

OCBC BANK RECEIVES BNM APPROVAL TO SET UP ISLAMIC BANKING SUBSIDIARY

Kuala Lumpur, 7 November 2007 – OCBC Bank (Malaysia) Berhad today received in-principle approval from Bank Negara Malaysia to carry on Islamic banking business under the Islamic Banking Act 1983 (IBA) and to establish an Islamic banking subsidiary under section 29 of the Banking & Financial Institutions Act 1989 (BAFIA).

Under the IBA licence, the Islamic banking subsidiary when established will be permitted to conduct the full range of Shariah-compliant universal banking business including Islamic hire-purchase and Shariah compliant corporate finance activities as set out under Schedule 4 of the Capital Markets and Services Act 2007.

Director and CEO of OCBC Bank (Malaysia) Berhad, Datuk Albert Yeoh said, “We are extremely pleased with the good news from Bank Negara Malaysia this morning and look forward to playing our part in helping the country establish herself as a hub for Islamic banking activities.

“We have been involved in Islamic banking for the past twelve years and are thus not new to the business. The approval from Bank Negara Malaysia provides us with the opportunity to take our Islamic banking business to the next level. And we will be better positioned to develop OCBC Bank into a one-stop centre for Islamic Banking” he said.

For the nine months ended 30 September 2007, OCBC Bank’s income from Islamic Banking increased by 57% to RM58 million. Total Islamic Banking customer deposits grew by 35% from a year ago to RM2.9 billion as at 30 September 2007. As at 30 September 2007, the Bank’s Islamic Banking division had achieved RM3.5 billion in assets and RM1.8 billion in outstanding financing.

OCBC Bank has over twenty Islamic banking products, including lending programmes that range from its popular consumer-focused *Cash Financing-i* to its complex Islamic investment banking exercises. OCBC Bank has also introduced a range of deposit products and structured investments.

On the corporate front, OCBC Bank has made significant inroads into Shariah-compliant investment banking through a series of innovative deals, including the first oil palm and first multiple real estate securitization exercises.

Earlier this year, OCBC Bank launched its internet and ATM *zakat* contribution services, making it the first foreign bank to simultaneously offer both channels for Muslim customers to fulfil their tithing obligations.

OCBC Bank will continue to develop innovative Islamic financial structures, products and services that meet the needs of its customers through the new Islamic banking subsidiary.

OCBC Bank will make further announcements in due course concerning specific plans for the Islamic Banking subsidiary.

About OCBC Bank

Singapore's longest established local bank, OCBC Bank, currently has assets of S\$170 billion and a network of over 420 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Thailand, Vietnam, China, Hong Kong SAR, Taiwan, Brunei, Myanmar, Japan, Korea, Australia, UK and USA. This network includes more than 330 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.

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