

PARTNER 2

ENHANCING BANKING EFFICIENCY AND CUSTOMER SERVICES TOWARDS TRUE BUSINESS PARTNERSHIP

Explanatory Notes and Guidelines

Dear Customer,

Introduction

The first phase of the PARTNER initiative, launched in 2010, focused on streamlining and simplifying the processes and procedures in respect of applications for loans by Small and Medium Enterprises (SMEs). Towards this end, it introduced a standard template for the loan application form, a common timeline for processing straight-forward SME loan applications and a directory of the banks' SME contact points. You can read about Phase 1 of PARTNER on ABM's website, www.abm.org.my.

Spurred on by the positive response and feedback from SME businesses and our participating member banks alike for Phase 1 of PARTNER, we are pleased, commencing Monday, 15 July 2013, to roll-out Phase 2 (referred to as PARTNER 2 in short). The new aspects covered in PARTNER 2 include the following:-

1. A template for the guidance of, and adoption by, banks, which provides a checklist of areas in which the applicant has failed to satisfy (please see **Attachment 1**);
2. A chart depicting the timeline in respect of the processing of loan/financing applications for straight-forward cases supported by Credit Guarantee Corporation Malaysia Berhad (CGC) (please see **Attachment 2**); and
3. A chart depicting a refined timeline in respect of the processing of loan/financing applications for straight-forward cases (please see **Attachment 3**).

Template for Status of Loan Application Letter - Attachment 1

The checklist will identify the areas in which the applicant has failed to satisfy, such as:-

1. The weaknesses of the business plan
2. The adequacy of the security / collateral
3. The back to back approval of CGC
4. The impact of the financial records
5. The relevance of the credit history
6. Such other reasons which may be applicable

One or more of the boxes in the template may be ticked. Your bank may also choose to provide you with more details than that envisaged in the template.

Hopefully unsuccessful applicants will appreciate what is lacking in their applications and work towards being better prepared in their next loan application. Owing to the nature of the information contained in the letter and so as to ensure that the letter does not fall into the wrong hands or is opened by persons who are not the addressee itself, the banks will as far as is practicable make reasonable attempts to meet with (and/or deliver the letter to) the applicant. We would strongly urge unsuccessful applicants to meet with the banks to discuss the matter in greater detail.

Timelines for SME Loan Application - Attachments 2 and 3

The next focus of PARTNER 2 is the drawing up of a common timeline for straight-forward SME loan applications which have CGC support. The timeline will show you the stages involved in the processing of such loan applications and the duration to be expected which is a maximum of 52 days (see **Attachment 2**). This way, you will be able to better plan ahead.

Last but not least, in **Attachment 3** the timelines committed to in Phase 1 of PARTNER in respect of a straight-forward SME loan application has been shortened from a maximum of 70 days to 43 days in tandem with the commitment on the part of the banks to continuously enhance or improve the efficiency of banking services for SMEs.

You will notice that two different sets of terminology, “working days” and “days”, have been used in the timelines. This is to provide for a longer and more practicable timeline where working days are used. Public holidays or weekends may otherwise come into play to cut short the actual time. Usually three working days is the norm for an uncomplicated stage of the timeline. Conversely, where time frames envisaged are already longer, for example, a period of seven days, there is hence no necessity for “working days” to apply.

Participating Banks

We have 10 participating banks for PARTNER 2 at this stage. The anticipated roll-out date is set out opposite their names.

No	Banks	Anticipated Roll-out Date
1	Affin Bank Berhad	15 July 2013
2	AmBank (M) Berhad	15 July 2013
3	Public Bank Berhad	15 July 2013
4	Alliance Bank Malaysia Berhad	22 July 2013
5	Hong Leong Bank Berhad	23 July 2013
6	United Overseas Bank (Malaysia) Bhd	31 July 2013
7	Malayan Banking Berhad (Maybank)	1 August 2013
8	RHB Bank Berhad	August 2013
9	CIMB Bank Berhad	1 September 2013
10	HSBC Bank Malaysia Berhad	August/September 2013

Your feedback on this second set of initiatives is very important to us. Please write to us via ABM's website, www.abm.org.my or contact ABM's toll-free hotline **ABMConnect** at **1-300-88-9980** from 9:00 am to 5:30 pm, Mondays to Fridays.

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