



MEDIA RELEASE

OCBC BANK TO REVISE TARGET DIVIDEND PAYOUT RATIO

Minimum Dividend Payout Ratio to be Increased to 35% of Core Earnings

Singapore, 31 May 2004 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) wishes to announce that it has reviewed its capital needs and dividend policy in the light of the new capital adequacy guidelines announced by the Monetary Authority of Singapore (“MAS”) on 27 May 2004, and has decided to make an adjustment to its target dividend payout ratio.

In view of the lower minimum Tier 1 capital requirement of 7% for Singapore banks, and taking into account OCBC Group’s current business plans and capital position, the Board has decided to revise upward the target minimum dividend payout ratio from 25% to 35% of the Group’s core earnings. OCBC Bank will henceforth aim to pay its ordinary shareholders dividends amounting to at least 35% of its Group’s earnings from core business activities. The policy of paying more uniform dividends every half year, as well as using surplus capital in excess of its needs for share buybacks, will remain unchanged.

For the financial year 2003, OCBC Bank paid a total ordinary dividend of 23 cents (gross) per OCBC Stock Unit, representing 28% of its core earnings in 2003, excluding the gains from disposal of non-core assets. Over the past 12 months, OCBC Bank has also returned approximately S\$1.1 billion to shareholders through two selective capital reduction exercises which cancelled approximately 92 million OCBC Bank shares, representing approximately 7.1% of its ordinary share capital as at 30 June 2003.

OCBC Bank remains committed to its policy of ensuring that it maintains a cushion above the minimum capital adequacy ratios prescribed by the MAS, for the purposes of accommodating the normal business volatility, funding growth and expansion of the Group, as well as maintaining at least its current credit ratings.

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. Additional information may be found at www.ocbc.com.

For more information, please contact:

Peter Zheng

Head, Group Corporate Communications

Tel : (65) 6530 1531

Fax : (65) 6535 7477

Duty Handphone: 9620 2336

Kelvin Quek

Head, Investor Relations

Tel: (65) 6530 4205

Fax: (65) 6532 6001