



MEDIA RELEASE

OCBC BANK LAUNCHES ONLINE TRADING ACCOUNT WITH LOW BROKERAGE FEES

Singapore, 14 April 2003 – OCBC Bank today announces the launch of an Equity Investment Account, an online trading account for smaller investors, that comes with low brokerage fees. With this new online offering, investors will have the convenience of having the transaction amount debited directly from an OCBC deposit account. Also, in the event that there are insufficient funds for a buy trade, credit will be granted automatically through a margin facility. This online trading cum margin facility is the first to be offered in Singapore.

With OCBC Bank's Equity Investment Account, a customer need only pay \$20 in brokerage fees for trades of up to \$10,000 in value. If he trades more than 10 times within any month, the fees are further reduced by a further 50%. This means that he pays only \$10 per trade.

The account comes with a margin facility that is equivalent to two times the value of marginable securities in the account. Sales proceeds will be deposited directly into the customer's deposit account after any outstanding margin draw down has been settled. The next subsequent purchase is then funded from the deposit account. This is a good cash management tool for the customer as interest payment is always kept to a minimum.

In recent years, the securities market has seen a changing landscape. With liberalisation, the market has seen declining margins and lower volumes, resulting in a fall in brokerage income. Under such conditions, brokers have been focussing more on high volume traders.

Explaining how the product meets a market need, Mr Y Y Chin, Executive Vice President and Group Head of OCBC Bank's Consumer Financial Services Division said, "Today, the man in the street is deterred from trading in stocks and shares as he has to contend with the bigger players enjoying larger lines of finance and lower brokerage fees. OCBC Bank's Equity Investment Account aims to level the playing field for the small time investor."

"Over the years, the Bank has also seen good take up for products such as share borrowings and derivatives from the smaller investors. This suggests to us that this market segment has good potential," he added.

Mr Chin pointed out that this product is not meant to start a brokerage war. Instead, it is aimed at developing more depth for the local stock market, through attracting an existing segment of non-contra, online investors. "Given that these customers do not require a high level of broker assistance and are low-risk because they engage in non-contra trades, it makes sense to charge them a lower brokerage fee," he explained.

While these customers may not have access to broker assistance, they are not left entirely without help. Customers who buy into the Equity Investment Account will be able to make use of a transparent model portfolio to obtain focussed investment advice from professionals of OCBC Bank's Investment Research team.

While the Bank serves as the distribution channel, the account will be managed by its subsidiary, OCBC Securities. Account-opening forms can be obtained at all OCBC Bank branches.

Addressing concerns that the Bank's product may raise issues about cannibalisation of products offered by OCBC Securities, Mr Leong Mun Wai, its Managing Director said, "As this product will be offered to OCBC Bank's customers, we are expanding into a customer segment that is currently not serviced by our remisers. In fact, this is a win-win situation for our remisers as they will have the opportunity to cross-sell other securities products such as Equity-Linked Notes and Spread Warrants to this group of customers."

Investment via securities trading is part of OCBC Bank's suite of wealth management products, which also includes bancassurance, unit trusts and deposits. Over the past two years, the Bank has been pursuing a wealth management strategy aimed at helping its customers create, grow, protect and transfer their wealth.

About OCBC Bank

OCBC Bank is a Singapore-based financial services group with assets of S\$86 billion and operations in 14 countries including Malaysia, China, Japan, Australia, UK and USA, and has more than 125 branches and representative offices around the world. OCBC Bank offers a range of specialist financial services including consumer, corporate, investment, private and transaction banking, global treasury, asset management and stockbroking services to its customers. Additional information may be found at www.ocbc.com.

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