



## **MEDIA RELEASE**

**With suggested Tweet, Facebook post, keywords and official hashtag**

### **OCBC Bank Introduces Business Loan for Start-Ups As Young As Six Months Old**

*OCBC Business First Loan provides up to S\$100,000 in funding for start-ups; Hassle-free application process does away with need for submission of audited financial statements*

Singapore, 30 April 2014 – OCBC Bank continues to build upon its market-leading position in the emerging business segment by introducing the OCBC Business First Loan, providing young businesses with quick access to funding.

Introduced on 25 April, 2014, the OCBC Business First Loan (OCBC First Loan), offered under the Enhanced Micro Loan Programme, is a collateral-free loan that provides companies aged 6 months old to 3 years with up to S\$100,000 in funding.

Said OCBC Bank's Head of Emerging Business, Mr Eric Ong: "On average, more than 50,000 new businesses are set up every year<sup>1</sup>, of which only half will survive beyond five years. For the remaining 50 per cent, success often hinges on their ability to rapidly scale up during the initial years.

"This is when funding is most critical as, without the necessary resources, their growth potential could be hampered. Yet many of them find it challenging to obtain funding during their start-up years as their level of operations and business activity may be too low – or they lack the necessary financial records or collaterals to obtain external funding."

In a survey conducted with young businesses, OCBC Bank found that 50 per cent of young businesses in Singapore require funding to kickstart their business growth. More than 80 per cent of these SMEs require a first round of financing within the first two years of commencing business operations. About 41 per cent of these young businesses indicated they required less than S\$50,000 for their first loan, while 31 per cent required S\$50,000 to S\$100,000.

Because they lack the business track record required to get a loan from a financial institution, about 57 per cent of the businesses surveyed fall back on personal savings to fund their businesses.

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<sup>1</sup> Based on the Singapore Business Formation Statistics Report, the number of new businesses set up are 60,140 (2013), 56,681 (2012) and 55,699 (2011).

Today, there are about 170,000 SMEs<sup>2</sup> in Singapore. They make up about 99 per cent of the total enterprise population in Singapore. Out of the total SME population, about 20 per cent or 39,000 are active startups<sup>3</sup>.

To ensure a better customer experience, the application process for OCBC First Loan has been made simple. Loan approval takes one day, and business owners only need to complete a simple one-page form, provide their NRIC, latest personal IRAS Notice of Assessment and the company's latest bank statement. They do not need to provide any audited financial statements.

Typically, for loan applications, business owners have to complete multi-page forms and provide personal and company information such as outstanding credit facilities and sales turnover. Young businesses that do not have any track records will have to provide additional supporting documents such as business plans and contracts they have secured.

Said Mr Ong: "By taking the complexities out of loan application for our customers, we believe this will benefit the time-starved start-ups who can focus on their business operations. We want to ensure a simple, fast and convenient borrowing experience for our customers, with quick access to the much needed funds."

The OCBC First Loan is the latest initiative by OCBC Bank to help young businesses gain access to funding and cope with the complexities of banking. Since focusing on the emerging business segment in 2006, OCBC Bank has differentiated itself by constantly innovating and introducing products that make banking fast, simple and convenient for its customers.

*Note: Please refer to the fact sheet for other innovative products that OCBC Bank has introduced for the young business segment.*

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## SOCIAL MEDIA ASSETS

**Official hashtags:** #business loan #ocbcbank #startups #first loan

**Keywords:**

OCBC, business loan, startups, entrepreneurs, first loan, 1-day loan approval




**Suggested tweet:** OCBC rolls out business loan for startups as young as 6 months old. (67 characters)

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<sup>2</sup> SMEs, as defined by SPRING, refer to enterprises with annual sales turnover of not more than \$100 million or employing no more than 200 staff.

<sup>3</sup> Based on the Entrepreneurship Review Committee's latest study of Singapore's entrepreneurial landscape. Active start-ups are defined as enterprises less than 5 years old which are employing at least one person.

 **Suggested Facebook post:** OCBC launches OCBC Business First Loan targeted at startups as young as 6 months old. One-day loan approval and hassle-free application process provide young businesses with quick access to funding. Customers only need to complete a simple one-page form and provide their NRIC, latest personal IRAS Notice of Assessment and the company's latest bank statement.

For all other updates on OCBC, follow @OCBCBank on Twitter and "like" facebook.com/ocbcbank on Facebook.

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## **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. It was ranked by Bloomberg Markets as the world's strongest bank in 2011 and 2012.

OCBC Bank and its subsidiaries offer a broad array of 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 a network of over 450 branches and representative offices in 17 countries and territories, including more than 330 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 continued to gain industry recognition including being voted "Outstanding Private Bank in Asia Pacific" in 2013 by Private Banker International.

For more information, please visit [www.ocbc.com](http://www.ocbc.com).

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