



MEDIA RELEASE

OCBC-CGC TO HIT RM1.64B MARK IN UNSECURED WHOLESAL GUARANTEES WITH LATEST RM250M COMMITMENT

Twelve-month programme builds on pioneering effort dating back to 2014 that has already seen RM1.39b disbursed to 6,185 SME accounts

Kuala Lumpur, 3 July 2019 – Credit Guarantee Corporation Malaysia Berhad (CGC) and OCBC Malaysia have teamed up yet again on their 5-year-old pioneering Wholesale Guarantee (WG) scheme to bring a fresh RM250 million in unsecured financing to SMEs over the next twelve months. This will bring the total disbursed by the middle of next year to RM1.64 billion.



(L-R): Mr Leong Weng Choong, Chief Business Officer of CGC; Datuk Mohd Zamree Mohd Ishak, President and CEO of CGC; Dato' Ong Eng Bin, CEO of OCBC Bank (Malaysia) Berhad and Mr Wong Chee Seng, Head of Emerging Business, OCBC Bank (Malaysia) Berhad marking the partnership.

OCBC Malaysia comprises OCBC Bank (Malaysia) Berhad (OCBC Bank) and its wholly-owned subsidiary OCBC Al-Amin Bank Berhad (OCBC Al-Amin).

Prior to today, OCBC Malaysia had already disbursed RM1.39 billion in unsecured financing through the scheme in partnership with CGC particularly in industries ranging from retail and wholesale to manufacturing. The first tranche was made available back in April 2014 via OCBC Al-Amin.

Of the fresh RM250 million tranche, RM200 million will be from OCBC Bank and RM50 million from OCBC Al-Amin, to be disbursed to 1,000 SME accounts.

The nature of the WG is such that the ratio of financing risk is shared equally between CGC and OCBC Malaysia for a guarantee period of 4 years. Without it, the entire risk would centre on the Bank.

Commenting on the new tranche CGC President and CEO Datuk Mohd Zamree Mohd Ishak said, "The WG scheme provides capital relief to OCBC and OCBC Al-Amin in accordance to Basel II and at the same time provides additional security on their MSME exposure. This in turn will enable OCBC and OCBC Al-Amin to reach out to more MSMEs."

OCBC Malaysia, through OCBC Al-Amin initially, became a prime mover of the initiative to make unsecured financing available when it introduced *OCBC Al-Amin Business Cash-i (BC-i)* in 2014 and became the country's first SME wholesale guarantee in response to the alarming results of a Department of Statistics study where 55% of respondent SMEs cited lack of collateral as the biggest constraint to obtaining financing.

According to OCBC Bank Chief Executive Officer, Dato' Ong Eng Bin, the Bank is keen to develop new tranches of WG in line with the increasing call from SMEs for unsecured financing options to fulfil their short to medium term business financing needs.

“As a Bank that is steeped in the SME business landscape, we recognise unsecured financing as a necessity and are pleased to once again make available, with CGC, this facility to businesses with established track records that can leverage on their sound financial statements. The facility is best suited for capital improvements, capital investments such as machinery and raw materials, and to support business growth where additional working capital is required.

“In general, term financing requires some form of collateral and a relatively rigorous approval process. The WG is designed to remove these requirements so that worthy businesses have better access to short to medium term financing,” he said.

Those applying for the facility can expect approval within a week. Processing fees, CGC guarantees, financial statements, or statutory documents are not required when applying. In addition, there are no prepayment penalties or lock-in terms.

“We would like to continue playing an active part in the government’s plan for SMEs as a significant contributor to the country’s economic growth,” Dato’ Ong added.

Those interested to find out more may call our Business Banking Commercial Service Centre at 03 8317 5200.

ABOUT CGC

Credit Guarantee Corporation Malaysia Berhad (CGC) was established on 5 July 1972. It is 78.65% owned by Bank Negara Malaysia and 21.35% by the commercial banks in Malaysia. CGC aims to assist Micro, Small and Medium-Sized Enterprises (MSMEs) with inadequate or without collateral and track record to obtain credit facilities from financial institutions by providing guarantee cover on such facilities. CGC has availed over 460,000 guarantees and financing to MSMEs valued over RM70 billion since its establishment.

In addition, CGC provides credit information and credit rating services through its subsidiary Credit Bureau Malaysia. The Bureau enables CGC to assist MSMEs build credit history and track record to enhance their credibility and bankability. Through this, the MSMEs will be able to secure financing on their own merit and at reasonable cost. In February 2018, CGC introduced imSME, Malaysia’s first online MSME financing/loan referral platform. The imSME serves as an alternative channel for MSMEs to find financing products. At different stages of their business developments, MSMEs will be guided to legitimate and authorised channels to source for their business financing needs.

CGC also manages 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 managed a total of 45 guarantee and financing schemes including 16 government-backed schemes. Currently, seventeen (17) Commercial Banks, fifteen (15) Islamic Banks, and seven (7) Development Financial Institutions (DFIs) are participating in CGC's guarantee schemes in providing financing to customers through a wide network of more than 2,600 branches nationwide. MSMEs interested to obtain more information are encouraged to call the CGC Client Service Centre at 03-7880-0088, email cgc@cgc.com.my or visit us at www.cgc.com.my | www.imsme.com.my | FB: @CGCmy | Instagram: cgcmalaysia

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 Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

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 more than 560 branches and representative offices in 19 countries and regions. These include over 300 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 90 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

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.