

**OCBC BANK REGISTERS RM718 MILLION
PRE-TAX PROFIT**

Kuala Lumpur, 21 February 2008 – OCBC Bank (Malaysia) Berhad (OCBC Bank) today reported a pre-tax profit of RM718 million for the financial year ended 31 December 2007, an increase of 19% compared to 2006.

Director & CEO Dato' Albert Yeoh of OCBC Bank attributed the earnings growth to improved operating profits, higher net interest and increased non-interest income.

Net interest income rose 16% to RM867 million, while non-interest income increased by 26% to RM357 million.

A 20% increase in average interest earning assets to RM37 billion more than offset the impact of a 9 bps decline in net interest margin to 2.51%, contributing significantly to the improved net interest income.

Total customer loans increased by 14% to RM27 billion, driven by growth in both the consumer and corporate banking businesses, while deposits also grew by 14% to RM31 billion. Total assets grew 15% to RM42 billion.

Income from Islamic Banking increased by 58% to RM82 million due largely to a 12% growth in outstanding Islamic Banking financing. Total outstanding Islamic Banking financing stood at RM1.9 billion as at 31 December 2007.

Total Islamic Banking assets grew by 16% to RM3.7 billion while total Islamic Banking customer deposits rose 7% to RM2.8 billion.

The growth in non-interest income in 2007 came mainly from higher fees and commissions and foreign exchange gains.

Overhead expenses were higher by 30%, rising to RM542 million, mainly due to an increase in personnel costs, new business promotion campaigns and higher establishment costs, each deriving from the implementation of new systems in line with business activities and volume increases.

Net allowances for the year were lower at RM45 million, compared to RM63 million in the previous year. While RM58 million had been provided for general allowances to cater for loans growth, and RM20 million for net specific loan allowances, these were partially offset by net recoveries of RM33 million in bad debts. NPLs decreased by RM200 million to RM1.1 billion, resulting in a lower net NPL ratio of 2.55% compared with 3.24% in 2006.

Commenting on OCBC Bank's performance, Dato' Albert Yeoh said: "2007 was another good year for us at both the OCBC Group level and in Malaysia. I am pleased with the broad based growth in interest income and non-interest income arising from higher loan growth, growth in fee-based and treasury activities, and our increased market share in wealth management, credit cards and Islamic banking.

"In line with our New Horizons II strategy, we will continue to focus on deepening our market presence in Malaysia through the opening of new branches, introduction of alternative distribution channels and enhancing our position in Islamic banking."

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