

OCBC BANK CLOSES LARGEST M&A DEAL ADVISED BY AN ASIAN BANK OVER THE PAST YEAR IN INDONESIA

OCBC Sekuritas, OCBC Bank's Indonesian subsidiary, was exclusive financial adviser for the sale of a stake in Indonesia's longest toll road for over S\$270 million

Singapore, 8 February 2017 – OCBC Bank's wholly-owned subsidiary in Indonesia, OCBC Sekuritas, has completed the sale of a stake in Indonesia's longest toll road for IDR2.57 trillion (S\$272.4 million) late last month. The transaction is the largest merger and acquisition (M&A) deal that an Asian bank has advised on in Indonesia and ranks among the 10 largest M&A deals in Indonesia overall since the beginning of 2016.

OCBC Sekuritas was the exclusive financial adviser to a consortium of four sellers, led by prominent Indonesian private equity fund Saratoga Capital. The combined 22.3% stake in the Cikopo-Palimanan Toll Road was sold to Astratel Nusantara, a subsidiary of Indonesian conglomerate Astra International. At IDR2.57 trillion, the transaction valued the stake in the toll road at over three times book value – almost double the average valuation achieved by other transactions in the infrastructure sector in Indonesia in recent years.

The deal was completed in just over a year despite the complexities it presented. The four consortium members held varying stakes that took the form of a mix of shares, debt instruments and convertible mezzanine loans. To optimise valuations for the various stakes, OCBC Sekuritas identified and evaluated more than 60 potential buyers – including investment funds and other toll road operators - across Asia, Europe and the Middle East.

OCBC Sekuritas won the M&A mandate – its first infrastructure-related investment banking mandate – and began the sale process in October 2015, less than six months after its official opening. The deal reflects OCBC Bank's intensifying efforts to capture business opportunities associated with economic growth and infrastructural development in Indonesia.

Mr Gan Kok Kim, OCBC Bank's Head of Global Investment Banking, said: "We see tremendous promise in Indonesia's growth prospects. Indonesia is poised to be one of the fastest-growing economies in the world and its infrastructure drive will be one of the key themes in its growth story over the next decade and beyond.

“We were able to successfully execute this complex deal in a relatively short time because we have the advantage of on-the-ground presence and the support of our broader OCBC network. I’m confident that with our geographical coverage, our local know-how and the expertise we have developed, we are well placed to advise on the mounting financing needs in this market.”

Indonesia is a core market that OCBC Bank has earmarked for continued growth and expansion. OCBC Bank is present in Indonesia through its two subsidiaries OCBC Sekuritas and Bank OCBC NISP, which offers commercial banking services at its 340 branches. OCBC Sekuritas is equipped with both a stockbroking licence and an underwriter licence, enabling it to provide securities trading services as well as onshore debt and equity financing solutions in Indonesia.

About the Cikopo-Palimanan Toll Road

The 116.5-kilometre Cikopo-Palimanan Toll Road, better known as the Cipali Toll Road, is a crucial link in the Trans-Java Toll Road network, which connects Jakarta to the major industrial and agricultural regions in Java, Indonesia’s most heavily populated island.

Traveling parallel to Java’s northern coastline, the Cipali Toll Road runs from the industrial node of Cikampek, which lies about 90km east of Jakarta, to the town of Palimanan further to its east.

As the country’s longest toll road, it stands as one of the crown jewels of Indonesian President Joko Widodo’s ambitious infrastructure push. Having begun operations in June 2015 after an official opening ceremony attended by President Jokowi, the highway is currently operating under a 35-year concession period awarded by the Indonesian government in 2006.

Capitalising on Indonesia’s economic growth and infrastructure push

Amid concerns of slowing growth across Asia, Indonesia stood out as one of the region’s more resilient economies in 2016, registering GDP growth of close to or exceeding 5% in each quarter last year.

President Jokowi has set in motion a massive infrastructure push, including the targeted construction of more than 3,000 kilometres of highways, 2,000 kilometres of roads and 24 ports by 2019. The Indonesian Ministry of Finance has estimated that these infrastructure projects will require about US\$400 billion (S\$567.29 billion) in funding. According to the Indonesian Ministry of Finance’s estimates, funding from the government and state-owned enterprises would account for about US\$253 billion (S\$358.81 billion) of this

amount, leaving a shortfall of about US\$145 billion (S\$205.64 billion) that will need to be plugged by the private sector.

SOCIAL MEDIA ASSETS

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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 is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore and the Asia Pacific by The Asian Banker.

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 more than 610 branches and representative offices in 18 countries and regions. These include the 340 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 100 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 operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

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 OCBC Sekuritas

PT OCBC Sekuritas Indonesia ("OCBC Sekuritas"), a subsidiary of OCBC Bank, celebrated its official opening and unveiled its headquarter office in the Indonesia Stock Exchange office in Jakarta on 9 April 2015. OCBC Sekuritas also has another office in Surabaya. OCBC Sekuritas is equipped with both a stockbroking license and an underwriter license, enabling it to provide securities trading services, as well as debt and equity financing solutions in Indonesia.
