

RM60 BILLION SECOND STIMULUS PACKAGE
A Step In The Right Direction

Statement by Mr Jeffrey Chew,
Director & CEO, OCBC Bank (Malaysia) Berhad
10 March 2009

The RM60 billion second stimulus package announced by the Deputy Prime Minister this evening is a step in the right direction as it is sizeable enough to make a telling impact on the country's economy. It appears comprehensive and seems to have taken a strong view towards meeting the needs of the business community and man in the street.

The total stimulus package is significant but only RM15 billion of the amount is being set aside for fiscal funding, which means this is more manageable for the Government where budget deficit is concerned.

One of the schemes that we think would go a long way toward providing a much-needed lifeline to medium-sized businesses is the RM5 billion working capital guarantee scheme, which aims to assist viable companies gain access to working capital financing in their bid to stay afloat. We know that there are a number of viable businesses out there that need just this kind of support to tide them over the initial difficulties brought about by the sharp drop in export demand. In effect, we expect that a few thousand medium-sized companies could be saved via this scheme. We hope they would use the lifeline being offered through this scheme to steer their businesses meaningfully and prudently into the future. Ultimately, what this means to the nation is that viable companies are now in a much better position to continue doing their bit for the well-being of the country's economy and so that needless retrenchment exercises do not take place. This would serve also to complement the government's numerous other initiatives to contain the rise in unemployment including the double tax deduction for hiring retrenched workers.

We also believe that the move to develop tourism-enhancing measures such as upgrading and expanding our airports, construction of the sky bridges in the Golden triangle and the rebate of 50% on landing charges for all airlines that operate from

Malaysia would go a long way toward building this important area of the service sector toward achieving the goal of 70% of GDP target.

About OCBC Bank

OCBC Bank is Singapore's longest established local bank. It has assets of S\$181 billion and a network of more than 480 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 370 branches and offices in Indonesia operated by OCBC Bank's subsidiary, Bank OCBC NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to treasury and stock-broking 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 Global Investors is one of the largest asset management companies in Southeast Asia. Additional information may be found at www.ocbc.com.