economic agenda
- ❑ Financial Inclusion: Providing financing assistance and advisory services to the unserved and underserved; bridging the funding gaps of SMEs
- ❑ Advisory services are being offered by the Bank to all levels of the SMEs on a continuous basis

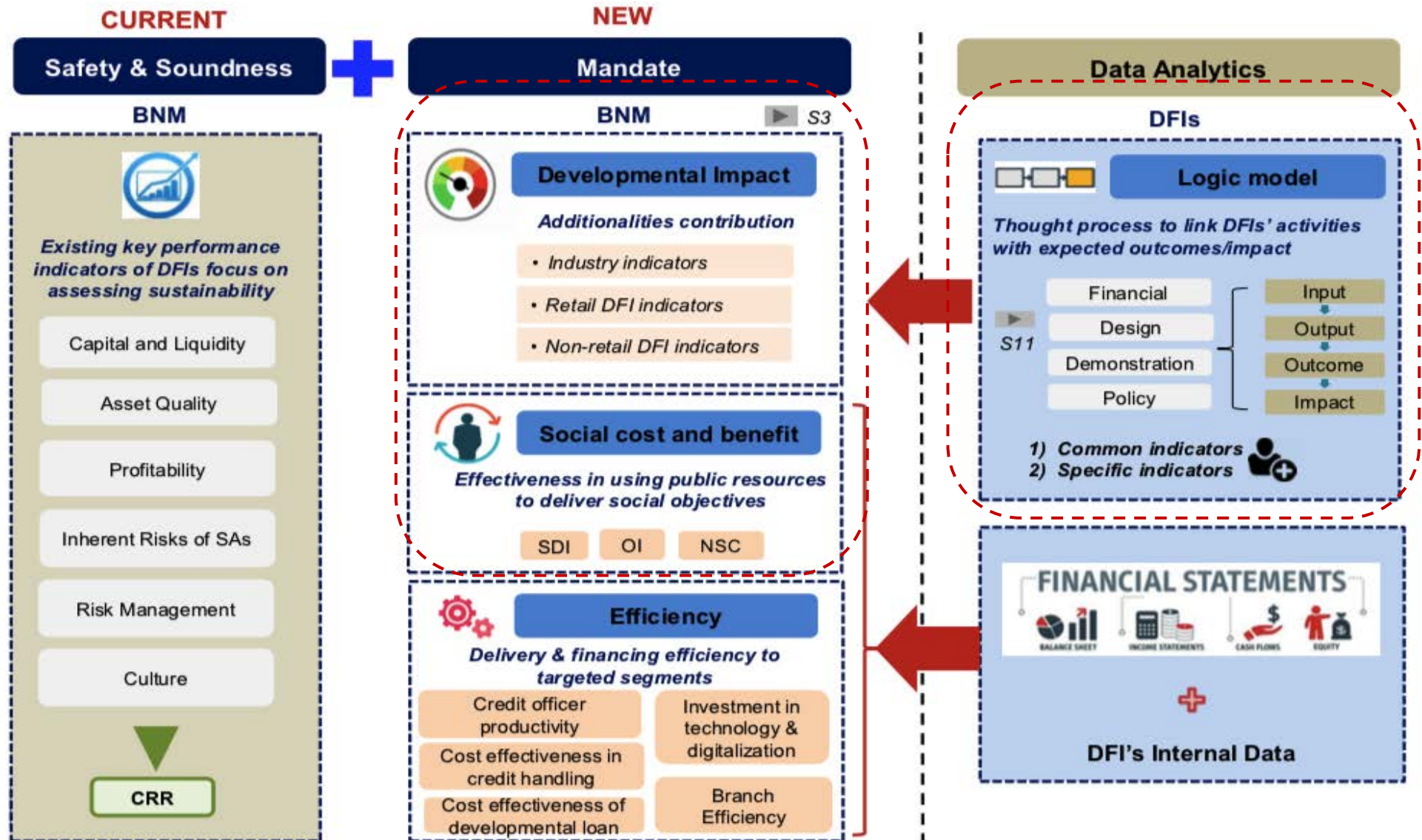
# ISSUES AND CHALLENGES

**Main key challenges that SME Bank need to overcome in order to execute our Developmental role**



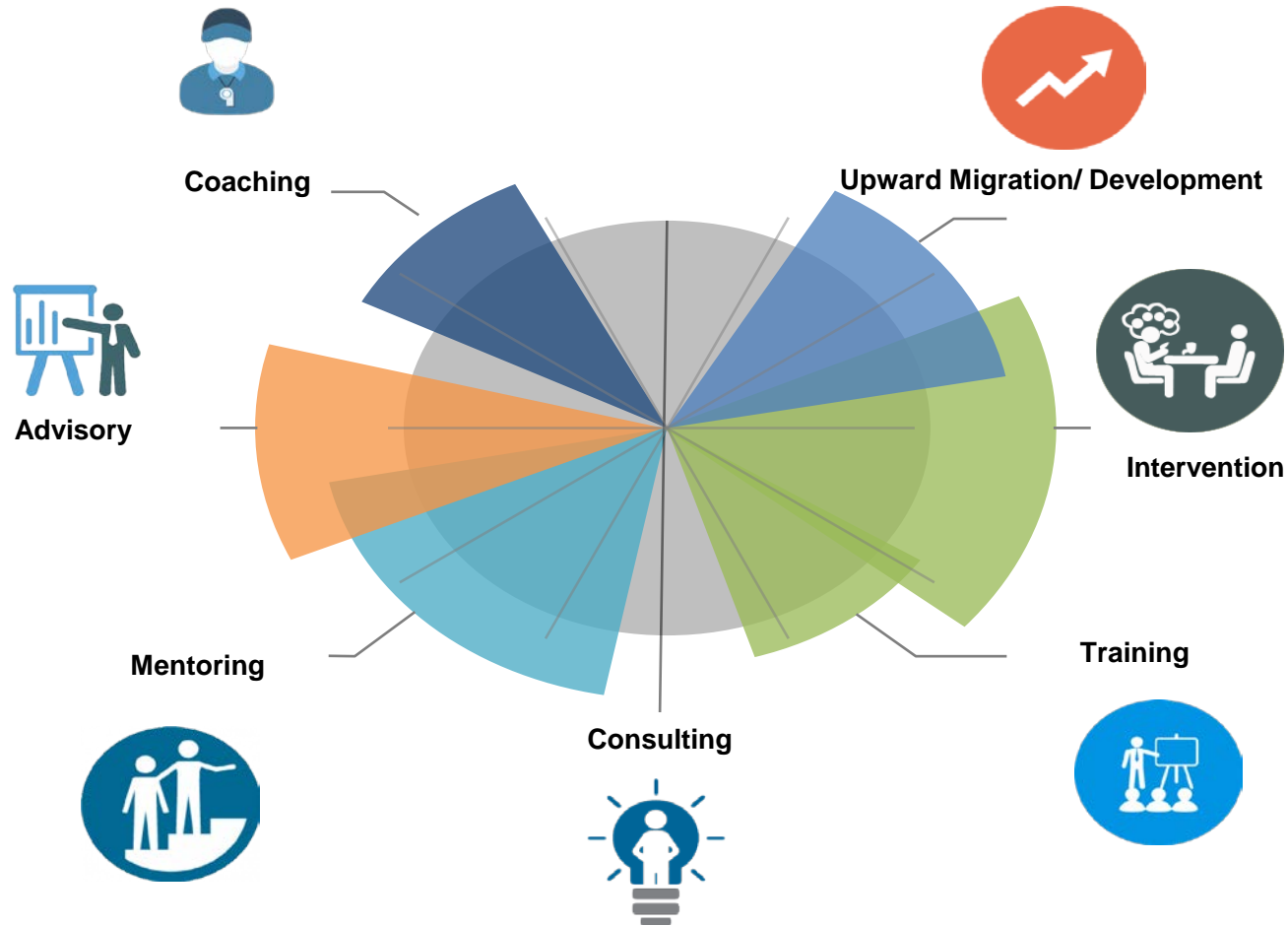


# PERFORMANCE MEASUREMENT FRAMEWORK



# BEYOND FINANCING : ENTREPRENEUR DEVELOPMENT

SME Bank has been continuously measuring relevant metrics that we set in our dedicated developmental programmes via our Entrepreneur Development function



Collaborative Partners

# BEYOND FINANCING : CENTRE FOR ENTREPRENEUR DEVELOPMENT AND RESEARCH (CEDAR)

## SERVICES PROVIDED BY CEDAR FOR SMES

**CEDAR**  
Centre For Entrepreneur Development And Research



### GUIDED BUSINESS DIAGNOSTICS



Understanding the  
7 Parameters



**MyFinB**  
Beyond Financial  
Statement



### GUIDED BUSINESS ALIGNMENT



Identify Gaps



Formulate  
Goals & KPIs



### 1-TO-1 TUTORIAL & COACHING



#### Focus Area

Strategy  
Finance  
Marketing  
Human Resource



#### Business Tool

SWOT  
Vision, Mission  
Business Model  
Canvas  
Balanced Score  
Card



### PERSONALIZED BUSINESS COACHING



Improve Business  
Performance



Open Topics



### PUBLIC PROGRAMMES

- Export
- Halal
- High-Impact Slide Presentation
- Design Thinking
- Branding
- Successful Millionaire Entrepreneur

## ACHIEVED RESULTS : UPWARD MIGRATED COMPANIES IN 2017

KRA's	BUSINESS KPI's	ACHIEVED
Scaling up Client's Business	Companies engaged that has attained increase in Turnover	66 Companies
	Companies engaged that has attained growth in employment	63 Companies
	Companies engaged that has attained Growth in business (PBT)	52 Companies
Creating Exporters	Companies engaged that are going/expanding for export market	52 Companies
Entrepreneur Creation	New start-up supported	12 Companies
<b>TOTAL</b>		<b>245 Companies</b>

## ACHIEVED RESULTS : UPWARD MIGRATED COMPANIES IN 2018

KRA's	BUSINESS KPI's	ACHIEVED
Scaling up Client's Business	Companies engaged that has attained increase in Turnover	185 companies
	Companies engaged that has attained Growth in business (PBT)	63 companies
Creating Exporters	Companies engaged that are going/expanding for export market	31 companies
Technology	New Technology Adopted/Enhanced	52 companies
<b>TOTAL</b>		<b>331 companies</b>

- Thank you -