



MEDIA RELEASE

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OCBC BANK PLANS TO EXPAND ITS FUNDING SOURCES TO TAP OFFSHORE MARKET FOR USD FUNDS

The Exercise Includes a Proposed Issue of USD Floating Rate Notes and the Establishment of a Euro Commercial Paper Programme

Singapore, 25 May 2004 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) announces today that it plans to expand and diversify its funding sources by establishing a Euro Commercial Paper (“ECP”) programme and also launching an issue of Floating Rate Notes (“FRNs”). With this initiative, the Bank will increase its flexibility in managing its asset-liability currency and maturity profile, and reduce its dependency on domestic market funding for short-term liquidity, which is in line with its risk management approach. In addition, the move will enable the Bank to develop and maintain a continuing presence in one of the largest global capital markets.

The proposed ECP programme will have a total size of USD2 billion, and is expected to be fully established by the second or third quarter of 2004. Besides serving as an alternative source of cost-effective short-term funding, the ECP programme will also enable the Bank to tap the short-dated ECP market opportunistically when demand and pricing are favourable. In the long term, the ECP programme will enhance OCBC Bank’s market profile, increase investors’ familiarity with the Bank, and ultimately enable the Bank to develop an investor base in one of the largest investor markets in the world.

The proposed senior unsecured FRNs are expected to have a maturity of three years, and are targeted at institutional investors in various Asian and European markets. Under a Regulation S offering, the final pricing of the FRNs will be determined via a book-building process. The issue of the FRNs is expected to be completed by the second or third quarter of 2004, subject to regulatory clearance and market conditions.

Commenting on the initiative, David Conner, CEO of OCBC Bank, said, "By tapping into the offshore capital markets, we will diversify our funding sources, gain experience in using these markets and give more investors the opportunity to get to know OCBC as an issuer. Over time, we expect to be able to take advantage of the changing conditions in these markets to achieve even lower costs for our overall funding needs. While deposits will always remain an important source of funds, we believe this move will give us greater flexibility as we continue to expand, both in Singapore and overseas."

Citigroup and Deutsche Bank have been appointed to jointly lead manage the USD FRN issue and jointly arrange the ECP Programme with OCBC Bank.

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About OCBC Bank

OCBC Bank is a Singapore-based financial services group with assets of S\$87 billion and operations in 13 countries including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Japan, Australia, UK and USA, and has more than 110 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.

For more information, please contact:

Peter Zheng	Kelvin Quek
Head, Group Corporate Communications	Head, Investor Relations
Tel : (65) 6530 1531	Tel: (65) 6530 4205
Fax : (65) 6535 7477	Fax: (65) 6532 6001
Duty Handphone: 9620 2336	