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OCBC BANK AND LION GLOBAL CREATE PRIVATE EQUITY FUND WITH EXTERNAL INVESTOR PARTICIPATION FOR THE FIRST TIME

By harnessing OCBC Bank's strengths as a leading regional financial services group, the Lion-OCBC Capital Asia Fund I attracted strong investor demand, closing at S\$550 million in just nine months

Singapore, 27 August 2015 – OCBC Bank and its asset management subsidiary Lion Global Investors (“Lion Global”) today announced the successful close of the Lion-OCBC Capital Asia Fund I, L.P. (“the Fund”). This marks the first time OCBC Bank, through its private equity investment unit Mezzanine Capital Unit (“MCU”), has created a private equity fund investing in small and medium-sized companies in Singapore, Malaysia, Indonesia and China for institutional investors and high net worth individuals.

What started out as a S\$400 million fund was upsized by almost 40% to S\$550 million due to strong demand from investors. Investors were attracted by OCBC Bank’s strong reputation and its regional on-the-ground presence supporting the Fund. It took nine months to secure investor subscription after the Fund was launched in late November 2014 – a fund of this size would typically take more than a year to close.

The Fund, which targets high-growth small and medium enterprises (SMEs) in four core markets of Singapore, Malaysia, Indonesia and China, will benefit from MCU’s established track record of identifying and executing high-value investments in these markets. In addition, OCBC Bank’s extensive presence and large client base in each market give the Fund access to a ready pool of SMEs to invest in. Investor confidence in the Fund was boosted by OCBC Bank’s local knowledge and market insights into these countries, as well as the SMEs operating in them.

Mr Daniel Kwan, Head of MCU, OCBC Bank, said, “We introduced this fund to meet growing interest in alternative assets from our market partners and high net worth customers in Bank of Singapore. Investors in the Fund were attracted by the superior returns that MCU has consistently delivered for

OCBC of more than 20% Internal Rate of Return in the past six years as its private equity unit, as well as by the Fund's unique positioning as a bank-sponsored investment fund.

“Our track record of delivering good returns to OCBC speaks to our ability to identify and execute deals over a wide range of industries in our core markets of Singapore, Malaysia, Indonesia and China. We are optimistic that we will similarly be able to deliver a strong portfolio of investments through the Lion-OCBC Capital Asia Fund I.”

Mr Gerard Lee, Chief Executive Officer of Lion Global Investors, said, “In recent years, alternative investments have found a growing audience among investors seeking alpha solutions in an uncertain global economic environment. Hence, we are delighted to combine Lion Global's Asian investment expertise with OCBC Bank's market expertise to deliver a successful private equity product. The Fund will open doors for Lion Global to reach out to investors who have shown increasing interest in alternative strategies.”

Among the Fund's investors were insurance companies, regional banks, sovereign wealth funds and high net worth individuals, including customers of OCBC Bank's private banking subsidiary, Bank of Singapore.

Mezzanine Capital Unit and Lion Global's investment expertise

Each of the Fund's core markets is covered by investment professionals with local expertise, with a total of 22 MCU employees located across the four markets. The majority of MCU's investment team has more than 10 years of banking and financial services experience.

In the 12 years since its inception, MCU has invested in 77 companies and realised 59 of those investments, delivering a portfolio return exceeding 15% Internal Rate of Return (IRR). Over the past six years (2009-2014), MCU's portfolio returns have been even stronger, exceeding 20% IRR. The Fund aims to deliver similar returns to investors by the end of its 10-year term.

Lion Global will complement MCU's investment staff with a team of more than 40 investment professionals who have deep knowledge and wide coverage of Asian markets. The firm's holistic coverage of Asian fixed income and equities brings a multi-dimensional perspective to its investment approach, as its investment teams have insights into the complete capital structure of the Asian companies that they invest in. Lion Global's fund managers have, on average, 20 years of financial industry experience, having managed investment portfolios through different market cycles.

OCBC Bank's extensive on-the-ground presence in the Fund's core markets

The Fund further benefits from OCBC Bank's comprehensive presence and large client base in its core markets, which will provide the Fund with access to a ready pool of potential companies to invest in. OCBC Bank's product capabilities and expertise in each of these markets further translate into the ability to provide investee companies with comprehensive financial solutions, facilitating their growth and expansion.

Within the core markets, OCBC Bank also has investments in PE funds with an established foothold in a wide range of local industries. As a majority investor in these funds, OCBC Bank, and by extension, the Lion-OCBC Capital Asia Fund I, will be able to tap on their resources and co-invest in companies these PE funds have targeted.

In addition, OCBC Bank is a recipient of China's Qualified Foreign Limited Partner (QFLP) quota, which is an avenue for the Fund to gain exposure to direct Renminbi investments in onshore Chinese companies. Under this programme, the Fund will have greater access to investments in China and enjoy an accelerated deal-making process.

Positive long-term growth trends in the core markets

The Fund will focus on SMEs in the markets' pivotal agriculture, commodities and consumer industries, which it has identified as areas with high potential for growth over the long term.

OCBC Bank's home market of Singapore has seen an increasing trend of companies expanding overseas, and OCBC's widespread reach in the region will potentially allow the Fund to tap into the companies' growth plans.

Beyond Singapore's shores, rapid urbanisation and economic growth in China, Indonesia and Malaysia are expected to drive massive demand for real estate, telecommunications networks, utilities and other infrastructure projects. Meanwhile, the overseas markets' transition to knowledge-based economies and the rapid growth of their middle classes point to a future increase in domestic consumption of discretionary items, including automobiles, luxury goods, travel, healthcare and education.

SOCIAL MEDIA ASSETS

Official hashtags: #ocbcbank #investmentfund #privateequityfund

Keywords:

OCBC Bank, Lion Global Investors, Lion-OCBC Capital Asia Fund I, investment fund, private equity fund



Suggested tweet: @OCBCBank and Lion Global launch maiden private equity fund allowing investors to harness OCBC Bank's strong regional presence and expertise (140 characters)



Suggested Facebook post: OCBC Bank and its asset management subsidiary Lion Global Investors today announced the successful close of the Lion-OCBC Capital Asia Fund I. This marks the first time OCBC Bank has created a private equity fund investing in small and medium-sized companies in Singapore, Malaysia, Indonesia and China for institutional investors and high net worth individuals.

By harnessing OCBC Bank's strengths as a leading regional financial services group, the Fund attracted strong demand from investors, made up of insurance companies, regional banks, sovereign wealth funds and high net worth individuals. Investors were drawn to the established track record of OCBC Bank's proprietary private equity investment unit Mezzanine Capital Unit (MCU), which has delivered portfolio returns exceeding 20% Internal Rate of Return in the past six years.

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

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. Recognised for its financial strength and stability, OCBC Bank has been ranked Asean's strongest bank and among the world's five strongest banks by Bloomberg Markets for five consecutive years since the ranking's inception in 2011.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, 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 over 630 branches and representative offices in 18 countries and regions. These include the more than 330 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 90 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which has received increasing industry recognition as Asia's Global Private Bank, and was voted "Outstanding Private Bank in Southeast Asia in 2014" by Private Banker International.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

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

About Lion Global Investors

Lion Global Investors, a member of the Oversea-Chinese Banking Corporation Limited (OCBC) Group, is one of the largest asset management companies in Southeast Asia with group assets under management of S\$36 billion (US\$26.7 billion) as at 30 June 2015. Established as an Asian asset specialist since 1986, Lion Global Investors' core competencies are in managing Asian equities and fixed income strategies and funds to both institutional and retail investors. Its large and experienced investment team of more than 40 fund managers and analysts averaging over 15 years of financial industry experience is firmly dedicated to Asian and global equities and fixed income markets.

Lion Global Investors' proven combination of an experienced investment team, long-term focus on business fundamentals and a disciplined investment approach has won the firm more than 130 industry and peer-review awards, including "Best Asset Management Company in Singapore in 2015" by Global Banking and Finance Review.

Lion Global Investors' network of regional offices outside of Singapore includes Malaysia and Brunei.

Lion Global Investors is 70% owned by Great Eastern Holdings Limited, a subsidiary of OCBC Bank and 30% owned by Orient Holdings Private Limited, a wholly-owned subsidiary of OCBC Bank.

For more information, visit www.lionglobalinvestors.com.
