OCBC TRUSTEE IS FIRST LOCAL BANK-BACKED TRUST COMPANY TO OBTAIN TRUST BUSINESS LICENCE

OCBC Trustee to seize opportunities in growing trust services industry as new trust law promises to position Singapore as the preferred trust centre

Singapore, 13 November 2006 – OCBC Bank is pleased to announce that its trust services unit, OCBC Trustee Ltd (OCBC Trustee) was granted the new trust business licence following the implementation of the new Trust Companies Act on 1 February 2006. The new Act requires all persons operating a trust business to obtain a licence from the Monetary Authority of Singapore (MAS).

The new law is the result of the Singapore government’s approval of the Trust Companies Bill 2005 to update and strengthen the regulatory framework for trust companies in Singapore.

The increasing awareness and acceptance of wealth management practices among high net-worth individuals (HNWVI) in Asia has led to a growing demand for trust services as a means to protect their wealth.

As the first local bank-backed trust company in Singapore to receive the licence, OCBC Trustee is now better positioned to address those demands.

With the changes in the trust laws and tax incentives announced in the Singapore Budget 2006, customers will now be able to enjoy:

- Confidentiality protected by law;
- Control over investment decisions concerning assets placed under the trust; &
- Tax exemption for specified locally-sourced investment income derived and all foreign-sourced income received by the trust.

* A trust is a private contract governed by a trust deed whereby the assets are transferred from a settlor to a trustee. The trustee assumes legal ownership of the trust assets and holds these assets in trust for the benefit of persons or beneficiaries named by the settlor.

† Trust business includes provision of services with respect to creation of an express trust, acting as trustee in relation to an express trust, arranging for any person to act as trustee in respect of an express trust and provision of trust administration services in relation to an express trust.

“In the past, customers have to relinquish all rights to their assets placed under a trust. However, with the changes in the relevant trust laws, they can now retain control over investment and asset management decisions and decide how best to invest the trust funds.

“The confidentiality afforded by the law and the tax exemption on investment income, make the Singapore Trust a very attractive proposition for our customers,” said OCBC Trustee’s director, Mr Raymond Chee.

Individuals who require trust services are those who wish to ensure a proper transfer of their wealth to their loved ones (some of whom may be minors), protect their assets from creditors, maintain the confidentiality of their assets and beneficiaries, mitigate estate duties or to further a charitable cause during or after their lifetime.

To obtain the trust business licence, trust companies will need to meet the regulator’s set of criteria. The evaluation process included an assessment of whether an applicant has the minimum capital or qualifying assets, adequate internal compliance systems and processes, competence and integrity and adequate professional indemnity insurance.

Added Mr Chee: “This new law will promote the development of the local trust industry and enhance Singapore’s position as a premier trust centre. With a strong legal framework, as well as political and economic stability, Singapore should be attracting more of Asia’s high networth individuals to set up trusts here.”

“OCBC Trustee is a vital conduit of OCBC Bank’s Wealth Management business. With these changes and our newly granted trust business licence, we can now help our customers enjoy the benefits of setting up of a trust for their succession planning” said Mr Chee.

OCBC Trustee was established in 1938 and has a history and proven track record in trust services spanning over more than 60 years.
About OCBC Bank

Singapore's longest established local bank, OCBC Bank, currently has assets of S$136 billion and a network of over 340 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Vietnam, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 220 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.