

**By Ms Leong Wai Leng,
Chairman & CEO, OCBC China
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Kuala Lumpur, 25 September 2009 - OCBC sees immense opportunities in the China market. We have been in China for more than 80 years through the establishment of our first branch in Xiamen in 1925, and have a reasonably good understanding of the Chinese market and culture. Under OCBC Bank's New Horizons II strategy (2006-2010), China has been identified as one of the major focus markets, apart from Singapore, Malaysia and Indonesia. We remain committed to the China market and to our plans to establish a bigger franchise there.

Our long-term commitment to China remains unchanged as we continue with our business and network expansion plans in the country. Currently, OCBC China has 11 branches and sub-branches in 7 Chinese cities (Shanghai, Chengdu, Beijing, Tianjin, Xiamen, Chongqing and Guangzhou), as well as a representative office in Qingdao.

On the consumer banking front, having received regulatory approval to offer Chinese Renminbi (RMB)-denominated products to Chinese citizens in the cities of Shanghai and Chengdu early last year, OCBC China has started offering RMB mortgages, and wealth management and investment products to meet the needs of the increasingly affluent in China. With 'family' as the main thrust of our retail banking strategy, we have developed family-oriented products and services to help customers in China protect and grow their family wealth. We believe that no matter what we do, it all boils down to providing for the family and ensuring the sustainability of family income. This is especially so for the Chinese. As such, we trust that there is a good segment of the market to which we can offer our services.

For our corporate business, we have started to offer multi-product banking. Thus, besides loans, other products we offer include deposits, corporate advisory business, trade, cash management and many more.

Being a developing market, the Chinese government plays a pivotal role in building the financial industry to become a new driver for economic growth. We have seen quite a number of good initiatives rolled out recently, such as RMB-

denominated bonds in Hong Kong, and cross-border RMB trade settlement which has now been harnessed by our offices in Malaysia and Singapore.

The gradual internationalisation of the RMB offers more business opportunities for OCBC. In fact, OCBC is the first Singapore bank to participate in China's RMB trade settlement and OCBC Malaysia also has the same capabilities. In this regard, you would be aware that corporate customers of OCBC Malaysia may now settle their trade transactions as well as perform telegraphic transfers in RMB to and from 309 companies in Mainland China that are eligible under the RMB trade settlement pilot programme. Previously, corporate customers could only do so via currencies such as the US Dollar, which inevitably involves forex-related uncertainties.

The range of services involving the RMB trade settlement arrangement includes issuance and payment of letters of credit; advising on and confirming export letters of credit; documentary collection (import and export); payment guarantee for supply of goods; and outbound telegraphic transfers in RMB to eligible trade partners. In addition, OCBC Malaysia customers may also receive inbound telegraphic transfers in RMB.

The use of RMB in trade with China will provide Malaysian companies with additional flexibility. As an example, for many of OCBC Malaysia's customers with business operations in China, the ability to settle trade transactions in RMB provides them with a natural hedge to their RMB exposures.

Behind the scenes, we are beginning to appreciate the China paradox – that China is diversified within its unity. Indeed, OCBC Bank is currently represented in 7 Chinese cities where we are at varying development stages given the significantly differing market demands. In order to seize business opportunities, we have placed our local managers on the ground to react accordingly to local market conditions and develop initiatives to suit customer needs.

To sum it up, OCBC is a Singapore bank with international financial expertise that helps individuals and businesses across communities in Asia, including China and Malaysia, fulfill their aspirations. OCBC China has been in China for a long time and has the local knowledge to assist our customers in Malaysia to navigate the China landscape.

Of particular note is the fact that the Treasury team of OCBC China works closely with the Business Banking and Retail Banking departments to develop financial solutions for our customers who need to invest their funds or hedge their

exposure. Our focus is on assisting clients to better manage their market risks in foreign exchange and interest rates.

OCBC China will continue to leverage on our knowledge of China to service our network of corporate customers in Singapore and Malaysia in order to assist them in the quest to grow in the China market.

About OCBC Bank

OCBC Bank is Singapore's longest established local bank. It has assets of S\$183 billion and a network of more than 480 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, Bank OCBC 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.

OCBC Bank offers Islamic banking products and services in Malaysia through its wholly-owned subsidiary, OCBC Al-Amin Bank Berhad.

Additional information may be found at www.ocbc.com.