



MEDIA RELEASE

OCBC BANK IS THE FIRST SINGAPORE BANK TO PARTICIPATE IN CHINA'S RENMINBI TRADE SETTLEMENT PILOT PROGRAM

OCBC Bank can help companies in Singapore settle trade with China in Renminbi as part of China's recent moves to expand use of its currency globally

Singapore, 6 July 2009 – Oversea-Chinese Banking Corporation Limited (OCBC Bank) announced today that it is the first Singapore bank participating in China's pilot program of settling cross border trade using Renminbi (RMB). Bank of China (BOC) unveiled its first batch of 11 overseas participating banks which includes OCBC Bank on 4 July, 2009. This follows the announcement of the RMB trade settlement rules by the Chinese government on 1 July, 2009.

In December 2008, the Chinese government announced the use of RMB for trade settlement between China and its selected trade partners as China seeks to promote RMB as an international currency. For a start, five major cities in China have started using RMB in overseas trade settlement under this pilot program. These five cities are Shanghai and four cities in the Pearl River Delta - Guangzhou, Shenzhen, Dongguan and Zhuhai. The other areas included in this pilot programme are Hong Kong, Macau and Southeast Asia. The Chinese central government has appointed major Chinese banks as clearing banks for this pilot program for cross-border RMB trade settlement.

Under this pilot program where OCBC Bank is the first participating Singapore bank, a company here will be able to settle their trade in RMB with their trading partners in China and open an RMB account with the Bank. The company can use OCBC Bank's trade and cash services such as Letters of Credit (LC), Bankers' Guarantee (non-financing), documentary collection, and telegraphic transfers (T/T), for its trade transactions denominated in RMB.

Said Mr Samuel Tsien, Global Head of Global Corporate Bank, OCBC Bank: "We are excited and honored to be the first Singapore bank participating in this pilot program to facilitate trade settlement in RMB for our customers. With China's move to designate the use of the RMB for international trade, companies in Singapore and the region who trade actively with China will need a bank to help settle these trade transactions in RMB, and at the same time, provide a platform to manage the RMB balances. We can provide the one-stop convenience to our customers for all their trade needs denominated in RMB.

“This is definitely an important role that we are playing in the internationalisation of the RMB and the enhancement of bilateral economic ties between Singapore and China.”

Singapore’s total trade with China was S\$91,412.5 million in 2008, according to statistics from International Enterprise Singapore (IE Singapore). Singapore’s imports and exports from China amounted to S\$47,594.6 million and S\$43,817.9 million respectively. China is currently Singapore’s 3rd largest trading partner (based on MTI’s 2008 Economic Survey of Singapore - http://app.mti.gov.sg/data/article/17562/doc/AES_2008_Full_Report.pdf)

Currently, companies in Singapore use the US dollar to settle most of its trade with China. The move to promote the global use of the RMB in trade will benefit those companies with both RMB receivables as well as payables to better manage their foreign exchange exposure, particularly in the current financial crisis where volatility is expected to remain high.

About OCBC Bank

OCBC Bank is Singapore’s longest established local bank. It has assets of S\$180 billion and a network of more than 480 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 360 branches and offices in Indonesia operated by OCBC Bank’s subsidiary, Bank OCBC NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to treasury and stock-broking 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 Global Investors is one of the largest asset management companies in Southeast Asia. Additional information may be found at www.ocbc.com.