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## **OCBC Bank launches loan package that addresses key concerns of HDB home buyers**

Singapore, 31 December 2002 – Oversea-Chinese Banking Corporation Limited ("OCBC Bank") today unveils a loan package that addresses the average HDB home buyer's concerns about affordability and convenience.

Recognising that the 1 January 2003 changes requiring HDB market rate home buyers to obtain loans from banks have raised concerns that it may be more difficult to obtain financing, OCBC Bank has been speaking to HDB home-owners to better understand the issues involved.

Mr Y Y Chin, OCBC Bank's Executive Vice President and Head, Group Consumer Financial Services said, "From our conversations with HDB home-owners, it is clear that their main concerns are affordability and the convenience of obtaining a loan from the bank. As a responsible corporate citizen, OCBC Bank therefore decided to introduce a HDB Bank Loan package that addresses these concerns."

For a start, its package is aimed at assuring the average Singaporean that the dream of owning a home is still within his means. Details are as follows:

Year 1	2.0% p.a. (Fixed)
Year 2	2.5% p.a. (Fixed)
Year 3 onwards	2.6% p.a. (OCBC Concessionary Rate)

While the first and second year rates are competitive, OCBC Bank has structured its package such that the third year rate onwards is pegged to a board rate that is currently equivalent to HDB's existing rate for concessionary home loans.

The package is applicable to new HDB home buyers as well as those seeking to refinance their HDB loans.

Given that the average HDB home loan is about \$200,000 and spread over thirty years, this will offer the average home-owner who transfers his HDB loan to OCBC Bank savings of more than \$45,000. The savings are calculated based on the comparison of 2.6% p.a. against HDB's existing market rate loan of 3.75% p.a.

Customers applying for the package will also enjoy the following additional benefits:

- a. Immediate Approval
- b. Pre-approved Renovation Loan of up to \$30,000 at just 6%p.a. (Prime + 1%p.a.)
- c. Legal fee subsidy\* of 0.4% of loan amount or maximum of \$2,500
- d. Free valuation
- e. Free gift\* worth \$175 upon approval of loan

\* For loan of \$100,000 and above

To ensure that the application process is as simple and convenient as possible, those applying for OCBC Bank's HDB Bank Loan can do so via various channels, at its branches, the internet, the telephone as well as through their own property agents. All that is required is for the applicant to provide seven fields of information. As the data is processed online, this means that the applicant will know the success of his application within minutes. Thereafter, all he needs to do is submit the supporting documents when he picks up the Letter of Offer.

For greater convenience, OCBC Bank's three branches in Toa Payoh New Town have been designed to be one-stop centres for HDB home buyers. Once their applications are approved, they can visit these branches on the days when they have appointments with the HDB and collect their Letters of Offer before proceeding to the HDB office to complete their purchase transactions.

From the third week of January 2003, customers can also visit OCBC's Agent Centre at HDB Hub where they can collect their Letters of Offer, consult a lawyer regarding conveyancing before proceeding to the HDB office to complete their transactions. The Agent Centre is located just next to OCBC Bank's branch in HDB Hub.

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### **About OCBC Bank**

OCBC Bank is a Singapore-based financial services group with assets of S\$84 billion and operations in 14 countries including Malaysia, China, Japan, Australia, UK and USA. With one of the most extensive networks among regional banks in Asia, OCBC Bank offers a range of specialist financial services including consumer, corporate and private banking, global treasury, capital markets, corporate finance, asset management and stockbroking services. For the financial year ended 31 December 2001, OCBC Bank achieved a profit attributable to shareholders of S\$785 million

For its eBanking initiatives, OCBC Bank was named as the overall Best Corporate/Institutional Internet Bank for 2002 in Singapore as well as the Asia-Pacific in a global survey conducted by US-based financial magazine, Global Finance. This was the second consecutive year that the Bank has won a Global Finance award -- it was voted the Best Internet Bank in Singapore in 2001.