



MEDIA RELEASE

OCBC BANK EXPANDS Foothold IN MALAYSIA WITH FOUR NEW BRANCHES

*Move further strengthens the Bank's presence in its key overseas market,
which is in line with its New Horizons II strategy*

Singapore, 3 May 2006 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) will be setting up four new branches in Kuala Lumpur, Selangor, Penang and Sarawak by the end of 2006, raising its total number of branches in Malaysia from 25 to 29. This move affirms its focus on seeking strong growth opportunities in its overseas markets and deepening its market penetration in Malaysia, which is consistent with its New Horizons II objectives.

OCBC Bank’s CEO David Conner said its Malaysian unit, OCBC Bank (Malaysia) Berhad (“OCBC Malaysia”), has received approval from Malaysia’s central bank, Bank Negara Malaysia, to set up the new branches. As part of liberalisation of Malaysia’s banking industry, Bank Negara Malaysia has allowed foreign banks operating in Malaysia to set up four new branches in the country this year.

Rationale

Said CEO David Conner: "Our team in Malaysia has delivered strong growth over the last three years, and the liberalisation of Malaysia’s financial industry presents us with an excellent opportunity to strengthen our position in this important market. “

These new branches are designed to serve the needs of both the business and retail banking communities in the selected areas.

According to conditions laid down by the central bank, one branch has to be in the “market centre”, two branches in “semi-urban centres” and the last to be in a “non-urban” centre.

These branches are located in the following areas:

- Kuala Lumpur - Bukit Damansara (“market centre”)
- Selangor - Bandar Puteri, Puchong (“semi-urban centre”)
- Sarawak - Centre Point Commercial Centre – Miri (“semi-urban centre”)
- Penang - Batu Maung (“non-urban centre”)

“By setting up four new branches in different parts of the country, we will be able to better serve our Small and Medium Industries (SMI), large corporate and consumer customers across the Malaysian community,” said Mr Conner.

With the addition of the new branches, OCBC Bank would have two branches in Sarawak, two on Penang Island, and nine in the Klang Valley.

"We intend to continue to look for opportunities that will allow us to deepen our market penetration in Malaysia and we look forward to further liberalisation initiatives from Bank Negara Malaysia," added Mr Conner.

Background on OCBC Malaysia

OCBC Bank has been in Malaysia since 1932 and it has about 2,500 staff. Malaysia is OCBC Bank's key growth market outside Singapore. It is one of the top three foreign banks in Malaysia by total loans and has assets of RM30.8 billion.

OCBC Malaysia offers a full range of financial services to its customer base of more than 400,000 individuals and businesses, through its 25 branches located across Peninsula and East Malaysia.

OCBC Malaysia scored a 53% jump in net profit to RM415 million for the financial year ended 31 December 2005 as compared to 2004. It contributed 14% to OCBC Group's net profit last year. Earnings growth came from higher interest income and non-interest income, as well as lower allowances. OCBC Malaysia's total assets grew by 12% to RM30.8 billion, while customer loans increased by a broad-based 10% to RM21.8 billion.

OCBC Malaysia's partnership with Great Eastern Holdings in Malaysia, including the referrals by Great Eastern's agents, saw more than 50,000 co-branded OCBC Bank-Great Eastern credit cards issued last year, which contributed one third of the 64% jump in OCBC Malaysia's credit card base.

OCBC Malaysia's Islamic Banking business also witnessed strong growth with RM2.3 billion in assets, RM2 billion in customer deposits and RM1.4 billion in outstanding financing as at the end of 2005. Islamic Banking customer base crossed the 100,000 mark in 2005. OCBC Malaysia is ranked amongst the top 2 foreign banks in Islamic Banking in Malaysia.

About OCBC Bank

Singapore's longest established local bank, OCBC Bank currently has assets of S\$131 billion and a network of more than 310 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 200 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to global treasury and stockbroking services to meet the needs of its customers across communities.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia in terms of assets and market share, and its asset management subsidiary, Lion Capital Management, is one of the largest asset management companies in Southeast Asia.

In 2005, OCBC Bank was named Global Finance magazine's Best Trade Finance Bank and FinanceAsia's Best Bond House. Additional information may be found at www.ocbc.com.
