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## **OCBC GROUP ACQUIRES UBS WARBURG'S SINGAPORE SECURITIES BUSINESS**

*OCBC Securities will be among top three largest local stockbroking firms with acquisition of UBS Warburg & Associates at maximum of S\$124.5 million*

Singapore, 18 December 2000 --- Oversea-Chinese Banking Corporation Limited ("OCBC Bank") announced today that it will acquire UBS Warburg & Associates (Singapore) Private Limited ("UBS Warburg & Associates") through the Bank's wholly owned subsidiary, Provident Securities Private Limited ("Provident"). Provident is the holding company of OCBC Securities Private Limited ("OSPL").

This deal will propel OSPL into the ranks of Singapore's leading stockbroking firms. OSPL will emerge among the top three largest stockbroking firms in Singapore with approximately 300 trading representatives, over 10 per cent market share and combined shareholders' funds of approximately S\$260 million.

For the first six months ended 30 June 2000, the unaudited net profit before extraordinary items of OSPL was S\$10.1 million, while that of UBS Warburg & Associates was S\$6.9 million.

Announcing this, Mr Alex Au, Vice-Chairman and Chief Executive Officer of OCBC Bank, said, "This acquisition exemplifies the type of quantum leap strategy that we at OCBC Bank have been pursuing. At the same time, this positively caps off a year of considerable achievements for OSPL.

"We will achieve immediate growth in OSPL's base of remisiers and dealers, enabling it to capture a bigger share of the highly competitive stockbroking industry in the face of commission liberalisation. It will further enhance the OCBC name and franchise in the Singapore stockbroking industry, and boost the Group's presence in the consumer market.

"More significantly, OCBC Bank is acquiring a cash-generating business which will deliver immediate returns."

Provident will acquire 100 per cent of UBS Warburg & Associates from UBS AG and its local partner, Swift Investment Holdings Private Limited. Upon completion of the acquisition, UBS AG will assume the institutional business of UBS Warburg & Associates. Through this transaction, OCBC Group will thus be acquiring the retail stockbroking business of UBS Warburg & Associates.

The pricing formula agreed upon by all parties is that Provident will pay the value of UBS Warburg & Associates' net tangible assets as at 31 December 2000, or S\$100 million,

whichever is lower, plus a premium of S\$24.5 million. The maximum consideration for the acquisition is therefore S\$124.5 million.

Said Mr Lawrence Wong, OCBC Bank's Head of Investment Management, and Chairman of OSPL, "We believe the price we have paid is reasonable, reflecting the cash-based net tangible asset value of the company, and the quality of the business we are taking over.

"The bulk of the acquisition price reflects UBS Warburg & Associates' net tangible assets, practically all of which is cash. The modest premium of S\$24.5 million is in recognition of the value of the high quality franchise and client base that UBS Warburg & Associates had built up over the past seven years.

"UBS Warburg & Associates' franchise and customer base fits very well with that of OSPL. We also share the same culture in relation to risk management and fostering a quality clientele. This transaction will enhance OSPL's own distribution capabilities in the launch of innovative new products."

Commenting on the acquisition, Mr Brad Orgill, Head of Asian Equities at UBS Warburg, said, "The sale of our retail securities business to OCBC Group will allow us to fully focus on our institutional business. With a wholly owned institutional equities business, our corporate finance, fixed income and treasury product franchises will have a stronger platform from which to serve our institutional and corporate clients in Singapore, in the region and globally. With this, we further enhance our commitment to Singapore."

UBS Warburg & Associates will have its name changed upon completion of the transaction to OSPL 2001 Private Limited. Legal and financial completion is scheduled for January 2001. Following this, OSPL will move promptly to integrate OSPL 2001's operations with that of its own. This integration process is expected to be fully completed within six months.

Further to the Monetary Authority of Singapore's (MAS) in-principle approval received earlier this month, the completion of the acquisition is conditional, inter alia, upon the formal approvals of the MAS and the Singapore Exchange Securities Trading Limited.

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## **About OCBC Bank**

With total assets of S\$54 billion, and a staff force of 5,900 in 90 branches and representative offices in 13 countries, OCBC Bank (which was founded in 1932) now ranks as one of the largest banks incorporated in Singapore. In 1999, it reported a profit attributable to shareholders of S\$690 million.

OCBC Bank's mission is to be a world-class financial institution in Asia Pacific. This it seeks to achieve by the provision of superior customer service, particularly through the use of technology. A leading eCommerce financial player, OCBC Bank owns Bank of Singapore Limited (BOS), which is positioned to pursue global innovative eCommerce initiatives in the buyer-advocate space. BOS comprises finatiq.com, the consumer division, finixis.com, a financial and business solutions hub and eVentures, a venture investment arm. In addition,

OCBC Bank has a joint venture with Australia and New Zealand Banking Group Limited to create Asia's premier internet bank.

### **About OCBC Securities**

OCBC Securities Private Limited ("OSPL"), wholly owned by OCBC Bank, is a member of the Singapore Exchange (SGX). The stockbroking firm services a large base of institutional investors including reputable British, Japanese, American and European securities houses, fund managers and investment trusts, insurance companies, foreign banks, and publicly listed corporations.

OSPL's retail operations are supported by a team of 170 trading representatives servicing retail and high net worth clients. In addition to personalised service, retail clients can have access to six regional markets via iOCBC, the Internet broking service of OSPL.