



## **MEDIA RELEASE**

### **OCBC IS FIRST FOREIGN BANK TO PARTICIPATE IN CGC'S DIRECT ACCESS GUARANTEE SCHEME (DAGS)**

Kuala Lumpur, 15 January 2008 – OCBC Bank (Malaysia) Berhad today took a major step toward entrenching its position as one of the top supporters of SMEs in the country by becoming the first foreign bank to participate in the Credit Guarantee Corporation's (CGC) Direct Access Guarantee Scheme (DAGS).

DAGS provides SMEs with "direct access" to guarantees from CGC and the required financing from participating banks. Apart from OCBC Bank, other participating banks are Maybank, CIMB, EON Bank, AmBank, RHB Bank and Affin Bank.

According to CGC's Managing Director and CEO, Datuk Wan Azhar Wan Ahmad, OCBC Bank is the first foreign bank to be offered the opportunity to participate in the scheme in view of its active involvement with SMEs and in CGC's other guarantee schemes.

"CGC's collaboration with OCBC is part of our SME outreach initiative to enhance financial access and support to SMEs across all sectors of the business community," said Datuk Wan Azhar.

"With this initiative, we hope to reach out to all the business entities that have been banking with OCBC and help them to access our credit guarantee facilities," Datuk Wan Azhar added.

In 2007, OCBC Bank was awarded the Top SMI Supporter Award (Foreign-Owned Bank Category) by CGC, the first for a foreign bank, for its outstanding contribution to SME development in Malaysia. With this, OCBC underlined its commitment to be at the forefront of providing financial services support to SMEs in the country and its quest to be recognised as one of the top financial partners to the SMEs.

"We are confident that OCBC Bank will continue to pay special attention to SMEs by providing innovative, financial solutions to them whilst establishing a mutually beneficial customer-banker relationship," Datuk Wan Azhar added.

Unlike other CGC schemes, all loan applications under DAGS are processed, evaluated and approved by CGC before the applications are channeled to participating banks for documentation and disbursement. Since the introduction of DAGS in year 2000, CGC has approved a total of RM6.2 billion to 11,364 borrowers and loans outstanding as at financial year ending 31 December 2007 is RM3.9 billion.

Facilities offered under the scheme are term loans, overdrafts and trade lines, with each loan quantum capped at lower and upper limits of RM50,000 and RM3 million

respectively. The guarantee tenure ranges from 5 years for working capital lines to 15 years for asset acquisition loans.

According to OCBC Bank's Director & CEO, Dato' Albert Yeoh, the Bank has set up a dedicated CGC Support Unit to ensure that OCBC provides prompt turn-around for loan approval and disbursement of CGC guaranteed loans.

"We also look forward to leveraging on CGC's distribution network and benefiting from their market-driven and customer-centric approach and practices," he said.

While the Bank expects initial revenue growth in proportion to overall expansion to be modest, it remains confident that, over time, the partnership with CGC would be mutually beneficial.

"But beyond this, we believe the SME market out there stands to benefit most through a widening of the access to financial institutions and financing options," he said.

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### **About CGC**

CGC, a subsidiary of Bank Negara Malaysia, is in the business of providing credit enhancement services to SMEs with inadequate collateral or without collateral and have no track record, a niche area in which the Corporation has served for 36 years. To date, it has cumulatively guaranteed about RM40 billion benefiting more than 400,000 SMEs in the country.

### **About OCBC Bank**

Singapore's longest established local bank, OCBC Bank, currently has assets of S\$170 billion and a network of over 420 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Thailand, Vietnam, China, Hong Kong SAR, Taiwan, Brunei, Myanmar, Japan, Korea, Australia, UK and USA. This network includes more than 330 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to global treasury and stockbroking services to meet the needs of its customers across communities.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia, in terms of assets and market share, and its asset management subsidiary, Lion Capital Management, is one of the largest asset management companies in Southeast Asia. Additional information may be found at [www.ocbc.com](http://www.ocbc.com).

For media queries, please contact:

Julius Evanson  
Head, Corporate Communications  
OCBC Bank (Malaysia) Berhad  
Tel : 03-2783 3655  
Fax : 03-2693 5694  
Email : [juliusevanson@ocbc.com](mailto:juliusevanson@ocbc.com)

Lydia Lye  
Asst. Vice President, Corporate Communications  
OCBC Bank (Malaysia) Berhad  
Tel : 03- 2783 3661  
Fax : 03-2693 5694  
Email : [ymllylydia@ocbc.com](mailto:ymllylydia@ocbc.com)