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AMMB aims to sustain growth in SME loans

PETALING JAYA: AMMB Holdings Bhd hopes to sustain strong double-digit growth in its small and medium enterprises (SMEs) loan portfolio this year.

This is despite potential downside from any China or global economic slowdown that was causing an overall decline in exports affecting Malaysia's economy.

The bank expects to maintain the growth momentum in the SME space that was achieved in the last eight years.

Group chief executive officer Datuk Sulaiman Mohd Tahir said local consumption would likely pick up and help support the economy and SMEs.

"For the SMEs, the growth is usually slightly higher than the gross domestic product of the country. SMEs are at 1% to 2% higher than the GDP as they are in many types of businesses.

"They range from exports to food and beverage (F&B).

"Private consumption will drive the economy. What is driving this is especially the F&B sector," Sulaiman said at the AmBank SME BizConference yesterday.

"As SMEs participate in many areas of the economy, they will gain and be exposed to all areas and for every sector that does well, they are also a beneficiary," he added.

Sulaiman explained this was because loans can range from various tenures and the actual disbursements to the SMEs could be high.

He said between RM50bil and RM60bil had been given by the bank to the SMEs in terms of financial support.

"A lot of SMEs say they can't get financing but for the banks, we want to finance

successful SMEs.

"They have to understand what business they are doing and what are their key success variables.

"They can only do that by understanding their business. The more they are able to do this, the more bankable they become," Sulaiman said.

He also said it was important for SMEs to think big and have a growth mindset.

"They can't say give me the loan first and I will think about the business. We don't want to cause eventual financial distress for them as well, with the loans provided.

"If they should go for an initial public offering, we will also help them to build a track record. For us, the business owners determine their success and we are just complementing their journeys," Sulaiman added.