



## MEDIA RELEASE

### **OCBC BANK TO RAISE ITS SHAREHOLDING IN BANK NISP TO MAJORITY STAKE OF 51%**

#### *Move Positions OCBC Bank and Bank NISP To Better Capture Financial Services Growth Opportunities In Indonesia*

Singapore, 2 December 2004 – Oversea-Chinese Banking Corporation Limited ("OCBC Bank") announces today that its wholly-owned subsidiary, OCBC Overseas Investments Pte. Ltd., has entered into a conditional sale and purchase agreement to purchase an additional 28.5% stake ("Proposed Investment") in its associated company in Indonesia, PT Bank NISP Tbk ("Bank NISP"), from several shareholders of Bank NISP, including members of the Surjaudaja family. The Proposed Investment is subject to all necessary regulatory approvals being received in Singapore and Indonesia, including the approvals of the Monetary Authority of Singapore and Bank Indonesia.

David Conner, CEO of OCBC Bank, said, "The progress that OCBC Bank and Bank NISP have made over the past eight months, in identifying areas for cooperation and complementing each others' strengths, has brought us even closer to each other. We are therefore very pleased to bring our strategic relationship to an even higher level. Moving forward, we hope to do even more, by sharing our experiences in both the consumer and small-and-medium enterprise segments."

The Proposed Investment follows OCBC Bank's purchase of a 22.5% stake in Bank NISP in April 2004. Upon completion, OCBC Bank will become the majority shareholder of Bank NISP with a 51.0% stake. In accordance with applicable Indonesian rules and regulations, OCBC Bank will also be required to make a tender offer for the remaining shares in Bank NISP it does not own.

The purchase consideration for the Proposed Investment is based on 2.5 times the net tangible asset ("NTA") of Bank NISP, similar to the earlier purchase of the 22.5% stake which was based on 2.5 times the audited NTA as at 31 December 2003.

Assuming relevant approvals for the Proposed Investment are obtained, OCBC Bank expects the tender offer for Bank NISP to be launched and completed within three to six months from the date of this announcement.

Pramukti Surjaudaja, President Director of Bank NISP, said, "Bank NISP and OCBC Bank have enjoyed a long history of co-operation in Indonesia. Going forward, I am confident that having OCBC Bank as a majority shareholder will not only strengthen the ownership structure of the bank, but also better position us to anticipate the Indonesian banking landscape and capture a bigger slice of the growth opportunities in Indonesia. This will significantly benefit our customers, employees, investors and other stakeholders."

## **Rationale**

The Proposed Investment is consistent with OCBC Bank's overseas expansion plans under its New Horizons strategy. With majority control of Bank NISP, OCBC Bank will be well-positioned to achieve its objective of having a significant presence in Indonesia, the Bank's third major market.

OCBC Bank intends to keep Bank NISP as a separately managed operating entity in Indonesia, and to retain Bank NISP's name and management. OCBC Bank is committed to having Bank NISP continue to serve its customers in Indonesia. At the same time, with majority control, OCBC Bank will, wherever relevant, transfer its expertise and experience in banking products and operations to assist Bank NISP to continue its growth towards becoming one of the leading banks in Indonesia.

## **Financial Effects**

OCBC Bank intends to fund the purchase using its internal resources. The Proposed Investment is not expected to have a material impact on the net tangible assets or earnings per share of OCBC Bank or the OCBC Group for the current financial year.

## **Interests**

Dr Lee Tih Shih, a Director of OCBC Bank, is a Commissioner of Bank NISP.

None of the Directors or substantial shareholders of OCBC Bank has any interest, direct or indirect, in the proposed transaction.

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## **About Bank NISP**

Founded in 1941 in Bandung, West Java, Bank NISP is the fourth oldest bank in Indonesia. With total assets of Rp 16,609 billion (S\$3.1 billion) as at 30 September 2004, Bank NISP is the 12th largest bank in Indonesia by assets. Supported by a distribution network of more than 150 branches and offices and more than 7,000 shared ATMs nationwide, Bank NISP has a strong franchise serving small and medium enterprises in Indonesia, and in recent years it has also focused on growing its consumer banking business.

Bank NISP has a consistent profitable track record in the last 10 years, and continued to perform well even during the Asian financial crisis of 1997-98. Between 1998 and 2003, its total assets grew at an annual compounded rate of 42%, while net profit after tax grew by 45% per annum. For the nine months ended 30 September 2004, Bank NISP achieved a net profit of Rp 201.5 billion (approximately S\$38 million) and return on equity of 25.2%.

More information about Bank NISP can be found on its website at [www.banknisp.com](http://www.banknisp.com).

## Financial Highlights of Bank NISP

	9 Months ended 30 Sep 2004	9 Months ended 30 Sep 2003	% change
<b>Balance Sheet (Rp billion)</b>			
Total assets	16,609	15,267	9%
Gross loans	9,452	7,983	18%
Customer deposits	11,963	12,009	-
Stockholders' equity	1,230	995	24%
<b>Income Statement (Rp billion)</b>			
Net interest income	472	308	53%
Non-interest income	112	113	(1%)
Net profit after tax	202	119	70%
Earnings per share (Rp)	49	29	66%
<b>Key Ratios (%)</b>			
Net interest margin	4.70%	3.56%	
NPL ratio	1.3%	1.1%	
Total CAR	14.4%	15.0%	
ROE	25.2%	17.8%	
ROA	2.40%	1.64%	

Source: Bank NISP, unaudited financial statements for the nine months ended 30 September 2004.

## About OCBC Bank

OCBC Bank is a Singapore-based financial services group with assets of S\$119 billion and operations in 14 countries and territories 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. It 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. OCBC Bank's subsidiary, Great Eastern Holdings, is the largest insurance group in both Singapore and Malaysia in terms of assets and market share. Additional information may be found at [www.ocbc.com](http://www.ocbc.com).

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