

MEDIA RELEASE

CGC & OCBC AL-AMIN UPPING WHOLESALE GUARANTEE FOR SMEs TO RM1 BILLION

Guarantee to help SMEs mitigate risks and augurs well for development of unsecured financing business

Kuala Lumpur, 3 March 2015 – Credit Guarantee Corporation Malaysia Berhad (CGC) and OCBC Al-Amin Bank Berhad (OCBC Al-Amin) today announced they will be increasing the country's first and only SME wholesale guarantee to RM1 billion before the end of this year.

The fresh RM500 million will be made available in two tranches of RM250 million each in May and December, following the two successful earlier tranches of the same amount in April and November last year.



(L-R):OCBC Al-Amin Director & CEO Syed Abdull Aziz Syed Kechik; OCBC Al-Amin Chairman Dato' Ooi Sang Kuang; CGC Chairman Dato' Agil Natt; and CGC President and CEO, Mohd Zamree Mohd Ishak holding up an icon to mark the sealing of the RM1 Billion SME wholesale guarantee agreement between CGC and OCBC Al-Amin

According to OCBC Al-Amin Director & CEO Syed Abdull Aziz Syed Kechik, in effect, the wholesale guarantee has given rise to a new phase in the development of Malaysia's unsecured business financing efforts especially for SMEs which the Bank has been supporting for decades.

"Just like in the earlier agreements, the new tranches of the *Wholesale Guarantee-i (WG-i)* will see the ratio of risk involved in the financing of businesses shared equally between CGC and OCBC Al-Amin for a guarantee period of 5 years.

"The first two tranches totalling RM500 million have effectively guaranteed more than two thousand businesses from industries ranging from retail and wholesale to manufacturing. With the overwhelming response from these initial tranches, it has taken only a year for the commencement of the next phase of tranches which is expected to bring the total number of SMEs served up to over 5,000 before the end of the year," he said.

Commenting on the scheme's doubling by the end of the year, CGC President and Chief Executive Officer, Mohd Zamree Mohd Ishak said CGC was pleased with the success of OCBC Al-Amin's first two tranches and the quick and seamless progression to the third tranche in May and the fourth in December 2015.

"The strategic partnership with OCBC Al-Amin is in fact the third collaborative effort between CGC and OCBC Bank in the last few years. I am confident our continued partnership will bring much benefit to both institutions and, most importantly, to viable SMEs that are eligible for access to financing.

"CGC continues to encourage more businesses to embrace unsecured financing as both provider and recipient. With the availability of CGC's role in sharing the risk in this guarantee, more banks can now have the confidence to come forward to provide innovative financing options to meet the growing trends and needs of SMEs that are projected to contribute 41% to the country's gross domestic product by 2020.

"CGC has been at the forefront of SME development and continues to play a prominent role in SME financing especially for the marginal but potentially viable SMEs. With increasing demand for financing from this segment, CGC continues to step up its efforts to expand SME outreach by forging strategic alliances with various financial institutions," he said.

Also present at the event were the Chairman of OCBC Al-Amin Dato' Ooi Sang Kuang and Chairman of CGC Dato' Agil Natt.

The *WG-i* centres on OCBC Al-Amin's unsecured financing product, *Business Cash-i (BC-i)*, introduced in 2012.

According to Syed Abdull Aziz *BC-i* was developed in line with the increasing appetite from SMEs for unsecured term financing to fulfil their short to medium term business financing needs.

Those interested to find out more about *BC-i* may call 1300 88 7000 or 1300 88 0255.

About CGC

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on 5 July 1972. Current shareholders are Bank Negara Malaysia (major shareholder) and commercial banks.

The core business focus of CGC is to assist SMEs, especially those without or with inadequate collateral and track record to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. CGC has cumulatively guaranteed more than 422,585 loans valued at close to RM56 billion since its establishment.

CGC's support for SME's is not only confined to the provision of loan guarantees and financing facilities, but also credit information and credit rating services through its subsidiary Credit Bureau Malaysia. Through the Bureau, CGC assists SME's to build a credit history and track record to enhance their credibility and bankability to secure financing on their own merit and at reasonable cost.

Other funds currently managed by CGC include the Green Technology Financing Scheme (GTFS) and the Bumiputera Entrepreneur Project Fund (TPUB-i) with a total allocation of RM3.5 billion and RM300 million respectively. To date, CGC had managed a total of 43 guarantee schemes including 16 government-funded schemes.

Currently, 15 Islamic banks, 17 commercial banks and seven (7) development financial institutions (DFIs) are participating in CGC's guarantee schemes, providing customers with a wide network of more than 2000 branches nationwide to avail financing

SMEs wishing to obtain more information on CGC may call its Client Service Centre at 03-78800088 or visit www.cgc.com.my.

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the world's strongest and safest banks by leading market research firms and publications.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has over 630 branches and representative offices in 18 countries and territories. These include the more than 330 branches and offices in Indonesia operated by subsidiary Bank OCBC NISP, and 95 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by subsidiary Bank of Singapore, which has received increasing industry recognition as Asia's Global Private Bank, and was voted "Outstanding Private Bank in Southeast Asia in 2014" by Private Banker International.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

OCBC Bank offers Islamic banking products and services in Malaysia through its wholly-owned subsidiary, OCBC Al-Amin Bank Berhad.

For more information, please visit www.ocbc.com.my