



OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Incorporated in Singapore)

(Company Registration No. 193200032W)

MERGER OF PT BANK OCBC INDONESIA AND PT BANK OCBC NISP TBK

1. INTRODUCTION

- 1.1 Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”) wishes to announce that its two licensed bank subsidiaries in Indonesia, namely PT Bank OCBC Indonesia (“**BOI**”) and PT Bank OCBC NISP TBK (“**OCBC NISP**”) have plans to merge into one bank (the “**Merger**”). The merged bank will adopt the name of PT Bank OCBC NISP TBK.

2. RATIONALE

- 2.1 Currently, OCBC Bank is the majority shareholder of both BOI and OCBC NISP. BOI is 99% owned by OCBC Bank and 1% by OCBC NISP, while OCBC NISP is 81.9% owned by OCBC Overseas Investments Pte. Ltd., a wholly owned subsidiary of OCBC Bank, and 18.1% owned by other shareholders.
- 2.2 The benefits of the Merger are as follows:
- (i) Synergy: With BOI and OCBC NISP operating as one single entity, there will be revenue, cost and operational synergies which will benefit all stakeholders including our customers;
 - (ii) One Presence: The merged bank will be the only bank bearing the OCBC brand in Indonesia dedicated to serving OCBC customers;
 - (iii) Size: Post-merger, OCBC NISP’s increased assets and capital will position it for faster growth in future; and
 - (iv) Capabilities: The merged bank will have the combined capabilities of the two banks to serve different customer segments, providing a broader range of products and services.

3. MERGER TERMS

- 3.1 **Merger Structure.** The Merger is structured as a book value merger where BOI and OCBC NISP will be merged at respective tax book values. The merged entity will adopt the name of PT Bank OCBC NISP TBK. BOI will be dissolved by law without any liquidation process, and all assets and liabilities of BOI will be legally transferred to and assumed by OCBC NISP.
- 3.2 **Share Conversion.** Under the terms of the merger, OCBC NISP will issue new shares to shareholders of BOI based on the share exchange ratio of 1,544.541 new OCBC NISP shares for every existing BOI share. In total, 1,229,454,467 new OCBC NISP shares will be issued. The new OCBC NISP shares will be listed on the Indonesian Stock Exchange.

- 3.3 **Increase in Shareholding in Subsidiary.** Based on the share exchange ratio, OCBC Bank, as the shareholder of BOI will receive 1,217,159,922 new OCBC NISP shares. In addition, as part of the Merger, OCBC Bank will purchase 12,294,545 new OCBC NISP shares that will be issued to OCBC NISP itself resulting from the exchange of its 1% shareholding in BOI, at a consideration of approximately IDR17,630 million. In aggregate, OCBC Bank will receive 1,229,454,467 new OCBC NISP shares as a result of the Merger. After the Merger, OCBC Bank's direct and indirect shareholding in OCBC NISP will increase to 85.06%.
- 3.4 **Cessation of Subsidiary.** On the effective date of the Merger, shareholders of BOI will become shareholders of OCBC NISP. Accordingly, BOI will cease to exist and in turn, cease to be a subsidiary of OCBC Bank.

4. APPROVALS

- 4.1 **Approvals for the Merger.** The Merger and its terms are subject to the approvals of (i) shareholders of BOI and OCBC NISP; and (ii) regulatory authorities in Indonesia including Bank Indonesia, Bapepam-LK, and the Ministry of Law and Human Rights. The listing of the new OCBC NISP shares to be issued pursuant to the Merger will also be subject to the approval of the Indonesian Stock Exchange. OCBC Bank, as the controlling shareholder of both banks, has received approval from the Monetary Authority of Singapore on 17 September 2010 for the Merger.
- 4.2 The target effective date of the Merger is 1 January 2011.

5. INFORMATION ON THE MERGING BANKS

- 5.1 **OCBC NISP.** Founded in 1941 in Bandung, West Java, OCBC NISP is the fourth oldest bank in Indonesia. OCBC NISP has since evolved into a solid and reliable bank, catering mainly to small and medium enterprises. It officially became a commercial bank in 1967, a licensed foreign exchange bank in 1990, and a public listed bank on the Indonesian Stock Exchange in 1994. As of 30 June 2010, OCBC NISP has total assets of approximately IDR39.1 trillion. OCBC NISP serves customers through a shared network of 400 offices in 62 cities throughout Indonesia. It has 563 ATMs and taps into a network of more than 37,000 ATMs (including ATM Bersama, BCA, OCBC Bank in Singapore and BankCard in Malaysia). OCBC NISP currently employs 5,918 people.
- 5.2 **BOI.** BOI was established in 1996 and it subsequently merged with PT Bank Keppel Tatlee Buana in 2003 with BOI remaining as the surviving bank. BOI principal activities are in commercial banking and its shares are not publicly traded. Currently, BOI has one head office and three branches; and employs 117 people.
- 5.3 **Net Tangible Assets.** The audited net tangible asset values of BOI and OCBC NISP as at 30 June 2010 are approximately IDR944 billion and IDR4,451 billion respectively. The Merger is not expected to have a material effect on the financial position of the OCBC Group for the financial year ending 31 December 2010.

Issued by

OVERSEA-CHINESE BANKING CORPORATION LIMITED

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