

Export-Import Bank of Malaysia Berhad

NATIONAL INVESTMENT SEMINAR 2018 30TH OCTOBER 2018

Zabedah Giw

MEXIM'S PRESENTATION 2018

THE INTERCONTINENTAL HOTEL, KUALA LUMPUR



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WORLD'S EXIM BANK

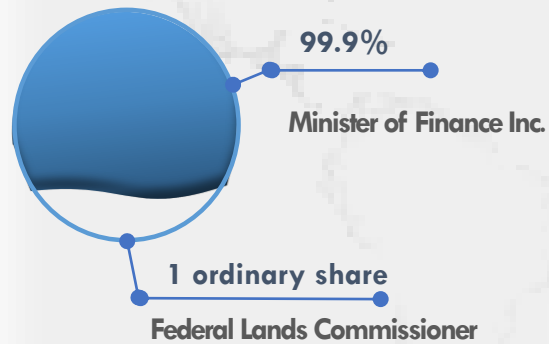


MEXIM at a Glance



Wholly-owned by the
Government of Malaysia

Shareholders



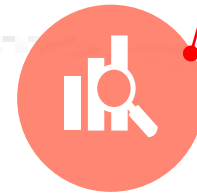
Date of Incorporation

29 August 1995



Investment Grade Credit Ratings

- A3 (Stable) / A- (Stable) by Moody's / Fitch
- AAA (Stable) by RAM



Offices

- Headquarter in Kuala Lumpur
- Representative Offices in Penang, Johor Bharu and Kuching



Business Coverage

In 87 countries
across 5 continents



Paid-up Capital

Approximately
RM2.7 billion



Staff Strength

334 Staffs



MEXIM at a Glance

- Malaysia only DFI dedicated to promoting the development of cross-border ventures

Business Model



- MEXIM's core business is driven by the Government's mandate and market needs.
- Balancing the two drivers with sound risk management practice ensures the business sustainability of MEXIM.

MEXIM at a Glance - Strategic Policy Bank Role

Mandate and Developmental Role



Mandate

To provide EXPORT IMPORT Financing with emphasis on non-traditional markets.

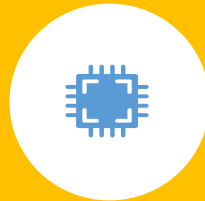
- banking and credit insurance products
- Value added services

Mid-term Review
of 11th Malaysia
Plan 2016 – 2020
Pillar 6:
Strengthening
economic growth



The Bank's pivotal role

Aligning business strategy to national
economic development

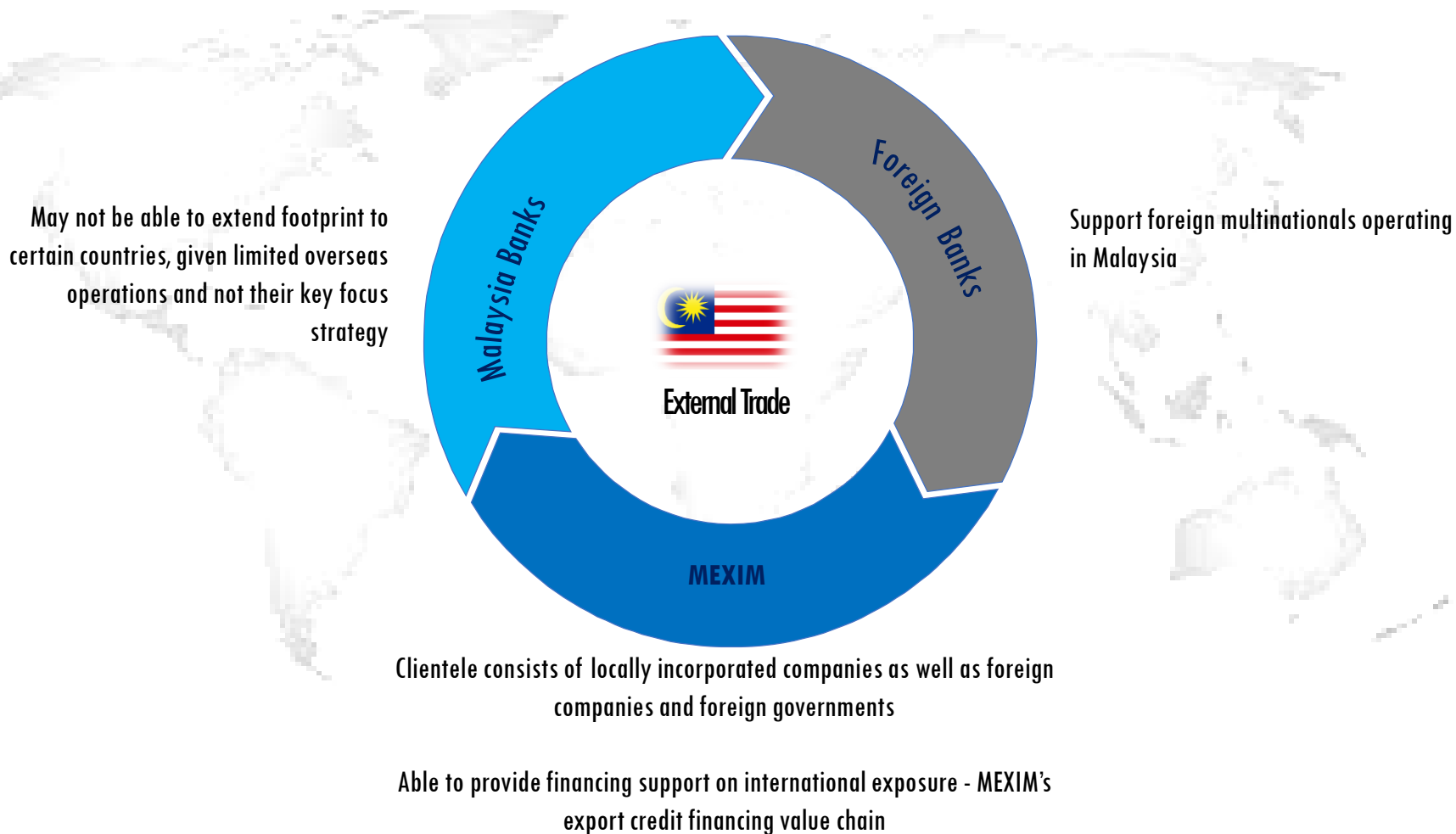


Enhance economic value creation

Focusing on national key
export areas
• improve competitiveness
for sustainability

MEXIM at a Glance - Strategic Policy Bank Role

Addressing financing gap to complement Market Needs



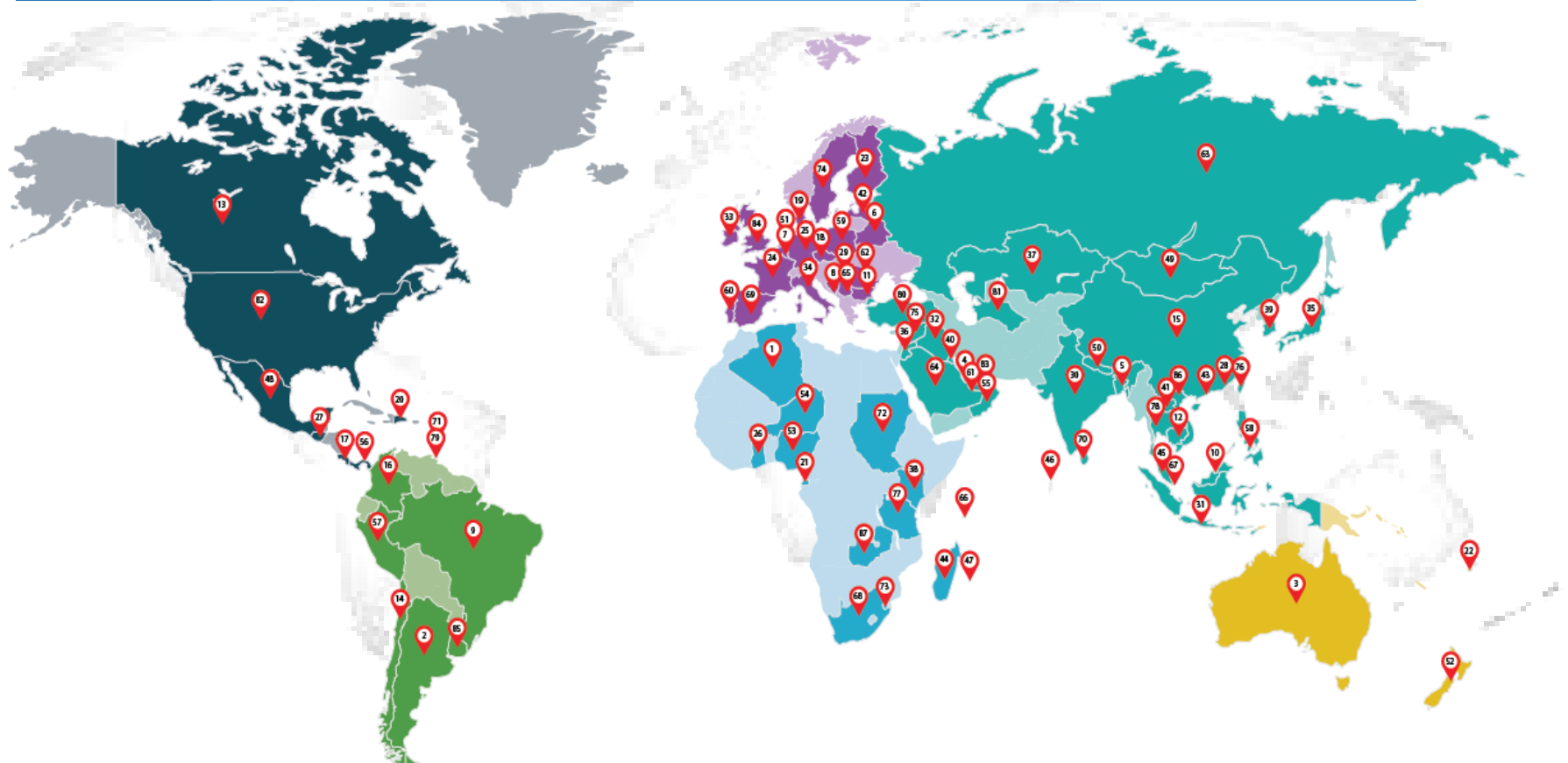
MEXIM's Exposure All Around the World

- Cross-Border Financing and Credit Insurance/Takaful by country

87

Countries

MEXIM's total exposure covers 87 countries while its stand alone credit insurance/takaful exposure extends over 52 countries



- 1. Algeria
- 2. Argentina
- 3. Australia
- 4. Bahrain
- 5. Bangladesh
- 6. Belarus
- 7. Belgium
- 8. Bosnia-Herzegovina
- 9. Brazil
- 10. Brunei
- 11. Bulgaria
- 12. Cambodia
- 13. Canada
- 14. Chile
- 15. China
- 16. Colombia
- 17. Costa Rica
- 18. Czech Republic
- 19. Denmark
- 20. Dominican Republic
- 21. Equatorial Guinea
- 22. Fiji
- 23. Finland
- 24. France
- 25. Germany
- 26. Ghana
- 27. Guatemala
- 28. Hong Kong
- 29. Hungary
- 30. India
- 31. Indonesia
- 32. Iraq
- 33. Irish Republic or Ireland
- 34. Italy
- 35. Japan
- 36. Jordan
- 37. Kazakhstan
- 38. Kenya
- 39. Korea (South)
- 40. Kuwait
- 41. Laos
- 42. Latvia
- 43. Macau
- 44. Madagascar
- 45. Malaysia

- 46. Maldives
- 47. Mauritius
- 48. Mexico
- 49. Mongolia
- 50. Nepal
- 51. Netherlands (Holland)
- 52. New Zealand
- 53. Nigeria
- 54. Niger Republic
- 55. Oman
- 56. Panama
- 57. Peru
- 58. Philippines
- 59. Poland
- 60. Portugal
- 61. Qatar
- 62. Romania
- 63. Russia
- 64. Saudi Arabia
- 65. Serbia
- 66. Seychelles
- 67. Singapore
- 68. South Africa
- 69. Spain (including Canary Islands)
- 70. Sri Lanka
- 71. St. Lucia
- 72. Sudan
- 73. Swaziland
- 74. Sweden

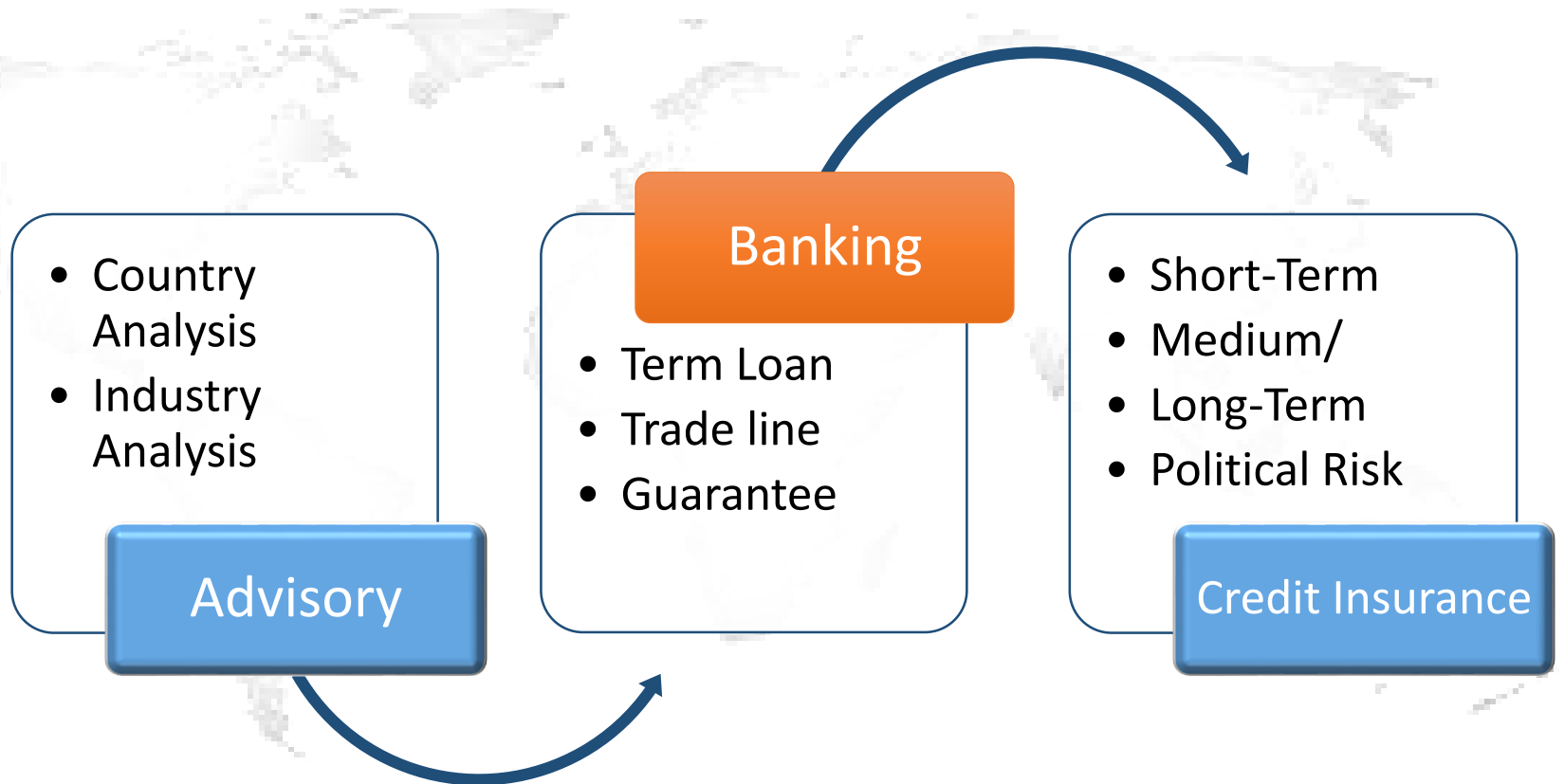
- 75. Syrian Arab Republic
- 76. Taiwan
- 77. Tanzania
- 78. Thailand
- 79. Trinidad & Tobago
- 80. Turkey
- 81. Turkmenistan
- 82. U.S.A
- 83. United Arab Emirates
- 84. United Kingdom
- 85. Uruguay
- 86. Vietnam
- 87. Zambia



EXIM FINANCING FACILITIES



Our Business solution



Our Business Solution - Advisory

What do we do...

- Regular review being made on various countries that EXIM has financing portfolio
- Economy and Sector's performance is regularly track
- Strategically, EXIM is keen to participate in medium to high yield sectors
- Collective of experiences in doing business in various markets and awareness of global development is shared through EXIM's business seminar

Example outcome of the review; Rating and Outlook

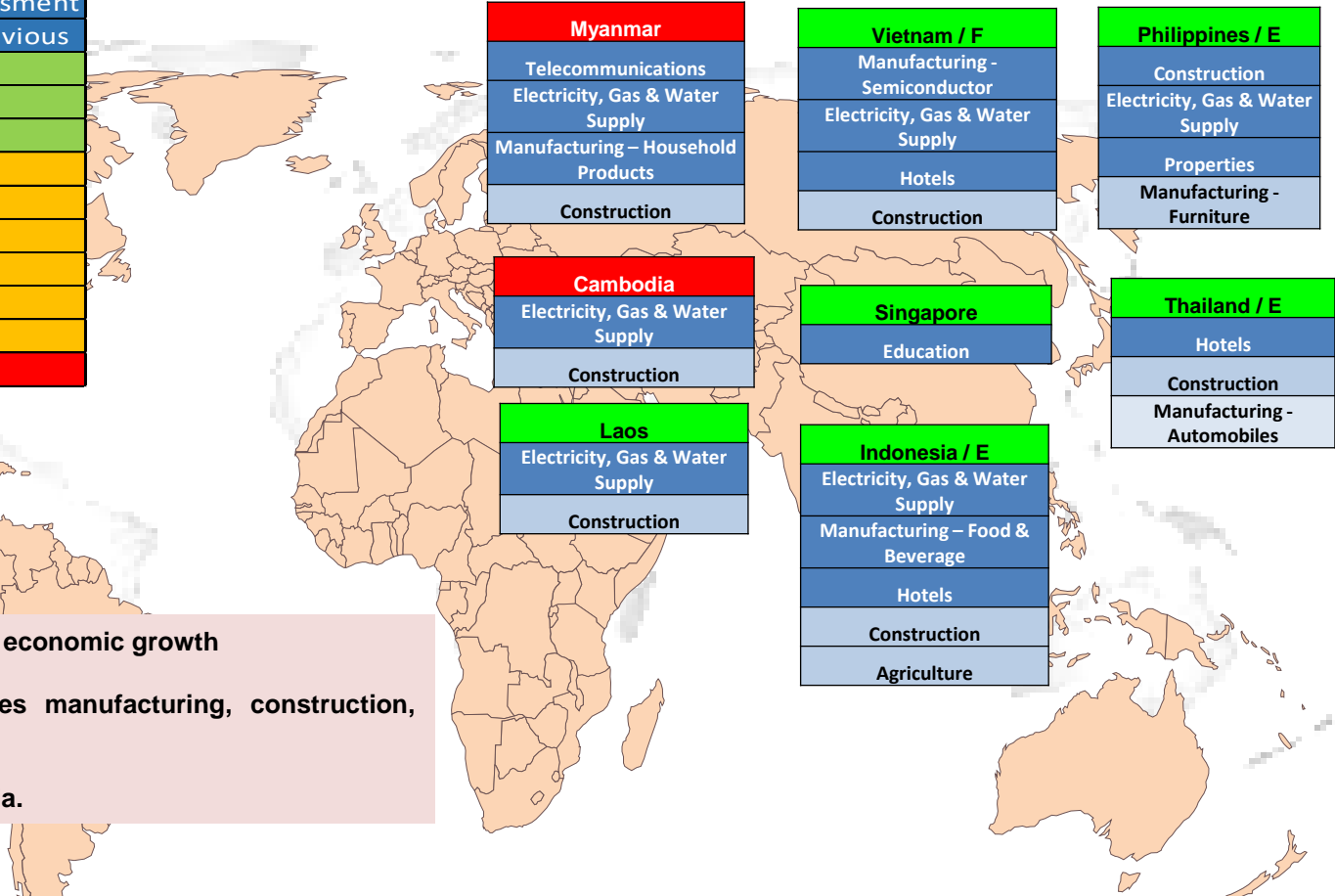
ASEAN

Positive Neutral Caution

ASEAN	Overall Assessment	
	Current	Previous
Singapore		
Malaysia		
Brunei		
Thailand		
Vietnam		
Indonesia		
Philippines		
Cambodia		
Laos		
Myanmar		

Low	0-40
Moderate	41-60
High	61-100

- Rising middle class and sustainable economic growth
- Key sectors in the region includes manufacturing, construction, utilities and hospitality.
- Cautious on Myanmar and Cambodia.



Myanmar (Caution)

- Telecommunications
- Electricity, Gas & Water Supply
- Manufacturing – Household Products
- Construction

Vietnam / F (Positive)

- Manufacturing - Semiconductor
- Electricity, Gas & Water Supply
- Hotels
- Construction

Philippines / E (Positive)

- Construction
- Electricity, Gas & Water Supply
- Properties
- Manufacturing - Furniture

Cambodia (Caution)

- Electricity, Gas & Water Supply
- Construction

Singapore (Positive)

- Education

Thailand / E (Positive)

- Hotels
- Construction
- Manufacturing - Automobiles

Laos (Positive)

- Electricity, Gas & Water Supply
- Construction

Indonesia / E (Positive)

- Electricity, Gas & Water Supply
- Manufacturing – Food & Beverage
- Hotels
- Construction
- Agriculture

High Yield Sectors
Medium Yield Sectors
Low Yield Sectors

E : MSCI Emerging Markets
F : MSCI Frontier Markets

Source: EIU, GARD

Our Business Solution - Banking Facilities

Short Term Financing

Supplier Financing-i
(SF-i)

Buyer Financing-i Facility
(BF-i) (Trade)

Trust Receipt-i Facility (TR-i)

Foreign Bills of Exchange-i
Facility (FBEP-i)

Medium & Long Term Financing

Overseas Contract Financing-i
Facility (OCF-i)

Overseas Project Financing-i
Facility (OPF-i)

Buyer Financing-i Facility
(BF-i)

Export of Services-i (ESF-i)

Guarantee Facility

Note: Please refer to EXIM's Product & Services Brochure / Booklet for details of the product and services features.

How EXIM's Financing Could Facilitate Your Cross Border Ventures

- Enable exporters to compete in international waters by providing adequate and competitive financing.
- Expansion of business into non-traditional markets.

Our Unique Propositions

- Multi currency lending in major foreign currencies
- Lending to emerging & non-traditional markets / countries
- Innovative products to complement cross border business
- Experience in **135** countries (since 1995) across **5** continents
- Experience in Cross Border risk, foreign legal jurisdictions.
- Affiliated to Export Credit Agencies worldwide

How EXIM's Financing Could Facilitate Your TRADE

- **Provides working capital financing for pre & post shipment**
- **Eases the manufacturers cash flow in managing their daily business operations**
- **Able to discount invoices up to 100% and up to 180 days**
- **Disbursement direct to local and overseas suppliers for raw materials purchase**

Example of Non Traditional Markets

Markets with export value from RM 500 million to RM 1 billion (2017)

Importing countries			
Kenya	Chile	Kuwait	Romania
Denmark	Ireland	Qatar	Djibouti
Angola	Togo	Maldives	Mozambique
Argentina	Ethiopia	Tanzania, United Republic of	

Total Malaysia exports into these countries amounted to RM12.03 bil

Note: As non traditional markets for Malaysian exporters, regular review on the market is required.

Markets with export value from RM 50 million to RM 500 million (2017)

Importing countries			
Finland	Latvia	Gabon	Croatia
Afghanistan	Bulgaria	Guatemala	Mongolia
Panama	Uzbekistan	Ecuador	Uruguay
Algeria	Timor-Leste	French Polynesia	Honduras
Peru	Morocco	Malawi	Cyprus
Ukraine	Fiji	Trinidad and Tobago	Sierra Leone
Bahrain	Kazakhstan	Nepal	El Salvador
Austria	Mauritania	Seychelles	Jamaica
Madagascar	Cameroon	Georgia	Lao People's Democratic Republic
Norway	Costa Rica	Vanuatu	Turkmenistan
Greece	Solomon Islands	New Caledonia	Malta
Colombia	Guinea	Macao, China	Estonia
Jordan	Dominican Republic	Haiti	Lithuania
Portugal	Tunisia	Equatorial Guinea	Senegal
Slovakia	Gambia	Luxembourg	Uganda
Mauritius	Liberia	Area Nes	Côte d'Ivoire

Total Malaysia exports into these countries amounted to RM15.67 bil

How EXIM's Financing Could Facilitate Your NON-TRADE

- Provides financing for both working capital and capital expenditure to undertake overseas project/contract/investment
- Able to provide customized financing structure based on customer's requirements
- Provide in depth analysis through discussion with the customer pertaining to the risk of financing venture in the country of interest riding on our experience such as:

Completion Risk

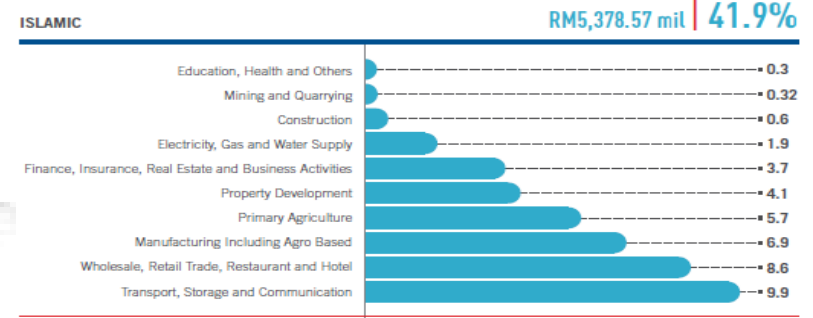
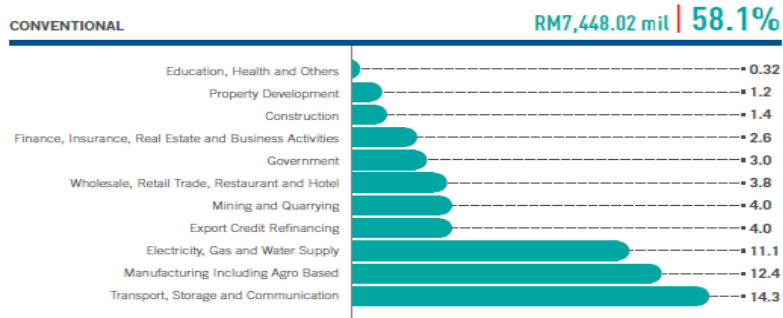
- Reputable EPC
- Cost-overruns
- Contingencies
- Fixed lump-sum /Progressive

Financing risk

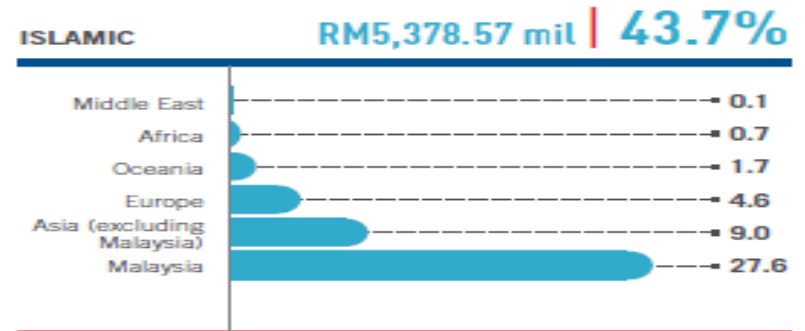
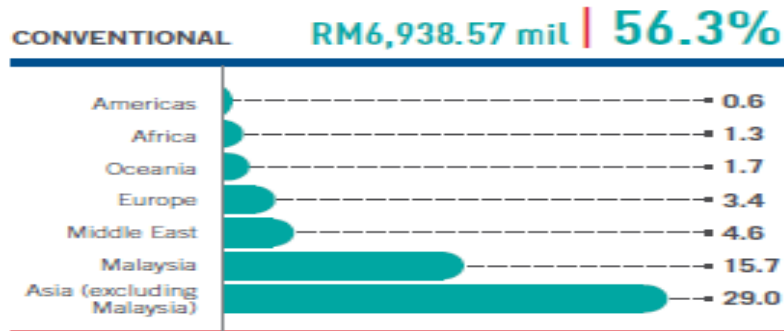
- Cashflow of project (DSCR, IRR, NPV)
- Covenant
- Sponsors' support - Completion guarantee
 - Cost overruns support
 - Off-take support
- Reasonableness of costing
- Financing structure
 - 70% Debt
 - 30% Equity

FY2017 Banking Portfolio (Loan & Guarantee Exposure)

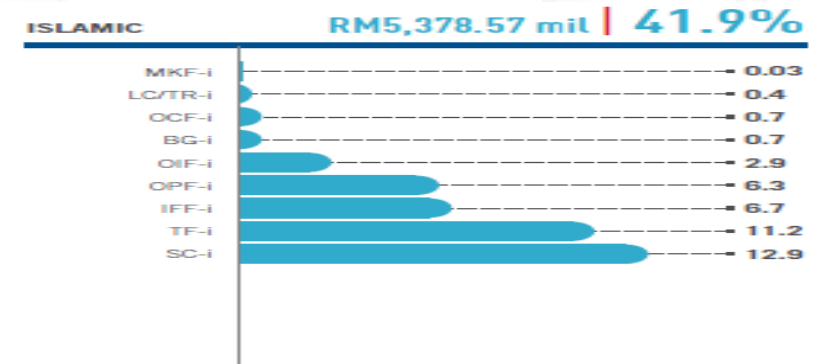
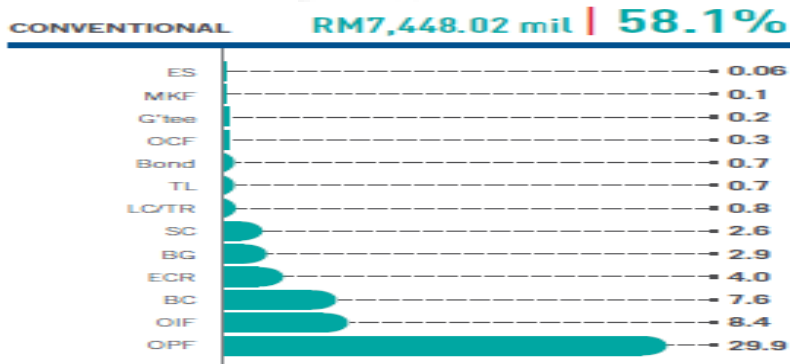
Sector Breakdown



Region Breakdown



Facilities Breakdown



PROJECTS FUNDED



Rubber gloves manufacturing plant, Medan, Indonesia

Hotel, Bali Indonesia



PROJECTS FUNDED



**Remanufacturing of 10 units Locomotives
for Zambia Railway Ltd at Kabwe
Workshop, Zambia**

**Remanufacturing of 8 units Locomotives for
Tanzania Railway Pty Ltd at
Morogoro Workshop, Zambia**



PROJECTS FUNDED



JAMARAT BRIDGE, MECCA





Vendor Financing Program – Vendor Financing Scheme (VFS-i)

Vendor Financing Program – Vendor Financing Scheme (VFS-i)

Benefits to the Suppliers/Vendors

- available to vendors of selected Vendor program
- Bridges the cash flow of vendors from post production to payment by the Anchor Company

Product features

- Up to **100%** financing of approved invoice value.
- Zero** switching cost – **NO** legal fees, **NO** processing fees, **NO** security is required.
- Without recourse** to the Suppliers/Vendors – built-in domestic credit insurance/Takaful to protect against non-payment of the Anchor.
- Fast processing time – to receive financing within 48 hours instead of 60/90 days.
- Rebate – when Anchor pays earlier than the maturity date.
- Off balance sheet** financing – NO impact on gearing, improve cash flow and reduce amount receivables.

Vendor Financing Program -Benefits to the Anchor

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



HALAL TO OVERSEAS (H2O) FINANCING

H2O FINANCING – Benefits and Features of the Product



Benefits

- ❑ To support growing export opportunities in the Halal industry.
- ❑ To facilitate Malaysian companies to export Halal products and services with competitive pricing.
- ❑ To start with F&B and products for personal application that carries JAKIM's Halal certification. In future, to include modest and Shariah compliant clothing and apparel.

Product Features

- **Short term trade financing for exports of HALAL goods.**
- **Malaysian SMEs <7 years old.**
- **Max RM5.0m, 5 years @ 5% p.a.**
- **Guarantee by SJPP.**
- **Guarantee fee & legal cost may be financed**
- **JAKIM certification**



TRADE CREDIT TAKAFUL/ INSURANCE

EXPORT-IMPORT BANK OF MALAYSIA BERHAD



WHAT IS TRADE CREDIT TAKAFUL/ INSURANCE (EXPORT)

Protection against **non-payment/financial loss** due to commercial and / or political risks.

Commercial Risk 90%	Political & Country Risk 95%
<ul style="list-style-type: none">➤ Insolvency – Buyer or Issuing Bank➤ Payment Default – Buyer or Issuing Bank➤ Non-acceptance of Goods	<ul style="list-style-type: none">➤ Transfer Risks➤ Occurrence of war, revolution and civil disorder➤ Default by public buyers (govt. owned)➤ Catastrophic events

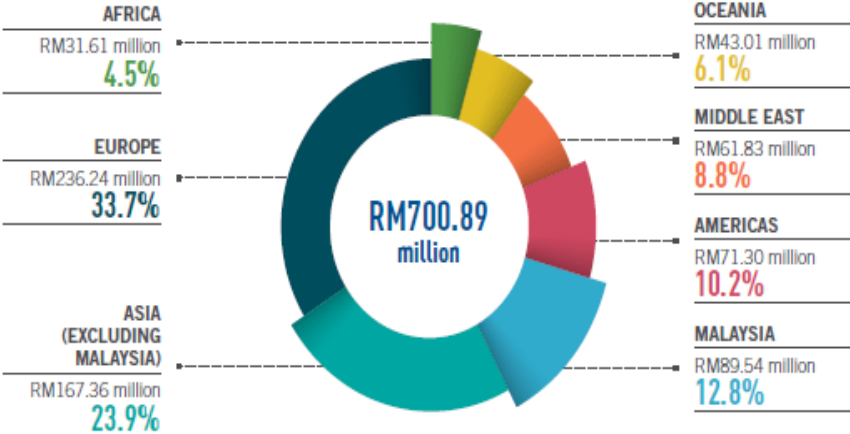
RISKS NOT COVERED

- Trade Disputes
- Currency fluctuations
- Exporter's negligence
- Insolvency or default of exporter's agent or collecting bank

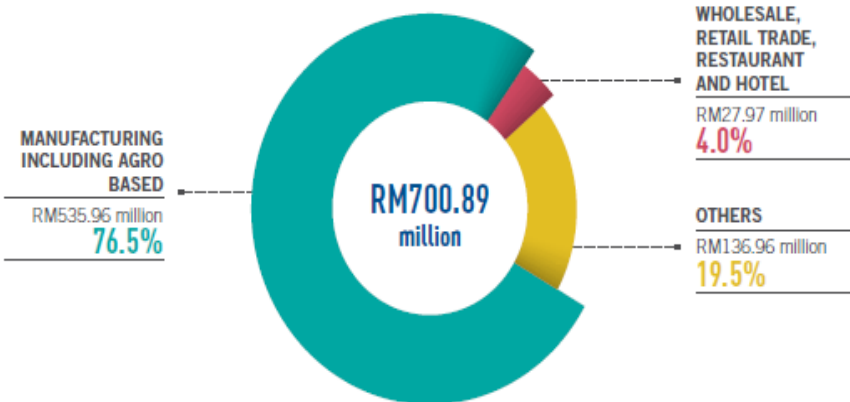
FY2017 Credit Insurance Portfolio (Short Term & Medium-Long Term)

Short Term

BY REGION

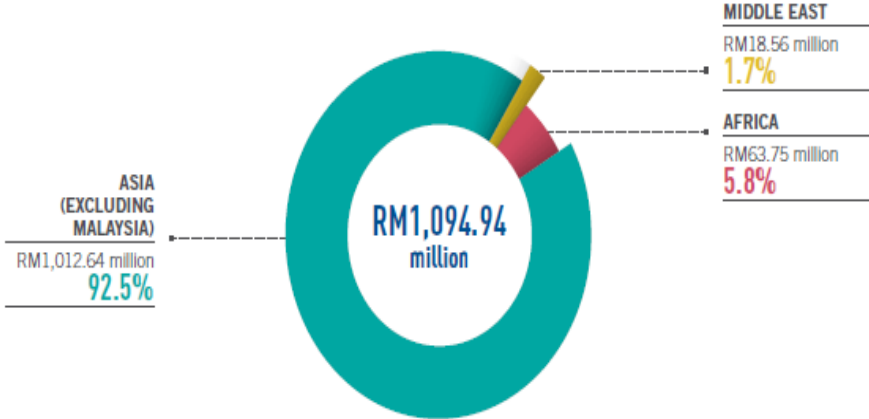


BY SECTOR

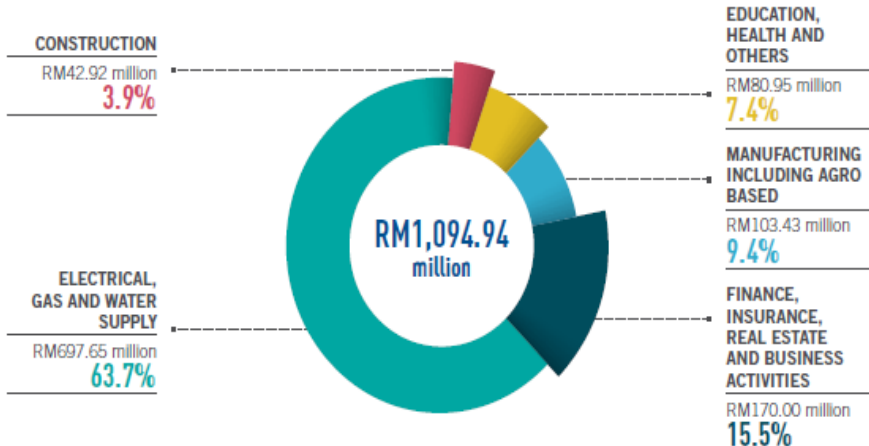


Medium/Long Term

BY REGION



BY SECTOR





Please visit our website

www.exim.com.my

Thank You

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**PRESENTATION
2018**