

OCBC AL-AMIN COMMENCES OPERATIONS WITH FIRST BRANCH AT JAYA ONE, PJ

Islamic Bank to focus initially on applying Murabahah, Mudharabah and Ijarah principles to expand product range

Petaling Jaya, 1 December 2008 – OCBC Al-Amin Bank Berhad (OCBC Al-Amin), the wholly-owned subsidiary of OCBC Bank (Malaysia) Berhad (OCBC Bank), commenced operations today with the opening of its first branch at Jaya One along Jalan Universiti, Petaling Jaya.

The two-storey branch opens daily from 9am to 4.30pm, Monday to Friday, and offers a full suite of Islamic banking products and services.

Customers of OCBC Al-Amin may also transact at OCBC Bank's 29 branches nationwide as OCBC Bank continues to offer both conventional and Islamic banking services.

Speaking at a media conference to announce the opening of the branch, Director & CEO of OCBC Al-Amin, Tuan Syed Abdull Aziz Syed Kechik, said the Bank would focus initially on applying three Islamic banking principles – *Murabahah*, *Mudharabah* and *Ijarah* – to develop a wider range of products to serve individuals and businesses across communities, encompassing both Muslims and non-Muslims.

Murabahah requires that the cost and profit margins are made known and agreed upon upfront by all parties involved. It is currently applied primarily to OCBC Al-Amin's financing and trade financing products. In the case of *Mudharabah*, the depositor and the Bank agree on the profit distribution ratio. This is currently applied to deposit products such as current and savings accounts. The principle of *Ijarah* involves renting with the option to purchase, and is used for leasing-related activities.

“Islamic banking products have proliferated over the past few years and have now come to cover some of the space previously occupied by conventional banking products. Among the key areas in which Islamic finance has seen particular success are capital markets, retail banking, takaful, corporate financing, investments and unit trusts.

“For the moment, we are looking to apply the principles of *Murabahah*, *Mudharabah* and *Ijarah* in more areas within these categories to enhance our Islamic banking product line.

“What’s really exciting to us is the level of acceptance our current set of products has achieved among both Muslims and non-Muslims. In light of the nation’s quest to become an Islamic banking hub for the region, we believe Islamic banking needs to gain a firmer foothold among all communities of the country. The signs are already there and we aim to become a key contributor to this growth in the future,” he said.

Tuan Syed said OCBC Al-Amin plans to open four more bank branches during the course of 2009 as part of its quest to participate in the country’s development as an Islamic banking hub.

“Kuala Lumpur is widely regarded as a major Islamic finance centre. Not surprisingly, Islamic Banking now accounts for a healthy 16.7% of the country’s banking assets as recently revealed by the Governor of Bank Negara Malaysia.

“Through our efforts, we are underlining our commitment to the future of Islamic banking in Malaysia. We believe OCBC Al-Amin can make a significant contribution through our strong brand, our 13 years of experience in Islamic banking and the spirit of innovation we are bringing to the business,” he added.

As at 31 December 2007, OCBC Bank’s Islamic banking assets stood at RM3.7 billion, while customer deposits and outstanding financing were RM2.8 billion and RM1.9 billion respectively.

Among the offerings at the Jaya One branch are a self-service banking lobby known as *OCBC Fastlane*, a retail customer service area, teller services and a business banking centre. The fully-automated *OCBC Fastlane* features cash and cheque deposit machines, alongside automated teller machines (ATMs). It provides 24-hour services and is fully covered by CCTV and protected round-the-clock by security personnel, seven days a week.

About OCBC Bank

Singapore's longest established local bank, OCBC Bank currently has assets of S\$184 billion and a network of more than 470 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, 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 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.