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OCBC Bank introduces a revolutionary New Home Loan

Singapore, 15 September, 2000 --- Oversea-Chinese Banking Corporation Ltd (OCBC Bank) today unveiled a creative package that allows home buyers to fix their home loan rates for the first two years. OCBC Bank is the first in Singapore to offer such a flexible package to retail customers. The key philosophy behind this new offering is the customisation of interest rates to suit the customer's cashflow.

For the first two years, customers can choose from a range of rates as stated in the table below, so long as the aggregate rate for the first two years add up to 7.25 percent and 8.5 percent for the two-year fixed rate and five-year fixed rate packages respectively. For uncompleted properties, the aggregate rate for the first two years will be lower, at 7 percent for the two-year fixed rate and at 8 percent for the five-year fixed rate.

FOR OWNER-OCCUPATION ONLY				
Uncompleted Properties				
	Year 1	Year 2	Year 3 - 5	Thereafter
2-Yr Fixed	Maximum	7.0% less 1st yr rate	Prime	Prime
	2.98%			
5-Yr Fixed	3.28%	8.0% less 1st yr rate	5.25% fixed	Prime + 0.5%
Completed Properties				
	Year 1	Year 2	Year 3 - 5	Thereafter
2-Yr Fixed	Minimum	7.25% less 1st yr rate	Prime	Prime
	2.98%			
5-Yr Fixed	3.28%	8.5% less 1st yr rate	5.25% fixed	Prime + 0.5%

Note:

At the maturity of the fixed rate period, the Bank will offer customers interest rates that are pegged to the prime rate.

"At OCBC Bank, we are always looking at various options to help our customers better manage their finances. This new and innovative pricing strategy aims to meet the growing and varied needs of such customers. Our competitive package will give our customers the freedom, flexibility and choice to adjust their loan payments with the rise and fall of their personal cashflow," said Mr Y Y Chin, Executive Vice President and Head, Consumer Financial Services.

"Another highlight of this package is that we are the only bank to have our fixed rates commencing three months after the date of the letter of offer or first loan disbursement, whichever is earlier. At other banks, the interest rate begins on the date of the letter of offer, which means that customers do not enjoy much of the attractive first year rate," he added.

Customers looking for a longer term fixed rate home loan package can sign up for the OCBC Bank 5-year fixed rate package, and still enjoy the flexibility to fix their preferred rates for the first two years.

To help customers understand the new housing loan package better, the Bank will be conducting, for the first time, a 'Home Loan Carnival' on Sunday, 24 September 2000 at Canning Room, 4th Floor, The Westin Stamford & Westin Convention Centre from 1 pm to 5 pm.

This carnival will provide new home-buyers with valuable advice on buying their first home. Personal Financial Consultants and Mobile Banking Executives from the Bank will be on hand to answer queries and advise customers on how to customise their own housing loan package. There will also be a series of informative talks on the different aspects of home-buying by lawyers, valuers and developers.

Annex 1 illustrates three scenarios on how the new housing loan package can work for different customers.

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 e-commerce financial player, OCBC Bank also owns finatiQ.com, Asia's first standalone internet bank, through its wholly-owned subsidiary, Bank of Singapore Limited.