



ARCHIVED
MEDIA RELEASE

OCBC BANK SUCCESSFULLY PRICES LARGEST BOND OFFER EVER BY A SINGAPORE CORPORATION

Groundbreaking S\$3.9 billion offering of Upper Tier 2 Subordinated Notes is also largest ever bank capital issue by an Asian bank outside Japan

Singapore, 3 July 2001 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") announces today that it has successfully priced and placed a S\$3.9 billion equivalent offering of 10-year Upper Tier 2 Subordinated Notes. This is the largest bond offer ever by a Singapore corporation.

The offering, which is expected to close on 6 July 2001, is comprised of tranches denominated in Singapore Dollars, US Dollars and Euros - the first tri-currency offering ever by an Asian corporate. The three tranches comprise: S\$1 billion 5% Subordinated Notes due 2011 - the largest ever Tier 2 issue in Singapore dollars; US\$1.25 billion 7.75% Subordinated Notes due 2011 - the largest ever Tier 2 issue in US dollars by a non-Japan Asian bank; and Euros €400 million at 7.25% Subordinated Notes due 2011 - the first Euro-denominated bank capital issue by an Asian borrower. Due to overwhelming demand in the US Dollar, Singapore Dollar and Euro tranches, OCBC Bank opted not to proceed with a UK Pounds Sterling tranche.

The pricing structure of the three-tranche bond issue was determined through a nine-day global book-building exercise from 21 June to 3 July 2001, which targeted institutional investors in Asia, Europe and the United States.

OCBC Bank's Vice-Chairman and Chief Executive Officer, Mr Alex Au, said, "Our two roadshow teams circled the globe, visiting Singapore, Hong Kong, Frankfurt, Munich, Amsterdam, The Hague, London, Los Angeles, Chicago, Minneapolis, Philadelphia, New York and Boston. We are delighted by the very strong interest and tremendous response from institutional investors around the world, particularly given that this is our debut in the international debt capital market."

Mr Chris Matten, OCBC Bank's Chief Financial Officer, added, "Due to the extremely strong demand, we decided to take full advantage of the opportunity to raise more capital than our initial target. The capital raised will be used, firstly, to support our capital adequacy ratios subsequent to the completion of the Keppel Capital Holdings acquisition and, more generally, to bolster our ongoing capital management plans."

The Notes have been rated A1 by Moody's Investor Service, A by Fitch and BBB+ by Standard & Poor's Rating Service.

UBS Warburg, a business group of UBS AG ("UBS Warburg") and sole financial adviser to OCBC Bank, served as Global Coordinator for this offering and OCBC Bank is joint lead manager of the Singapore Dollars note offering.

"The very high quality and depth of the order book is a reflection of OCBC Bank's strong credit ratings, focused strategy, powerful domestic franchise and professional management team," said Mr Patrick O'Brien, Managing Director and Joint Head of Debt Capital Markets Group - Asia at UBS Warburg.

On 12 June 2001, OCBC Bank announced that it intended to launch its general offer for all the shares and listed warrants of Keppel Capital Holdings Ltd ("KCH"), the listed holding company that owns Singapore's Keppel TatLee Bank and related financial services businesses. UBS Warburg is undertaking the offer on behalf of OCBC Bank. OCBC Bank is offering S\$3.38 in cash for each KCH share and S\$1.01 for each KCH listed warrant. The all-cash offer values KCH at approximately S\$4.8 billion.

About OCBC Bank

OCBC Bank is a Singapore-based financial services group offering a broad range of financial services, including consumer, corporate and international banking, investment management, global treasury, stockbroking and eFinancial services. With total assets of S\$60 billion, OCBC Bank ranks as the second largest local bank in Singapore in terms of market capitalisation.

Established in 1932, OCBC Bank currently employs 6,400 staff globally and operates 89 branches and representative offices in 13 countries worldwide, with one of the most extensive networks among regional banks. For the financial year ended 31 December 2000, OCBC Bank achieved a profit attributable to shareholders of S\$840 million, representing a 16.4% increase over the previous year.

OCBC Bank's mission is to be a world-class financial institution in the Asia Pacific region. A leading eCommerce financial player, OCBC Bank is being transformed into a 'click-and-mortar' bank while its wholly-owned subsidiary Bank of Singapore Limited (BOS) is positioned to pursue global innovative eCommerce initiatives in the buyer-advocate space. By leveraging on its rich heritage, innovative spirit and forward-looking management, OCBC Bank is committed to helping its customers, shareholders and staff grow from strength to strength.