

OCBC BANK INTRODUCES COUNTRY'S ONLY COMMERCIAL BANK-BACKED STUDY LOAN

Students now no longer need to forgo tertiary education or settle for second best with OCBC's study loan offering

Kuala Lumpur, 16 March 2011 – OCBC Bank (Malaysia) Berhad (OCBC Bank) has introduced the country's only non-government-linked study loan for the public.

Announcing this today, OCBC Bank's Head of Consumer Financial Services, Mr Charles Sik, said, with this, school leavers will now no longer need to forgo their tertiary education or settle for more affordable courses.



Mr Charles Sik, OCBC Bank's Head of Consumer Financial Services

OCBC Secured Study Loan offers students up to RM400,000 in financing, allowing them to liberally supplement the maximum amount offered through the government-backed *Perbadanan Tabung Pendidikan Nasional* (PTPTN) loan scheme and minimise the use of EPF savings for the purpose.

"The introduction of the loan is timely as it meets the growing demand for a bespoke loan for tertiary education.

"We are pleased to have become the first commercial bank to bring back study loans to the market since they were discontinued around 2003. The feedback we received from our customers indicated that many students are now

either forgoing their tertiary studies or settling for second best simply because of financing issues. It's been disheartening to hear of bright student wishing to study medicine, for example, settling for something else or, worse, nothing at all because there was no loan to aid them.

“And many of those who do finally take on loans for the required amount are currently doing so via relatively expensive financing routes such as personal loans,” he said.

Mr Sik added that the trend cannot be allowed to continue especially in light of the country’s quest to become a high income society by 2020 and as Malaysia seeks to make its mark on the global scene.

“A major focus of the ETP (Economic Transformation Programme) is on strengthening the private education services sector by increasing private consumption and investments as well as expanding education exports. A rebranding of Malaysia is envisioned – from a stopover location for education to a major education centre of choice and a pivotal hub in the global education network.

“We are pleased to be a part of this effort,” he said.

Mr Sik added that in developing the study loan scheme, the Bank reviewed the reasons for the discontinuation of study loans several years ago and concluded that if the question of securing the loan was adequately addressed the product could be confidently offered by a bank.

“So we linked up the study loan with a home loan or home refinancing scheme to create the country’s first ever commercial bank-backed study loan to be offered alongside a home loan. This now allows our customers to enjoy access to not just one but two products whilst protecting the interests of the bank at the same time,” he said.

OCBC Secured Study Loan, which offers loans of up to RM400,000, comes at an attractive interest rate of BLR + 1.2%, which is far less than a typical personal loan whose effective interest rate can easily run into double-digit percentage figures. It is available to OCBC Bank’s existing and prospective home loan customers for courses at 25 major education institutions in Malaysia and is repayable within a tenure of up to ten years.

OCBC Bank will be getting the word out about the study loan through activities at universities and colleges including the upcoming SEGI University College Open Day from 18-20 March and the British Council education fair from 19-20 March.

For more information, the public may call 1300-88-5000 or log on to www.ocbc.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.

OCBC Bank and its subsidiaries offer a broad array of specialist financial 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 a network of over 500 branches and representative offices in 15 countries and territories, including more than 400 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which has been ranked among the top five global private banks in 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