



EMPOWERING BUSINESSES, DRIVING NATION BUILDING



Sustainability Report **2015**

www.smebank.com.my

VISION

A full-fledged specialised financial institution; an international benchmark for nurturing SME excellence



MISSION

To develop SMEs to be the nation's engine of growth, in line with the Government's economic agenda



CORE VALUES

PASSION

Passion in all actions derive fulfillment while ensuring success



COMMITMENT

Commitment turns a promise into reality



TRUST

Faith is meaningless without upholding trust & integrity



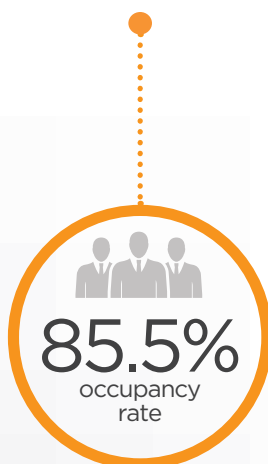


2015 FACTS AT

2015 FINANCING APPROVAL



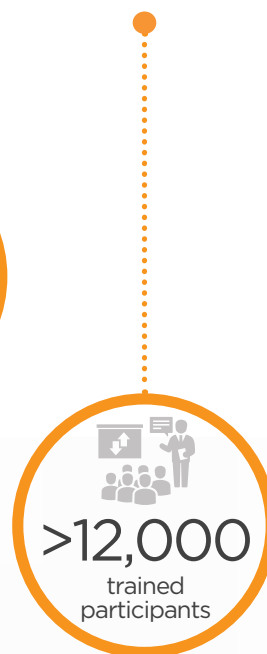
ENTREPRENEUR PREMISES PROGRAMME (EPP)



UPWARD MIGRATION



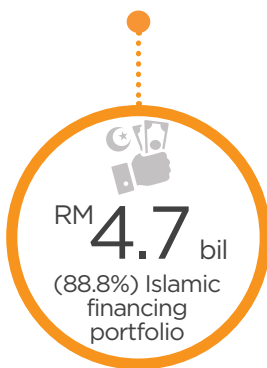
CEDAR



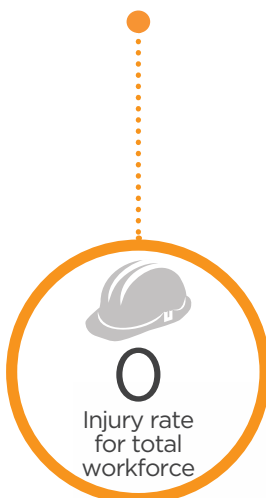


A GLANCE

ADOPTION OF SHARIAH PRINCIPLES



OCCUPATIONAL SAFETY AND HEALTH



CHARTERED ISLAMIC DEVELOPMENT BANKER (ChIDB) PROGRAMME



** Certified Islamic Development Banker*



** Professional Islamic Development Banker*

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go online to our website at:

www.smebank.com.my

ABOUT THIS REPORT

Reporting Background

As part of our sustainability strategy, we are committed to issuing an annual sustainability report that follows the Global Reporting Initiative's (GRI) guidelines. This is our second sustainability report, which has been prepared in accordance with the updated G4 guidelines, utilising the comprehensive option of reporting. It provides information on our social, environmental and governance achievements and commitments up to 31 December 2015. We continue to honour our commitment to being a leader in sustainability, being the first development finance institution to embark on annual sustainability reporting.

In accordance with the GRI G4 guidelines, this report highlights progress on the Bank's main material aspects, which we selected based on our operations, strategy and community needs and sector specifications.

A comprehensive overview of our impact and engagement across economic, environmental and social and sectors is covered in the different chapters of this report, with a special emphasis on the role of stakeholders in our sustainability management programme.



Scope of Report

- **Reporting period:** 1 January to 31 December 2015, unless specified.
- **Reporting Cycle:** Annually

References and Guidelines

- GRI G4 Sustainability Reporting Framework
- Bursa Malaysia's Corporate Social Responsibility (CSR) Framework
- ISO 26000: Guidance on Social Responsibility

Feedback

- This report is available to all stakeholders in hard copy on request and can be downloaded from SME Bank's corporate website. For further information and comments, please contact:

Group Corporate Communications
**Small Medium Enterprise Development
Bank Malaysia Berhad**
Level 18, Menara SME Bank
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Website: www.smebank.com.my

WHO WE ARE

Wholly-owned by the Ministry of Finance (MoF), Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank) commenced operations in 2005 as a Development Financial Institution (DFI) regulated by Bank Negara Malaysia and reporting to the Ministry of International Trade and Industry (MITI). Since then, SME Bank has witnessed many significant milestones over the last decade. The year 2010 saw the Bank embarking on a Five-Year Transformation Programme to become what it is today. Among the key highlights of the transformation was the adoption of Shariah principles in its daily business operations in 2015.

SME Bank is at the forefront in nurturing and developing the nation's small and medium enterprises (SMEs) in support of the Government's main economic and development policies including the National Key Economic Areas (NKEAs) (2010-2020) and the Financial Sector Blueprint (2011-2020).

With more than RM20 billion worth of loans approved, SME Bank continues to provide an important source of funding for a broad spectrum of SME segments that lack key business essentials for sustained growth amidst potential risk factors.

The Bank maintains a core focus on the development of SMEs in six of the twelve NKEAs identified as sectors of economic opportunity to increase the country's Gross National Income and global competitiveness. The sectors are Tourism, Wholesale and Retail, Oil and Gas, Education, Healthcare and Business Services.



from
16 BRANCHES
to
38 BRANCHES

**Regional
Centres**

7

**Enterprise
Centres**

19

**Urban
Transformation
Centres (UTC)**

8

**Business
Centres**

4

CHAIRMAN'S STATEMENT



● **TAN SRI FAIZAH MOHD TAHIR**
CHAIRMAN

.....

In 2015, SMEs are expected to expand by between 5.0% and 5.5% in line with global and domestic economic trends and continue to be the key driver of growth in the country's economic transformation.

.....

THE MALAYSIAN ECONOMY 2015

Malaysia's economy grew by 5% in 2015 compared to 6% in 2014 on the back of easing domestic demand, especially private and public investment. This was compounded by tepid export growth amid weak global economic activities. Overall, the lingering effect of GST, elevated household debt and a slowing housing sector weakened economic growth. The impact of lower oil prices on oil & gas investment, government spending and currency weakness suggests this trend is likely to continue in the future.

Inflation was at 2.1% in 2015 markedly lower than 3.2% in 2014. Uncertainties in global growth prospects and declining global energy prices subjected the ringgit and other regional currencies to significant volatility in 2015. From June to December 2015, the ringgit weakened by 16.9% against the US dollar.

Loan growth ended softer at 7.9% in 2015 compared to 8.7% in 2014 with business financing moderating to 8% in 2015 from 8.8%. By business sectors, the slowdown in business loans was mainly due to reduced growth in the insurance and business services, real estate and transport, storage and communication sectors.

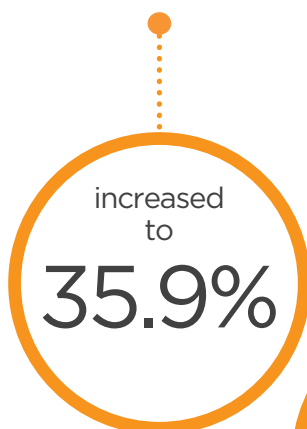
THE POSITION OF SMES

In 2015, SMEs are expected to expand by between 5.0% and 5.5% in line with global and domestic economic trends and continue to be the key driver of growth in the country's economic transformation. This is manifest in the nation's strategic development focus on SMEs accentuated through various ongoing government policies and programmes covering different time periods: the SME Masterplan (2012-2020) and the 11th Malaysia Plan (2016-2020). Productivity, innovation, inclusivity and entrepreneurship are emphasised in particular to strengthen the long-term competitiveness and resilience of domestic SMEs.

A total of RM12.1 billion was allocated for SME development in 2015. RM11.4 billion was allocated to support the long-term development agenda through the implementation of the SME Masterplan and RM700 million helped boost SME performance affected by the dampened business sentiment triggered by challenging external developments and by domestic conditions such as the major floods that affected the country at the end of 2014.

CHAIRMAN'S STATEMENT

GROSS DOMESTIC PRODUCT (GDP)



LOANS TO SMES



SMEs performed exceptionally well during the year despite economic challenges that were largely due to the continued strength of private domestic demand and to a lesser extent from the turnaround in net exports. The value-added growth of SMEs across all sectors of the economy outperformed the overall sector. Consequently, SMEs' contribution to overall Gross Domestic Product (GDP) increased significantly to 35.9%. Loans to SMEs grew by 15% in 2015 from 13.3% in 2014: the services sector represented 65.3% of loan exposure followed by manufacturing and construction at 15.6% and 12.2% respectively. However, SME loan approval declined by 5.6% with the exception of primary agriculture and construction. The SME loan impairment rate improved by 0.3 percentage points (ppt) settling at 3.2% at the end of 2015 compared to 3.4% in 2014 with services and manufacturing sectors contributing to this higher impairment.

SME BANK GROWTH

2015 marks a ten-year track record of dynamic growth and sustained profitability, with SME Bank achieving significant results despite the global economic turbulence. At the end of 2015, the Bank's financing portfolio increased by 12% to RM5.4 billion from RM4.8 billion in 2014. After ten years of operations, SME Bank is determined to intensify its efforts in developing SMEs in Malaysia.

The Bank was also actively engaged with its stakeholders throughout 2015 to offer new and existing programmes. It continued to take a proactive role in the industry by partnering with relevant ministries and their agencies to promote Malaysian entrepreneurs. Following 10 successful years, SME Bank aims to work hand-in-hand with its stakeholders to create even greater social value in the years to come.

2016 PROSPECTS

At the national level, 2016 will be a very challenging year for the Malaysian economy as downside external risks have increased and global growth forecasts have been revised downwards. The global economy is predicted to grow modestly in 2016, after slowing in 2015. The depreciated ringgit will make Malaysia's export goods more competitive in international markets, setting a stage for a modest recovery in 2016. This will likely create demand for Malaysia's exports, particularly manufactured goods. Inflation is anticipated to remain elevated between 2.5% and 3.5% in 2016.

The main economic sectors of services and construction are expected to perform better in 2016 following a setback in 2015. Resilient performance is expected for manufacturing, and mining and quarrying. Other industries that are expected to grow include financial services, retail and service sectors.



In the forthcoming years, SME Bank expects a continuing impressive growth trend and expanding customer base through collaborations and working hand-in-hand with Government-Linked Companies (GLCs) and multinational corporations (MNCs). The Bank aims to introduce new tailored service offerings and establish its presence in new geographical markets. The Bank is committed to aggressive development by exploring potential business matching which help to solicit new customers and strengthen the Bank's position in the market.

Rigorous marketing and smart business strategies will help Malaysian SMEs achieve the targeted financing approvals of RM1.04 billion. This will be achieved through SME Bank's existing financing facilities such as the Malay Reserve Financing Development (MRDF), Bumiputera Equity (EquiBumi) Financing Facility and SME-Go as well as our new financing facilities which include the IBS Promotion Fund, SME Technology Transformation Fund (STTF) and My Seed SME Scheme (MYS3).

Sustainability will continue to be a huge part of the Bank's journey of growth. The Bank's sustainability agenda examines the bigger picture, which is developing the nation's economy. Developing independent entrepreneurs effectively stimulates economic growth and creates jobs in the local communities.

I remain optimistic on the SME segment as several banks have reported robust lending to this segment. The segment will be a key future loan growth driver as household loan growth is expected to continue to moderate due to the various macro prudential measures introduced while the current uncertain economic environment would impact corporate lending activities.

TAN SRI FAIZAH MOHD TAHIR
CHAIRMAN

GROUP MANAGING DIRECTOR'S REVIEW



● **DATUK MOHD RADZIF MOHD YUNUS**
GROUP MANAGING DIRECTOR

FINANCIAL PERFORMANCE 2015

SME Bank recorded a healthy financial performance in 2015 with operating profit reaching RM76 million. Profit before tax increased to RM50.1 million, 70.9% higher than the previous year, due to strong account management and intervention. Meanwhile, gross income from Islamic Banking business was RM273 million, an 11% increase from the previous year, reflecting the Bank's increasing Islamic financing portfolio. The total financing approved in 2015 was RM2.2 billion.

SME Bank's financial health is important to all stakeholders including shareholders, customers and employees. However, as a development bank, the Bank understands its primary role of supporting the growth of underserved SMEs in a financially sustainable manner. In some respect, SME Bank needs to strike a balance between "Doing Good" and "Doing Well". The Bank's financial sustainability is vital so it can continue improving Malaysia's socioeconomics by improving SMEs' contribution to national GDP, National Economic Key Areas and their access to financing while building the capacity of high-growth SMEs, which include Bumiputera participation.

.....

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GROUP MANAGING DIRECTOR'S REVIEW

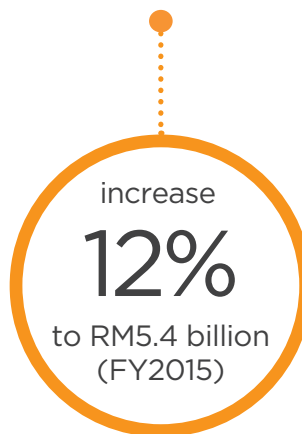
OPERATIONAL REVIEW 2015

2015 marked a significant milestone for us as SME Bank commemorated its 10-year Anniversary. In conjunction with the celebration, we are thrilled to share this accomplishment with our customers who have been with us on this 10-year journey, by introducing our first ever Entrepreneur Awards. These awards were presented by the Prime Minister of Malaysia during the celebratory dinner to our top performing clients in five categories, specifically the SME Bank Most Promising Entrepreneur Award, SME Bank Most Innovative Entrepreneur Award, SME Bank Women Entrepreneur Award and SME Bank Most Outstanding Entrepreneur Award. The prestigious SME Bank Perdana Award was conferred to the overall champion.

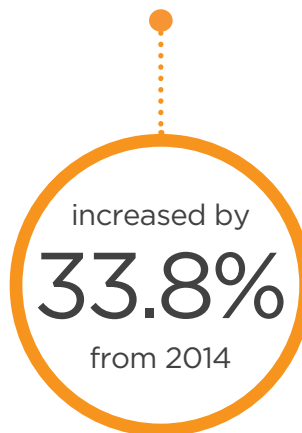
After ten years of operations, SME Bank is determined to intensify its efforts in developing SMEs in Malaysia. At the end of 2015, the Bank saw its financing portfolio increase 12% to RM5.4 billion from RM4.8 billion in 2014. The majority of the Bank's portfolio financed medium and small SMEs with RM2.36 billion and RM2.04 billion being loaned to these categories respectively. Large enterprises received RM0.55 billion and micro SMEs RM0.42 billion of this funding. Out of SME Bank's total 10,617 account holders in 2015: 4,346 were small SMEs, 3,447 micro SMEs, 2,468 medium SMEs and 356 large enterprises.

In 2015, the total amount approved for financing increased by 33.8% from 2014. It leads to the total fund position being recycled by 1.03 times compared to 0.85 times in 2014. The Bank funding also increased by 9.4% from RM7.4 billion in 2014 to RM8.1 billion in 2015. Sukuk and its programmes have been recycled 10.17 times in 2015 compared to 6.02 times in 2014, which shows that most of the programmes under the Sukuk fund such as TERAS Financing Scheme, Young Entrepreneur Fund (YEF), Halal

FINANCING PORTFOLIO



TOTAL AMOUNT APPROVED FOR FINANCING



Rationalisation funds, such as the 1-SME fund, were also favourable with them receiving demand 2.23 times in 2015 compared to 1.89 times in 2014.

Development, Bumiputera Equity and TUS-2 were in high demand. Rationalisation funds, such as the 1-SME fund, were also favourable with them receiving demand 2.23 times in 2015 compared to 1.89 times in 2014. The Special Fund Tourism-2, under MoF, was also in high demand: 2.02 times in 2015 compared to 0.93 times in 2014.

Three major industries contributing to the Bank's sizeable portfolio were Wholesale & Retail, Trade and Restaurants & Hotels at 26.1% of the overall portfolio; Manufacturing at 17.1%; and Education, Health & Others at 16.5%.

SME Bank's signature programme, the Entrepreneur Premises Programme (EPP), continued to perform well and received encouraging demand with an 85.5% occupancy rate. The year also saw six tenants graduating from the programme and relocating their operations to their own premises. Under another entrepreneurs enhancement programme, the Specific Intervention Programme, 270 clients achieved upward migration under various criteria such as migration from the Need to Merit segment, Improvement in the SME Competitiveness Rating for Enhancement (SCORE) & risk rating; and market expansion from local to export.

This year, SME Bank initiated two new notable programmes: the SME ICT Groom Big Hub for Technopreneur (The S.I.G.H.T.) and Online Business Financing Facility (OBF). The S.I.G.H.T. is a collaborative effort between SME Bank and MITI to develop more dynamic, creative and innovative ICT Bumiputera entrepreneurs. The OBF Programme, on the other hand, is a one-of-a-kind initiative designed to help entrepreneurs establish a viable online business presence. It is a collaborative effort between SME Bank and the Malaysian Association of Bumiputera ICT Industry and Entrepreneurs (NEF) to provide financing packages to eligible NEF members involved in online businesses.

In the year 2015, a series of nationwide SME Bank Group Outreach and Biz Talk 2015 programmes were rolled out until the third quarter of the year. A total of 1,771 participated in the 10 sessions. Participants were presented with information about the Bank's new and existing programmes, clinic sessions, motivational talks and engagement sessions. In the industry arena, SME Bank continued to play a significant role by taking part in the *Forum Keusahawanan Malaysia (FOKEM)* which was organised by MITI and its agencies on 26 March 2015.

GROUP MANAGING DIRECTOR'S REVIEW

HUMAN CAPITAL DEVELOPMENT

SME Bank continued to invest in its greatest asset, its people. Employees are fully engaged and grow with the Bank. Under the Employee Education Assistance Programme, employees were assisted in improving their education, intellectual capacity and specialisation in line with the Bank's vision.

SME Bank's International Mobility Programme exposes employees to various international assignments and provides opportunities to gain international experience. In 2015, SME Bank visited the Turkish Economy Bank (TEB) to learn and experience how to develop SMEs. SME Bank also gained a more balanced perspective of TEB's approach in assisting and developing SMEs in Turkey. It provided an opportunity to examine the Bank's business model and also review its intervention programmes.

As a Bank that adopts Shariah principles in its business operations, SME Bank ensures that all employees are competent in managing the Bank's Islamic Financing. In 2015, 393 employees graduated from the Chartered Islamic Development Banker Programme (ChIDB) course.

The Bank also introduced two additional programmes in 2015: the Credit Boot Camp and the Credit Certification. These programmes, which enhance credit culture, were attended by 190 employees.

SME Bank adopts a culture of learning in its day-to-day operations. The Bank welcomes reference visits as they bring opportunities and provide an avenue to share ideas and best practices with industry peers. International collaborations are favoured as they strengthen the Bank's presence globally. In 2015, SME Bank welcomed officers from Oman Development Bank for an attachment and training programme by the Credit Approval Department.

The Bank's capacity development, financing facilities and beyond financing initiatives are considered unique in the industry. They have become an identity and reference point in the industry. Over the years, SME Bank has received various corporate visits from foreign development banks and associations who are keen to learn our experience and knowledge in nurturing and developing SMEs in the country.

CHARTERED ISLAMIC DEVELOPMENT BANKER PROGRAMME (CHIDB) COURSE



NEW PROGRAMMES IN 2015



SME Bank's community involvement is also delivered through philanthropy works and acts of kindness. The Bank is proud of its tradition of giving back to the community and is humbled by the generosity of its people.



CORPORATE RESPONSIBILITY

SME Bank works to make a difference in each region in which it operates. The Bank shares its unique professional talents, skills, passion, time and resources in developing the country's SME potentials. SME Bank actively implemented its corporate responsibility role throughout the year. Its signature programme, the SME Bank Y-Biz Challenge continues to groom future entrepreneurs by raising interest in this area and providing an opportunity for students to explore their creativity and innovativeness. For the past four years, this competition-based programme has attracted participation from more than 300 schools and 1,198 students were involved.

Following the success of the SME Bank Y-Biz Challenge, SME Bank introduced another entrepreneurship competition called the 90-Days Business Challenge. This collaboration with the Ministry of Higher Education through the Department of Collaboration and Entrepreneurship Section, caters to students from Community Colleges who are undergoing the entrepreneurship incubator programme. Apart from demonstrating our commitment to supporting the Government's direction of creating more entrepreneurs in the country,

SME Bank also sees the potential of career opportunities in entrepreneurship especially among the youth. The programme, which replicates a reality show, aims to educate and nurture future entrepreneurs by raising interest in entrepreneurship and providing real life opportunities for these students to consider entrepreneurship in their careers. All participants must register their companies and businesses. Entries were judged based on their business plans which were submitted through a dedicated portal, www.YourSuccessOurStory.com. 52 entries were received from 91 community colleges, 20 of which were selected for the final. The winning teams received cash prizes, trophies and free entrepreneurship training by CEDAR. Their funding applications will be given special consideration if they pursue their business ideas after graduating from the Community Colleges. Each participant also qualifies as a member of the recently established SME Bank 90-Days Business Challenge alumni.

SME Bank's community involvement is also delivered through philanthropy works and acts of kindness. The Bank is proud of its tradition of giving back to the community and is humbled by the generosity of its people. In December

GROUP MANAGING DIRECTOR'S REVIEW

2014, Malaysia was hit by the worst floods which caused more than 200,000 people to lose their homes. In 2015, SME Bank initiated disaster relief programmes such as fundraising initiatives, Zakat (alms) and in-kind contribution to help the disaster victims. In addition, the Bank also held a blood donation campaign, which was organised in collaboration with the National Blood Centre, collected 85 pints of blood for those injured by the floods.

SME Bank also helped victims of other major disasters around the world including the earthquake in Sabah, Malaysia and the Media Prima-NSTP Humanitarian Fund in aid of earthquake victims in Nepal.

SME Bank aims to provide a better quality of life to the underprivileged and less fortunate people. This was demonstrated through its Ramadan CSR programmes which were organised by the Bank's network of branches throughout the country. Our CSR programmes were also extended to the Bank's employees especially during disasters and by supporting their medical expenses on a case-by-case basis.

MOVING FORWARD 2016

2016 will be an interesting year for SME Bank following the announcement of four new schemes in the National Budget 2016: RM200 million for the SME Technology Transformation Fund, RM500 million for the IBS Promotion Fund, RM50 million in Indian community financing and RM20 million for Skim Anjakan Usahawan.

The SME Technology Transformation Fund is a collaboration between SME Bank and SIRIM. This financing facility helps SMEs to upgrade, enhance and rectify their technology in order to achieve higher productivity, improved process efficiency, efficient cost management and penetrate the export market. The IBS Promotion Fund facilitates eligible Industrialised

2016 will be an interesting year for SME Bank following the announcement of four new schemes in the National Budget 2016.

Building System (IBS) contractors, manufacturers and developers in the construction of infrastructure and other Government projects. On the other hand, the Indian Community funding project is a collaborative effort with the Secretariat for Empowerment of Indian Entrepreneurs (SEED) to finance eligible Indian entrepreneurs. Last but not least, Skim Anjakan Usahawan is a financing facility for SMEs, particularly small and medium-sized Bumiputera companies that have been in operations for at least two years, for business expansion.

As part of our continuous market outreach efforts, we will organise our first ever SME Bank XCESS in 2016. This special event is a flagship marketing event for promoting SME Bank's financing and non-financing facilities. The event will expose participants to the benefits of Trans Pacific Partnership (TPP) and ASEAN Economic Community (AEC), promoting business opportunities under the 11th Malaysia Plan and introducing SME Bank's role in the market. We are targeting participants who have been operating for more than three years and each will receive exclusive one-on-one consultations from representatives of our various financing departments.



ACKNOWLEDGEMENT

I would like to take the opportunity to extend my gratitude to all our stakeholders who encourage us to perform better with their feedback, opinions and support while we continue to invest in the future of the SME market and our country. On behalf of the management team, I would like to express my deepest appreciation to our customers, management, colleagues, business partners, community members and the public at large. As always, we hope you find our report useful and informative and we appreciate your feedback which is vital to the development of our future.

DATUK MOHD RADZIF MOHD YUNUS
GROUP MANAGING DIRECTOR

BOARD OF

Front (sitting from Left to Right):

Tan Sri Faizah Mohd Tahir (Chairman),
Datuk Mohd Radzif Mohd Yunus (Group Managing Director)



DIRECTORS

FOR BUSINESS. FOR GROWTH. FOR LIFE.

Back (standing from Left to Right):

Prof. Dr. Abdul Basir Mohamad, Asri Hamidon, Khairuzzaman Muhammad, Ishak Ismail, Dato' Jamelah Jamaluddin, Dato' Abd Majid Kutiran, Dato' Mohd Shukri Hussin



BOARD OF DIRECTORS' PROFILE

TAN SRI FAIZAH MOHD TAHIR

Chairman

Tan Sri Faizah binti Mohd Tahir was appointed to the Board of SME Bank on 4 September 2015. A graduate with a Bachelor Degree in Economics (Hons.) from University of Malaya and Masters of Arts (Development Economics) from Williams College, United States of America, she joined the Economic Planning Unit (EPU), Prime Minister's Department in 1973 serving in various capacities in the Agriculture, Distribution and Human Resources Sections. Her last position in the EPU was as Director, Commerce and Industry Section before being promoted to Secretary-General of the Ministry of Women, Family and Community Development, a post she held since 2001 until her retirement in 2009.

Tan Sri Faizah is also the Chairman of Orphancare Foundation and Yayasan Sejahtera, Deputy Chairman of Yayasan Chow Kit, Board of Trustees of Yayasan Kebajikan Negara Malaysia and Temasek Foundation, Singapore.

She is also the Board Member of Goodyear Malaysia Berhad and AMWAY (Malaysia) Holdings Berhad.



DATUK MOHD RADZIF MOHD YUNUS

Group Managing Director/Non-Independent Executive Director

Datuk Mohd Radzif bin Mohd Yunus was appointed as the Managing Director of SME Bank on 1 July 2010 and became the Group Managing Director on 1 January 2014.

Prior to joining the Bank, Datuk Mohd Radzif was the Group Managing Director of IJN Holdings Sdn. Bhd., a position which he assumed in 2006. As the Group Managing Director and Chief Executive Officer, Datuk Mohd Radzif was in charge of Institut Jantung Negara Sdn. Bhd., IJN Capital Sdn. Bhd. and IJN College Sdn. Bhd.

His previous portfolios included being Chief Executive Officer of two pilgrimage funds companies, as part of their turnaround exercise.

Datuk Mohd Radzif is currently the Chairman of Association of Development Finance Institutions of Malaysia (ADFIM) and the Vice Chairman of Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI) and was bestowed the Malaysian Business Leadership Award for Healthcare in 2009.

He was also awarded the Outstanding CEO of the Year, 2016 by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).



BOARD OF DIRECTORS' PROFILE

KHAIRUZZAMAN MUHAMMAD

Independent Non-Executive Director

Khairuzzaman Muhammad was appointed as an Independent Non-Executive Director of SME Bank on 2 February 2011. He graduated in 1988 with a LLB (Hons.) Degree from the Essex Institute of Higher Education (now known as the Anglia Ruskin University), England. He also received a Degree of an Utter Barrister from the Honourable Society of Lincoln's Inn, England (1989) and a Graduate Diploma in Commercial Law from the University of Sydney, Australia (2000). He was enrolled as a Barrister-At-Law for England & Wales on 21 November 1989 and admitted as an Advocate & Solicitor by the High Court of Malaya on 21 September 1990.

Khairuzzaman Muhammad is one of the partners at Messrs. Zul Rafique & Partners and specialises in corporate advisory, legislative drafting and land development projects. He also acted as the advisor to the Government, its agencies, government-linked companies and multi-national companies. Actively involved in educational social work, Khairuzzaman Muhammad currently sits on the Board of MIMOS Berhad and several other private companies.



ISHAK ISMAIL

Independent Non-Executive Director

Ishak bin Ismail was appointed as an Independent Non-Executive Director of SME Bank on 3 May 2011. He holds a Bachelor of Commerce from University of Newcastle, NSW Australia and is a member of the Institute of Chartered Accountants, Australia, the Malaysia Institute of Accountants and a Certified Internal Auditor, United States of America.

He has served more than 30 years in various capacities with the Government and private sector including being a Senior Accountant in several Government departments as well as senior managerial positions in Central Bank of Malaysia. He was also the General Manager in Arab-Malaysian Assurance Berhad and AmBank (M) Berhad.



BOARD OF DIRECTORS' PROFILE

ASRI HAMIDON

Non-Independent Non-Executive Director

Asri bin Hamidon was appointed as a Non-Independent Non-Executive Director of SME Bank on 2 May 2013. A graduate with a Bachelor of Economics from University of Malaya and a Masters in Economics from Hiroshima University, Japan, he began his career with the Government as the Assistant Director of the Economic Planning Unit in the Prime Minister's Department and was later appointed as the Assistant Director of the Anti Corruption Agency. He then became an Administrative and Diplomatic Officer in the Public Service Department before being appointed as the Assistant Director in the Ministry of Finance.

Asri Hamidon is currently the Secretary, Government Investment Companies Division, Minister of Finance and a member of the Administrative and Diplomatic Officer Association. He also sits on the Board of Bina Darulaman Berhad, Sarawak Hidro Sdn. Bhd., Land Public Transport Commission, the Malaysia Convention & Exhibition Bureau, SMEB Asset Management Sdn. Bhd., IJN Holdings Sdn. Bhd., Dana Infra Nasional Berhad, Prokhas Sdn. Bhd. and Telekom Malaysia Berhad (alternate Director).



DATO' JAMELAH JAMALUDDIN

Independent Non-Executive Director

Dato' Jamelah binti Jamaluddin was appointed as an Independent Non-Executive Director on 1 February 2014. With more than 30 years experience in the financial services industry, Dato' Jamelah was the Chief Executive Officer of Kuwait Finance House (Malaysia) Berhad prior to joining 3P Capital Advisers Sdn. Bhd. Her earlier appointments included being the Managing Director of RHB Islamic Bank Berhad, Principal Officer of Macquarie Malaysia Sdn Bhd and Division Director of Macquarie Bank Limited (Labuan Branch).

She holds a Masters in Business Administration (Finance) from Central Michigan University and a Bachelor of Business Administration (Finance) from Western Michigan University, United States of America.

Dato' Jamelah also currently sits on the Board of Scomi Energy Services Berhad, 3P Capital Advisers Sdn Bhd, Weida (M) Berhad, PMB Tijari Berhad and Kumpulan Jetson Berhad.



BOARD OF DIRECTORS' PROFILE

DATO' ABD MAJID KUTIRAN

Non-Independent Non-Executive Director

Dato' Abd Majid bin Kutiran was appointed as a Non-Independent Non-Executive Director of SME Bank on 1 October 2014. He holds a Bachelor of Social Science (Hons.) from University Science of Malaysia and a Masters in Development Economics from Williams College, United States of America. Appointed as the Senior Director of the Entrepreneur Development Division of the Ministry of International Trade and Industry (MITI) in 2014, he previously held the position of Senior Director of the Sectoral Policy Division, Senior Director of the Management Services Division and Director of Human Capital Division between 1996 and 2014. Prior to this, he was an Administrative and Diplomatic Officer in the Ministry of Housing and Local Government and the Ministry of National and Rural Development.

He is currently a Board member of Perbadanan Kemajuan Negeri Kedah, Malaysia Automotive Institute and the Halal Industry Development Corporation.



PROF. DR. ABDUL BASIR MOHAMAD

Independent Non-Executive Director

Prof. Dr. Abdul Basir bin Mohamad was appointed as an Independent Non-Executive Director of SME Bank on 3 June 2015. He holds a PhD from the University of Edinburgh, Scotland in 1997 specialising in the Law of Torts and Criminal Islamic Laws and has written many books and journals on the subjects. Besides serving in various capacities at the National University of Malaysia, he is also the panel of advisors for various institutions.

Prof. Dr. Abdul Basir is currently the Chairman of Shariah Committee of SME Bank, Chairman of Key Result Areas, Wealth Creation Strategies and Intensive, Faculty of Islamic Studies, National University of Malaysia besides being a member of other committees.



BOARD OF DIRECTORS' PROFILE

DATO' MOHD SHUKRI HUSSIN

Independent Non-Executive Director

Dato' Mohd Shukri bin Hussin was appointed as Independent Non-Executive Director on 1 May 2016. A graduate with a Bachelor of Economics (Hons.) Degree from University Malaya, Dato' Mohd Shukri is also qualified Chartered Accountant from the Institute of Chartered Accountants (England and Wales).

Dato' Mohd Shukri began his career as a Management Executive with Petronas Carigali Sdn. Bhd. and later worked as an Audit Supervisor in an international company, Touche Ross London, United Kingdom for 4 years.

Dato' Mohd Shukri then returned to Malaysia and assumed the position of Audit Supervisor at Hanafiah Raslan & Mohamad. He later held various management positions with several companies including the Bank of Commerce (M) Berhad, CIMB securities Sdn. Bhd., Bank Muamalat (M) Berhad and Bumiputera Commerce Holdings Berhad. His last position with CIMB Group Holdings Berhad was Executive Director before retiring in 2011.

Dato' Mohd Shukri currently holds Directorships in LeapEd Services Sdn. Bhd., Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad, Pelaburan Hartanah Berhad. He also sits on the Board of Trustees for the CIMB Foundation.



 **SME BANK**

 **SME BANK**



SENIOR MA

from left:

Raja Shahriman Raja Harun Al Rashid (Director, Group Compliance & Risk Management Division), Shahrir Amran (Director, Group Human Capital Management Division), Abd Karim Ahmad (Director, Enterprise & Development Banking Division), Dr. Sheikh Ghazali Sheikh Abod (Chief Operating Officer, CEDAR), Mohammad Hardee Ibrahim (Acting Chief Operating Officer, Banking), Datuk Mohd Radzif Mohd Yunus (Group Managing Director)



MANAGEMENT

FOR BUSINESS. FOR GROWTH. FOR LIFE.

Dato' Razman Mohd Noor (Chief Operating Officer, Operations & Group Corporate Management), Ismail Kamaruddin (Director, Group Audit Division), Rokiah Rajak (Director, Operations), Hasmah Razali (Director, Group Legal & Secretarial Services), Zarina Nor Ismail (Director, Channel Management Division), Khairil Anuar Mohammad Anuar (Director, Group Strategic Management Division), Haizad Rizal Aziz (Director, Group Financial Management Division)



SME BANK SUSTAINABILITY REPORT 2015 •



SHARIAH C

from left:

Prof. Madya Dr. Ahmad Basri Ibrahim (Member), Tuan Haji Jalil Haji Said (Member),
Prof. Dr. Abdul Basir Mohamad (Chairman)



OMMITTEE

from left:

Prof. Madya Dr. Yusof Ramli (Member), Prof. Dr. Norhashimah Mohd Yasin (Member),
Dr. Asmak Ab Rahman (Member)



SUSTAINABILITY





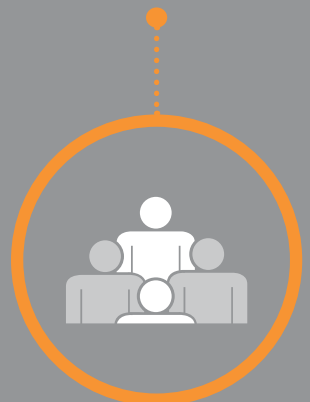
ECONOMIC



ENVIRONMENT



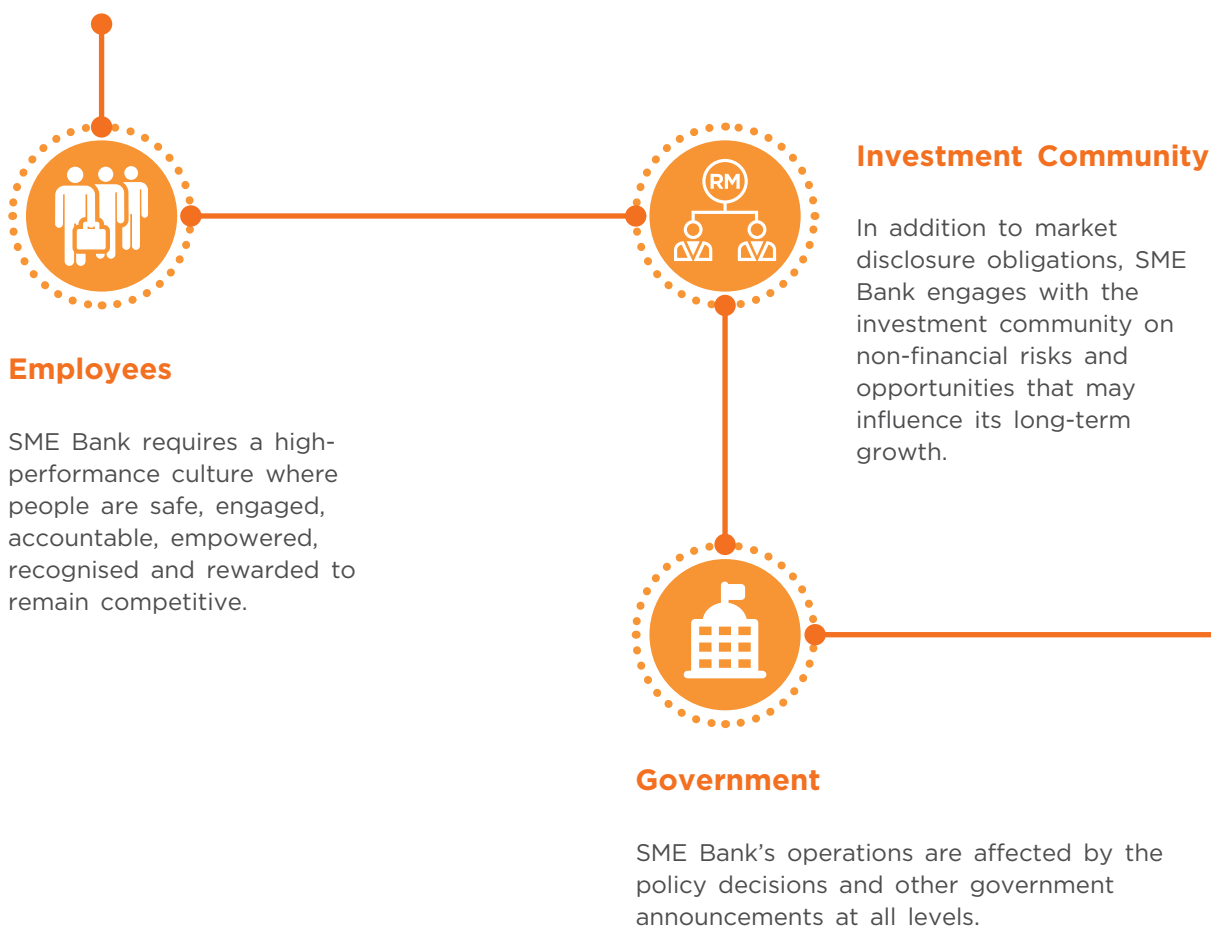
SOCIAL



CLOSE ENGAGEMENT WITH OUR STAKEHOLDERS

Engaging in constructive dialogue with stakeholders helps SME Bank respond to issues that are most important to customers, employees, investors, regulators, business owners and the wider community.

KEY STAKEHOLDERS AND THE IMPORTANCE OF ENGAGING WITH THEM



Local Communities

SME Bank engages with local communities throughout its Corporate Responsibility Programme. Effective, transparent and accountable dialogue are vital for the long-term success of these initiatives. Frequent engagement allows the Bank to maximise the impact of projects on the community.



Non-Government Organisations (NGOs)

SME Bank engages with trade associations and industry-relevant NGOs to understand their causes and find constructive ways to work together to deliver mutually-beneficial outcomes.



Supply Chain Partners

SME Bank promotes a transparent supply chain process and prioritises locals to help boost the nation's economy.



Customers

It is essential that SME Bank responds to customer feedback and constantly improves its customer service levels. The Bank aims to support customers and the community through its services.

CLOSE ENGAGEMENT WITH OUR STAKEHOLDERS



DIALOGUE SESSION WITH PROGRAMME FINANCING CUSTOMERS

A special dialogue session was held with existing Programme Financing Facility customers to improve the quality of services offered to the Bank's customers. The Programme Financing Facilities consist of the Young Entrepreneur Fund (YEF), Graduate Entrepreneur Fund (TUS), *Skim Pembangunan Ekonomi Desa (SPED)* and Business Accelerated Programme (BAP).

Issues such as financing facilities, disbursement and monitoring with officers from the Banking Division were discussed at this active two-way session. The session was officiated by YBhg. Datuk Kamaluddin Ismail, Chief Operating Officer, Banking.

SME BANK ENGAGES WITH INDIAN ENTREPRENEURS

SME Bank evolves so that it can meet the Government's aspirations. The Bank empowered Indian SMEs by providing sufficient financing and training programmes.

SME Bank supported the Secretariat for Empowerment of Indian Entrepreneurs (SEED) initiatives by participating in the SEED Entrepreneurs Transformation Initiative held at

Dewan Dato' Bahaman, Kuala Pilah Negeri Sembilan. The objective was to assist Indian entrepreneurs, especially in rural areas, obtain suitable financing facilities for their businesses. The programme was officiated by YBhg. Dato' Sri Hasan bin Malek, former Minister of Domestic Trade, Co-Operatives and Consumerism.

SME BANK ENHANCES RELATIONSHIPS WITH THE MEDIA

As part of SME Bank's 2015 media relations, members of senior management visited Media Prima, The Star Group and *Utusan Malaysia*. The objective of the visits was to share the development of SME Bank and improve its relationship with the media owners.



The Bank also sent a team to participate in the *Utusan Malaysia* Gegau Melaka Treasure Hunt Programme. This one-day fun-filled event aimed to maintain good rapport with *Kumpulan Utusan* and support activities organised by the media.

SME BANK COLLABORATES IN AN INTERNET ENTREPRENEUR SYMPOSIUM 2015

The Ministry of Federal Territories together with *Persatuan Usahawan Internet Malaysia* organised the Internet Entrepreneur Symposium 2015 #eENTERwip on 22 September 2015 at the Menara MATRADE, Kuala Lumpur.

This programme aimed to expose Bumiputera entrepreneurs to potential online business opportunities. SME Bank participated in the event by opening a booth and presented its Online Business Financing Facility to more than 2,000 internet entrepreneurs who attended the event.

REAL DEAL BIZ TALK SERIES 1

SME Bank hosted the Real Deal Biz Talk, a knowledge sharing session that focused on the Bumiputera Equity Financing Programme (EquiBumi) offered by the Bank. This unique programme invited experts such as Unit Agenda Peneraju Bumiputera (TERAJU), Abdul Rahman & Partners and DWA Advisory to share their expertise on mergers and acquisitions.

SME BANK TOOK PART IN ASEAN SME SHOWCASE 2015

To emphasise the role of Chairmanship of the ASEAN 2015, MITI through its agency, SME Corp., hosted the ASEAN SME Showcase 2015. Its main objective was to enhance business networks and cross-border trade offered by ASEAN SMEs. It also provided SMEs and multinational corporations with an opportunity to showcase their products,



Bumiputera Equity (EquiBumi) Financing Facility

The EquiBumi Financing Facility is a facility allocated by the Government to assist credible Bumiputera Companies (Acquirer) to take over listed companies or companies with potential to be listed on Bursa Malaysia Securities Berhad (Target Company). In 2015, SME Bank approved a total of RM148 million financing to 6 customers.

technologies and services. Through this event, SME Bank identified 77 potential entrepreneurs to receive financing assistance to expand their businesses abroad.

FORUM KEUSAHAWANAN (FOKEM) 2015 (MALAYSIA ENTREPRENEURSHIP FORUM 2015)

FOKEM was jointly organised by MITI, and its agencies namely Malaysian Industrial Development Finance (MIDF), SME Corp., SME Bank, MATRADE, Malaysia Automotive Institute (MAI) and Halal Industry Development Corporation (HDC) on 26 March 2015. The forum highlighted the success stories of SME entrepreneurs in Malaysia where participants were given an opportunity to share their experiences with other SMEs and entrepreneurs. During this event, SME Bank also presented certificates of appreciation to four entrepreneurs that had successfully secured SME Bank's SME-GO Financing. SME-Go is a financing programme that encourages Malaysian SMEs to expand their businesses in the global market in support of the Going-Export Programme by MATRADE. Entrepreneurs who attended the FOKEM 2015 also gained valuable information such as efforts being undertaken by the government and its agencies to support entrepreneurs at a global level.



ECONOMIC





SMEs account for more than 97.3% of all enterprises and 65% of domestic employment. In 2015, SMEs contributed 35.9% to GDP and are responsible for 17.8% of Malaysian exports.

SMEs are integral to the economic development and growth of Malaysia. They largely outnumber large enterprises in both the number of establishments and share of the labour force they employ. SMEs account for more than 97.3% of all enterprises and 65% of domestic employment. SMEs contributed 35.9% to GDP and are responsible for 17.8% of Malaysian exports. They generate income, create employment, empower young people to participate in businesses and have a widespread presence in non-urban and poorer domestic regions. SMEs are the backbone of developing countries and their development is integral to achieving long-term and sustainable economic growth.

With the strong forces of globalisation, building the capacities of SMEs is essential to ensure they are highly competitive, innovative and able to utilise the economic initiatives and incentives provided by the government.

SME Bank plays a crucial role in the economic and social development of the nation. It supports jobs, growth, innovation and opportunities for people and SME businesses in Malaysia and the region.



SME Bank promoted its Halal Development Fund to assist Bumiputera and non-Bumiputera entrepreneurs involved in the halal sector.

SME BANK'S CONTRIBUTION TO THE HALAL INDUSTRY

SME Bank took part in the Malaysia International Halal Showcase (MIHAS) 2015 which was held from 1 to 4 April 2015 at the Kuala Lumpur Convention Centre. MIHAS 2015 is the world's largest halal exhibition which showcased the halal products and services of 500 industry players from 30 countries. This exhibition is a platform for Malaysian companies to penetrate the market to bring global halal products and their businesses for export.

Through this exhibition, SME Bank promoted its Halal Development Fund to assist Bumiputera and non-Bumiputera entrepreneurs involved in the halal sector. The fund enables eligible entrepreneurs to expand their businesses by purchasing assets or providing working capital. The Halal Development Fund is a collaborative

effort between SME Bank and the Halal Industry Development Corporation (HDC) to create more halal entrepreneur champions.

SME BANK CONTINUES TO BUILD THE CAPACITY OF BUMIPUTERA VENDORS

MITI collaborated with SME Bank, Boustead Naval Shipyard Sdn. Bhd. and Pharmaniaga Berhad in organising the GLC SME Explorace 2015. This collaboration between the Government and GLC companies aims to develop Bumiputera entrepreneurs in the SME industry. GLC SME Explorace 2015 was held at Dewan Tun Dr. Ismail, Putra World Trade Centre (PWTC) on 2 and 3 June 2015.

A total of 1,200 SMEs attended and 1,185 business matching sessions were held during the two days event.

EMPOWERING WOMEN THROUGH OUR WOMEN ENTREPRENEUR FINANCING PROGRAMME

In conjunction with the soft launch of SME Bank's 10th Anniversary on 2 April 2015, the Bank launched the Women Entrepreneur Financing Programme (WEP). This tailor-made financing programme helps female entrepreneurs purchase assets and receive fixed working capital. It is related to CEDAR's Women Leaders Entrepreneurship Acceleration Programme (Women LEAP), a holistic entrepreneurship development programme that manages the whole entrepreneur system from pre-commercialisation to commercialisation. This is an example of our capability and capacity building initiatives to empower female entrepreneurs in Malaysia.

SME Bank continued to support female entrepreneurs through its dedicated engagement programme with selected NGOs. This programme was jointly organised by CEDAR, the Women Entrepreneur Network Association (WENA) and the National Council of Women's Organisations Malaysia (NCWO). Held on 6 May 2015, the programme offered financial support to the members of the NGOs.

Members of the Special Secretariat for Empowerment of Indian Entrepreneurs (SEED), *Dewan Usahawan Industri Desa Malaysia (DUID)* and *Dewan Peniagaan Melayu Malaysia (DPMM)* also attended the programme. The participants learned ways in which the WEP-LEAP initiative can help female entrepreneurs expand their businesses and ultimately ensure the survival of their establishments.



Financing Programme for Women Entrepreneur

This specialised financing assistance for women SMEs are one of the uniqueness of SME Bank. The financing provides assistance for asset purchasing and working capital from RM500,000.00 minimum up to RM2.5 million maximum.

The programme is tied together with the Women Entrepreneur Financing Program (WEP-LEAP), a business coaching by CEDAR that will nurture high potential and sustainable women entrepreneurs that will fulfil their aspiration in accelerating their business growth.

PREPARING OUR REGISTERED VENDORS FOR GOODS AND SERVICES TAX (GST)

SME Bank organised a knowledge-sharing session with the Royal Malaysian Customs Department (RMCD) for its registered vendors on 16 February 2015. SME Bank took this initiative to support the Government's implementation of GST which took effect on 1 April 2015.

The briefing familiarised vendors' understanding of the GST collection mechanism and its implication to businesses, especially the current sales and services tax. This briefing also provided the public and the business community with an opportunity to comment and raise concerns on the new tax regime.

We believe that acquiring accurate GST knowledge helps manage the risks and improves compliance with the new GST system. This will help to avoid unnecessary GST audits, time and resources needed to rectify GST errors and penalties for filing incorrect GST returns.

SUSTAINABLE SUPPLY CHAIN

SME Bank integrates several environmental and social factors into its procurement. SME Bank's procurement practices evaluate environmental and social aspects in its sustainable procurement process.

Suppliers' attitudes towards sustainability are also considered. For example, suppliers accredited with local and international standards such as ISO and SIRIM are prioritised. We encourage suppliers to adopt our high standards and work towards continual improvement, which can improve the environment and community while mitigating reputational risks.

Factors considered when evaluating suppliers include whether the supplier:

- Is registered with MoF, CIDB or other local authorities and professional bodies;
- Is financially and technically capable of carrying out the project;
- Has an excellent track record completing projects of a similar nature; and
- Offers a price within the approved budget.

Small Medium Enterprise Development Bank Malaysia Berhad (MY) https://ep.smebank.com.my/ep/portal/login.do

Welcome to SME BANK's eProcurementportal

LOGIN
Username
Password
[+ Forgot password?](#)

LOGIN: 26,153
VISITED: 83,386

PEMBEKAL/SUPPLIER
[+ Uji Komputer/Test Screen](#)

PENGUMUMAN / ANNOUNCEMENT

- Perhatian Untuk Paset Vendor SME Bank.
Cukai Barang dan Perkhidmatan (CBP) akan berkuatkuasa bermula pada 1 April 2015. Ini merupakan agenda penting negara yang memerlukan pengetahuan dan kerjasama semua pihak. Berikut adalah Hombor Pendaftaran GST SME Bank untuk perhayan dan rujukan pihak vendor :-
No Pendaftaran GST SME Bank :- 000868783360
- Sekiranya terdapat sebarang perubahan maklumat syarikat, sila hubungi SME Bank untuk pengemaskinian data.
- Sekiranya terdapat masalah Username/ Password, sila hubungi/ En Hadi Adnan di talian 03-2615 2020 (ext. 3035) / hadi@smebank.com.my
- Sekiranya anda mengalami masalah untuk menghantar harga dan membuat di dalam sistem, sila datang ke
Small Medium Enterprise Development Bank Malaysia Berhad
Aras 16, Pejabat Perolehan
Menara SME Bank
Jalan Sultan Ismail
P.O.Box 12352
Kuala Lumpur.

Tender Terbuka
[Seluruhnya Terbuka](#)
[Sebahagian Terbuka](#)

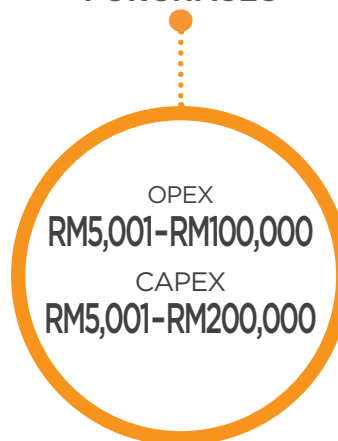
SEBUTHARGA BARU / NEW RFQ
Auction Category
Unit Office

REF NO	UNIT OFFICE	AUCTION NAME	CATEGORY	START DATE	CLOSE DATE	SITE VISIT
MURAT TURUN BORANG / DOWNLOAD FORM						
Borang Pendaftaran Pembekal / Supplier Registration Form Tatasara Penggunaan / User Manual						

Prioritising Local Suppliers

For purchases between RM5,001.00 to RM100,000.00 (OPEX) and RM5,001.00 to RM200,000.00 (CAPEX) the Bank requires a minimum three quotations from vendors, suppliers or service providers who are registered with authorities such as MoF, CIDB or Contractors Service Centre (PKK).

MINIMUM THREE QUOTATIONS FOR PURCHASES



SME Bank introduced an e-bidding process to promote transparency and equal opportunities during the tendering process.

Tender or e-Bidding

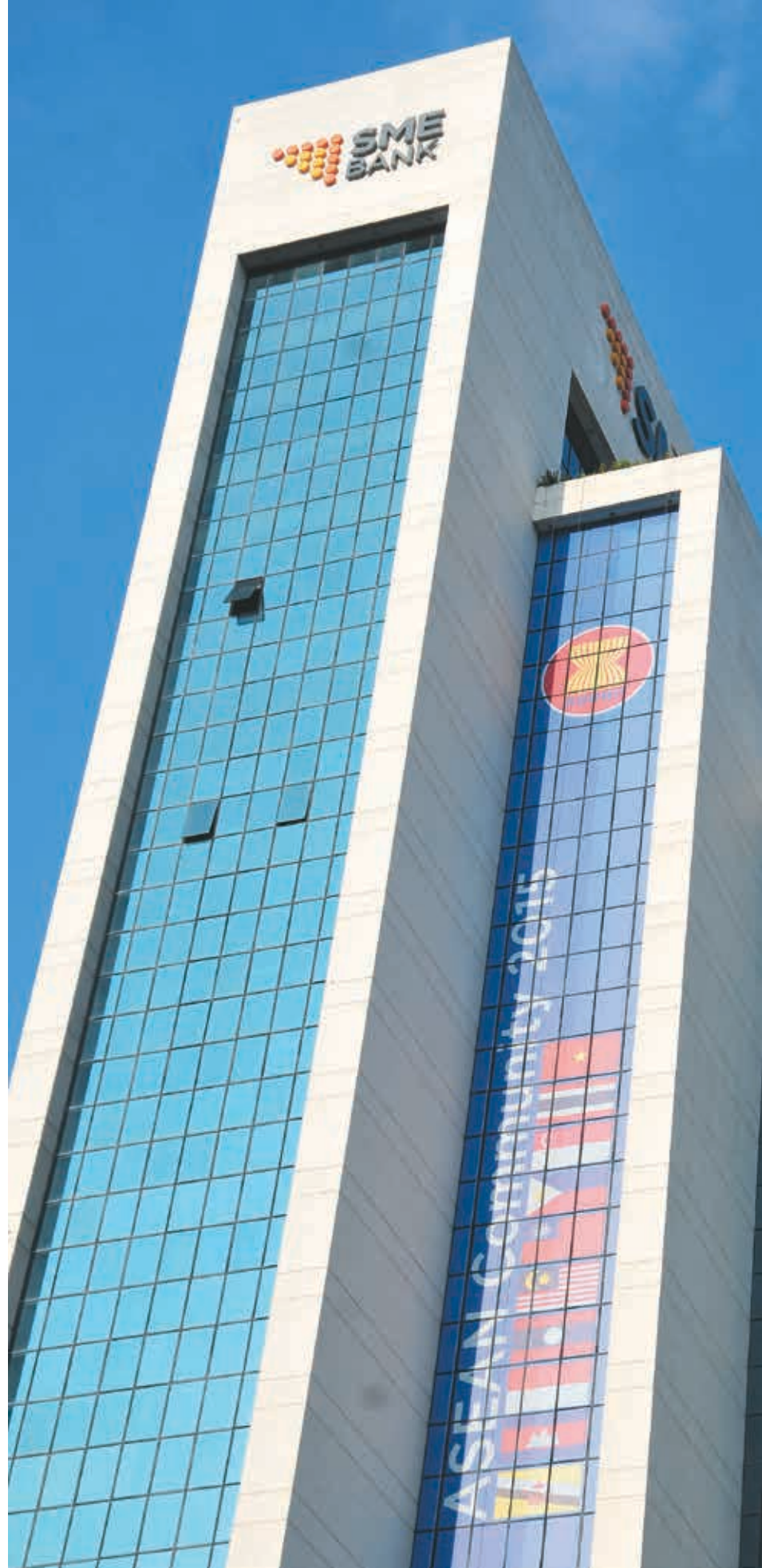
A tender is a written invitation sent to potential tenderers, bidders, suppliers or vendors. This document contains detailed requirements and specifications of goods or services to be procured. The tender process is used when the purchase amount exceeds the limit specified in the purchasing policy. The tender process covers the invitation, preparation and evaluation of tenders as well as the establishment of the Tender Opening Committee, Senior Management Committee, Financial Evaluation Committee and Technical Evaluation Committee.

Consequently, effective communication between the stakeholders and relevant parties is necessary for an efficient tender process that is cost effective with a high level of integrity and transparency. This mitigates the possibility of any potential inherent risk such as misconduct during the tender requisition, evaluation and selection activities.

SME Bank introduced an e-bidding process to promote transparency and equal opportunities during the tendering process. This is part of our efforts to promote fairness, transparency and competition in the market for the benefit of society. All suppliers must be registered in the e-procurement system before they can participate in any tender.



ENVIRONMENT





LED light bulbs are extremely energy efficient and long-lasting; an LED bulb can cut energy consumption by over 80% compared to conventional light bulbs and can last up to 25% longer.

SME Bank is committed to reducing the environmental impact of serving its customers and working with them to reduce their environmental impact.

Our environmental policy demonstrates our commitment to operate with complete respect for the environment. It seeks to promote environmental awareness and responsibility with both management and employees. It requires to not only comply with the current legislation but surpass it wherever possible.

ENERGY MANAGEMENT

Our environmental conservation efforts focus mainly on saving energy. Our Building Energy Management System (BEMS) automatically monitors and controls a range of building parameters such as air-conditioning, ventilation and lighting.

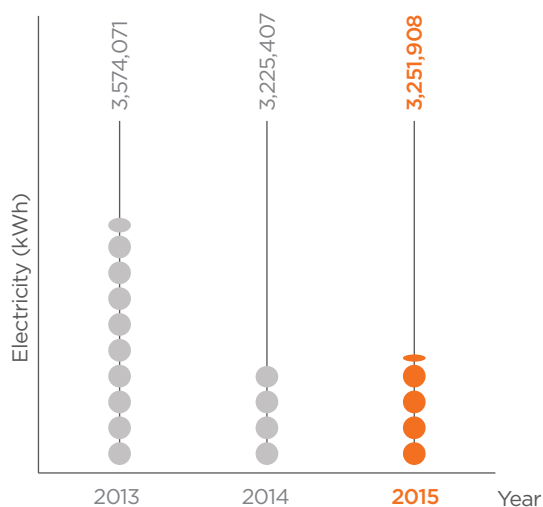
The BEMS system also helps monitor energy usage and targets. It provides real-time data on energy flows, consumption, trends and the overall performance of the building. Built-in motion sensors detect movement which helps avoid unnecessary lighting outside the normal working hours or when ambient daylighting is adequate.

In 2014, our energy consumption reduced by 9.76% compared to 2013 as a result of various energy-saving initiatives introduced throughout the company. Since then, our energy usage has been stable and only increased by 0.82% in 2015.

In 2015, SME Bank continued to replace conventional light bulbs with LED lamps. LED light bulbs are extremely energy efficient and long-lasting; an LED bulb can cut energy consumption by over 80% compared to conventional light bulbs and can last up to 25% longer. LED lighting is more environmentally friendly as it produces more brightness with significantly less power.

In 2014, our energy consumption reduced by 9.76% compared to 2013 as a result of various energy-saving initiatives introduced throughout the Bank especially during renovation whereby we cut-off the power supply of a particular renovation floor. Since then, our energy usage has been stable and only increased by 0.82% in 2015.

Electricity Consumption



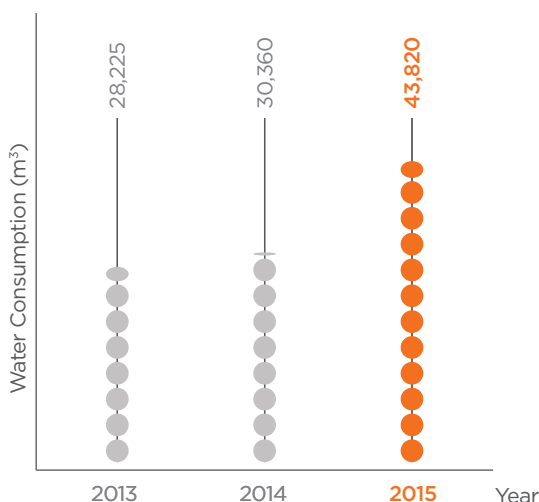
Reducing Energy Demand with a Variable Speed System

We installed a Variable Refrigerant Volume (VRV) system, which is the most cost-effective approach to Air Handling Unit (AHU) design. The VRV system matches the air volume with the actual cooling loads. This reduces the energy consumption of the AHU by between 20% and 60% compared to constant air volume systems.

WATER MANAGEMENT

SME Bank's operations use relatively little water compared with other industries. Although water usage is not considered a key environmental impact, however, we recognise that water is becoming an increasingly important issue, hence we monitor its use with the aim of reducing it. Built-in water-saving features include water-saving taps and showerheads as well as low-flush or dual-flush toilets. We conduct regular maintenance to repair any water leakage especially in toilets, taps and other water fixtures.

Water Consumption



In 2015, our water consumption increased by 44.33% due to upgrading work on the main pipeline. This pipeline was changed from a galvanised type to polypropylene which:

- Is the lightest of all thermoplastics;
- Has good resistance to strong acids except highly active oxidisers, such as nitric acid;
- Has excellent resistance to weak and strong alkalis and most organic solvents; and
- Is a non-conductor of electricity.

Our domestic water tank, air-conditioning water tank and gate valve were upgraded and each job required the tanks to be drained.

WASTE MANAGEMENT

At SME Bank, waste management is the process of treating solid wastes and offers various solutions for recycling items that would ordinarily be destined for landfill. Rubbish can be used as a valuable resource.

SME Bank pays strict attention to waste management and ensures waste is disposed of safely and efficiently. Solid wastes are disposed of by our appointed licensed contractors who collect these wastes twice a week. Improper solid waste disposal can create unsanitary conditions, which can result in environmental pollution and outbreaks of vector-borne diseases.

Waste Reduction Through 3R

Whenever possible, we reduce the amount of waste we generate. Corporate responsibility begins with people doing the right things at work and recycling our waste is a significant part of this approach.

Sophisticated products assist us in our daily work such as printer cartridges and toners. Recycling office waste helps prevent toxins from entering the environment, facilitates the reuse of elaborate components and reduces the amount of land required for landfill. Ultimately, it moves us closer to our aim of recycling all waste.

ENVIRONMENT

Examples of Items That Are Recycled Daily



GREEN BUILDING

Green Building refers to the incorporation of environmentally-friendly and resource-efficient processes at each stage of construction, right from site selection and designing to construction and operations followed by maintenance, renovation or even demolition. SME Bank began incorporating green building features in the design and construction of its new office in 2014 with the objective of minimising its possible environmental impact.

We are in the process of achieving a GBI Silver rating. Our green office building concept and design covers six focus areas of indoor environmental quality, sustainable site planning

and management, innovation, water efficiency, materials and resources, and energy efficiency. The adopted green building concept concentrates mainly on two aspects:

1. Increasing the efficiency with which buildings use energy, water and materials; and
2. Reducing building impacts on human health and the environment through better site selection, design, construction, operation, maintenance and removal throughout the complete life cycle.

KEY GREEN FEATURES IMPLEMENTED AT OUR SME BANK BUILDING



LIGHTING ZONING

- Flexible lighting controls to maximise energy savings;
- Individual switches for all individual or enclosed spaces;
- Auto-sensor controlled lighting with daylighting strategy for all perimeter zones and daylight areas; and
- Motion sensors that complement lighting zoning for at least 25% of landlord and common areas.



ELECTRICAL SUBMETERING

- Submetering for all energy use $\geq 100\text{kVa}$.



RENEWABLE ENERGY

- Encouraged use of renewable energy.



ENHANCED COMMISSIONING

- Improvements to ensure building's major energy-using systems are repaired, operated and maintained effectively to optimise energy performance;
- Commissioning plan for the building's major energy-using systems;
- Management training to raise awareness and improve skills on a broad range of sustainable building operation topics such as energy efficiency as well as building, equipment and systems operations and maintenance; and
- Updated building operating plan to reflect any changes in the occupancy schedule, equipment run-time schedule, design set points and lighting levels.



ENVIRONMENTAL TOBACCO SMOKE (ETS) CONTROL

- Smoking prohibited in the building and exterior designated smoking areas set away from entries, outdoor air intakes and operable windows;
- Smoking prohibited in the building except in designated smoking rooms; and
- Negative pressure and an effective air filtration system installed in smoking rooms.



THERMAL COMFORT: DESIGN & CONTROLLABILITY OF SYSTEMS

- Individual comfort controls for 50% of the building occupants that allow adjustments to suit individual tasks and preferences.



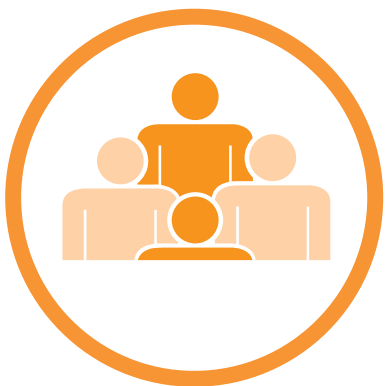
AIR CHANGE EFFECTIVENESS

- Effective delivery of clean air through reduced mixing with indoor pollutants to promote a healthy indoor environment.



INTERNAL NOISE LEVELS

- Internal noise levels maintained at a safe level that shows 90% of noise levels do not exceed the following ambient internal noise levels;
- Within the entire baseline building general office, space noise from the building services does not exceed 40dBAeq; and
- Within the baseline building office space, the sound level does not exceed 45dBAeq for open plan or 40dBAeq for closed offices.

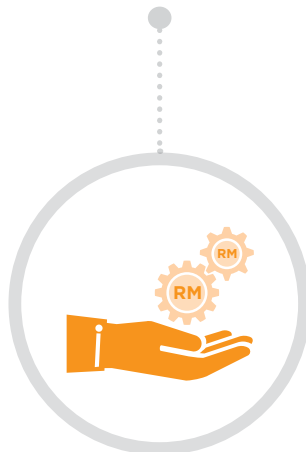


SOCIAL





Responsible Operations Beyond Financing



Our Promise to Our People



Respecting the Rights of All



Corporate Responsibility at Heart



► RESPONSIBLE OPERATIONS BEYOND FINANCING

We focus our advocacy on three efforts: For Business, For Growth, For Life. We continue to hasten the financing processing of eligible SMEs to meet their financing needs. We also support their business growth requirements through the provision of timely advisory services. Proactive engagement with stakeholders is not new for SME Bank. Over the next years, we will continue to engage with them to gather their input on how we can better serve them.

THE CENTRE FOR ENTREPRENEUR DEVELOPMENT AND RESEARCH (CEDAR)

CEDAR is a wholly-owned subsidiary of SME Bank. Established in 2013 to complement the developmental role of SME Bank, CEDAR aspires to be a centre of excellence for entrepreneur development and transformation. Its mission is to continuously develop the capability of entrepreneurs to sustain their growth in support of the national economic agenda.

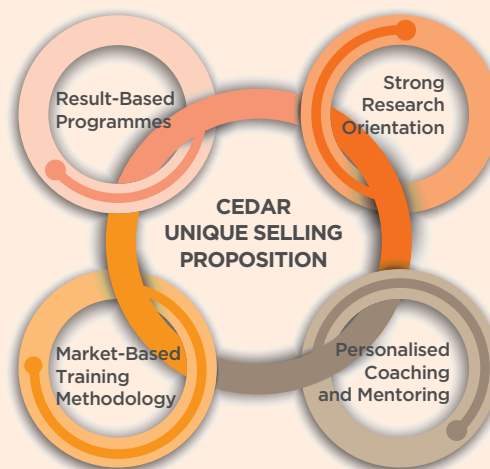
Today, SME Bank stands out as the only Malaysian development financial institution with a subsidiary like CEDAR. Applying the concept of business coaching and engagement, the centre conducts research-based coaching, function-based facilitation and entrepreneur-focused mentoring. Programmes undertaken by CEDAR are unique, with an identity that defined the Group's slogan of 'beyond financing' that is championed by the Bank.

CEDAR's Journey in Building SMEs' Capabilities

CEDAR is proud of such unique approach that tailors and addresses entrepreneurs' needs at various stages of their journeys. A holistic learning strategy is adapted from conception to inception in all the business coaching modules conducted by CEDAR.

In achieving its broad agenda, CEDAR executes its roles through various forms of unique outcome-driven intervention programmes.

CEDAR's Unique Selling Proposition



CEDAR continues to gain further traction in the market through years of operation, year-on-year. This is reflected, for example, by a significant increase in the number of participants engaged, compared to the previous years: 12,234 engagements in 2015 as compared to 6,804 in 2014 and 5,450 in 2013. In line with its growth strategy, it continues to intensify its own market presence by taking central roles in various road shows; seminars and conferences; talks; forums and other engagement sessions in the various key industries.

In 2015, CEDAR continued to extend its reach by building regional and international networks. Partnerships with established institutions including government agencies, government-linked companies, private sector corporations, higher learning institutions and non-governmental organisations have strengthened its presence and capacity in the space of entrepreneur development. This strategic partnering brings about a holistic background that strengthens CEDAR's foundation in building the capabilities of SMEs in Malaysia.

Our Strategic Partners



► RESPONSIBLE OPERATIONS BEYOND FINANCING

In terms of products, the SME market and its landscape are ever-changing. In meeting the growing demand of the market, the CEDAR team continuously updates its coaching programmes and design course structures that reflect the prevailing needs and environments. Fresh insights from research, experiences, industry development and

consultation with various subject-matter experts seeking fresh ideas and solutions are frequently incorporated. Its effort to accommodate the market is evident in the huge increase in demand for its coaching programmes in 2015. Some of the current coaching programmes being offered to SME entrepreneurs are listed below.

CEDAR Coaching Programmes

- Young Entrepreneur Programme (YEP)
- Leaders Entrepreneurship Acceleration Programme
- Women Entrepreneur Financing Programme (WEP-LEAP)
- SME Financing Programme (SME-LEAP)
- Vendor Development Programme (VDP)
- Business Model Action Plan (BMAP)
- Business Transformation Programme (BTP)
- Bisnes Anda Hidup Anda (BAHA)
- 3 Steps to Profits
- Financial Management
- Certified Islamic Development Banker (CIDB)
- Professional Islamic Development Banker (PIDB)



Since its inception, CEDAR has worked on numerous pioneering research initiatives and shares such findings with a broad spectrum of stakeholders in Malaysia. Recently, CEDAR collaborated with several local higher learning institutions in Malaysia and published a series of research findings on Malaysian SMEs. These studies offered some insights on the real issues the SMEs are facing. They also highlight the primary risks and key factors influencing the SMEs' successes and failures in such a

competitive and challenging business environment. These research findings have eventually become reference materials for the banking community, particularly the Development Finance Institutions (DFIs). In some ways, the findings facilitate some of these financial institutions to construct and provide specialised financing and advisory services to the SMEs at large. Its research partners and publications are summarised in the table below.

Publication	Research Partner
SMEs in Malaysia: An Industry Research on the Oil, Gas and Energy Sector	UTM
SMEs in Malaysia: An Industry Research on Wholesale & Retail Sector	UNIRAZAK
SMEs in Malaysia: An Industry Research on the Tourism & Hospitality Sector	UPM
SMEs in Malaysia: An Industry Research on the Healthcare Sector	CESMED (UKM)
SMEs in Malaysia: An Industry Research on the Education Sector	IIUM
SMEs in Malaysia: An Industry Research on the Green Technology Sector	UNIMAP
New Gen Entrepreneurship in Malaysia: A Vibrant Economic Force	MASMED (UITM)
Women & Family Entrepreneurship in Malaysia: A Formidable Economic Force	UNIRAZAK



► RESPONSIBLE OPERATIONS BEYOND FINANCING

Other publications offered by CEDAR include:

- Case studies of selected Malaysian SMEs;
- Instructor's Manual to Case Studies of Selected Malaysian SMEs;
- *Lonjakan Berganda* (Quantum Leap);
- Bi-monthly ASEAN Community of Entrepreneurs Magazine (ACE); and
- Monthly BizPulse Newsletter.

CEDAR in Supporting the Government's Economic Agenda

In line with the Government's SME Masterplan 2012-2020, which includes the promotion of human capital and entrepreneurial development, CEDAR builds the capacity and capability of entrepreneurs as well as local and international DFI professionals. As a subsidiary of SME Bank, CEDAR is able to leverage on the strengths and experiences of the Bank to reach out to a broader segment of the market. This competitive advantage is utilised for the benefit of entrepreneurs and SMEs.

CEDAR continues to support the National Economic Agenda in making entrepreneurship as the focal point in the nation's engine for growth. CEDAR will continue to work towards gaining further traction and sustainability in the Malaysian market. In the future, CEDAR aspires to extend its reach beyond the local market, venturing into ASEAN and other emerging economies through its strategic partnerships and collaborations with the respective relevant organisations from these countries.

SHARIAH PRINCIPLES ARE THE BACKBONE OF OUR OPERATIONS

SME Bank has concentrated on becoming a full-fledged Shariah Compliant Development Financial Institution for the past three years. This was the main goal of its Five-Year Transformation Plan and the Bank achieved this when officially adopting Shariah principles in its operations on 18 June 2015. Symbolically, this coincided with the first day of Ramadan 1436H.

In order to fulfill this mission, SME Bank ensured employees received sufficient exposure to acquire the necessary skills and experience to manage its Islamic finance portfolio.

In addition to preparing employees for the transition, SME Bank also encouraged its customers to convert their conventional accounts to Islamic financing accounts. SME Bank engaged with its customers continuously and offered free moving cost, the same monthly payments and preferential terms and conditions.

These efforts have been successful with 88% of customers having converted their accounts to Islamic financing compared with 15% when SME Bank was first established in October 2005. Our position in the market also continues to strengthen.

SME Bank launched several new financing programmes, signed Memorandum of Understandings (MoUs) with relevant parties and improved its engagement with existing and potential customers, and NGOs. This demonstrates that SME Bank offers the best financing solutions to Malaysian SMEs.

SME BANK GOES DIGITAL

Realising businesses are now demanding a hassle-free experience, SME Bank launched its one-of-a-kind financial solution, Online Business Financing (OBF). With a funding of RM10 million from MITI, OBF is offered to eligible members of Malaysian Association of Bumiputera ICT Industry and Entrepreneurs (NEF).



The SME ICT Groom Big Hub For Technopreneur (The S.I.G.H.T.)

In supporting the MITI's ICT-Groom Big Programme, SME Bank launched the SME ICT Groom Big Hub For Technopreneur (The S.I.G.H.T.) on 21 August 2015 at Level 3, Menara SME Bank. Officiated by YB Datuk Hj. Ahmad Maslan, Deputy Minister of MITI, The S.I.G.H.T. functions as a hub whereby tenants operate their online businesses in an open concept environment with shared resources. Facilities offered include suitable workstations, WiFi, a cabinet and lounge, meeting and discussion rooms as well as a coffee corner with bean bags for entrepreneurs to relax.

SME BANK HONOURS TOP CLIENTS

SME Bank celebrated its 10th year anniversary by honouring its clients with the SME Bank Entrepreneur Awards on 10 October 2015. The awards were presented by the Prime Minister, YAB Dato' Sri Mohd Najib Tun Abdul Razak during a gala dinner held at Menara Felda Platinum.

Five awards categories were presented to top performing clients namely the SME Bank Most Promising Entrepreneur Award, SME Bank Most Innovative Entrepreneur Award, SME Bank Women Entrepreneur Award and SME Bank Most Outstanding Entrepreneur Award. The overall champion was also presented with the prestigious SME Bank Perdana Award.

The event was attended by almost 1,000 clients, corporate friends and other invited guests. In conjunction with the 10th anniversary celebration, SME Bank also launched a coffee table book entitled, "Transforming Malaysia: Celebrating 10 Years of Service to the Entrepreneurs". The coffee table book highlights the Bank's journey over the last 10 years and the success stories of 50 companies that SME Bank has supported either financially or through various development programmes.



► RESPONSIBLE OPERATIONS BEYOND FINANCING

Winners of the SME Bank Entrepreneur Awards

SME Bank Perdana Award

- Shamsul Bahrin bin Ludin – Advance Pact Sdn. Bhd.

SME Bank Most Outstanding Entrepreneur Award

- Shamsul Bahrin bin Ludin – Advance Pact Sdn. Bhd.
- YBhg. Dato' Hj. Ramly bin Mokni – Ramly Food Processing Sdn. Bhd.

SME Bank Most Promising Entrepreneur Award

- Mohd Pozi bin Hassan – Pozi Food Services
- Siti Sulaida binti Hamzah – Road Asphalt Sdn. Bhd.

SME Bank Women Entrepreneur Award

- Norsharina binti Mohd Shahar – Gaia Plas Sdn. Bhd.
- Noor Azimah binti Mustafa – Era Lab Sdn. Bhd.

SME Bank Innovative Entrepreneur Award

- YBhg. Dato' Ir. Muhammad Guntor Mansor Tobeng bin Mansor Tobeng – Gading Kencana Sdn. Bhd.
- YBhg. Dato' Goh Hwan Hua – I-Serve Technology Sdn. Bhd.

RISK ASSESSMENT

SME Bank expanded the definition of activities that do not qualify for financing under the Bank's schemes. Activities now include sectors with no or limited growth opportunities, those that the Bank has no or limited knowledge of or that could be detrimental to the Bank. These sectors are placed on the "Negative List" following an assessment of the latest development and economic forecast of each of the sectors. SME Bank has established a list of activities that do not qualify for financing in its Credit Operations Guide.

Negative List Sectors and Activities



Activities that contravene Shariah principles as determined by the Shariah Advisory Council of Bank Negara Malaysia and the Bank's Shariah Committee



Projects and activities that are against the law or moral values



Activities that contribute to pollution and other adverse environmental impacts



Entertainment and gambling centres



Individuals and companies that are listed on SME Bank's Negative Counterparty Database

Additionally, there are also certain sectors that have been internally classified as “Selective”. Primarily, this is due to unfavourable prospects as a result of current market conditions, but with an opportunity for growth. The impact may be short-term and financing should only be granted selectively while being subject to a more stringent and comprehensive credit evaluation. The evaluation process must be documented in detail in the Financing Evaluation Report (FER) to help the relevant approving authorities make informed decisions.

The “Negative and Selective Lists” were endorsed by the Board of Directors on 28 January 2016. They will be revised annually or whenever there are significant changes in the sectoral outlook and/or general market conditions.

CORRUPTION

SME Bank is committed to comply with ethical standards and applicable anti-corruption laws. This is in line with the Bank’s core values, business principles and various internal policies which help make ethics and anti-corruption an integral part of its business operations. SME Bank has developed three main internal policies and procedures:

- Code of Conduct;
- Staff Integrity Pledge; and
- No Gift Policy.

The Bank’s employees are forbidden from offering or receiving a bribe for their own or a relative’s benefit.

SME Bank has also introduced a No Gift Policy. The Malaysian Anti-Corruption Commission (MACC) welcomed Malaysian companies adopting no gift policies as one way to avoid any practices that encourage corruption in the enterprise.

Employees are not permitted to receive gifts or favours from contractors, suppliers, clients or any other parties having business dealings

with the Bank. SME Bank believes that doing so may compromise the individual’s judgment. However, in such circumstances where it is customary to do so, employees can accept such gifts of nominal value or favours provided they are not unduly influenced.

The Group Audit Division investigates any allegations of corruption to ascertain their validity. The investigation results are reported to the Audit Committee and Group Human Capital will take action if the allegation involves employees. Corruption is taken very seriously and those found guilty will be dismissed from the Company and further action taken where necessary.

As a preventive measure, SME Bank’s Human Capital Relations delivers awareness talks on anti-corruption. Corruption is also emphasised during refresher training which is regularly conducted by the Learning and Development Department.

CUSTOMER PRIVACY

SME Bank must abide by the secrecy provision in the Development Financial Institutions Act 2002 (DFIA). Section 119 of the DFIA states the Bank shall not disclose to any other person any document or information relating to the affairs or account of the Bank’s customers.

Notwithstanding the above, Section 120 of the DFIA allows the Bank to disclose its customers’ information only for the purpose for and to whom the act specifies in the Fourth Schedule of the DFIA.

SME Bank must also comply with the Personal Data Protection Act 2010 (PDPA) which took effect on 15 November 2013. The PDPA protects individuals’ personal data in relation to commercial transactions. SME Bank’s registration as a “Data User” with Department of Personal Data Protection (DPDP) under the Ministry of Communication and Multimedia was approved on 17 February 2015.

► RESPONSIBLE OPERATIONS BEYOND FINANCING

Since then, the Group Compliance Department has conducted a series of awareness programmes. Aggressive dialogue sessions were held with the Head of Department (HODs) and Designated Compliance Officer (DCOs) of the Bank on the secrecy provision stipulated in the DFIA and PDPA. These sessions familiarised

the Bank's employees with the requirements and implications of non-compliance.

Pursuant to the PDPA, the Bank as the registered data user must process personal data in line with the following principles:

The 7 Principles of the PDPA



The Bank is highly committed to complying with the Secrecy provision under the DFIA and principles set out in the PDPA. The Group Compliance Department acts as the reference point in providing advisory to the Bank and its employees in these matters.

Other forms of control in the pipeline are Information Security Management which is under Quality Improvement (QI) and Data

Leakage Prevention under Infrastructure and Security Section, Group Information and Technology Department (GIT).

The Bank ensures that the customers' personal data is not disclosed for any purpose other than for which it was collected. The Bank may also share customers' personal data with any third party to whom the Bank is obligated under the requirements of any law or as required by any regulatory or statutory authority.

The Bank has complied with the 7 principles under the PDPA as below:

Requirement Under the Act	Action Taken to Comply
General Principle: Personal Data can only be processed with the consent or explicit consent of the data subject.	Incorporated consent clause by the customers in all application forms.
Notice and Choice Principle: The Bank must notify the customers, vendors and employees of the purposes for which their personal data will be collected, used and disclosed in order to obtain their consent. The written Notice must be in both English and Bahasa Malaysia.	In May 2015, the Bank published notices on personal data protection (PDP) through: <ul style="list-style-type: none"> • The corporate website. • A prominent area in the HQ, RCs and ECs. • An email to all staff. • The Bank's intranet.
Disclosure Principle: The Bank is not allowed to disclose personal data to a third party unless permitted under the PDPA.	This provision is in line with DFIA.
Security Principle: The Bank must take practical steps to protect the personal data from any loss, misuse, modification, authorised or accidental access or disclosure, alteration or destruction.	This provision is in line with the Bank's Group Information Technology Policies and Procedures.
Retention Principle: The Bank is required to cease processing personal data once the purpose of its collection has been fulfilled.	This provision is in line with the Bank's Security Documentation and Letter of Offer Policies.
Data Integrity Principle: Reasonable effort must be undertaken to ensure that personal data processed is complete, accurate, not misleading and kept updated.	This provision is in line with the Bank's Group Information Technology Policies and Procedures.
Access Principle: The data subject has the right to access and correct his or her personal data.	The following forms are accessible via the corporate website: <ul style="list-style-type: none"> • Personal Data Access Request Form. • Personal Data Correction Request Form.

SME Bank is governed by BNM Guidelines on Data Management and Management Information System (MIS) Framework for DFIs. These guidelines cover data governance structure, data quality and data security requirements.

The Bank's responsibilities to keep customers' data safe and record it are also incorporated in the Bank's Group Information Technology Policies and Procedures.

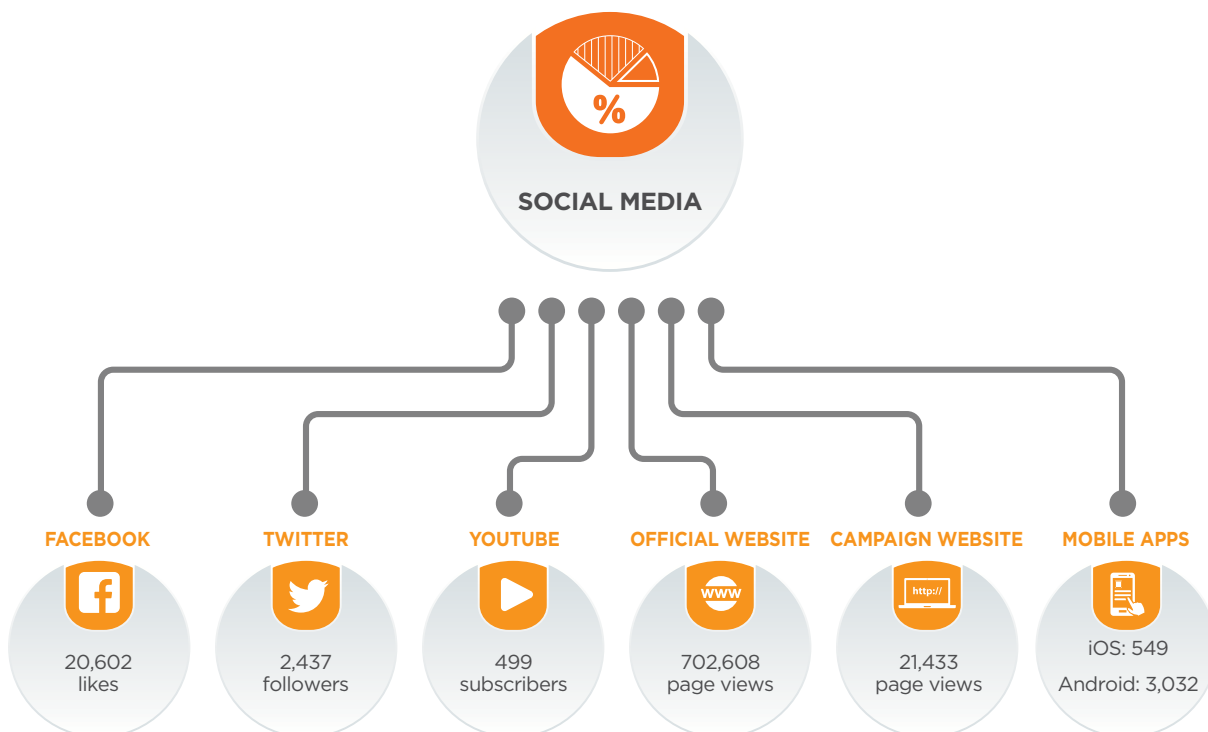
► RESPONSIBLE OPERATIONS BEYOND FINANCING

SUSTAINABLE MARKETING

Our reputation is one of our greatest assets. Once lost it is difficult to build again so we take every precaution to protect it. Although we do not get things right every time, integrity and honesty are at the core of our values, standards of conduct and governance principles. This is particularly important when dealing with our existing or potential clients who trust us with their financial assets and expect to work in their best interests.

Not only do we focus on developing quality products and encouraging innovation, but we also create and nurture relationships. Building understanding, trust and respect takes time, honesty and transparency.

SME Bank employs a variety of traditional stakeholder engagement tools that make it easy for customers to give feedback. Our corporate website and annual report are the most comprehensive sources of information on our social, environmental and financial performance. Comprehensive product, company and investor information can also be found on our website. We also engage with our stakeholders through social media, including Facebook, Twitter, YouTube and other mobile applications.



WEBSITE

www.smebank.com.my

- The SME Bank's official website published information such as the Bank's products and services, promotional activities, announcements, news update and list of network

www.YourSuccessOurStory.com

- A platform to promote the Bank's Success Stories, Corporate Responsibility Programme such as:
 - SME Bank Y-Biz Challenge
 - SME Bank 90-Days Business Challenge

MOBILE APP

- A key communication tool with SME Bank's current and potential customers and to enhance the Bank's customer experience.
- Improve the Bank's service delivery to customers and the public.

FACEBOOK

- Official Name: SME Bank (Bank Perusahaan Kecil & Sederhana Malaysia Berhad)
- A social media platform to promote the Bank's products, services, events and brand awareness to the public

- Knowledge sharing postings from other Government Agencies
- Updates on SME Bank's Live feed/Happening now during event

TWITTER

- Official Name: SME Bank Link
- A social media platform to promote the Bank's products, services, events and brand awareness to the public
- Knowledge sharing postings from other Government Agencies
- Updates on SME Bank's Live feed/Happening now during event

YOUTUBE

2 Official YouTube Channel

SME Bank's Official Youtube Channel

- Channel Name: SME Bank Malaysia
- To promote the Bank's 'i-SME TV Program'

Campaign Youtube Channel

- Channel Name: Your Success Our Story
- To host the Bank's 10 episodes of Success Stories

ADVERTISING AND PROMOTION

SME Bank's Advertising and Promotion Team ensures that its advertising complies with promotional regulations. The team also reviews marketing materials to check their accuracy and present the product's risks and benefits in a balanced manner.

SME Bank considers all advertising and promotions materials must adhere to its Corporate Identity guidelines. All advertising and promotional activities must also be endorsed by the Shariah Committee.

We are expected to give due consideration to customer interests in the development, marketing and sale of new products. We have adequate internal procedures to ensure the fair treatment of customers which avoids the

potential of misseling, unfair terms and conditions, unclear statement, inaccurate information and business practices that restrict customers freedom of choice.

In 2015, we launched a campaign website, www.YourSuccessOurStory.com, featuring our clients' success stories. It is designed to quickly share the Bank's number one objective of helping entrepreneurs. The website also acts as an online portal for the SME Bank Y-Biz Challenge and the 90-Days Biz Challenge. The public can access our videos archive which presents the journeys of our successful clients. This website is a strong marketing and branding tool which clearly presents our business through these real life stories.

► RESPONSIBLE OPERATIONS BEYOND FINANCING

Our Customers Our Priority

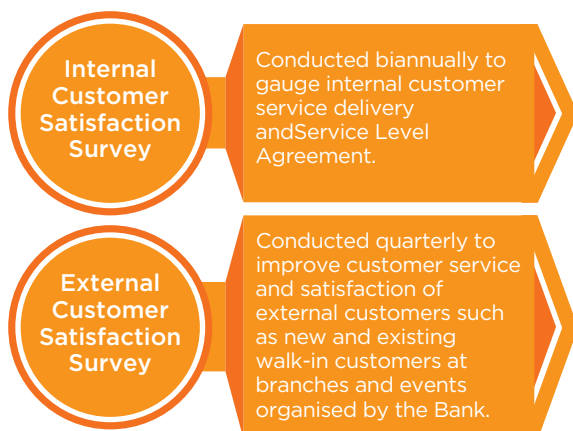
SME Bank established the Customer Service Management (CSM) Department in April 2011 as a core unit under the Stakeholders Management Division. This department plays a strategic and empowerment role by supporting business functions to:

- Facilitate customer feedback, suggestions and complaints to help deliver effective services and improve product packages;
- Ensure customers are completely satisfied with the Bank's services;
- Manage complaints and enquiries in a structured manner; and
- Develop an income generating platform.

Since 2014, the CSM Department has coordinated and jointly organised several customer engagement activities on a more aggressive thematic, cohesive and concerted effort. Examples of these activities include networking, promotions and marketing. The Group MD and other members of top management have also adopted a more personal and friendly approach.

The CSM Department also conducted customer satisfaction surveys periodically. The surveys form one of the Bank's corporate KPIs and the results help improve the Bank's delivery of services.

Two categories of Customer Satisfaction Surveys



By examining feedback, CSM is able to identify bottlenecks and process delays. The department can also propose process improvement to the respective departments and divisions. CSM has undertaken initiatives to improve the call centre, programme financing, audit, operations, human resources, channel management and facility management.

CSM has an agenda to improve the Bank's service level for a greater customer experience.

1. New Call Centre Solution

A new call centre solution will be established with enhanced functionalities for quality improvement and better mobility, tracking and reporting. The call centre will integrate with the social media strategy and outbound calls for improved campaign management and telemarketing. It may also integrate with the Collection Management System.

2. E-Channel

The Bank will create passwords for its internet banking functionality. Once approved, the existing customer base of 4,500 will be converted gradually including new customers.

3. Customer Relations Section

CSM will introduce several customer-focused initiatives such as effective complaints management and active customer engagement. The Bank's Complaint Management process acts as a one-stop centre to address all feedback and complaints channelled through the Bank. Importance is placed on resolution turnaround time as follows:

The screenshot displays the SME Bank Malaysia website. At the top, the SME Bank logo is visible alongside navigation links for Home, Financing, Treasury & Investment, and Development. A date stamp indicates Friday, 26 August 2016 11:16:18. The main banner features a large image of a modern building with the text: "At SME Bank, we are committed to provide excellent services. For business. For growth. For life." Below this, the "Customer Service Charter" is highlighted. The charter details the timeline for complaint resolution: "AKUAN PENERIMAAN / ACKNOWLEDGEMENT" within 24 hours, and "MAKLUM BALAS TINDAKAN / RESPONSE OF COMPLAINT" within 10 working days. Contact information for the Customer Service Management team is provided, including a Facebook link, email, and a toll-free number (1-800-88-3131). A search bar and a list of related pages (Client Charter, Complaint Management, etc.) are also present.

AKUAN PENERIMAAN / ACKNOWLEDGEMENT
Memberi maklum balas akuan terima dalam masa 24 Jam
24 Hours from the date of receipt of complaints/appeals by Customer Service Management

MAKLUM BALAS TINDAKAN / RESPONSE OF COMPLAINT
Maklum balas terhadap semua aduan dan rayuan akan diberikan dalam tempoh 10 hari bekerja
10 working days from the date of receipt of complaints/appeals by Customer Service Management

HOW TO CONTACT US
If you have enquiries, concerns or comments please write, call, fax or e-mail us at:-
Customer Care Centre : 1-800-88-3131 (toll free)
Fax : 03-2694 7834
E-mail : customercare@smebank.com.my
Website : www.smebank.com.my
SMS : SMEBANK<space>PERTANYAAN<space>your enquiry and send to 15888

SME Bank surpassed the mandatory requirements of 14 days by BNM. However, for complicated or complex issues that require

further investigation, the customer must be given a decision by not later than 30 days from the date the complaint was first lodged.

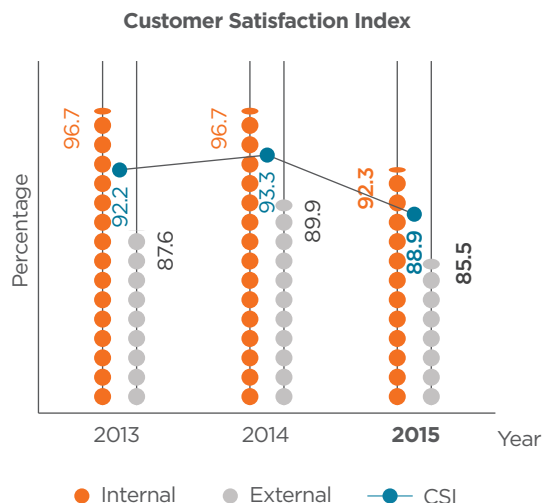
► RESPONSIBLE OPERATIONS BEYOND FINANCING

Ensuring Customer Satisfaction

Internal and external customer satisfaction surveys are conducted annually and form part of the Bank's Corporate KPIs. Internal surveys are conducted twice yearly with external surveys being performed quarterly. In 2015, Customer Service Management launched an external customer satisfaction survey for new customers.

This survey covers new customers from the initial application to first disbursement. It gauges satisfaction levels of the customers' total experience with the Bank. It also encourages suggestions and feedback for continuous improvement.

The survey was completed online through a link and voice survey from 28 August to 31 December 2015. Feedback was received from 215 customers, which represents 31% of the total 684 customers who had undergone the full cycle from December 2014 to July 2015.



CUSTOMER ENGAGEMENT

SME Bank Outreach and Biz Talk 2015



Following the success of the 2014 customers' engagement initiatives, the Bank has embarked on a more holistic approach on the customer engagement initiatives. The SME Bank Outreach and Biz Talk 2015 is a 4-in-1 event that covers:

- SME Bank Open Day;
- SME Bank Customer Engagement Day;
- Roadshow for SME Bank's Women Financing Programme and Women-LEAP entrepreneur programme and its launching in Kuala Lumpur; and
- CEDAR's annual SME Biz Talk.

This engagement is expected to develop a long-lasting business relationship and smart partnership with our stakeholders. This is one of the Bank's initiatives to establish a continuous presence in the market.

The SME Bank Outreach and Biz Talk is also a platform to promote the Bank's newly launched Women Financing Programme and CEDAR's WEP-LEAP Programme as well as other financing programmes offered by the Bank. The Clinic session and helpdesk also helped address customer needs and requirements.

The event was held in the second quarter of 2015 at 11 locations nationwide. More than 2,300 participants attended the event. Following the engagement, the Bank received RM244 million financing applications from 161 applications.

SPECIFIC INTERVENTION

Offering beyond financing needs is what we believe the essence to nurture sustainable SMEs. Through the Bank's Specific Intervention Programme, potential customers will be guided and migrated upward to achieve one of the three KPIs as follows:

- Improvement in Risk or SCORE* rating;
- Market expansion from domestic to export; or
- Migration from Need Based to Merit Based Clients.

* *SCORE = SME Competitiveness Rating for Enhancement, a diagnostic tool used to rate and enhance competitiveness of SMEs based on their performance and capabilities.*

In 2015, the Bank managed to migrate 270 customers, 142% higher than the targeted numbers of customers.

Besides this, the Bank also offered General Intervention to all existing clients that helps to achieve a quality portfolio through relationship management.

ENTREPRENEUR PREMISES PROGRAMME (EPP)



Another significant assistance provided by SME Bank is the Entrepreneur Premises Complex (EPC), under the purview of Entrepreneur Premises Programme (EPP). Located at strategic location nationwide, SME Bank's EPC is a factory space that assists budding Bumiputera SMEs to grow their business to the next level which will improve their productivity and efficiency. The EPP officers ensure optimum supervision on the tenants' progress and development throughout their tenancy period. As a value added services, proper intervention will be injected into their businesses to provide growth and sustainability.

The graduation plan outlines the business strategy, growth and progression of tenants' respective businesses. Structured intervention is also developed to allow the tenant to migrate outward within the stipulated time frame. The tenants' selection criteria or scope for selection are determined by the Bank. In 2015, the EPP recorded an occupancy rate of 85.5%.

Objectives of the Intervention Programme

-  To create more resilient and sustainable SMEs
-  To improve customers' proposals for securing loans or financing facilities
-  To improve customers' performance by ensuring that their businesses grow, sustain, expand or transform
-  To manage the Bank's credit risk

► OUR PROMISE TO OUR PEOPLE

We aim to create and maintain a safe, engaging working environment that attracts, develops, retains and supports high-performing people. Our people are the key to our long-term success, so we go to great lengths to equip them with what they need to meet the challenges of the future. This includes providing a work environment that contributes to their professional development, empowers them to make decisions, supports their work-life balance and protects their health and wellbeing.



LEARNING AND DEVELOPMENT

SME Bank is a place where we learn something new each day, build our careers and pursue our passions. Retaining employees is a key focus through a cycle of regular development, recognition and performance-related rewards. Everyone at SME Bank should have an

opportunity to reach their full potential, develop their careers and make their mark within the Bank. Lifelong learning and development opportunities are part of the Bank's strategy and integral to it being an employer of choice.

Learning and Development Framework

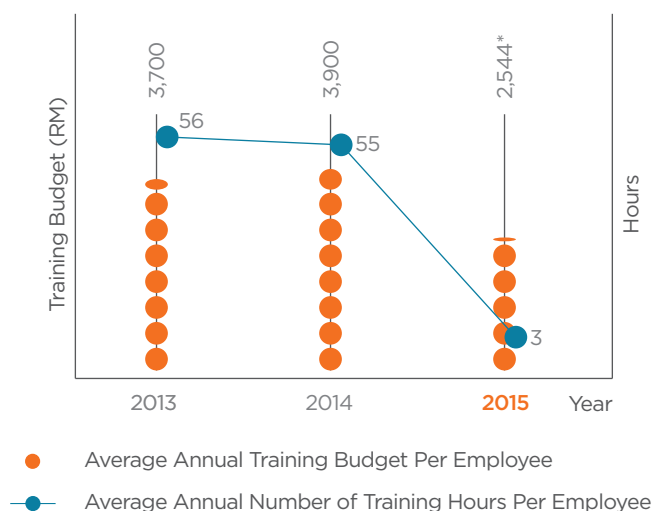
Programme/ Level	Non- executives	Associates	Managers	Assistant Vice Presidents	Vice Presidents- First Vice Presidents	Directors- Chief Operating Officers	Board of Directors-Group Managing Director
Core Training Programme	<ul style="list-style-type: none"> Equip staff with training programmes that enhance leadership and personal growth Provide continuous education to develop and acquire knowledge and skills Strive for excellence and professionalism through a series of training programmes Build a consistent learning culture throughout the organisation Develop managerial competencies throughout the organisation Acquire skill sets and abilities to support organisational objectives Develop common understanding for managers on the key areas that are essential to business operations Develop managers' entrepreneurial skills 						Provide updates on the law and strengthen governance capability

Programme/ Level	Non- executives	Associates	Managers	Assistant Vice Presidents	Vice Presidents- First Vice Presidents	Directors- Chief Operating Officers	Board of Directors-Group Managing Director
Functional Training	<ul style="list-style-type: none">Equip staff with fundamental functional skills that are generic for business and functional performanceEnhance and improve a range of technical skill sets for business and functional performanceGain practical skills and increase career potentials in functional areas						Personalised Development Programmes
Elective Training	<ul style="list-style-type: none">Develop and enhance personal effectiveness						

The average annual training requirement for executive level and above is five days and three days for non-executives. The average

annual number of training hours for the past years is presented in the chart below.

Training Budget and Hours Conducted by SME Bank



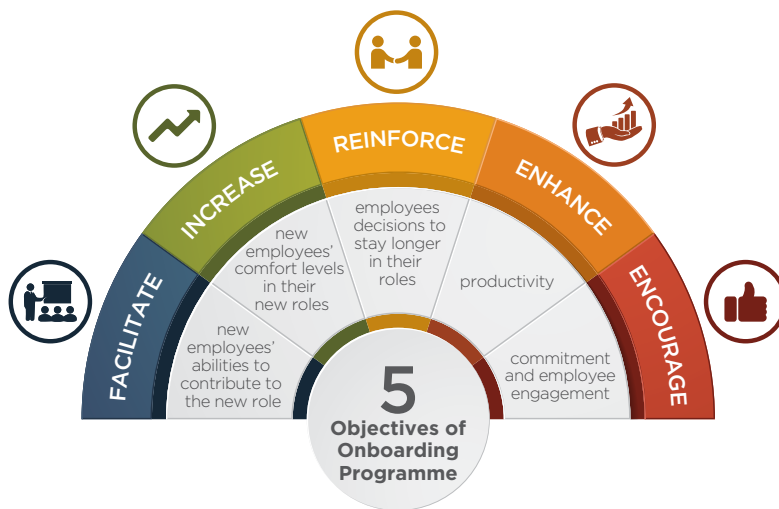
* Due to a cost saving initiative, training programmes had to be concluded in September 2015

► OUR PROMISE TO OUR PEOPLE

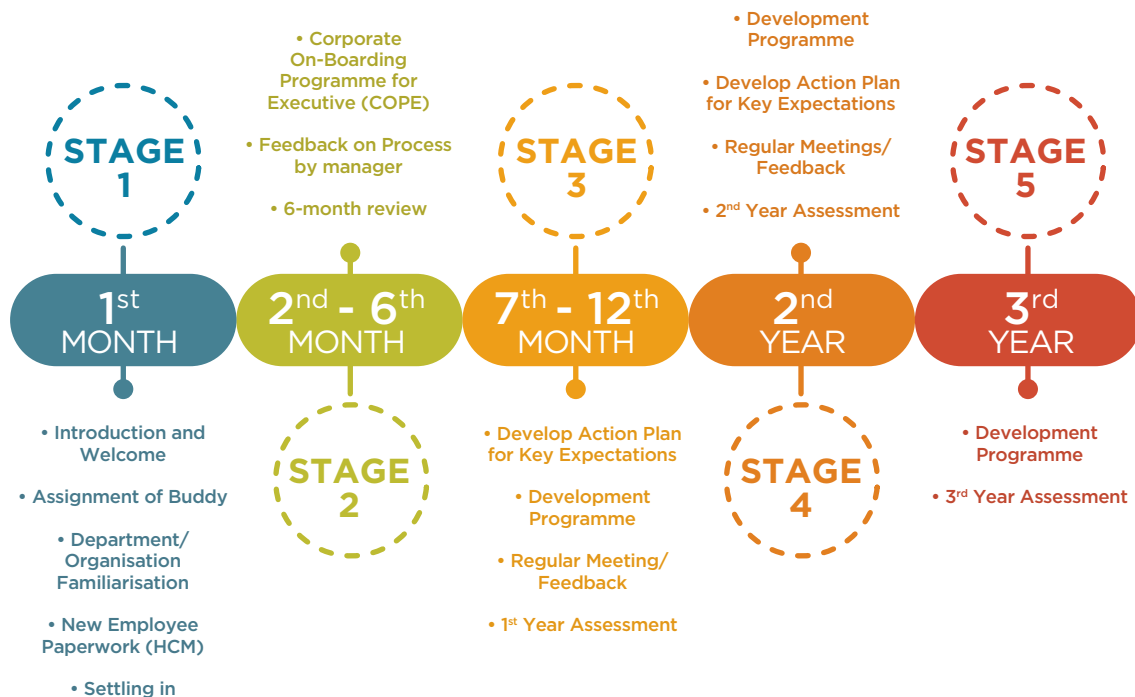
ONBOARDING PROGRAMME

SME Bank's guidelines ensure all new employees are introduced to their new positions effectively and efficiently. Employees are free to access all relevant policies, systems and processes to

perform and develop their roles. SME Bank is introduced to each new hire through an introduction process within the first 30 days of hire.



Five Stages of Onboarding: The First Day is Just the Beginning



INTERNSHIP PROGRAMME

SME Bank's Internship Programme (IP) is part of its community service role. Malaysian students from recognised higher learning institutions are provided with an opportunity to undergo the IP for a specific duration.

To be eligible for the IP, candidates must:

- Have obtained a current cumulative GPA of at least 3.0;
- Be studying a diploma, degree or equivalent programme in a field that is specified by the Heads of Department and from a recognised higher learning institution;
- Possess acceptable interpersonal skills;
- Actively participate in co-curriculum activities in universities or colleges; and
- Have a strong initiative and be able to work independently.

The internship period is subject to the respective university or college's programme. The majority of internship candidates had a background in economics, accounting, finance, Islamic Banking, IT and human resources. In 2015, we welcomed 10 internship students who were attached to various functions within the Bank.

Number of Internship Programme Students in 2015



GRADUATE TRAINEE PROGRAMME

The SME Bank Graduate Trainee Programme (GTP) is an on-job learning traineeship that helps fresh graduates launch their careers in banking. Trainees undergo a six-month training programme that consists of formal training, on-job training and examinations. GTP helps trainees meet the Bank's entry requirements during which mentors are assigned to train and support them.

GTP caters to students from local and international tertiary institutions and successful candidates are subsequently offered full-time positions with us. The benefits of this approach are faster recruitment turnover, ready talents that are catered to organisational needs, 100% absorption rate and a higher readiness level.

► OUR PROMISE TO OUR PEOPLE

STRATEGY DRIVEN TRAINING PROGRAMME

SME Bank's Strategy Driven Training Programme was initiated to complement the Bank's strategy of improving the credit culture. This programme aims to:

- Enhance the readiness of customer-facing staff to support the Bank's Business Model and ensure its success;
- Place a greater emphasis on credit papers that will lessen rework, improve productivity and most importantly improve delivery to customers;
- Create a clear understanding and greater cooperation between branches and Head Office when handling back office functions; and
- Create a clear understanding of National Key Economic Areas.

Chartered Islamic Development Banker (ChIDB) Programme. ChIDB was developed to equip the talent pool in development financial institutions with up-to-date industry knowledge. This was in view of the tremendous growth of the Islamic finance industry locally and globally.

The programme is divided into three stages:

1. Certified Islamic Development Banker (CIDB) Level 1;
2. Professional Islamic Development Banker (PIDB) Level 2; and
3. Chartered Islamic Development Banker (ChIDB).

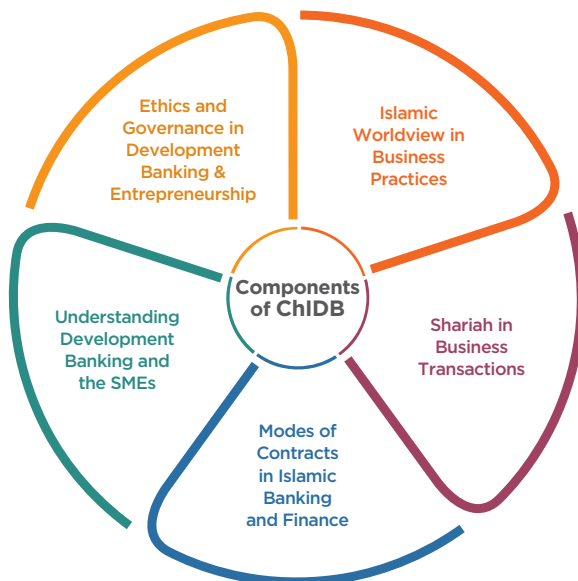
A total of 487 employees passed the first level and 202 the second. 296 of them became the first batch to complete the programme.

EQUIPPING EMPLOYEES WITH SKILLS TO MANAGE THE BANK'S ISLAMIC FINANCE PORTFOLIO

SME Bank through CEDAR has collaborated with Islamic Banking and Finance Institute of Malaysia (IBFIM) to develop and conduct the

The graduates received their certification during the inaugural convocation held at Sasana Kijang, Bank Negara Malaysia on 29 April 2015. The convocation was attended by Dato' Bakarudin bin Ishak, Assistant Governor of Bank Negara Malaysia.

Components of ChIDB





BOOTCAMP: INCULCATING CREDIT CULTURE

From 9 to 11 April 2015, SME Bank conducted a credit culture training programme to 60 employees. Topics covered during this programme included:

- Understanding the credit evaluation process;
- Understanding the role of credit analysis versus credit checker;
- Credit quality improvement;
- Risk and mitigation; and
- Islamic financing.

This programme formed part of our refresher training to ensure all relevant employees are competent in their jobs. The bootcamp was held at Cherengin Hills Convention & Spa Resort in Bentong, Pahang.

UNLEASHING THE LEADER IN ALL

135 Heads of Divisions and Departments demonstrated their leadership skills at the annual Leaders' Convention held from 11 to 13 December 2015 at the Shangri-la Hotel in Putrajaya. Participants challenged the norms and devised realistic and creative strategies to pursue the sales target for 2016.

YBhg. Dato' Dr. Haji Mohd Fadzilah Kamsah and Dr. Reza Abraham created a highly-energised environment and delivered interesting motivational sessions. The presenters assisted the participants in developing strategies that impressed the management team.

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At the end of the programme, Group Managing Director, YBhg. Datuk Mohd Radzif bin Mohd Yunus handed the 2016 KPIs to all Heads of Divisions and Departments. In his closing remarks, YBhg. Datuk Mohd Radzif reiterated the need for all staff to come together and work hand-in-hand to deliver the desired outcomes in 2016. SME Bank aggressively executed impactful action plans that will contribute to the country's GDP target by 2020.

BRAIN PROJECT INITIATIVES

Driven by the tagline 'New Look with Renewed Commitment', the BRAIN Project was launched in 2014 to enhance the Bank's internal and external service delivery.

Various initiatives have been organised that complement the BRAIN brand values of Care, Empathy and Subject Matter Expert to help staff embrace these values in their daily activities.

BRAIN Birthday Celebrations

One initiative under the BRAIN Project involved organising a surprise birthday celebration for staff in the presence of the Iron Man/Iron Lady, who is a Senior Management Committee representative. During this event, the Iron Man/Iron Lady and BRAIN committee presented special gifts to employees celebrating their birthdays during that month. Each employee received a pot containing a money plant that the employee was expected to take care of. This symbolises the concept of Care, one of the main values of BRAIN.

"Kita-kita Aje" Session

"Kita-kita Aje" is a laidback session between the Iron Man and Iron Lady with all employees. It provides staff with an opportunity to share any new ideas and suggestions to improve work delivery. During this session, they can also share their current issues and concerns with others.

The "Kita-kita Aje" session demonstrates top management's commitment to ensure the success of SME Bank's culture transformation initiatives. At the same time, it helps to create a close bond between the staff and senior management.



BRAIN Football Match

A friendly football match was held between SME Bank's FC Hornet and FC Permata on 6 March 2015. In this head-to-head match, SME Bank lost 3-1 to FC Permata. Despite the loss, the players agreed it was a good match as it was also a training session for the Bank's football team.

SME Bank is planning more friendly matches as part of its BRAIN initiative as they inculcate a healthy living lifestyle and nurture a good team spirit.

Learning and Development (LEAD) Day

The LEAD day was another initiative held as part of the BRAIN Project. This initiative aimed to promote knowledge sharing amongst all staff. On 17 February 2015, SME Bank invited popular motivational speaker, YBhg. Dato' Ustazah Siti Nor Bahyah Mahmood and Ustaz Wan Akashah Wan Abdul Hamid for a *Bicara Hati* session to discuss on ways. Ways to implement a positive working culture in the office.

PRIORITISING LOCAL TALENT

Currently, SME Bank has no policy or common practice that gives preference to locals when hiring. However, recruitment statistics show that all employees in 2015 were local people. SME Bank encourages the hiring of local talents through:

- Online advertisements on job portals such as Jobstreet, which have a proven track record of reaching out to a wide pool of local talents;
- Online advertisements on SME Bank's Facebook page;
- Locally-published and distributed newspaper advertisements;

- Participating in local career fairs; and
- Using headhunting talent searches for critical and senior management positions.

REWARDING OUR EMPLOYEES

SME Bank practises competitive, fair and balanced remuneration. The Bank's remuneration policy follows main market practices and provides a competitive salary that retains and motivates talents. We do not differentiate our remuneration practices according to gender, age or race. Our eminently fair remuneration policy provides all employees with clear, transparent rules for each remuneration package, which undergoes a yearly evaluation.

SME Bank conducts a regular remuneration review to determine adequate employee remuneration. This helps us align our remuneration packages with the changing business environment. We can be more equitable in rewarding high achievers in the workplace, develop employee talent and determine our competitiveness vis-à-vis the market.

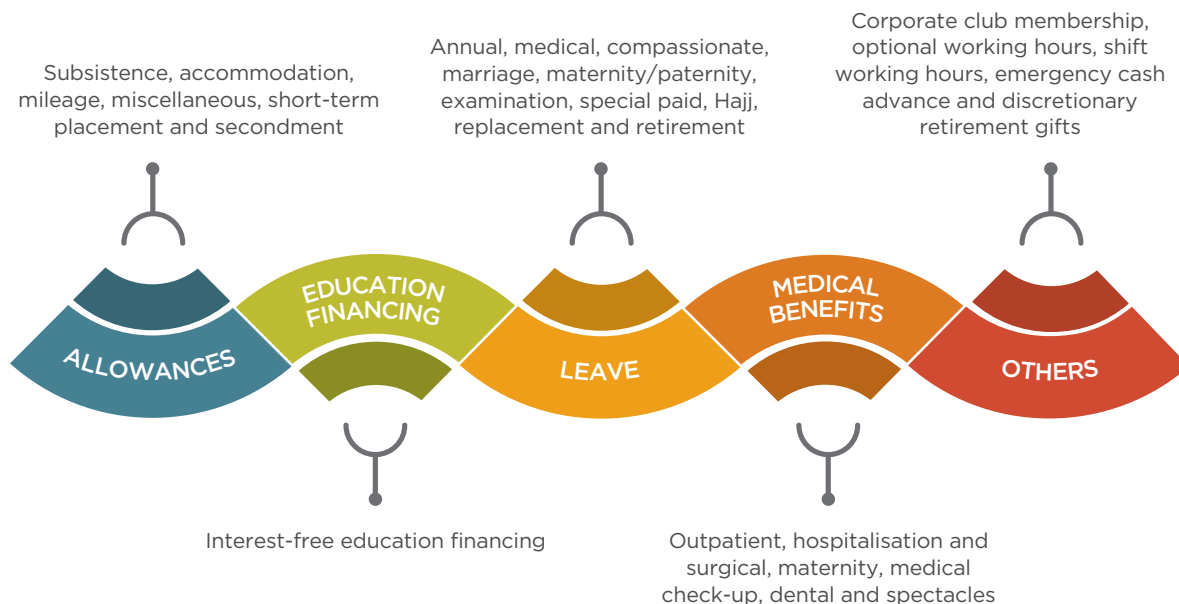
A percentage of employees' basic salaries is given to the Employees Provident Fund (EPF) as per statutory requirements. SME Bank also makes a contribution to EPF as required by law and pays additional employer's contribution of between 2% and 5.5% based on the employee's length of service.

Benefits are defined as forms of value other than payment provided to employees in return for their contribution to the organisation. In addition to standard benefits, SME Bank also offers a range of other unique benefits as summarised on the following page.

SOCIAL

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Summary of Benefits Offered to SME Bank Employees



Incentive Scheme for Child Educational Excellence

Examination	Required Grades	Incentive Awarded
UPSR	5A	RM100
PMR	5As and above	RM250
SPM	A1/A2 in 6 core subjects	RM500

Incentive for Staff Educational Excellence

Qualification	Score	Incentive Awarded
Diploma	CGPA 3.0 and above	RM1,000
Degree	CGPA 3.0 and above	RM2,500
Master	Distinction or cum laude	RM5,000

EMPLOYEES EDUCATION ASSISTANCE PROGRAMME (EEAP)

As part of its continuous effort to enhance talent development and capacity building, SME Bank launched its EEAP in 2015. EEAP is a collaboration between the Bank and Majlis Amanah Raya (MARA): SME Bank provides a full-paid study leave to qualified employees while MARA covers the necessary study costs. Under this programme, the respective employees will be bonded upon returning from their study.

PRACTICES FOR RETIRING EMPLOYEES

Retirement Age

On 16 August 2012, the Malaysian Government announced its enforcement of the minimum retirement age. Private sector employees must retire upon reaching 60 years of age to comply with the Minimum Retirement Age Act 2012.

Any employee may opt to retire early at any time once reaching the age of 50. However, the approval is subject to the management's discretion. An employee who is medically or physically unfit to work may be advised to retire early by a doctor of any SME Bank panel clinic, hospital or government medical practitioner.

All employees who retired in the normal course of service or upon reaching the retirement age are given one month's paid leave.

Retirement Benefit

Employees who joined the Bank are eligible for retirement benefit in terms of additional employer's EPF contributions based on the years of service.

Length of Service	Additional Contributions (% Basic Salary)
	Joined after 1 July 2012
< 5 years	2%
5 - 10 years	4%
> 10 years	5.5%

COMPETENCY ASSESSMENT

SME Bank considers the ongoing development of the employees' personal and professional competencies is essential. Each position within the Bank has a defined set of core and functional competencies that must meet specific proficiency levels.

The competency assessment measures and evaluates an employee's competencies through specific measures as and when required. The assessment outcomes are used to identify learning and development needs.

Components of the Employee Competency Assessment Process



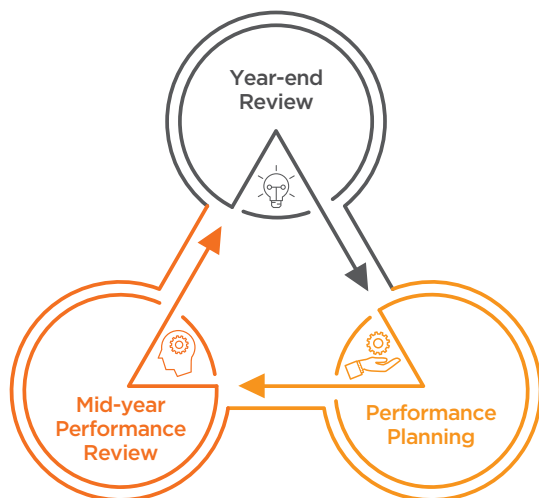
The assessment is conducted by the Human Capital Development Department and the results help identify the learning and development requirements of each employee.

MANAGING PERFORMANCE

The Bank's performance measurement model promotes greater transparency in which employer and employees are able to discuss their targets, achievements and measures used to rate their performance. Performance management is an ongoing process and is linked to the Bank's financial cycle.

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SME Bank's Performance Management Model



Executive-level employees and above undertake all the above activities; employees, only the year-end is applicable.

The Management reserves the right to review the performance rating to ensure performance evaluation consistency. The Bank may also use information from the performance management form for decisions on promotions, performance-based disciplinary action, performance-based salary increases and creating a correctly-sized workforce. Performance Management becomes a permanent part of employees' personal files. In 2015, 100% of our employees received feedback linked to their performance and appraisals.

Performance Improvement Plan

SME Bank is committed to creating an environment in which all employees can perform to the best of their ability. The Performance Improvement Plan (PIP) promotes an organisational culture that aims to improve underperforming employees.

The PIP has been specifically designed to address an employee's performance that needs improvement in one or more significant aspects critical to the position. SME Bank adopts a fair and consistent approach when enforcing performance standards throughout the organisation.

The PIP does not apply to employees who are under probation, periodic or temporary employees, outsourced employees and contractors who are not directly employed by the Bank.

The PIP helps employees understand what is expected of them and ways they can contribute to achieving organisational goals. Employees' immediate superiors guide them so they can achieve their goals and objectives. The supervisor ensures the employees understand what is expected of them and advises them on ways to achieve specific goals within a reasonable time.

ACTIVE AND OPEN COMMUNICATIONS IN THE WORKPLACE

Each employee brings his or her own unique talents and ideas to work every day, which helps SME Bank achieve its vision and mission. Employees also represent SME Bank in their communities and are ambassadors to the nation.

Ensuring employees are happy, healthy, treated fairly and with respect are at the core of our business philosophy. We create open workplaces where people are inspired. We also create environments in which people are fully engaged and where SME Bank is viewed as an employer of choice both internally and externally.

The employee related events are facilitated by the Employee Relations Section. The annual events are aligned with the corporate vision and mission. The annual budget allocation is referred to when preparing the annual employee event calendar.

Encouraging Open Communications

SME Bank encourages a work environment with open communication. Employees can conceptualise innovative ideas and the management engages in different types of dialogue with its employees across the country.

Employee engagement is invaluable as it increases awareness and facilitates business strategies. It is an excellent way to share success stories and opportunities, and solicit employees' opinions.

Employee Engagement in 2015

Subject	Frequency
Townhall Sessions	Yearly
Quarterly Assemblies	Quarterly
<i>Majlis Berbuka Puasa</i>	Yearly
<i>Majlis Jamuan Hari Raya</i>	Yearly
Chinese New Year Lunch with Group Managing Director, Management Directors and SME Bank's Chinese staffs	Yearly
Deepavali Lunch with Group Managing Director, Management Directors with SME Bank's Indian staffs	Yearly
Annual Dinner/Family Day	Alternate year
Labour Day	Yearly (distribute fruits)
Counselling Sessions	As and when necessary
Flood Relief	Ad-hoc



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PROMOTING EMPLOYEES' WELLBEING

Childcare Centre

In April 2011, SME Bank formed a childcare centre named Taska Pintar in support of a government's initiative through PERMATA Negara Early Child Care and Education project. Taska Pintar aims to:

- Provide a family-friendly workplace;
- Give peace of mind and convenience to employees who are also parents;
- Have a positive impact on business which is a win-win situation; and
- Promote child-focused corporate responsibility.

The childcare centre provides a family-orientated working environment. It gives peace of mind and convenience to employees with young children. Dedicated staff manage the centre efficiently, following set rules and regulations for the safety and security of all children.

It is open to all employees with children aged between two and four years. Subject to SME Bank's discretion, employees may enrol their children in the centre on a first come, first served basis.

The childcare centre follows an accredited child development curriculum and programme and takes a maximum of 25 children each intake. It adheres to the requirements of the Child Care Centre Act 1984 and policies from the Department of Social Welfare.

Flexi Hours

Individuals who are able to balance the needs of work and home are more effective employees and more successful family and community members. Each employee's approach to blending their personal and professional lives is different and may vary over time. At SME Bank, we strive to provide our employees with a supportive work environment and flexible working hours. Employees may choose to work:

- From 8.30 am to 5.30 pm; or
- From 9.00 am to 6.00 pm.

Ramadan Special Working Hour:

- From 8.00 am to 4.30 pm; or
- From 8.30 am to 5.00 pm.

EMPLOYEES' PERSONAL DATA PROTECTION

Employees' personal data held by SME Bank is subject to applicable data protection and privacy requirements as mandated by the Personal Data Protection Act (PDPA).

The Bank will only process employees' personal data:

- For a lawful purpose directly related to their employment with the Bank;
- When necessary and directly related to the management of the employee;
- If the data is adequate but not excessive in relation to the employment purpose; and
- With his or her consent.

SME Bank does not disclose employees' personal data for other purposes or to third parties without their specific consent.

EMPLOYEES' RIGHTS AT WORK

SME Bank acknowledges its responsibility to respecting employees' rights in accordance with the Government's Declaration of Human Rights. No form of harassment, discrimination or violence is tolerated in the workplace. We are governed by our own Terms and Conditions of Service and also comply with labour practice and legislation such as the Employment Act 1955 and Code of Conduct of Industrial Harmony.

SME Bank respects employees' rights to bargain collectively under the National Union Commercial Workers (NUCW). The NUCW represented 167 employees from the non-executive workforce as at 31 December 2015. We meet regularly with the union and enjoy

good relations with its representatives. The Collective Agreement for the period of 2013 to 2016 was sealed on 24 April 2014.

All employees are governed by their Terms & Conditions of Service; contractors and vendors by their general contract with the Bank. All agreements contain standard protection for all parties.

Everyone should be treated with dignity and respect and SME Bank conducts business in a manner consistent with this principle. We comply with all applicable employment and human rights laws and regulations where we have operations. Suppliers are expected to do the same. All employees, including security personnel, are issued with an Employee Handbook and Code of Conduct. These documents clearly define the scope of our ethical responsibilities.

SME Bank does not have any specific non-discrimination policy, but the management and employees are guided by the Employee Code of Conduct which covers all aspect of employment including discrimination.

Employees have the right to organise in accordance with the Trade Union Act 1959. There have been no reported incidents of risks of child, forced or compulsory labour. No violations of human rights involving the rights of indigenous people have occurred at any time in the Bank's history.



EMPLOYEE GRIEVANCE HANDLING

A grievance is defined as an employee's reasonable and legitimate issue in his or her work environment. Employee grievances are handled as and when required. Problems and grievances must be resolved promptly with graduated steps for further discussions and resolution at higher levels of authority as necessary.

We believe that employees have a right to air their employment grievances or complain about their working conditions. By doing so, it should not prejudice the employee's future employment prospects with the Bank in any way.

An aggrieved employee may complain either in writing or by submitting a completed Grievance Information Form to his or her immediate Superior, the Head of Department or to the Head of Industrial Relations (IR). This must be done within seven working days from the date of this dissatisfaction through the Human Resources Management System (HRMS).

The recipient of the grievance letter or form must acknowledge receipt in writing to the aggrieved employee for it to be valid.

The first response is to resolve the issue within the department. The respective immediate Superior or Head of Department must review and respond within seven working days.

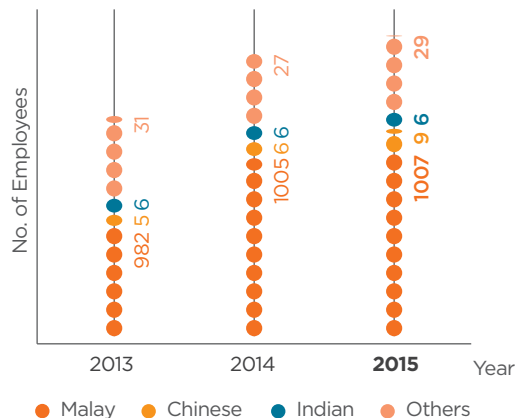
If the grievance is not resolved within seven working days, the issue will be escalated to the Head of IR who will assess the case and refer it to an Independent IR Panel set up to study the grievance. The panel may ask the aggrieved employee, their immediate superior or other parties to present their reasons. The panel's decision is final and the Head of IR will inform the aggrieved employee of the outcome. If a time limit is specified, it may be extended if mutually agreed by the aggrieved employee and his or her immediate superior and/or the Head of IR.

► OUR PROMISE TO OUR PEOPLE

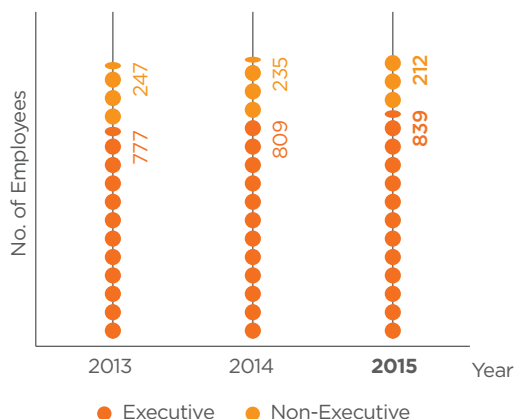
OUR DIVERSE WORKFORCE

A workplace that is inclusive and reflects the demographics of the local community is critical. It provides a range of perspectives and approaches necessary for our future competitiveness. Recruiting and nurturing a diverse workforce helps us meet the needs of our diverse customer base and the communities in which we operate more effectively. We are proud of our diverse workplace which is what makes us unique.

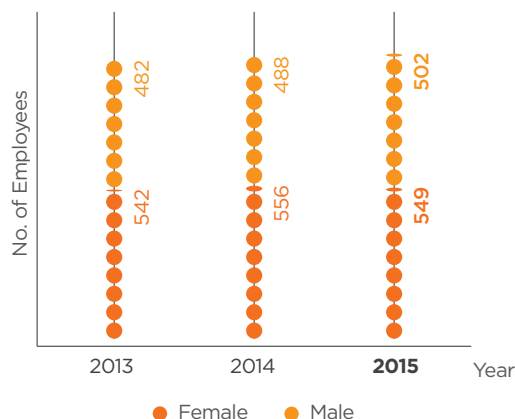
Workforce by Ethnic Group



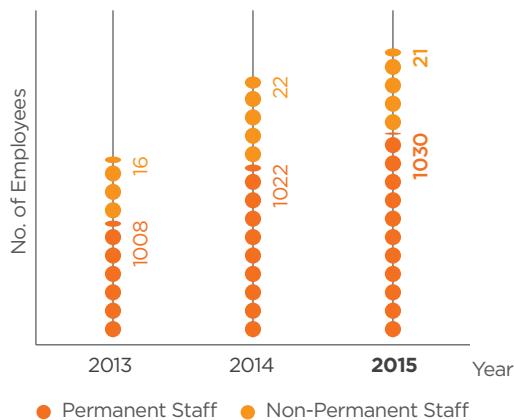
Workforce by Employment Type



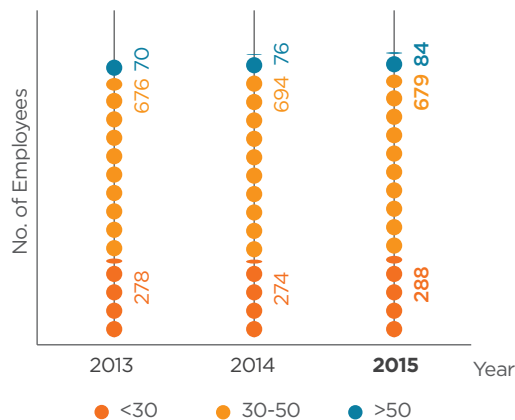
Workforce by Gender




Workforce by Employment Contract



Workforce by Age Group



EMPLOYEE TURNOVER		2013	2014	2015
Employee Turnover Rate		6.60%	7.90%	8.30%
 Male		34	43	45
 Female		34	39	42
Age Group				
  <30		26	28	28
  30 – 50		41	50	55
  >50		1	4	4
WOMEN IN MANAGEMENT		2013	2014	2015
 % Women in management		11.30%	13.30%	14.75%
 % Women in top management		0.40%	0.40%	0.50%

► OUR PROMISE TO OUR PEOPLE

OCCUPATIONAL SAFETY AND HEALTH (OSH)

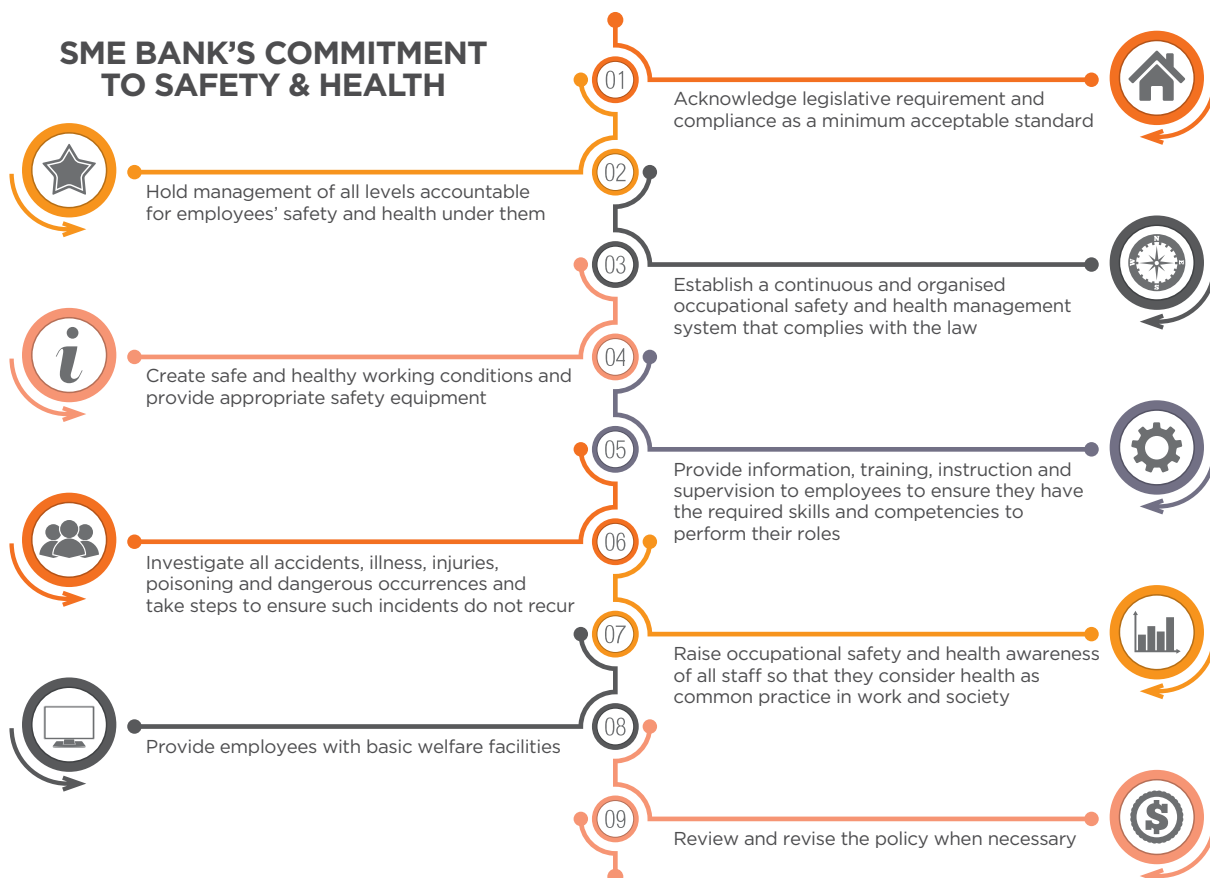
Our most valuable commitment to our people is providing them with a safe and secure workplace. Each year, we review our health and safety policies as they protect the health and wellbeing of employees across all business units.

SME Bank has introduced its OHS System in accordance with the international OHSAS 18001 standard. The system has been implemented in our offices and we continue to monitor work-related health and safety incidents closely.

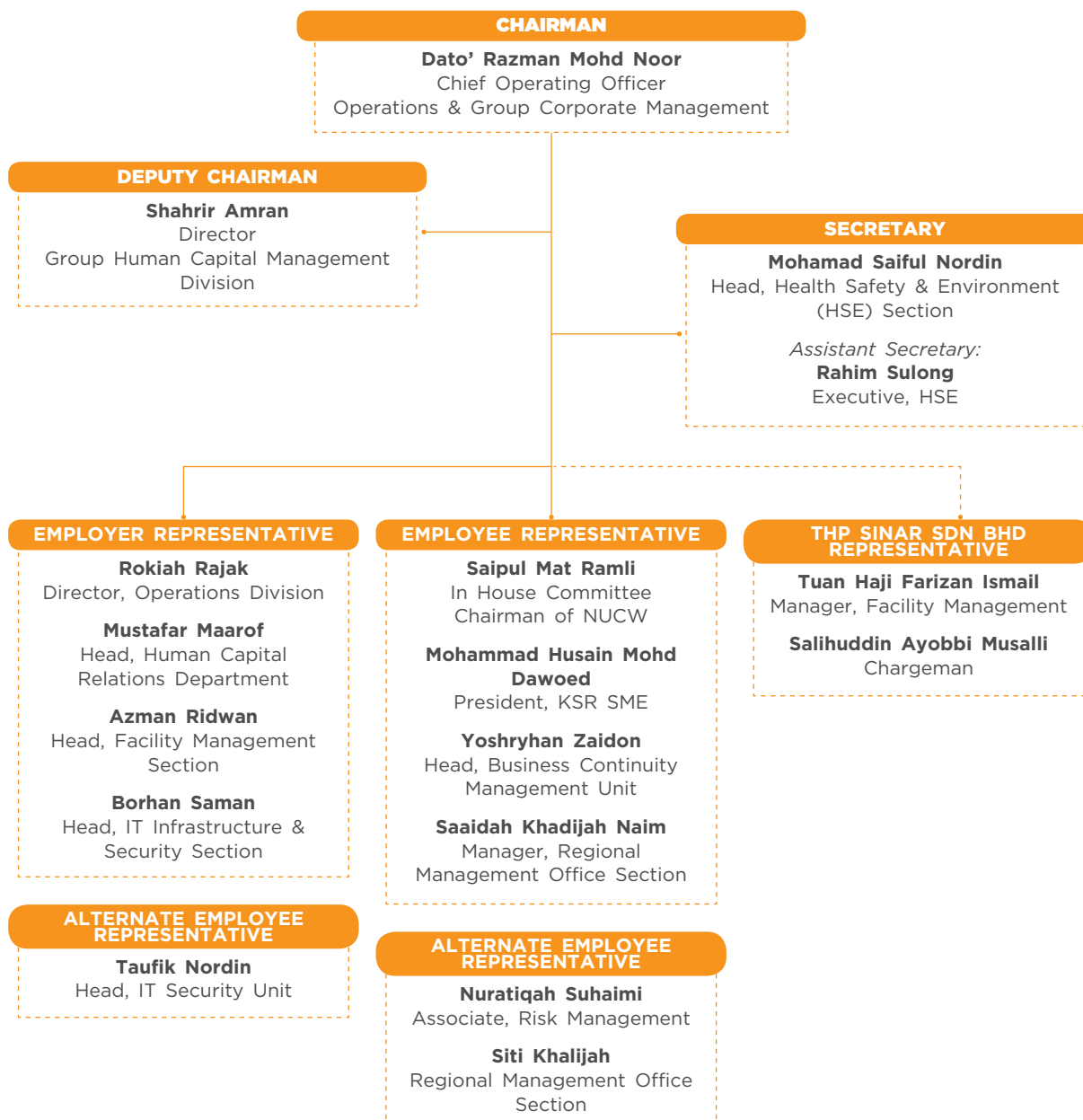
The appointment of a Safety and Health Committee is a requirement of the Department of Occupational Safety and Health as stipulated in the Occupational Safety and Health Act (OSHA). SME Bank's Safety and Health Committee is represented by 0.9% of its workforce.

SME Bank established a Safety and Health Committee to:

- Assist in the development of safety and health rules and safe systems of work;
- Review the effectiveness of the existing safety and health programme;
- Study trends of accidents, near misses, dangerous occurrences and occupational poisoning or disease occurring in the workplace;
- Report any unsafe or unhealthy conditions or practices in the workplace together with recommendations for corrective action to the employer; and
- Review the workplace safety and health policies and recommend any revisions to the employer.



SME BANK HSE COMMITTEE ORGANISATION CHART



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Health Safety & Environment (HSE) Committee 2015

SME Bank holds safety and health committee meetings at least every quarter or as required by the Occupational Safety and Health Act, 1994. Minutes of each meeting detail problems or issues along with corrective action proposed or taken to address each issue. Each member's attendance is compulsory and those repeatedly missing meetings are removed from the committee.

Periodically, individual departmental safety and health inspections are conducted to:

- Identify hazards and unsafe acts for correction;
- Assign corrective responsibility;

- Evaluate programme effectiveness; and
- Report identified problems and progress to management to improve workplace safety and health.

Safety and Health Committee responsibilities are guided by the Occupational Safety and Health Act, 1994, specifically to:

- Identify potential hazards;
- Evaluate these potential hazards;
- Recommend corrective action; and
- Follow up on implemented recommendations.

Safety and Health Performance

OCCUPATIONAL SAFETY AND HEALTH (OSH) INDICATOR	2013	2014	2015
Injury rate (IR) for total workforce	631	1,833	0
Injury rate (IR) for independent contractors working at SME Bank sites	0	0	0
Occupational diseases rate (ODR) for total workforce	0	0	0
Occupational diseases rate (ODR) for independent contractors working on-site	0	0	0
Lost day rate (LDR) for total workforce	0	0	0
Lost day rate (LDR) for independent contractors working on-site	0	0	0
Absolute number of fatalities for total workforce	0	0	0
Absolute number of fatalities for independent contractors working on-site	0	0	0

Safety and Health Training

SME Bank collaborates with the National Institute of Occupational Safety and Health (NIOSH) to deliver employee safety and health training modules. Comprehensive safety and health procedures have been developed that are updated regularly to comply with governmental regulations, standards and best business practices. Job safety analysis and risk assessments support these policies and procedures. Audits and inspections are also conducted to determine the effectiveness of these measures.

CIDB Green Card

This integrated programme involves the registration and accreditation of construction personnel to improve safety on construction work sites. Construction workers who register are automatically covered against accidents and death by a special insurance scheme. A training programme was delivered to:

- Make construction workers aware of the importance of having a safe and healthy workplace;
- Provide basic knowledge of safety and health on construction work sites; and
- Raise construction workers' awareness of safety and health legal requirements.

CIDB Malaysia delivered this training programme on 5 June 2015 with 14 employees attending.

SME Bank collaborates with the National Institute of Occupational Safety and Health (NIOSH) to deliver employee safety and health training modules.

Permit to Work and Electrical Work Permit (PTW)

PTW training is the minimum requirement needed before work begins. This training ensures the adequate consideration and control of hazards and risk during the planning and execution of the work. PTW training also:

- Ensures the designated work has been properly authorised;
- Clarifies the exact identity, nature, hazards and job scope of those performing the work along with any work limitations and the timeframe;
- Specifies any necessary precautions including isolating potential risks such as hazardous substances and energy sources;
- Ensures that a person-in-charge of a unit or installation is aware of the work being performed;
- Provides a system of continuous control, keeps a record of the nature of work and ensures precautions are taken by an appropriate person;
- Provides a suitable display of permits;
- Devises a procedure in case work is suspended for a period;
- Outlines a procedure for any activities that may affect the work;
- Develops a formal handover procedure in the event a permit is issued for more than one shift or when the permit signatories change; and
- Provides a formal hand back procedure to ensure that parts of the worksite affected by work are safe and reinstated.

The PTW training was held on 11 August 2015 and 12 employees attended.

► RESPECTING THE RIGHTS OF ALL

Respecting human rights is one of SME Bank's top priorities. Great importance is placed on employee rights, fair working conditions and rejecting all forms of discrimination in the workplace. The Bank conducts business in a manner that respects and protects the rights and dignity of all people.

RESPECTING HUMAN RIGHTS IN OUR OPERATIONS

SME Bank's commitment to respect human rights extends to its supply chain partners. Operational responsibilities are specified in the Bank's integrity code, supplier standards, supplier agreements and other governance procedures. They are key requirements for all direct and indirect stakeholders and the Bank is committed to comply with ethical standards and applicable anti-corruption laws.

RESPECTING HUMAN RIGHTS AS AN EMPLOYER

The working conditions of employees comply with internationally recognised labour standards and Malaysian employment laws. The Bank complies with the Conventions which have been ratified by the government of Malaysia which include:

- 

1 Convention 98 – Rights to Organise and Collective Bargaining, 1949
- 

2 Convention 144 – Tripartite Consultation (International Labour Standard) 1976
- 

3 Convention 187 – Promotional Framework for Occupational Safety and Health Convention, 2006



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The working conditions of employees comply with internationally recognised labour standards and Malaysian employment laws.

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The Bank is also governed by its own Terms and Conditions of Service and complies with the Malaysian labour practices and legislation. Operations are structured by adhering to the respective Acts:

- Employment Act 1955
- Industrial Relations Act 1967
- SOCSO (Social Security Organisations) Act 1969
- EPF (Employees Provident Fund) Ordinance 1951/Act 1991
- OSHA (Occupational Safety and Health) Act 1994
- Trade Union Act 1959
- PDPA (Personal Data Protection) Act 2010

FOSTERING HUMAN RIGHTS AS A CORPORATE CITIZEN

SME Bank's direction as a committed corporate citizen is in-line with its promise to support projects and initiatives that bolster human rights. Day-to-day operations are dedicated to developing the prospects of SMEs. SME Bank plays a crucial role in the economic and social development of the nation. It supports jobs, growth, innovation and opportunities for people and SME businesses in Malaysia.

►CORPORATE RESPONSIBILITY AT HEART

SME Bank is committed to the communities where it does business and the betterment of society. We give back to local communities and honour our special role and responsibilities to help these communities thrive. We are committed to making positive change through community partnerships, charitable giving and volunteerism. Our charitable contributions reflect our commitment to the communities we serve.

FLOOD RELIEF MISSION

In December 2014, Malaysia suffered a devastating flood which caused more than 200,000 people to lose their homes. As a caring organisation, we lessened the flood victims' burden by launching a fundraising initiative at our headquarters and all SME Bank branches. Customers could pass clothing, cash and other daily necessities to the nearest branch.

SME Bank donated RM30,000 in addition to RM50,000 Zakat (alms) to help the victims. Some of the money was used to repair mosques in Kelantan that had been destroyed by the floods.

On 9 January 2015, 27 volunteers helped 10 employees whose houses had been hit by floods in Kelantan. The volunteers helped to clean their homes and gave cash to ease their loss. On 15 January, we organised a blood donation campaign in collaboration with the National Blood Bank. This campaign collected 85 pints of blood for the injured victims.

HELPING IN DIFFICULT TIMES

On 9 March 2015, the house of one of SME Bank's Tawau Enterprise Centre employees, Yan bin Daud, was destroyed by fire. The fire broke out in Sentosa Dua village in Tawau and also destroyed 80 other houses in the area. SME Bank contributed Zakat (alms) of RM5,000 to help ease his loss. Employees also generously gave him an additional donation amounting to RM6,256.

KEMBARA MOBILE CTC PROGRAMME

SME Bank took part in the Mobile Community Transformation Programme (Mobile CTC) organised by the MoF. This programme helped victims gain access to emergency services such as replacing their identity cards, driving licenses, bank record books and other certificates. As part of the programme, we manned a booth to promote the Special Relief Fund (SRF) 2015. Bank Negara has allocated RM500 million to help entrepreneurs whose businesses were destroyed by the floods.

IHYA RAMADAN 1436H SME BANK

SME Bank held various activities in conjunction with the blessed month of Ramadan.

- On 26 June 2015, 200 packed food and 125 packets of *bubur lambuk* were given to members of the public at the Urban Transformation Centre (UTC) *surau* in Pudu Sentral.
- Volunteers brought smiles to children at the paediatric ward of Hospital Serdang by distributing food and toys. We reached out to more than 100 children during our visit to the hospital.
- We sponsored 1,600 packets of *bubur lambuk* to members of the public for 20 consecutive days starting from 18 June 2015 until 2 July 2015.
- In conjunction with the holy month of Ramadan, we fulfilled our Islamic responsibilities by giving Zakat (alms) to the eligible recipients as a part of the Bank's Corporate Responsibility Programme. We distributed Zakat (alms) amounting to RM100,000 in Pahang; Johor; Perak; and Kelantan.
- Each SME Bank branch also received RM1,500 in Zakat (alms) and RM500 to help them organise a Ramadan Programme at the branch level. Staffs at all branches shared the joy of this holy celebration with the less fortunate including orphans, the elderly and the disabled.
- In collaboration with Traxx.fm, we treated 40 children from Yayasan Chow Kit (YCK) for a *buka puasa* session at Seri Pacific Hotel. The Bank also donated school bags, stationery and *duit raya* to these children in addition to the RM1,000 cash given to YCK to help fund its daily maintenance.
- SME Bank took part in the annual Malaysian Armed Forces Hari Raya celebration. The Bank contributed RM5,000 to the national army as a small token of appreciation for their dedication to keeping Malaysia safe especially during festive seasons.
- A total of 170 copies of *Al-Quran*, 114 pairs of *telekung* and 170 prayer mats were donated to Islamic Relief Malaysia which were distributed to those in need.



► CORPORATE RESPONSIBILITY AT HEART

PROGRAM INOVASI USAHAWAN MUDA SME BANK Y-BIZ CHALLENGE

SME Bank continues its effort to nurture and groom the future entrepreneurs amongst secondary school students in Malaysia. It is the fourth year that SME Bank has organised its signature Corporate Responsibility Programme, *Program Inovasi Usahawan Muda* – SME Bank Y-Biz Challenge. SME Bank also continues its collaboration with the Co-curricular and Arts Division of the Ministry of Education (MoE) and Majlis Rekabentuk Malaysia (MRM) to implement this programme.

The programme aimed to groom future entrepreneurs by raising interest in this area and providing an opportunity for students to explore their creativity and innovativeness. Students also learned relevant knowledge so they could see the potential of entrepreneurship in their future careers.



Preliminary Stage

For the preliminary stage, the SME Bank Y-Biz Challenge Secretariat had sent out participation forms to all secondary schools under the purview of the MoE and several private schools. We also worked closely with the officers from the MoE to promote the competition at state level. The Bank also promoted the SME Bank Y-Biz Challenge competition through SME Bank's campaign

website, www.YourSuccessOurStory.com. The competition was opened on 1 September 2015 and received 73 entrants.

Semi-final Round and Boot Camp session

A total of 60 students and 20 teachers who were the semi-finalists of the competition attended a boot camp session for three days and two nights from 2 to 4 November 2015 in Selesa Resort, Bentong, Pahang.

During the boot camp, students learnt entrepreneurship, leadership, product design, intellectual property and public speaking skills. Motivational talks and various group activities were delivered by invited speakers and an appointed training consultant. A young successful entrepreneur from Raffelinn Sdn. Bhd. shared his experiences and knowledge in managing his business which had made him into a millionaire at the age of 28 years old.

The 20 schools each presented their project proposals to a panel of judges who selected 10 to compete in the final round.

Final Stage

SME Bank Y-Biz Challenge finalist received seed capital of RM1,000.00 each to produce a functioning prototype of their product. The panel of judges comprised representatives from SME Bank, MoE, MRM and the Bank also invited one successful entrepreneur, Irfan Azriff who runs his own café and furniture shop, The Wood and Steel Cafe. The final presentation of the 2015 Y-Biz Challenge focused on the commercial aspect of each product to ensure that the products are marketable. For transparency and credibility, an external auditor, KHR Chartered Accountants, was invited to verify the results and the winners of the competition.

The Ministry of Education fully supports and endorses the Bank's objectives and its impact on nurturing the future entrepreneurs. This is shown by the presence of YB Dato' Seri Mahadzir Khalid, Minister of Education who presented the prizes to the winners at the Prize Giving Ceremony and launched the 2016 SME Bank Y-Biz Challenge Programme.

The SME Bank Y-Biz Challenge also provides an avenue for the winners to compete at an international level through the flight tickets worth RM25,000 provided by SME Bank as one of the prizes for the champion team. This had enabled the winner of the 2015 Y-Biz Challenge Programme, SM St. Michael Penampang, Sabah to compete in the Istanbul International Inventions Fair (ISIF 2016) in Turkey. The team won a bronze medal and a special award from the Romanian Investors Forum for their product, Go Green Pot. Finalist SM Sains Tuanku Syed Putra, Perlis also took part in this competition and won four awards: a bronze medal, a special award from China, the HAG German Award and a Women Investors Certificate. The school also won Gold in a local competition, the International Engineering Invention & Innovation Exhibition (I-ENVEX) 2016. In addition, SMK Taman Daya 2, Johore won Best Booth Design at two local competitions: *Program Tunas Niaga (PROTUNE)* and the International Biotechnology Competitions & Exhibition. They presented their product, Flamourous, the eco-friendly insect repellent which was their entry in the SME Bank Y-Biz Challenge 2015.

List of Winners

Winner	School
Champion	Sekolah Menengah St. Michael, Penampang, Sabah
First Runner Up	Sekolah Menengah Sains Tuanku Syed Putra, Perlis
Second Runner Up	Madrasah Idrisiah, Perak

► CORPORATE RESPONSIBILITY AT HEART



90-DAYS BUSINESS CHALLENGE

Following the success of SME Bank's Y-Biz Challenge, the Bank introduced a new competition named the 90-Days Business Challenge to further encourage entrepreneurship among the youth. Expanding its collaboration with the College Community Department under the Ministry of Higher Education, the competition targeted students of Community Colleges who were undergoing the Entrepreneurship Incubator Programme.

As part of the 90-Days Business Challenge, students were required to manage their businesses until it became profitable. The competition was promoted utilising our campaign website, www.YourSuccessOurStory.com.





We received 52 participations from Community Colleges across Malaysia of which 20 teams were shortlisted for the final stage. With the concept of a reality show and utilising online channels, participants were required to submit their proposals and upload their project progress videos. They must also promote their video in social media to encourage their supporters to “Likes” their video. The team that received the highest numbers of votes or “Likes” received additional points.

To guide the participants in fulfilling the competition objective, CEDAR (Centre for Entrepreneur Development and Research) will

provide six entrepreneurship articles which the participants must apply suitable elements from each article in their business proposals.

Winners received cash and special consideration for SME Bank’s funding if they opt to run their own businesses upon completion of their studies. In addition, the top three winners were sponsored to attend CEDAR’s entrepreneurship course as a preparation for them to venture into the business world. To ensure that we are able to keep track of all the 90-Days Business Challenge participants’ progress, they will be automatically registered as 90-Days Business Challenge Alumni.

List of Winners

Champion	1st Runner Up	2nd Runner Up
<ul style="list-style-type: none"> Kolej Komuniti Paya Besar, Pahang 	<ul style="list-style-type: none"> Kolej Komuniti Sandakan, Sabah 	<ul style="list-style-type: none"> Kolej Komuniti Selandar, Melaka

CORPORATE VISITS

10 MARCH 2015

Visit by Bangladesh Delegation



29 MAY 2015

Visit by The Banking Association of South Africa



17 MARCH 2015

Visit by Chula Unisearch, Chulalongkorn University, Thailand

24 APRIL 2015

Visit by Agriculture Finance Corporation of Kenya

10 AUGUST 2015

Visit by Deputy Minister of International Trade & Industry, YB Datuk Haji Ahmad bin Haji Maslan

3 SEPTEMBER 2015

Study visit by Tanzanian Delegates



5 NOVEMBER 2015

Visit by Maldives Delegation



9 OCTOBER 2015

Visit by Minister of International Trade and Industry II, YB Dato' Seri Ong Ka Chuan

25 NOVEMBER 2015

Visit by Centenary Bank Uganda

MEDIA HIGHLIGHTS 2015



PRINT NEWS

SME BANK

SEDIA RM200 JUTA BANTU USAHAWAN WANITA
- Lencor program WEP bagi semua jenis perniagaan



Program ini akan membantu wanita usahawan untuk mengembangkan perniagaan mereka. SME Bank akan menyediakan pinjaman kepada usahawan wanita untuk memulakan, mengembangkan atau memperkukuhkan perniagaan mereka.

SME Bank operating profit up 64% to RM163.6m



SME Bank operating profit up 64% to RM163.6m

SME Bank lantik Pengerusi

KUALA LUMPUR 4 Sept. - Small Medium Enterprise Development Bank Malaysia Bhd. (SME Bank), melantik Tan Sri Faizah Mohd. Tahir (gambar), 65, sebagai Pengerusinya berkuat kuasa hari ini, menggantikan Tan Sri Ab. Aziz Kasim yang meletak jawatan pada 1 Mei 2015. Menurut bank itu, Faizah



SM St. Michael's 再次于青

年企业家计划夺冠



SM St. Michael's 再次于青

SME Bank now a major player

KEY ROLE: Lender provides entrepreneurs access to financing, otherwise not available from commercial entities



SME Bank targets 90pc Islamic financing portfolio

KUALA LUMPUR: Small Medium Enterprise Development Bank Malaysia Bhd (SME Bank) is getting closer to reaching its target of turning into a full-fledged shariah development finance institution (DFI) with its Islamic financing portfolio now standing at 86.5 per cent amounting to RM4.31 billion.

SME Bank sedia RM700 juta perkasa PKS

SME Bank akan memperuntukkan RM700 juta bagi melaksanakan dua program merangsang pembangunan perusahaan kecil dan sederhana (PKS) tempatan menerusi program Transformasi Teknologi PKS atau (STTF) dan program Sistem Pembinaan Berindustri (IBS).

gunan yang diberi mandat untuk membimbing dan membina usahawan PKS itu berkata, menerusi STTF, SME Bank akan menyediakan pembiayaan untuk menyokong peningkatan teknologi PKS ke arah mencapai produktiviti lebih tinggi.

Selain itu ia juga membantu kepada peningkatan dalam kecukupan proses, pengurangan kos yang cekap serta pengembangan perniagaan ke pasaran eksport.

liki persijilan Lembaga Pembangunan Industri Pembiayaan (CIDB) dalam pembinaan projek perumahan serta projek kerajaan lain," katanya dalam satu kenyataan di Kuala Lumpur, semalam.

Sambut baik bajet
Mengulas lanjut, bank itu berkata, pihaknya menyambut baik pembentangan Bajet 2016 khususnya dalam usaha untuk terus memperkatakan agenda

gan PKS kepada Khasanah Dalam Negara Kasar (KDNG) negara.

"Justeru, bagi mencapai sasaran berkenaan, kita perlu memastikan pertumbuhan yang akan direkodkan melebihi 10 peratus setahun dan angka itu adalah lebih tinggi daripada pertumbuhan tahunan, iaitu antara empat hingga lima peratus.

"Oleh itu, usaha lebih menyeluruh dan pelbagai yang melibatkan peningkatan inovasi, produktiviti serta peluang pemasaran

RM10 juta kembang perniagaan atas talian



RM10 juta kembang perniagaan atas talian

SME Bank jangka pertumbuhan stabil

KUALA LUMPUR 26 Nov. - SME Bank mengemukakan pertumbuhan perniagaan yang stabil pada tahun depan walaupun menghadapi tekanan dengan keadaan ekonomi yang meruncing.

Pengerusi Urusan Rangkaian, Tan Sri Mohd. Radolf Mohd. Hassan berkata, berdasarkan pelan induk ekonomi strategik nasional Malaysia 2015, pihaknya bersedia pada tahun ini untuk berhadapan dengan cabaran daripada faktor luar.

"Tahun depan akan menjadi tahun yang mencabar dan kami

guna Jawatan Usaha Kecil SME Bank 2015 Challenge 2015 & 2016

Yang Terhormat Menteri Perindustrian, Tan Sri Mahdzir Khalid, semestara itu, mengemukakan mengenai masa akan datang akan mencapai sasaran pertumbuhan perniagaan perniagaan pada tahun ini (atau lebih banyak) 10 peratus, Mohd. Radolf berkata, pihaknya bersedia pada tahun ini untuk berhadapan dengan cabaran daripada faktor luar.

"Tahun depan akan menjadi tahun yang mencabar dan kami

usaha untuk melahirkan usahawan muda adalah bertujuan & SME Bank dan melalui dana khasnya Tabung Usaha Kecil (TUK) yang telah meluluskan permohonan bernilai RM10.4 juta untuk 1,000 orang usahawan muda ke dalam pasaran pada 1996.

Infus ini, Dana Usaha Kecil (DUK) yang diwujudkan Monas untuk golongan muda menjadi sumber yang diperkukuhkan pada 2013 pada tahun meluluskan sebanyak 100 permohonan pinjaman bernilai RM38.4 juta.

SME Bank, melalui Program WEP

Program biaya usahawan wanita RM200j dilancar

KUALA LUMPUR 2 Sept. - SME Bank melancarkan Program Pembiayaan Usahawan Wanita (PFW) dengan peruntukan dana sebanyak RM200 juta untuk membantu 10,000 usahawan wanita yang mahu memperkukuhkan perniagaan.

Pengerusi Urusan Rangkaian SME Bank, Tan Sri Mohd. Radolf Mohd. Hassan berkata, WEP merupakan pemberian pinjaman sehingga mahu 100 peratus untuk modal kerja kepada perniagaan wanita untuk membolehkan mereka dapat memperkukuhkan perniagaan.

Salah satu tujuan utama SME Bank adalah untuk membantu usahawan wanita untuk memperkukuhkan perniagaan mereka.

PKS perlu tingkat produktiviti syarikat



PKS perlu tingkat produktiviti syarikat

展延引进英语教师

教长:设委会研究解决师资



展延引进英语教师

SME Bank pacu hab kewangan Islam dunia

KUALA LUMPUR: SME Bank berada di landasan tepat untuk menjadi bank pembiayaan pertama di negara ini menyokong sektor Malaysia sebagai bali kewangan Islam dunia menerusi Chartered Islamic Development Bank Programme (CIDBP).

Pengarah Urusannya, Datuk Mohd Radzif Mohd Yusoff berkata, program ini adalah pertama seum pamaunya di dunia yang mana sebanyak 2% kakitangan SME Bank sudah mengikuti CIDBP dan berjaya menyelesaikan program tersebut bagi kumpulan pertama yang bermula tahun lalu.

Katanya, SME Bank berkerjasama dengan Institut Perbankan dan Kewangan Islam Malaysia (IHKIM).



Datuk Mohd Radzif Mohd Yusoff, Chairman of SME Bank, speaking at a podium.

SME Bank target 90% Islamic financing

Small Medium Enterprise Development Bank Malaysia Ltd (SME Bank) is getting closer to reaching its target of turning into a full-fledged Islamic development finance institution (IDFI) with its Islamic financing portfolio now standing at 86.5%, amounting to RM4.11bn.

The target is to achieve 90% Islamic financing portfolio by

December 2015. When SME Bank was set up in October 2006, the Islamic financing portfolio was only 15%.

Group managing director, Datuk Mohd Radzif Mohd Yusoff, said the bank took a comprehensive approach in planning and executing the transformation.

"The key focus areas include ensuring the staff are given sufficient exposure to gain the necessary skills and experience in managing the bank's Islamic finance portfolio," he said.

Mohd Radzif said convincing

SME Bank approves RM2.9b financing

KUALA LUMPUR: SME Bank approved RM2.9 billion worth of Islamic financing and asset-backed securities (ABS) in 2014, a 14% increase compared to 2013.

In terms of sector, as at the end of 2014, the wholesale and retail trade, and construction sectors accounted for 36.3% of the bank's RM4.1 billion total portfolio, followed by manufacturing (24.7%) and education, health and others (20.1%).

"The strong growing demand

for Islamic financing and asset-backed securities, including risk capital, and our role as a facilitator for funding and financing, are key drivers for our growth in Islamic financing," he said.

The bank said its portfolio growth is due to its strong relationship with its customers and its role as a facilitator for funding and financing.

"We are looking forward to continuing our growth in Islamic financing and asset-backed securities in 2015," he said.

Plans to bring in English language teachers from India on hold



KUALA LUMPUR: Plans to bring in English language teachers from India have been put on hold.

Education Minister Datuk Mohd Radzif Mohd Yusoff said the government is currently reviewing the proposal to bring in Indian teachers to fill the gap in the English language teaching workforce.

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SME Bank mampu capai sasaran RM2.2b pembiayaan tahun ini

KUALA LUMPUR: SME Bank berada di landasan yang betul untuk menyasarkan RM2.2 bilion pembiayaan seperti yang disasarkan tahun ini kepada perusahaan kecil dan sederhana (PKS) bagi membantu mereka mengembangkan perniagaan.

Pengarah Urusannya, Datuk Mohd Radzif Mohd Yusoff berkata permohonan pembiayaan yang diluluskan setakat ini berjumlah RM1.7 bilion, manakala permohonan pembiayaan

putera dalam talian sejak Ogos lepas di bawah program 'ICT Groom Big' dengan kerjasama Kementerian Perdagangan Antarabangsa dan Industri.

Program berkenaan menyediakan kemudahan the S.I.G.H.T yang berfungsi sebagai hab yang membolehkan penyewa mengendalikannya perniagaan dalam talian.

"The S.I.G.H.T kini mempunyai 29 usahawan dalam talian dan mereka diberi latihan untuk meningkatkan perniagaan mereka," katanya.

diwujudkan khusus untuk beli menjadi usahawan, sejak diperkenalkan pada 2013.

"Kita tidak lupa golongan belia yang juga merupakan kumpulan sumber manusia terbesar dalam negara," katanya.

Mengulas mengenai prospek pertumbuhan pinjaman industri perbankan tahun hadapan, Mohd Radzif berkata pertumbuhan dijangka stabil meskipun industri berhadapan dengan keadaan ekonomi yang tidak menentu.

Faizah Pengerusi Bukan Eksekutif SME Bank

KUALA LUMPUR: SME Bank mengemukakan pertunjukan Tan Sri Faizah Mohd Tahar sebagai Pengerusi Bukan Eksekutif SME Bank bermula 1 Januari 2015.

Faizah memegang jawatan sebagai Pengerusi Bukan Eksekutif SME Bank menggantikan Datuk Mohd Radzif Mohd Yusoff.

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Faizah memegang jawatan sebagai Pengerusi Bukan Eksekutif SME Bank menggantikan Datuk Mohd Radzif Mohd Yusoff.

MITI provides RM10 mln fund for Bumi ICT entrepreneurs

KUALA LUMPUR: The International Trade and Industry Ministry (MITI) is providing a RM10 million fund to enable Bumiputera entrepreneurs in information and communications technology (ICT) to expand their businesses.

Deputy Minister Datuk Ahmad Maslan said the fund will be channelled through SME Bank under the Online Business

Development Fund (OBDF) to support Bumiputera entrepreneurs in the ICT sector.

"We are looking forward to continuing our growth in Islamic financing and asset-backed securities in 2015," he said.

Datuk Mohd Radzif Mohd Yusoff

Pengarah Urusannya (SME Bank)

Kami berharap dengan inisiatif SME Bank dan IHKIM, ia akan membuka platform kepada bank pembangunan lain bagi melahirkan modal belian yang bukan saja memenuhi keperluan industri tempatan, tetapi juga peringkat antarabangsa."

Access to funding still a major concern

KUALA LUMPUR: Access to funding remains a major concern for SMEs, according to a survey conducted by the Ministry of Trade and Industry.

The survey found that 60% of SMEs cited access to funding as a major concern, followed by access to market (45%) and access to talent (35%).

"We are looking forward to continuing our growth in Islamic financing and asset-backed securities in 2015," he said.

SME Bank appoints Tan Sri Faizah as Chairman

KUALA LUMPUR: Small Medium Enterprise Development Bank Malaysia Ltd (SME Bank) has appointed Tan Sri Faizah Mohd Tahar as its new Non-Executive Chairman of the Board effective 1 Jan 2015.

Faizah, 65, joined the bank after her previous role as the Non-Executive Chairman of the Board of the National Islamic Finance Centre (NIFC).

Faizah is a former member of the Investment Committee of the National Islamic Finance Centre (NIFC).

M'sia on right track with subsidy cuts, GST

KUALA LUMPUR: Malaysia is on the right track with its subsidy cuts and GST implementation, according to a report by the International Monetary Fund (IMF).

The report, titled 'Malaysia: Selected Issues', says that the government's efforts to reduce subsidies and implement GST have been successful.

"Malaysia is on the right track with its subsidy cuts and GST implementation," the report says.

The report also notes that the government's efforts to improve the business environment and attract foreign investment have been successful.

Had maksimum pembiayaan RM2.5 juta

○ Dari muka 81

Mohd Radzif berkata, program pembiayaan di bawah WEP merangkumi kemudahan untuk pembelian aset serta penggunaan modal kerja tetap.

"Had pembiayaan minimum RM500,000 dan maksimum sebanyak RM2.5 juta. Marginal pembiayaan bagi modal kerja adalah 100 peratus kerana bagi kerja ubah saai manakala pembelian aset sehingga 90 peratus bagi barangan baharu," katanya.

Program WEP berasaskan konsep pembiayaan syariah iaitu Bai' Inah, Bai' Bithaman Ajil, Ijarah, Ijarah Thummai Bai' dan Bai' Istisna'.

Mengenal ulang tahun bank yang ber-tu, Mohd Radzif berkata, SME Bank melancarkan satu lagi pencapaian penting dalam perjalanan sebagai bank pembangunan.

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MEDIA HIGHLIGHTS 2015



BROADCAST NEWS





ONLINE NEWS



CALENDAR OF EVENTS

9 JANUARY 2015

SME Bank's Flood Relief Mission



15 JANUARY 2015

Blood Donation Drive for the flood victims



28 FEBRUARY 2015

Kembara Mobile Community Transformation Centre (Mobile CTC) – Bantuan Pasca Banjir



26 MARCH 2015

Forum Keusahawanan Malaysia 2015 (FOKEM 2015)



1 APRIL 2015

Malaysia International Hotel Showcase (MIHAS 2015)



2 APRIL 2015

Soft Launch of SME Bank's 10th Anniversary Celebration



9 APRIL 2015

Engagement & Biz Talk with PENIAGAWATI



24 APRIL 2015

SME Bank Group Outreach & Biz Talk Series



29 APRIL 2015

Inaugural Convocation of Chartered Islamic Development Banker Programme (ChIDB)



6 MAY 2015

Women-Leap Programme (WEP-LEAP) Engagement with Women Entrepreneur Network Association (WENA) & National Council of Women's Organisations' (NCWO)



26 MAY 2015

ASEAN SME Showcase Conference 2015



27 MAY 2015

Two of SME Bank's staff participated in the Malaysia's Book of Record Expedition to Mount Kinabalu – The first live telecast from the peak of Mount Kinabalu with Radio Television Malaysia (RTM)



CALENDAR OF EVENTS

2 JUNE 2015

GLC ExplorAce 2015



2 JUNE 2015

Zakat (alms) distribution in Wilayah Persekutuan Kuala Lumpur



18 JUNE 2015

SME Bank adopts Shariah Principles in its operations

SME Bank jadi IKP patuh syariah

Institusi perbankan
sasar capai
90 peratus portfolio
keuangan Islam
akhir tahun

Dikah Nurhazli Adnan
nurhazli@berita.com.my

SME Bank sudah mencapai
sasaran untuk menjadi
sebuah Institusi Keagamaan
Perdagangan (IKP) penuh apabila portfolio keagamaan Islamnya meningkat ke 90 peratus dengan nilai sebanyak RM1.31 bilion.

Selain perkembangan positif ini, SME Bank memperolehi status sebagai syarikat patuh syariah dalam kalangan bank-bank Islam.

"Salah satu teras kami memfokuskan kepada memajukan dan pengaliran syariahnya bagi memperkukuhkan portfolio keagamaan Islam SME Bank."

"Berpusatkan faktor ini, bank ini memperolehi status sebagai Institusi Keagamaan Perdagangan (IKP) penuh."

Bank Islam Malaysia (BIM) Bank sudah mencapai 90 peratus portfolio keagamaan Islamnya meningkat ke 90 peratus dengan nilai sebanyak RM1.31 bilion.

"Salah satu teras kami memfokuskan kepada memajukan dan pengaliran syariahnya bagi memperkukuhkan portfolio keagamaan Islam SME Bank."



17 JUNE 2015

Strategic collaboration & MoU Signing Ceremony between SME Bank and Chemical Company of Malaysia Berhad (CCM)



23 JUNE 2015

SME Bank Buka Puasa Programme



24 JUNE 2015

Distribution of Bubur Lambuk at Paediatric Ward, Hospital Serdang



26 JUNE 2015

Distribution of packed food at UTC Kuala Lumpur



13 JULY 2015

Zakat distribution in Johor



2 JULY 2015

Hari Raya Contribution to the Malaysian Armed Forces



7 AUGUST 2015

SME Bank Hari Raya Open House



7 JULY 2015

Ramadan Programme *Jelajah Ramadan* with Traxx FM



19 AUGUST 2015

BAHTERA - Bumipreneurs of Tomorrow



CALENDAR OF EVENTS

21 AUGUST 2015

Launching of Online Business Financing and The S.I.G.H.T. & MoU Signing Ceremony with New Entrepreneur Foundation (myNEF)



26 AUGUST 2015

Introduction of SME Bank 90-Days Business Challenge with Community College



12 SEPTEMBER 2015

SME Bank's Staff Appreciation Dinner



17 SEPTEMBER 2015

SME Bank Rawang Open Day



22 SEPTEMBER 2015

Simposium Usahawan Internet 2015



10 OCTOBER 2015

SME Bank 10th Anniversary Gala Dinner & SME Bank Entrepreneur Awards



29 OCTOBER 2015

SME Bank won the Malaysia HR Awards 2015



26 NOVEMBER 2015

SME Bank Y-Biz Challenge Prize Giving Ceremony



1 DECEMBER 2015

Launching of Best-Exporters Programme



3 DECEMBER 2015

Showcase *Satu Daerah Satu Industri*



4 DECEMBER 2015

SME Bank won the *Sahabat Negara* SME Recognition Award 2015



15 DECEMBER 2015

A Day With Ministry of Finance



CORPORATE MILESTONES

- **2005 – 2009**
2005 – 2006:
The Start of our Journey
 - o Establishment of Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)
- **2010 – 2011:**
Restructuring and Transformation
 - o Key functions re-alignment
 - o Service delivery enhancement
 - o Robust compliance framework
 - o Integrated IT infrastructure
 - o Human capital development
 - o Structural reform – balance sheet strengthening
 - o Self-sustaining and value creation business model
- **2011**
 - o Launching of SME Bank's idea box programme, IQ Dagang to turn entrepreneur ideas into viable and bankable businesses
 - o IQ Dagang wins ADFIAP Development Award 2011 at North Cyprus
- **2012**
 - o ADFIMI – SME Bank International Development Forum 2012
 - o Signing Ceremony of SME Bank's RM3 Billion Government Guaranteed Sukuk as part of the Bank's alternative funding mechanism
 - o Launching of SME Revitalisation Scheme
 - o SME Bank – Teraju Hybrid Fund Signing Ceremony to assist business expansion through working capital and asset buying financing
 - o Establishment of Centre For Entrepreneur Development And Research (CEDAR) a wholly owned SME Bank's subsidiary
 - o MoU with SME Bank Russia to cooperate in the development of SMEs in both countries

EARLY STAGES OF SME BANK

2005 – 2009

5-YEAR TRANSFORMATION KEY MILESTONES

2010

REACHING FURTHER FOR THE SMES

2011

REALISING THE RMK 10

2012

- **2007 – 2009:**
Strengthening the Foundation
 - o Demerger from Kumpulan Bank Pembangunan Malaysia Berhad
 - o Official Opening of Seberang Jaya Enterprise Centre to boost SMEs in Northern Region
 - o Transformation Roadmap: Customer Complaint Management System
- **2012 – 2013:**
Inclusiveness and Sustainable Growth
 - o Expansion and market outreach
 - o Well-balanced and far reaching developmental role
- **2014 – 2015:**
Self-Sustaining and Global Standard
 - o Leading "Business Partner" for SME's
 - o Global referral for other DFIs
- Launching of New Business Model to determine Need or Merit Based entrepreneurs and desired outcomes rather than funding types. SMEs classified as Need Based with potentials will be assisted by an intensive intervention programme. Merit-based SMEs will continue to receive financing with intervention from SME Bank
- Launching of Sentral Enterprise Centre
- Launching of 3 i-Programmes: i-REACH, i-SPLASH, i-SURF
- Launching of Taska Pintar SME Bank
- Launching of I-Enterprise Premises Fund (i-EPF)
- MoU SME Bank – Japan Finance Corporation Micro
- MoU with Bank Simpanan Nasional (BSN) to enable customers have greater access to make their loan repayments
- Most Preferred Brand in Banking – The BrandLaureate SMEs BestBrand Awards 2012
- Expanding our reach: Regional Centres, Enterprise Centres, Business Centres and UTCs
- Sahabat Negara Award 2012
- The Inaugural launch of SME Bank Y-Biz Challenge 2012
- Launching of InMINDs (Internalising Business Mindset and Shared Values Programme)
- Launching of SME Bank's Facebook
- Launching of SME Bank's participation in the interbank market
- Launching of Bintulu Business Centre

2013

- Change of name from Bank Perusahaan Kecil & Sederhana Malaysia Berhad to Small Medium Enterprise Development Bank Berhad and SME Bank new logo launch
- Launching of Bumiputera Financing Fund (BFF) to assist Bumiputera SMEs to finance the acquisition of GLCs' subsidiaries engaged in non-core activities
- Launching of Bumiputera Equity Fund (Equibumi) to increase Bumiputera ownership by providing financing to credible Bumiputera companies to take over listed companies or companies with potential to be listed on Bursa Malaysia Securities Berhad
- Launching of Kajang Enterprise Centre, Rawang Business Centre, Pasir Gudang Business Centre, Batu Pahat Enterprise Centre

2014

- MoU MARA – SME Bank to cooperate in undertaking entrepreneur development programmes and training, business networking assistance and broader entrepreneurship, particularly for Bumiputeras
- Launching of Malay Reserve Development Financing Programme (MRDF) for the development of Malay Reserve Land in strategic areas to boost the improvement of the standard of living of the Bumiputera community in-line with the rapid development of the surrounding area

2015

- SME Bank Entrepreneur Award 2015
- Launching of SME Bank Mobile Apps
- Launching of Financing programme for Women Entrepreneurs to provide assistance to women entrepreneurs in the small and medium-sized category to finance their business expansion (WEP-LEAP)

**ONE SMALL
STEP FOR US,
ONE GIANT
LEAP FOR OUR
CUSTOMERS**

2013

REBRANDING

**SME BANK
GOES BEYOND
REBRANDING**

2014

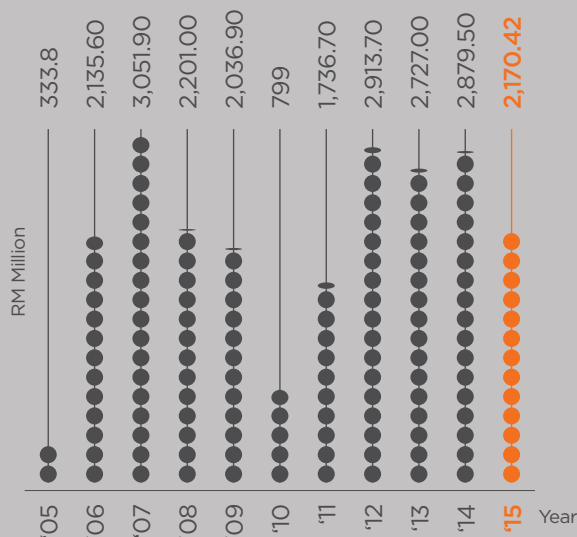
**SME BANK
MOVING
FORWARD**

2015

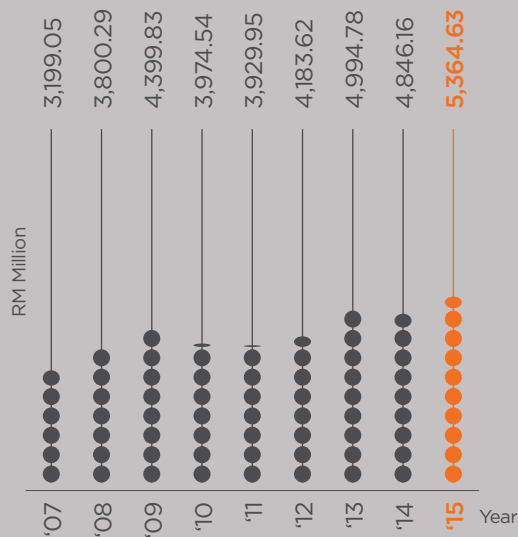
- Collaborative arrangement between SME Bank, Teraju and Halal Industry Development Corporation (HDC) for Halal Development Fund for SMEs to penetrate and expand their exports into the global halal market
- Launching of SME Development Scheme (SDS) to assist SMEs under NKEAs
- Launching of Young Entrepreneur Fund (YEF) to support new entrepreneurs among youth
- MoU SME Bank – Kazakhstan's Entrepreneurship Development Fund (DAMU)
- MoU SME Bank – TERAJU for a TERAS Fund to identify potential Bumiputera entrepreneurs to be absorbed into the High Performing Bumiputera Companies (TERAS) programme
- Launch of Brand Internalisation Programme (BRAIN)
- SME Bank Y-Biz Challenge wins award from ADFIAP Award 2014
- ADFIMI – SME Bank International Development Forum 2014
- MoU UNITAR – CEDAR to develop the entrepreneurship, academic and research for both parties
- SME Bank – CGC signed financial agreement to provide SMEs with the working capital required to manage their business cash flow and for business expansion (i-Biz Cash)
- Launching of SME-Go to help SMEs penetrate the international market
- SME Bank – IBFIM: Convocation of Chartered Islamic Development Banker (ChiDB) programme
- To become a Development Financial Institution that adopts Shariah principles in its operations

10 YEARS ACHIEVEMENTS

FINANCING APPROVALS



FINANCING PORTFOLIO



As at 31 May 2012



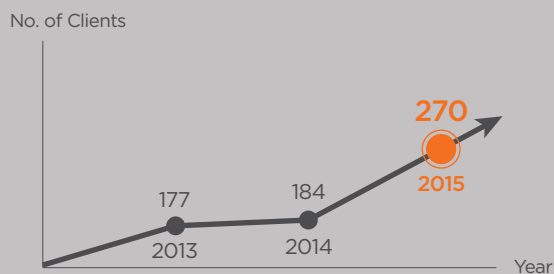
As at December 2015



- 1 Islamic financing portfolio
- 2 Conventional loans portfolio

ISLAMIC FINANCING

UPWARD MIGRATION



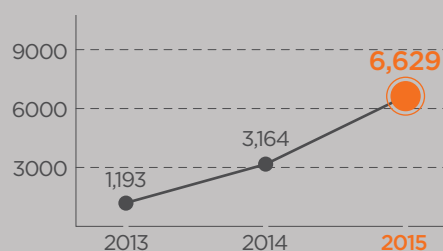
Criteria for Upward Migration are as follows:

- Migration from **Need to Merit** segment
- Improvement in **Score & Risk** rating
- Market expansion from **Local to Export**

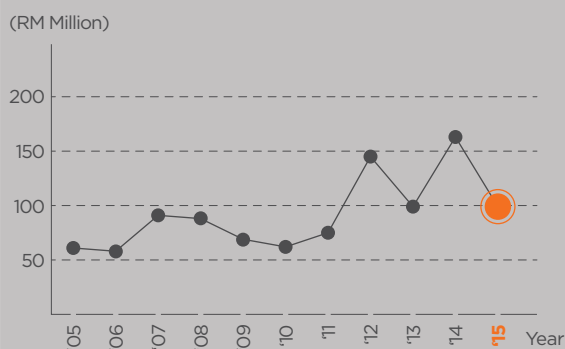
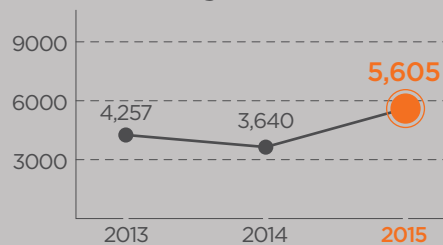
CEDAR

- No of trained participants

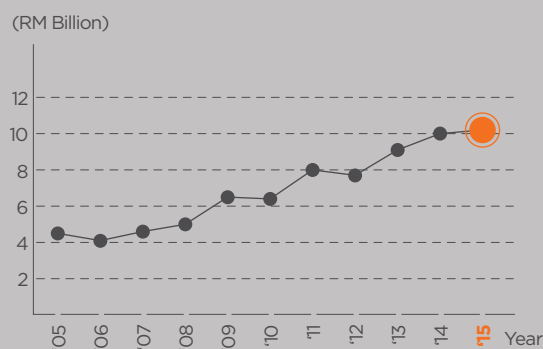
Paid Programme



Free Programme



OPERATING PROFIT



TOTAL ASSET

RECOGNITIONS



2015

- **Malaysia HR Awards 2015 - Silver Award For The Employer of Choice**
Malaysian Institute of Human Resource Management (MIHRM)
- **Sahabat Negara SME Recognition Award 2015**
SME Association of Malaysia

2014

- **Sahabat Negara SME Recognition Award 2014**
SME Association of Malaysia
- **ADFIAP Awards 2014 - Plaque of Merit for Young Entrepreneur Innovation Programme (Y-Biz Challenge) 2014**
Association of Development Financing Institutions in Asia and The Pacific (ADFIAP)

2013

- **Sahabat Negara SME Recognition Award 2013**
SME Association of Malaysia
- **Website 5-Star Rating 2013**
Malaysia Government Portals and Websites Assessment (MGPWA)

2012

- **Sahabat Negara SME Recognition Award 2012**
SME Association of Malaysia
- **Most Preferred Brand in Banking**
The BrandLaureate SMEs BestBrand Awards 2012
- **Website 5-Star Rating 2012**
Malaysia Government Portals and Websites Assessment (MGPWA)

2011

- **Sahabat Negara SME Recognition Award 2011**
SME Association of Malaysia
- **Website 5-Star Rating 2011**
Malaysia Government Portals and Websites Assessment (MGPWA)
- **ADFIAP Awards 2011 - Plaque of Merit for IQ-Dagang Programme**
Association of Development Financing Institutions in Asia and The Pacific (ADFIAP)



WHERE WE ARE

SME Bank Head Office

Menara SME Bank, Jalan Sultan Ismail
50250 Kuala Lumpur, Wilayah Persekutuan
Tel : 03-26152020
Fax : 03-26981748

PERLIS

Kangar Enterprise Centre

No. 6-7 PT 1489 Seriab
Business Complex
Jalan Kangar, Alor Setar
01000 Kangar
Perlis
Tel : 04-9775466/
04-9777466
Fax : 04-9770466

KEDAH

Alor Setar Enterprise Centre

No. 87 & 88
Kompleks Perniagaan Sultan
Abdul Hamid
Persiaran Sultan Abdul Hamid
05050 Alor Setar
Kedah
Tel : 04-7774200/
04-7774220
Fax : 04-7774222

SME Bank UTC Kedah

Lot 3-10 UTC, Tingkat 3
Bangunan UTC Kedah
Kompleks MBAS
Jalan Kolam Air
05675 Alor Setar
Kedah
Tel : 04-7360003
Fax : 04-7360004

PULAU PINANG

Northern Regional Centre

No. 12A
Jalan Todak 3
Pusat Bandar Seberang Jaya
Bandar Sunway
13700 Perai
Pulau Pinang
Tel : 04-3906477/
04-3906391
Fax : 04-3905934

Seberang Jaya Enterprise Centre

No. 12A
Jalan Todak 3
Pusat Bandar Seberang Jaya
Bandar Sunway
13700 Perai
Pulau Pinang
Tel : 04-3998585
Fax : 04-3998475

Bayan Baru Business Centre

10, Jalan Tengah
Taman Sri Tunas
11950 Bandar Bayan Baru
Pulau Pinang
Tel : 04-6437733/
04-6447934
Fax : 04-6446943

PERAK

Ipoh Enterprise Centre

28 Medan Istana
Bandar Ipoh Raya
30300 Ipoh
Perak
Tel : 05-2417752/
05-2417766
Fax : 05-2557278

SME Bank UTC Perak

No. 43
Bangunan UTC Perak
Off Jalan Dato' Onn Jaafar
30300 Ipoh
Perak
Tel : 05-2413608/05-2413607
Fax : 05-2413610

SELANGOR

Selangor Regional Centre

No. 1 & 3, Block A
Jalan Keluli 7/110
Bukit Raja Business Park
Section 7
40000 Shah Alam
Selangor
Tel : 03-33593473
Fax : 03-33580471

Shah Alam Enterprise Centre

No. 1 & 3, Block A
Jalan Keluli 7/110
Bukit Raja Business Park
Section 7
40000 Shah Alam
Selangor
Tel : 03-33581471/
03-33588419/
03-33587491/
03-33589943
Fax : 03-33593701

Rawang Business Centre

A21-G, Jalan Reef 1/1
Pusat Perniagaan Reef
48000 Rawang
Selangor
Tel : 03-60914079/
03-60914084/
03-60914085
Fax : 03-60914112

Kajang Enterprise Centre

No. 9 & 10, Jalan KP1/2
Taman Kajang Prima
Jalan Kajang Semenyih
43000 Kajang
Selangor
Tel : 03-87333645/
03-87334017/
03-87334046
Fax : 03-87333194

KUALA LUMPUR**Kuala Lumpur Regional Centre**

Aras 8, Menara SME Bank
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-26152022
Fax : 03-26936791

Kuala Lumpur Enterprise Centre

Aras 1, Menara SME Bank
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-26152020
Fax : 03-26988077

Sentral Enterprise Centre

3A-G Ground Floor
Block 3A, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-22601643/
03-22721191/
03-22721204
Fax : 03-22601644

SME Bank UTC Kuala Lumpur

T3-8, Aras 3, Bangunan UTC
Pudu Sentral Kuala Lumpur
55100 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-20262246
Fax : 03-20262245

SEREMBAN**Seremban Enterprise Centre**

No. 295 Ground
1st and 2nd Floor
Jalan Bandar Senawang 16
Pusat Bandar Senawang
70450 Seremban
Negeri Sembilan
Tel : 06-6716324/
06-6716432
Fax : 06-6716039

MELAKA**Bandar Melaka Enterprise Centre**

Lot 8 & 10
Taman Lagenda 2
Jalan 1 Lagenda
75400 Melaka
Tel : 06-2880213/
06-2880214/
06-2880215/
06-2880216
Fax : 06-2880218

SME Bank UTC Melaka

Aras 1
Bangunan UTC
Jalan Hang Tuah
75300 Melaka
Tel : 06-2880173
Fax : 06-2832744

WHERE WE ARE

JOHOR

Southern Regional Centre

No. 16, Jalan Padi Emas 5/2
Pusat Bandar Tampoi
81200 Johor Bahru
Johor
Tel : 07-2323991/
07-2326016
Fax : 07-2381480

Johor Bahru Enterprise Centre

No. 16, Jalan Padi Emas 5/2
Pusat Bandar Tampoi
81200 Johor Bahru
Johor
Tel : 07-2381470/
07-2381477/
07-2381479/
07-2382376
Fax : 07-2381480

Batu Pahat Enterprise Centre

No. 5, 5A, 5B, 6, 6A & 6B
Jalan Setia Jaya
Taman Setia Jaya
83000 Batu Pahat
Johor
Tel : 07-4328903/
07-4328584
Fax : 07-4328597

Pasir Gudang Business Centre

No. 22 & 22 A
Jalan Serangkai 18
Taman Bukit Dahlia
81700 Pasir Gudang
Johor
Tel : 07-2556477/
07-2556240
Fax : 07-2556430

SME Bank UTC Johor

L3-UTC-05
Galleria At Kotaraya
Jalan Trus
80000 Johor Bahru
Johor
Tel : 07-2213564
Fax : 07-2213634

KELANTAN

Kota Bharu Enterprise Centre

Lot 35, Seksyen 8
Jalan Kebun Sultan
15000 Kota Bharu
Kelantan
Tel : 09-7442603
Fax : 09-7448361

TERENGGANU

Kuala Terengganu Enterprise Centre

Tingkat Bawah (Lot G10) &
Mezzanine
Menara Yayasan Islam
Terengganu
Jalan Sultan Omar
20300 Kuala Terengganu
Terengganu
Tel : 09-6223588/
09-6223692
Fax : 09-6222129

PAHANG

East Coast Regional Centre

B-14, Jalan Tun Ismail 1
Sri Dagangan
25000 Kuantan
Pahang
Tel : 09-5135482/
09-5135487
Fax : 09-5135476

Kuantan Enterprise Centre

B-14, Jalan Tun Ismail 1
Sri Dagangan
25000 Kuantan
Pahang
Tel : 09-5171630/
09-5171499
Fax : 09-5171077

SME Bank UTC Pahang

Lot 2-10, Aras 2
Bangunan UTC Pahang
Jalan Stadium
25200 Kuantan
Pahang
Tel : 09-5124027
Fax : 09-5120426

SABAH**Sabah Regional Centre**

Lot 24 & 25, Block D
Kepayan Perdana
Jalan Lintas
88865 Kota Kinabalu
Sabah
Tel : 088-413586/
088-413587/
088-413588
Fax : 088-413279

Kota Kinabalu Enterprise Centre

Lot 24 & 25, Block D
Kepayan Perdana
Jalan Lintas
88865 Kota Kinabalu
Sabah
Tel : 088-413276/
088-413277/
088-413278
Fax : 088-413279

Tawau Enterprise Centre

TB 193-195
Ground Floor
Wisma DS
Jalan Bakau
91000 Tawau
Sabah
Tel : 089-750500/
089-767500/
089-767800
Fax : 089-763323

SME Bank UTC Sabah

Aras 4
Jalan Belia
(Off Jalan Tunku Abdul
Rahman)
88100 Kota Kinabalu
Sabah
Tel : 088-238063/
088-238068/
088-238069
Fax : 088-238066

SARAWAK**Sarawak Regional Centre**

Lot 514 & 515
Seksyen 6
Jalan Kulas
93400 Kuching
Sarawak
Tel : 082-259955/
082-259994
Fax : 082-243181

Kuching Enterprise Centre

Lot 514 & 515
Seksyen 6
Jalan Kulas
93400 Kuching
Sarawak
Tel : 082-259955/
082-259994
Fax : 082-243181

Miri Enterprise Centre

Lot 1190, Ground Floor
1st Floor & 2nd Floor
Miri Water Front
Jalan Permaisuri
98000 Miri
Sarawak
Tel : 085-418448/
085-414418
Fax : 085-415488

Bintulu Business Centre

No. 259
Jalan Sultan Iskandar
Assyakirin Commerce Square
97000 Bintulu
Sarawak
Tel : 086-339336/
086-339586/
086-339587
Fax : 086-339597

SME Bank UTC Sarawak

Aras 1, Tingkat 4
Taman Kereta
Bangunan UTC Kuching
Jalan Bukit Mata
93100 Kuching
Sarawak
Tel : 082-243467

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FOR BUSINESS. FOR GROWTH. FOR LIFE.

SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD (49572-H)

Menara SME Bank, Jalan Sultan Ismail, 50250 Kuala Lumpur

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 customercare@smebank.com.my

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 www.twitter.com/SME_Bank

 1800-88-3131 (Customer Care Centre)