

OCBC ROLLS OUT “ALL WEATHER” STRUCTURED INVESTMENT THAT BANKS ON CHINA’S GROWTH PROXIES

Principal-protected three-year *China All Weather FRNID* offers unique investment opportunity for cautious investors

Kuala Lumpur, 9 July 2007 – With the current mixed sentiment of interest and caution over China’s relentless economic growth, OCBC Bank (Malaysia) Berhad today launched a unique deposit product that allows cautious investors to enter the China market with the peace of mind.

The Bank’s three-year *China All Weather Floating Rate Negotiable Instrument of Deposit (China All Weather)* seeks to quell the effects of potential turns of investment conditions in the market by aligning with three of China’s growth proxies, namely the FTSE/Xinhua China 25 Index, Copper Spot and Chinese Yuan/USD.

For a minimum deposit of RM100,000, a person may now take up the structured investment product, which is 100% principal-protected if held to maturity, guaranteeing he or she gets back whatever has been put in, if not more. The maximum amount per NID certificate is RM10 million.

Revealing this today, OCBC Bank’s Head of Wealth Management, Mr Lim Wyson said the *China All Weather* is the first such product in Malaysia to be linked to the three China proxies that are being offered to the individual investor.

“China could be viewed as an economic miracle or an economic concern. But this does not mean the investor should either get overly optimistic or overly pessimistic. We believe there is an in-between approach that the general investing public can take, and that is being made available today through OCBC Bank’s *China All Weather*,” he said.

Through *China All Weather*, investors stand to enjoy potential semi-annual interest payments of up to 7% per annum when all three underlying assets – the FTSE/Xinhua China 25 Index, Copper Spot and Chinese Yuan/USD – move at or above their initial levels or, alternatively, if all three move below these levels.

Commenting on the way the structured investment product works, Lim said structural impediments have long made it prohibitive for investors to access China’s growth story via its equity markets alone.

“Approaching investment via the equity market together with commodity and currency options as well presents a far more viable alternative to investing in China as we expect the performance of the three underlying assets to move in line with the country’s growth.

“The FTSE/Xinhua China 25 Index consists of the 25 largest and most liquid Chinese stocks listed and trading on the Hong Kong stock exchange. These companies gain most of their profits from China and performance is largely influenced by the Chinese economy. If the Chinese economy continues to grow rapidly, the demand for commodities such as copper, in turn, will rise...and we note that China has contributed to two-thirds of the increase in global copper demand. And, given that a large portion of China’s growth derives from exports, currencies provide another strong entry point into investing there,” he added.

About OCBC Bank

Singapore's longest established local bank, OCBC Bank, currently has assets of S\$157 billion and a network of over 370 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 250 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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