

OCBC BANK LAUNCHES OFFSHORE RENMINBI PRODUCTS TO MEET DEMAND FROM SOPHISTICATED INVESTORS

OCBC Bank's Offshore Renminbi products offer one of the most competitive foreign exchange rates in the market, giving customers an opportunity to get higher returns if Renminbi appreciates

Singapore, 11 March 2011 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) has launched two Offshore Renminbi deposit products, Renminbi Call Account and Renminbi Time Deposit, to meet increasing demand from sophisticated investors who are looking to diversify their investment portfolios. OCBC Bank offers one of the most competitive foreign exchange rates available for Offshore Renminbi to mitigate the conversion risk with such products. With better foreign exchange rates, investors will enjoy a higher return from these investment options should the Offshore Renminbi appreciate.

As a leading wealth management player, OCBC Bank seeks to continually broaden its offering of products and services that meet the different investment needs of high net-worth individuals. The introduction of Offshore Renminbi deposit products adds to our comprehensive range of products for sophisticated investors.

Investors who are considering Offshore Renminbi deposit products as alternative investments should take into consideration two components: The interest rate and the foreign exchange rate. Customers should be aware that the return from a high interest rate can be negated if the foreign exchange rate is not favourable. A good understanding of both components will help investors to more accurately calculate the net return on the deposits, and allow them to make informed investment decisions.

The Interest Rate

Offered only to customers of OCBC Premier Banking, the minimum balance required for both Offshore Renminbi deposit products is CNY250,000. The Offshore Renminbi Time Deposit returns 0.25% per annum for a one-month placement, 0.35% per annum for a three-month placement and 0.68% per annum for a six-month placement. The Offshore Renminbi Call account returns 0.20% per annum.

The Foreign Exchange Rate

Offshore Renminbi is not a freely tradable currency. It is quoted against currencies like the US Dollar (USD), Singapore Dollar (SGD), Australian Dollar (AUD), Euro (EUR), and Pound (GBP). To make a deposit into, or withdraw from, OCBC Offshore Renminbi account requires a conversion from or into a non-Renminbi currency. Customers will have to take into account both the interest rate and the foreign exchange rate to determine the net return on the deposits: Returns derived from a high interest rate can be negated if the foreign exchange rate is not competitive.

These products are most suitable for investors with natural cash flows in USD as analysts expect offshore Renminbi to appreciate against the USD.

With better foreign exchange rates when buying or selling Offshore Renminbi, the amount of interest earned in the deposit accounts will be better protected when converted into another currency.

Mr Nicholas Tan, Head of Global Wealth Management at OCBC Bank said: "This product best suits those with significant USD holdings who take the view that Offshore Renminbi will appreciate against USD in the long term. Such an investor would also be looking to diversify his currency exposure. Clearly, when it comes to foreign currency deposits, risk is involved – and this product is suited for those with a stronger risk appetite. It is important that customers not only understand the costs, but also the economics and politics revolving around these two currencies, before investing in these types of products."

Mr Tommy Xie, Economist, OCBC Bank, said: "Offshore Renminbi is expected to appreciate against USD by 3 to 5 % in 2011. We expect Renminbi

appreciation to play a role in managing external driven liquidity, boosting imports and overseas investment for China.”

“As for SGD/Offshore Renminbi, we expect it to remain relatively flat in the next few months. However, from the long-term perspective, we expect Offshore Renminbi to outperform SGD.”

OCBC Bank will launch other Offshore Renminbi investment options within the month, including Offshore Renminbi Dual Currency Return (“DCR”), Equity Linked Convertible Investment (“ELCI”) and Offshore Renminbi-denominated Bonds.

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.

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