

OCBC OFFERS THIRD TRANCHE OF GLOBAL WATER STOCKS FRNID FOLLOWING INITIAL SUCCESSES

Principal-protected three-year *Precious Water FRNID* offers potentially higher returns than regular deposit products

Kuala Lumpur, 21 December 2007 – OCBC Bank (Malaysia) Berhad has launched the third tranche of a unique, principal-protected, floating rate negotiable instrument of deposit (FRNID) whose key distinctiveness lies in its ability to provide customers with the opportunity to ride on the growth of global water-related stocks. This follows the successes of two earlier tranches, first launched almost a year ago.

For a minimum deposit of RM100,000, a customer may take up OCBC Bank's three-year *Precious Water FRNID*, which is 100% principal-protected if held to maturity, guaranteeing the customer he or she gets back whatever has been put in, with the potential for more from growth in the selected water stocks. The maximum amount per NID certificate is RM10 million.

Revealing this today, OCBC Bank's Head of Wealth Management, Mr Lim Wyson said *Precious Water FRNID* was first launched in January this year and despite its conservative nature, the market value has since gained more than 5% p.a. based on prevailing market rates.

"This tranche is a perfect match for the conservative investor who is looking for the opportunity to gain from water-related stocks, yet also wishes to have the peace of mind that comes with knowing the investments are 100% principal protected as long as he or she holds the investment to maturity (i.e. 3 years).

"With the overwhelming interest shown by the public for sustainable investment themes, we decided to offer a third tranche of the *Precious Water* series, which will remain available until Christmas Eve," he said.

Precious Water FRNID is the first of its kind in Malaysia and features a basket of five global water-related stocks comprising Suez SA, Danaher Corp, Severn Trent, ITT Corp and Veolia Environment, each with a current market capitalisation of between USD\$7 billion and USD\$88 billion. Suez and Veolia Environment are listed on the Euronext Paris Exchange; Danaher and ITT on the New York Stock Exchange; and Severn Trent on the London Stock Exchange.

According to Lim, the Malaysian public has, of late, seen greater amounts of media coverage on the issue of water scarcity and this signals that demand for this commodity is indeed increasing.

“The statistics from reliable research are telling – 1.1 billion people worldwide lack access to clean drinking water; 2.6 billion people lack access to sanitation; 80 countries experienced serious water shortages during the mid-1990s; and global water usage is expected to increase by 40% by 2020.

“Two-thirds of the global population is expected to be living in water stressed conditions in less than 25 years; and the projected cost per year of bringing to poor people universal access to water by 2015 is USD\$30 billion.

“With this scenario before us, investors who want the opportunity to gain from water-related stocks but yet have little or no access to these global water-related stocks would find this tranche a viable solution,” he said.

Suez supplies, among other things, sustainable solutions for essential environmental services such as water, sanitation and waste management services; Danaher is a global leader in water quality analysis and treatment; Severn Trent offers a range of water purification, sewage treatment and disposal and recycling services, in addition to IT services and solutions, and engineering consultancy services; ITT produces pumps, systems, and services to measure and control water and other fluids; and Veolia Environment supplies drinking water and provides waste management services.

“With *Precious Water FRNID*, the investor stands to potentially earn attractive returns as long as the underlying shares are at or above a particular barrier level of their initial asset valuation at specified quarterly observation dates...in addition, to having the added benefit of principal protection when held to maturity,” Lim added.

About OCBC Bank

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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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