



MEDIA RELEASE

OCBC BANK TO OFFER THREE YEAR TENURED UNIT TRUST – THE SHORTEST IN THE MARKET

The 3-Year Growth Plus Fund is the latest breed of capital protected funds that combine capital protection with potentially high returns and the shortest investment timeframe

Singapore, 15 August 2003 – OCBC Bank announces today, the launch of the first unit trust with a three-year investment tenure - the shortest available plan in the market. The 3-Year Growth Plus Fund is the latest breed of capital protected funds that combines 90% capital protection with the potential to receive 50% of profit payouts even in the first and second year.

Most capital protected funds and structured deposits in the market currently have tenure of at least 5 years. This new Fund is targeted at investors who do not want their money to be tied up for too long, yet desire higher returns than traditional time deposits as well as some capital protection at maturity.

Managed by Schroders Investment Management and distributed exclusively by OCBC Bank, the Fund will leverage on the combined strengths of the Bank's wealth management and distribution structure and Schroders' prudent fund management capabilities and excellent track record.

The Fund invests in two financial instruments. Bonds rated "AA" or better by Standard & Poor's provide the capital protection at maturity. To provide the potential profit payouts and additional returns at maturity, a call option is linked to the strong performing Schroder ISF-Emerging Markets Debt Fund (Schroder EMD) rated "AAA" by Standard & Poor's and whose Singapore feeder fund (Schroder New Markets Total Return and Income Fund) is rated ***** (5-star) by Mercer Investment Consulting's Mercer Retail Fund Ratings. The 3-Year Growth Plus Fund gives investors the opportunity to be a part of Schroder EMD's outstanding performance. Since its inception in 1997, the Schroder EMD has chalked up an average 3-year performance of 58%.

Mr Lim Wyson, Vice President of Wealth Management, Consumer Financial Services, says, "We have always been proactive in working with third-party fund managers to specially structure products for our clients' needs. For this Fund, we worked very closely with Schroders to develop a new breed of capital protected fund to meet customer needs that have evolved according to marketplace changes, and customers' differing risk preferences."

"In today's challenging market, customers may not want their funds tied up for too long. Although equity markets have rebounded from their lows this year, they are still volatile and there is no assurance of a continuing uptrend in the next three years. Deposit rates also look

to stay low. For the more risk adverse investor desiring higher returns, the Fund is a viable alternative. This Fund combines the best of both worlds – capital protection with potentially higher returns.”

A unique feature of the Fund is the profit payouts before maturity. The Fund will pay out 50% of the profits earned at the end of Year 1 and 2, provided the net asset value of the Fund reaches or exceeds S\$1.02. This allows investors to lock in their profits before maturity to guard against loss in the event of market decline. Moreover, investors will receive all returns at maturity.

The 3-Year Growth Plus Fund can be invested with cash or through an SRS account. The minimum investment amount is S\$5,000.

About OCBC Bank

OCBC Bank is a Singapore-based financial services group with assets of S\$86 billion and operations in 14 countries including Malaysia, China, Japan, Australia, UK and USA, and has more than 125 branches and representative offices around the world. OCBC Bank offers a range of specialist financial services including consumer, corporate, investment, private and transaction banking, global treasury, asset management and stockbroking services to its customers. Additional information may be found at www.ocbc.com.

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