

Explaining intricacies of finance

WHILE branding and positioning are part of the factors for success in business, the finance side of the equation should also be given due attention for its role in business growth and sustainability.

CIMB Group commercial banking chief executive officer Victor Lee Meng Teck, in the Financial Literacy Chit Chat session during Boss Talk, shared in-depth knowledge on how financial institutions typically conduct assessments, including a company's capability to repay loans and its character.

"The biggest difficulty SMEs face in loan applications is the credit history," he said, stressing on the importance of maintaining a proper credit history and track record, as well as keeping good financial records.

As part of its efforts to become a valued partner to SMEs, CIMB Bank has committed RM15bil to finance 100,000 SMEs over the next two years, focusing on easing access to loans below RM500,000.

The bank also works with Credit Guarantee Corporation Malaysia Bhd to guarantee SME loans.

While organic growth is an option, taking a loan is necessary to spur faster growth, especially when funds are needed for a new opportunity or expansion, he added.

Lee, who oversees CIMB Group's commercial and SME banking businesses, has over 20 years in retail banking, channels and distribution management, microfinance and business banking.

To export outside Malaysia, SMEs will need financing but also the strength of a partner like CIMB Bank to ease their access into new markets.

"CIMB has been working and strategising to brand and position itself as a valued partner for SMEs.

"We place importance on SMEs and can help them in matters beyond financial solutions.

"The first step is to reach out to us by going to our branches for advisory services and starting a conversation," he said.

SMEs can leverage the bank's network in the region to better understand the markets they want to expand into and connect with its partners, providing affordable solutions.