



MEDIA RELEASE

OCBC BANK LAUNCHES REGULAR INVESTMENT PLAN THAT ALLOWS CUSTOMERS TO BUY BLUE CHIP STOCKS FROM S\$100 A MONTH

Singapore, 25 June 2013 – OCBC Bank announced today the launch of the OCBC Blue Chip Investment Plan (“the Plan”), a regular investment plan that allows retail investors to purchase Straits Times Index (STI) stocks for as little as S\$100 a month. Investors can use cash or funds from Supplementary Retirement Scheme (SRS) accounts to invest in one or more stocks from a selection of 19 Mainboard STI stocks and one STI Exchange Traded Fund (ETF). OCBC Bank also saves first-time investors the hassle of opening securities trading and Central Depository (CDP) accounts by buying the stocks on their behalf on a pre-determined date every month.

“Blue Chip” is defined¹ as common stock of a nationally-known company, with a long record of profit growth and dividend payment. Statistics from the Singapore Exchange (SGX) showed that the STI has returned an average of 9.3 per cent per annum over the last 10 years, excluding dividends; over the past 12 months, the dividend distributions of the current 30 STI stocks has totalled S\$14.94 billion, of which S\$7.29 billion was paid over the most recent five months. The list of 19 selected STI stocks will change as the composition of the STI changes.

As a leading wealth management player, OCBC Bank has identified a gap in the investment behavior of young working adults. Some of them have found investing in equities out of reach given the amount of upfront cash needed. As a result, they could miss out an important asset class for wealth creation. Another group of customers – the busy professionals, have also not invested in equities because they have no time to monitor the performance of these stocks.

The investment behavior gap was validated by speaking to these two groups of customers. Among those who wanted to start investing, they were most interested in equities. However, many did not know how and where to start or did not have the time to monitor the different share counters. Many too felt that most blue chip stocks were out of reach since one lot (1000 shares) can cost up to a five-figure sum. The OCBC Blue Chip Investment Plan was developed to address this gap as an accessible way to invest into blue chip

¹ Source: Barron’s Dictionary of Finance and Investment Terms

stocks and build a portfolio for the long term in a simple, regular and affordable way.

Head of Consumer Financial Services (Singapore) and Group Premier Banking, OCBC Bank, Mr Dennis Tan, said: “Whether investments are for your children’s education, or to grow your wealth for a nice retirement, we want to ensure no customers are deprived of such opportunities. We are always looking at ways to expand our offering of retail wealth products. And the OCBC Blue Chip Investment Plan is yet another such offering. We recognise that there is this group of customers who are interested in investing but has never traded shares or has no time to monitor shares. With this plan, we have closed this gap by making it very simple and accessible for anyone who wishes to participate in blue chip stocks, in an affordable way.”

Mr Chew Sutat, Executive Vice President at SGX said: “Individuals are increasingly aware that share investing is important for their long term needs. As a result, their participation in the share market has grown. However, retail investor participation in Singapore remains low at about eight per cent compared to 24 per cent in Hong Kong and 17 per cent in Australia. We hope to increase the retail participation rate in Singapore in the next three years to 15 per cent. By making regular share investing accessible and affordable, OCBC’s Blue Chip Investment Plan will enable more individuals to invest in a sustainable way for a more secure future.”

To educate the public on the importance of regular investing, OCBC Bank will work jointly with SGX to organise public seminars and road shows to help raise awareness, starting in July 2013. Existing OCBC Bank customers can apply for the Plan via OCBC Online Banking. Non-OCBC Bank customers can send in their application via mail. They can choose to sell the shares in their plan or change the investment amount anytime via OCBC Online Banking.

For more information, customers can visit www.ocbc.com/bluechip

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world’s most highly-rated banks, with an Aa1 rating from Moody’s. It is ranked by Bloomberg Markets as the world's strongest bank in 2011 and 2012.

OCBC Bank and its subsidiaries offer a broad array of specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 470 branches and representative offices in 15 countries and territories, including about 350 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which continued to gain industry recognition in 2011 including being voted "Outstanding Private Bank in Asia Pacific" by Private Banker International.

For more information, please visit www.ocbc.com.
