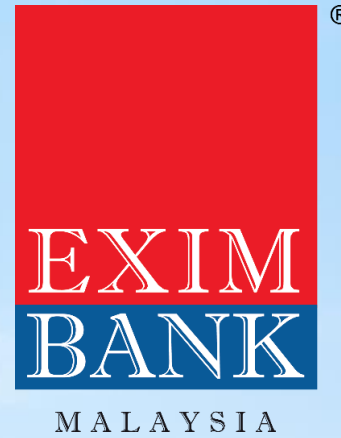


EXIM Bank: Your Global Trade Partner

by
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26th June 2019



WORLD'S EXIM BANK



MALAYSIA EXIM BANK'S ROLE

- **To support exports & imports of goods and services AND overseas investments by Malaysian corporations via financing & export credit insurance services.**
- **Based on conventional and Islamic principles.**

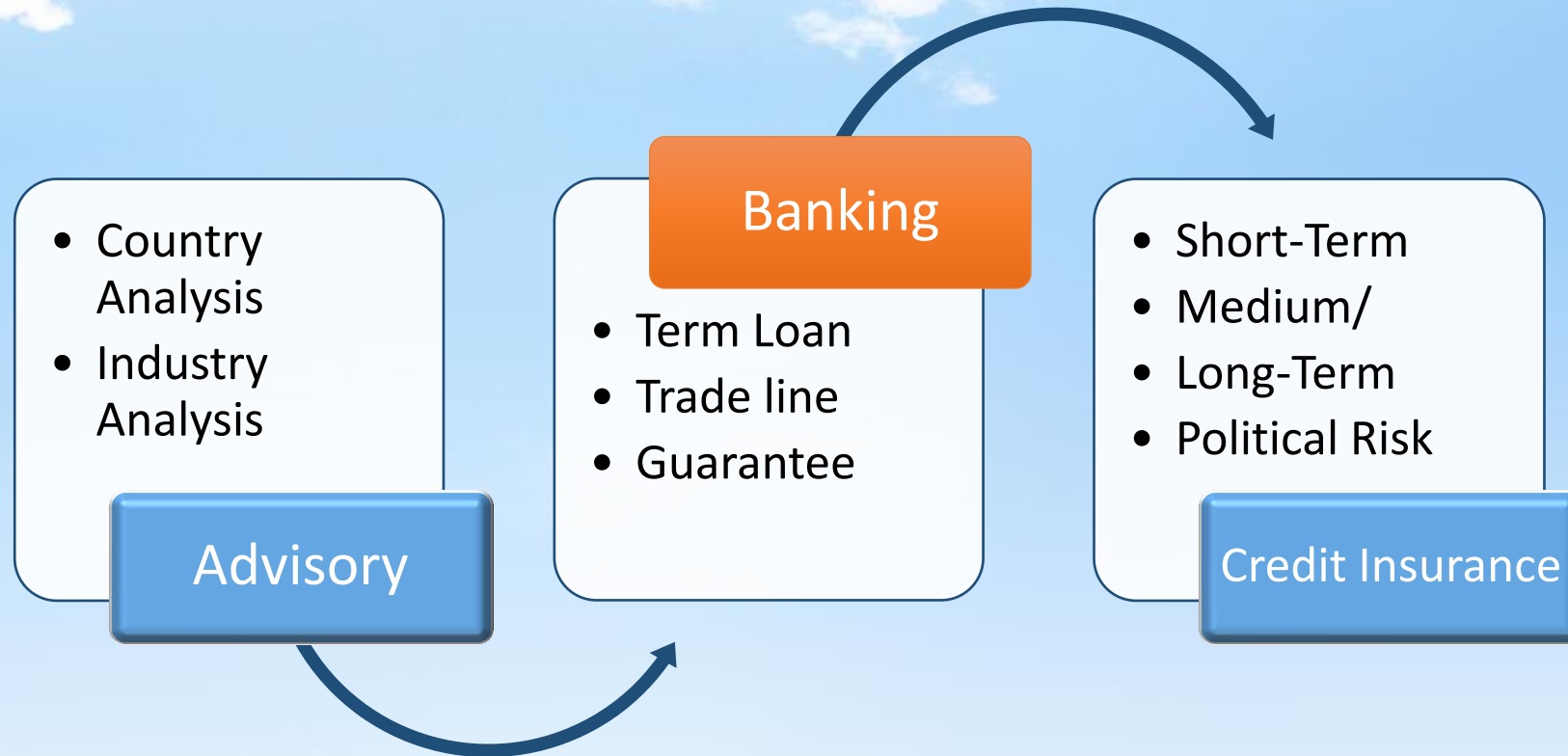


BACKGROUND

Shareholder	Minister of Finance Inc., Malaysia (100%)
Authorized Capital	RM3.0 billion (USD980.94 million)*
Paid-up Capital	RM2.7 billion (USD882.84 million)*
International Rating	Fitch: A- Moody's: A3
Current Staff Strength	336
Offices	HQ in Kuala Lumpur & 3 ROs in Penang, JB & Kuching.
Business Coverage	Banking, Trade Credit Insurance & Advisory
Global Coverage	Financed & insured in 104 countries in 5 continents



BUSINESS SOLUTION





HALAL TO OVERSEAS (H2O) FINANCING PROGRAM



OBJECTIVE

- A revolving short term trade financing for the exports of Malaysian manufactured goods that carries JAKIM's Halal certification.
- For Malaysian incorporated manufacturing & trading companies.



Special Features of H20

- i. Max. limit of **RM5.0m & 180 days** financing period.
- ii. **NO SECURITY** other than directors/shareholders and SJPP guarantees.
- iii. All-in pricing is **5% p.a.** for those eligible under BNM's e-First funding.
- iv. If not eligible for e-First, will use EXIM's own funding at 1.5% + COF. Presently all in at 5.7%p.a.



Type of Financing

Pre-Shipment Financing

To finance purchase of raw materials, finished goods & overhead expenses prior to shipment.

Post-shipment Financing

To finance receivables i.e. to enable Malaysian exporters to sell on credit.



Margin & Period Of Financing

Pre Shipment	<ul style="list-style-type: none">• Manufacturer < 85% of export order .• Trader < 90% of export order.• <120 days
Post Shipment	<ul style="list-style-type: none">• < 100% of export value• <180 days



KEY AREA OF ASSESMENT

- Background and experience of exporter, buyer & supplier (1st time or repeat transaction).
- Trade term with buyers and suppliers (FOB, CIF etc).
- Relationship between exporter & importer (new or established relationship).
- Importer's payment term must be acceptable.
- Export destination is not within the sanctioned countries.



WORD OF ADVISE

- Do a due diligence on the Buyer (Google search, visit, buy credit report etc.)
- Negotiate for acceptable payment term.
- Understand the law of importing country (whether permit & license required).
- Seek for referrals.



Vendor Financing Program

- To facilitate Anchor companies in maintaining a resilient supply ecosystem, thus ensuring the sustainability, stability & improved business continuity of its suppliers/vendors by availing them with a supply chain financing program.
- To improve the suppliers/vendors' cashflow by financing their purchases.
- To improve the suppliers/vendors' cashflow by unlocking their cash trapped in receivables.



Benefits to the Suppliers/Vendors

- **For SMEs – NO** processing fees & tangible security required.
- Up to **100%** financing of approved invoice value.
- **Without recourse** to the Suppliers/Vendors – built-in domestic credit insurance/Takaful to protect against non-payment risk of the Anchor.
- Fast processing time – to receive financing within 48 hours instead of 30/60 days.
- Rebate – when Anchor pays earlier than the maturity date.

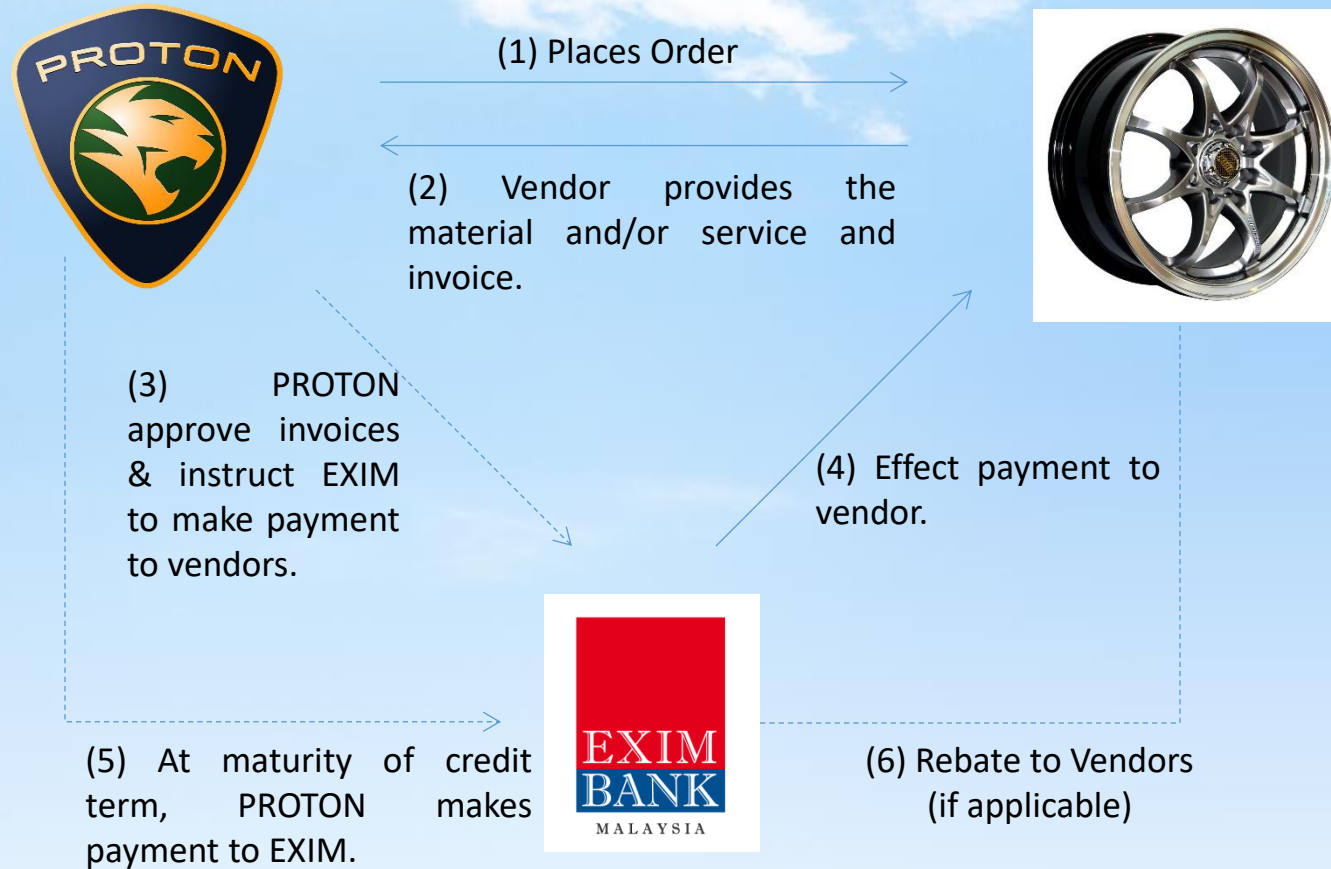


Benefits to the Anchor Company

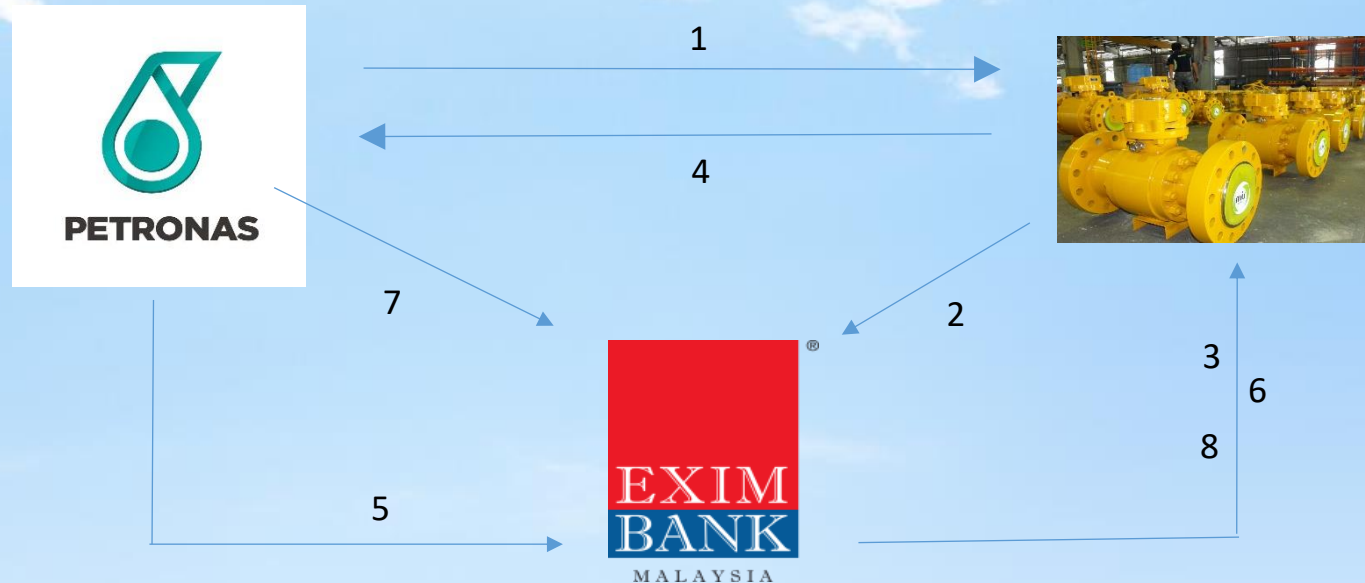
- Sustain a healthy supply chain – ensure that the suppliers are financially healthy and hence, can continuously deliver as required.
- Free up cash flow – Can be used as a tool to negotiate for longer purchase / payment terms.
- Streamline finance / accounts functions – pay only to EXIM Bank on maturity. Anchor is advised to implement cut-off date for the submission of invoices by vendors to streamline further. **One date, One payment, One payee.**



VENDOR FINANCING PROGRAM (Post-financing)



VENDOR FINANCING PROGRAM (Pre & post financing)



1. Petronas place order with Supplier/vendor.
2. Supplier/vendor request for pre-financing.
3. EXIM provide pre-financing.
4. Supplier/vendor deliver goods/services & claim payment.
5. Petronas approve Supplier/vendor's invoice.

6. EXIM allow post-financing drawdown by Supplier/vendor but proceeds are used to retire pre-financing outstanding.
7. Petronas makes payment to EXIM. Proceeds is used to retire Supplier/vendor post-financing.
8. Surplus (if any), will be credited to Supplier/vendor's account.



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THANK YOU



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