



**PRESS RELEASE**

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*(For Immediate Release & Publication)*

**OCBC-CGC to Hit RM1.64B Mark in Unsecured Wholesale Guarantees  
with Latest RM 250M Commitment**

**Kuala Lumpur, 3 July** – Credit Guarantee Corporation Malaysia Berhad (CGC) and OCBC Malaysia have teamed up yet again on their 5-year-old pioneering Wholesale Guarantee 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.

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 Wholesale Guarantee 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 wholesale guarantee 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 Wholesale Guarantee 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 continuing 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.

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