



MEDIA RELEASE

OCBC BANK'S LOCALLY INCORPORATED SUBSIDIARY IN CHINA COMMENCES BUSINESS

Singapore, 1 August 2007 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) today officially commenced business at its new wholly-owned subsidiary in China, OCBC Bank (China) Ltd (“OCBC China”), marking a new growth phase in its long history in the country.

Headquartered in Shanghai, OCBC China plans to grow its customer base in China, including SMEs and consumers, by providing them with a comprehensive suite of commercial banking and wealth management products and services.

“This is an important milestone for OCBC Bank in China, marking the beginning of a new phase of our longstanding presence there. We intend to reach out to more customers and strengthen our franchise by expanding our five city base of offices, while contributing to the development of the China financial market by adapting our successful business models and products to meet the needs of our customers,” said Soon Tit Koon, Chief Financial Officer of OCBC Bank and Chairman of OCBC China.

OCBC Bank has a special commitment to China that began 82 years ago when it opened its first branch in Xiamen in 1925. In line with OCBC Bank’s philanthropic heritage of supporting children and education and to commemorate this milestone event, OCBC China is donating RMB 1.5 million (S\$300,000) over a six-year period to the Soong Ching Ling Foundation. The funds, disbursed through the Soong Ching Ling Scholarship (“SCLS”) under the SCLS-OCBC Fund, will help about 800 outstanding children across China who require financial assistance.

The opening ceremony was held in Shanghai today. Present at the celebration were officials from the Shanghai Municipal Government, China Banking Regulatory Commission, People’s Bank of China, State Administration of Foreign Exchange, the Singapore Consulate General, several Chinese government dignitaries as well as board members and senior management staff from OCBC Bank.

About OCBC China

With the local incorporation, OCBC Bank’s branches in Shanghai, Chengdu, Tianjin and Xiamen have become branches of OCBC China, and all customer accounts and dealings with the China branches of OCBC Bank have accordingly been transferred to the new entity.

OCBC China has registered capital of RMB 3.5 billion (S\$698 million) and employs more than 200 staff. Current plans are to grow the present staff strength to more than 1,000 by 2010 to support rapid business expansion.

Tan Wing Ming, President of OCBC China, said, "In order to offer our customers more banking convenience, we plan to open two new main branches a year, subject to regulatory approval. At the same time, we will be expanding the sub-branch network in our main branch locations to serve a larger base of local consumer, SME and corporate customers."

For a start, OCBC China will be opening a branch in Guangzhou and a sub-branch in Chengdu by the end of the year. The initial focus would be to selectively expand in the Greater Shanghai, Pearl River Delta and Sichuan regions. Our Beijing representative office will also be converted to a branch in due course.

In corporate banking, OCBC China will offer RMB products including loans, deposits, trade finance, treasury and capital markets to both foreign and local companies operating in China. OCBC China also intends to roll out OCBC Bank's award-winning corporate internet banking platform, *Velocity@ocbc*, to serve its business banking customers.

Mr Tan said, "Beyond our current focus on regional companies operating in China, we are also looking to support Chinese businesses that are expanding into Asia. With OCBC Bank's regional network, we believe we are in a good position to assist these companies with their overseas expansion and help them operate successfully in new markets."

In retail banking, OCBC China will be introducing RMB mortgages, wealth management and investment products to serve the growing affluent in China. OCBC China will also launch its Premier Banking services targeting individuals who deposit or invest above RMB 500,000 with the bank. Mr Tan said: "Affluent customers in China are becoming more discerning in their banking needs. We believe our emphasis on quality service and tailored products will be a superior value proposition to them."

OCBC's strategic alliance with Bank of Ningbo

In January 2006, OCBC Bank became the first Singapore bank to make a strategic investment in a Chinese bank, when it acquired 12.2% of Bank of Ningbo ("BoN").

OCBC Bank's strategic partnership with BoN has been beneficial for both parties. OCBC Bank has been supporting BoN in growing its SME and consumer banking businesses through a comprehensive training and technical assistance programme. Both banks have also launched several joint initiatives in trade finance, investment banking, cross-border financing and treasury, all of which have begun to show encouraging results. At the

same time, BoN is sharing with OCBC its knowledge and experience in the China market, particularly in RMB products.

Mr Soon said, "While most foreign banks have taken the route of expanding in China mainly through organic growth, we place equal emphasis on organic growth and our local strategic alliance. We believe our partnership with Bank of Ningbo will boost our efforts to grow in this country."

About OCBC Bank's history in China

OCBC Bank first established its presence in China in 1925 with the opening of its Xiamen branch. Since then, OCBC Bank has been operating without interruption in China for 82 years.

In the early 1930s, many financial institutions were affected by the Great Depression including OCBC Bank's three predecessor banks - Chinese Commercial Bank, Ho Hong Bank and Oversea-Chinese Bank. The continuing crisis pushed the three banks to merge and consolidate their strengths. Mr Lee Kong Chian, then vice-chairman of Chinese Commercial Bank, led the amalgamation of the three banks to form OCBC Bank in 1932.

Besides being well-known for his generous philanthropy, Mr Lee was also well-respected as the son-in-law of Mr Tan Kah Kee. Mr Tan played a key role in galvanizing overseas Chinese to help China during World War II and returned to China to join in the post-war rebuilding efforts. Both Mr Lee and Mr Tan were from Fujian Province, China. Today, Mr Lee is affectionately known as the founding father of OCBC Bank.

About OCBC Bank

Singapore's longest established local bank, OCBC Bank, currently has assets of S\$157 billion and a network of over 390 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Thailand, Vietnam, China, Hong Kong SAR, Brunei, Japan, Korea, Australia, UK and USA. This network includes more than 280 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to global treasury and stockbroking 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 Capital Management, is one of the largest asset management companies in Southeast Asia. Additional information may be found at www.ocbc.com.
