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## **OCBC Bank Seeks Shareholders' Approval To Establish Programme For Tier 1 Preference Shares**

Singapore, 13 December 2002 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") announced today that it intends to establish a programme for the issuance of Tier 1 non-cumulative non-convertible preference shares.

OCBC Bank is seeking approval from its shareholders to set up the programme, and will despatch a circular to shareholders for an extraordinary general meeting to be held on 8 January 2003.

Under the proposed programme, OCBC Bank intends to create up to five classes of preference shares denominated in Singapore dollars, and one class of preference shares denominated in U.S. dollars. Each class of preference shares will have the same terms and conditions and rank *pari passu* with each other, except that the preference shares will be issued and can be redeemed by OCBC Bank at different dates and will have different dividend rates. The different classes of preference shares are aimed at providing OCBC Bank with additional options, and not all classes provided will necessarily be made use of in the future.

The programme will give OCBC Bank the flexibility to issue preference shares expeditiously and help OCBC Bank take advantage of favourable market conditions. Raising Tier 1 capital will also strengthen OCBC Bank's capital base in preparation for business growth in 2003.

Chief Financial Officer, Mr Soon Tit Koon, said: "Though we are not in need of capital currently, raising Tier 1 capital for OCBC Bank will improve financial flexibility and prepare us for future loan growth. The non-convertible preference shares are also non-dilutive to shareholders."

"We want to make our capital structure more efficient to deliver more value to our shareholders. Going forward, we intend to manage our capital structure in a more dynamic manner, using different tiers to lower our overall cost of capital. We are conscious of the low interest rate environment today and are therefore keen to tap the capital market with issuance of preference shares which is akin to a debt instrument. If market conditions remain favourable, we intend to issue approximately S\$300 to \$500 million in the first quarter of 2003."

**This summary press release should be read in conjunction with the full text of the Announcement filed with SGX-ST on 13 December 2002.**

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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.

OCBC Bank's acquisition in August 2001 of Keppel Capital Holdings, including its subsidiaries Keppel TatLee Bank, Keppel Securities and Keppel TatLee Finance, was an important milestone in its mission to be a high performance, best-in-class financial institution in the Asia Pacific.