

OCBC Bank sees a four-fold increase in SMEs expanding into Asia, including Myanmar

Trade missions organised to investment hotspots such as Myanmar to help OCBC Bank customers tap into growth potential in the region

Singapore, 6 December 2012 – OCBC Bank is seeing more Small and Medium Enterprises (SMEs) in the region venturing overseas and resource-rich Myanmar is currently one of their favourite investment destinations. The Bank has not only been supporting SME customers by funding their internationalisation efforts but also in helping them to explore the vast potential of newly emerging markets to sustain long-term growth and global competitiveness.

In a recent survey, OCBC Bank found that two-thirds of SMEs in Singapore, Malaysia, Indonesia and Greater China are already doing business outside of their home markets, with over 90% focused on ASEAN and China.

Said OCBC Bank's Head of Global Commercial Banking, Mr Linus Goh: "We recognise that international growth is very high on the agenda of SMEs and navigating the regulatory, financial and business nuances of different markets is one of many challenges of doing business overseas. Hence, we have built a regional capability to serve customers who are venturing abroad by delivering local market know-how and access, combined with a single relationship view across these markets.

"Ultimately, our mission is to help customers achieve their growth and regional expansion ambitions by going beyond just offering financial solutions. We believe our focus on understanding the needs of SMEs and supporting them at every stage of their development has helped us to strengthen our partnerships with our customers."

In the past two years alone (2010 – 2012), the bank has seen a four-fold increase in the number of its SME customers expanding their footprints in the region, especially in China, Malaysia and Indonesia. It now forms about 18% of our total asset base for our SME banking business.

Such growth is not surprising especially for local SMEs given their need to expand overseas in the face of challenges such as increasing business costs and manpower constraints in the past two to three years.

With the opening up of Myanmar this year, it is now considered the last frontier economy in Asia that presents immense economic possibilities. In 2011, Singapore was Myanmar's sixth-largest investor with a cumulative investment of US\$1.8 billion and is the country's third-largest trading partner, after China and Thailand.

In recognition of the wave of business interest in Myanmar, OCBC Bank led a group of SME customers on a trade mission to explore business opportunities in Myanmar from 14 to 17 November 2012. The bank had organised two successful trade missions to Chengdu and Chongqing, China, and Iskandar, Malaysia, in 2010 and 2011 respectively.

The Myanmar trade delegation of OCBC customers comprising owners and senior management from the hospitality, construction and manufacturing industries had the opportunity to network and explore business possibilities with top Myanmar corporations in similar industries. These included Myanmar's top private businesses in construction, property development, infrastructure, transportation, shipping, and hospitality.

Added Mr Goh: "Myanmar's political and economic reforms present opportunities for entry into Asia's last frontier economy. Given the economic and trade links between Myanmar and Singapore businesses, Singapore SMEs are well placed to tap the significant potential of the Myanmar market. While the mission trip has enabled our customers to establish relationships with the Myanmar business community, we felt that it was equally important for our customers to also get a better understanding of the legislative and regulatory complexities associated with investments in a newly emerging market through this trip."

Said Mr Elvin Koh, Managing Director, Samwoh Corporation Pte Ltd (Samwoh Corp), who was part of the OCBC Myanmar trade mission: "Being able to be up close and personal with the owners and senior management of large Myanmar companies is very important for us in understanding the business environment and finding the right business connections."

Added Mr Lawrence Leow, Executive Chairman of Crescendas Group: "There are clear benefits when a major bank brings you to a new market and introduces you to the local companies there. You are backed by the credibility of the bank and can ride on the relationship that the bank has with the local companies.

"Compared to if I had gone to Myanmar on my own, this trip has cut short the time I would need to seize business opportunities. We are now looking into the possibility of investing into the hospitality industry there. Even if this deal ultimately falls through, I am grateful to OCBC Bank for helping me and other local SMEs grow our wings regionally."

Samwoh Corp is in the construction and manufacturing industries and Crescendas Group is in various industries including property, hospitality and technology.

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 is 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 500 branches and representative offices in 15 countries and territories, including about 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 continued to gain industry recognition in 2011 including being voted "Outstanding Private Bank in Asia Pacific" by Private Banker International.

For more information, please visit www.ocbc.com.