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OCBC BANK ANNOUNCES S\$4.8 BILLION GENERAL OFFER FOR KEPPEL CAPITAL HOLDINGS

Singapore, 12 June 2001 - Oversea-Chinese Banking Corporation ("OCBC Bank") announced today its intention to make a general offer for all the shares and listed warrants of Keppel Capital Holdings ("KCH"), the listed holding company that owns Singapore's Keppel TatLee Bank and related financial services businesses. The all-cash offer values KCH at approximately S\$4.8 billion.

OCBC Bank will offer S\$3.38 in cash for each KCH share, which represents a premium of approximately 14 per cent to yesterday's closing price of S\$2.96 on the SGX-ST and a premium of approximately 32 per cent to the 90-day average price (as of 11 June 2001 market close). OCBC Bank will also make a cash offer to buy KCH listed warrants at a price of S\$1.01 per warrant.

OCBC Bank's offer will be conditional upon, among other things, regulatory approvals and OCBC Bank acquiring more than 50 per cent of KCH.

The acquisition of KCH will represent the next step forward in OCBC Bank's mission to be a world-class financial institution in Asia Pacific. The combination of the businesses will establish OCBC Bank as clearly the second largest Singapore bank, enhancing its ability to pursue expansion in its core markets of Singapore, Malaysia and Greater China.

The combination of OCBC Bank and KCH will reduce the number of major local banks in the Singapore marketplace to four, representing a significant move forward in the desired consolidation of the Singapore banking sector.

OCBC Bank has identified substantial opportunities for revenue enhancement and cost savings by merging the operations of the two banks. The acquisition is also expected to improve OCBC Bank's earnings per share and return on equity significantly.

Opportunities for value creation include the cross-selling of products across the combined customer base, an enhanced skill set within the combined organisation, and the exchange of best practices. In addition, there will be opportunities for rationalisation of back office operations, technology and processing activities (which will have little impact on customer-facing activities), and from reconfiguration of branch networks for superior customer service.

Commenting on the offer, OCBC Bank's Vice Chairman and Chief Executive Officer, Mr Alex Au, said OCBC Bank and KCH will represent an extremely good business fit. OCBC Bank's strengths include a deep talent pool of experienced managers; a customer-driven approach; a strong, 70-year Asian heritage; a focused strategy concentrating on Singapore, Malaysia and Greater China; and a broad product range. KCH's strengths as a well-managed niche bank include its franchise in the SME market segment, an innovative consumer banking

approach, and a fast-growing business. Together, both OCBC Bank and KCH will benefit from improved scale and more efficient distribution networks.

Mr Au said OCBC Bank decided to make a general offer in cash because of the unique shareholding structure of KCH, which has several substantial minority shareholders.

"We have made an attractive and transparent general offer to all shareholders and listed warrant holders of KCH that allows everyone the opportunity to assess the offer on its merits. By offering a cash price at a substantial premium to recent market prices, we are in effect offering existing KCH shareholders and all warrant holders the opportunity to share immediately in the value that we expect to achieve from synergies in the future. We are confident KCH shareholders and warrant holders will recognise the benefits of our offer."

Mr Au said KCH has a very sound and innovative banking operation but lacks the scale necessary to continue to compete successfully in an increasingly-competitive marketplace.

"The stakeholders of KCH - customers, employees and partners - will benefit from joining forces with OCBC Bank and going from 'strength to strength' as we build a world-class financial institution in Asia Pacific.

"We welcome the management of KCH as our partners in making the combined institution the absolute 'best in class' in Singapore. We look forward to receiving the support of all KCH's shareholders and warrant holders for our offer."

OCBC Bank has sufficient financial resources to fund the acquisition of KCH, Mr Au added.

OCBC Bank has identified a management team that will be empowered to effect a seamless integration of KCH with OCBC Bank, with a particular emphasis on maintaining and enhancing the quality of the customer experience.

"We look forward to working with our colleagues at KCH to make this happen as seamlessly as possible," Mr Au said.

Moving forward, OCBC Bank will continue to manage its capital base actively and pursue expansion opportunities in its core markets of Singapore, Malaysia and Greater China, he concluded.

UBS Warburg, a business group of UBS AG, is acting as sole financial adviser to OCBC Bank for the general offer, and sole lead manager and bookrunner for any financing associated with this transaction.

This summary press release should be read in conjunction with the full text of the Offer Announcement filed with SGX-ST on 12 June 2001.

About OCBC Bank

With total assets of S\$60 billion, and a staff force of 6,400 in 89 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 2000, it reported a profit attributable to shareholders of S\$840 million.

OCBC Bank's mission is to be a world-class financial institution in Asia Pacific, focusing on its core markets of Singapore, Malaysia and Greater China. This it seeks to achieve by the provision of superior customer service, particularly through the use of technology. A leading eCommerce financial player, OCBC Bank owns Bank of Singapore Limited (BOS), which is positioned to pursue global innovative eCommerce initiatives in the buyer-advocate space. BOS comprises finatq.com, the consumer division; finixis.com, a financial and business solutions hub; and eVentures, a venture investment arm.

The Directors of OCBC Bank (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources (including, without limitation, in relation to the KCH Group), the sole responsibility of the Directors of OCBC Bank has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.