



MEDIA RELEASE

OCBC BANK TO LAUNCH HYBRID TIER 1 PREFERENCE SHARES OFFER

Move Will Further Strengthen Capital Base

Singapore, 13 January 2005 - Oversea-Chinese Banking Corporation Limited (“OCBC Bank” or the “Bank”) announces today that it will launch an offering (the “Offering”) of up to 5,000,000 non-cumulative non-convertible guaranteed preference shares of S\$0.01 each (“OCBC OCC-A Preference Shares”) to further strengthen the capital base of the Bank. The OCBC OCC-A Preference Shares, which is intended to qualify as Tier 1 capital of OCBC Bank, will each have a liquidation preference of S\$100 and will be offered by way of placement to institutional investors and sophisticated investors in Singapore.

Standard & Poor’s, Fitch and Moody’s have assigned ratings of A-, A and A2 respectively for the OCBC OCC-A Preference Shares.

Mr David Conner, CEO of OCBC Bank, said: “Although we do not need additional capital at this time, we are taking advantage of the current favourable market conditions to issue preference shares in order to further strengthen our capital base, and move towards a more efficient capital structure which will allow us to lower our overall cost of Tier 1 capital.”

The OCBC OCC-A Preference Shares will be issued directly by OCBC Capital Corporation, a wholly-owned, special-purpose subsidiary of OCBC Bank, incorporated in the Cayman Islands. OCBC Capital Corporation will on-lend the total gross proceeds to OCBC Bank in exchange for a subordinated note (the “Subordinated Note”) to be issued by OCBC Bank.

OCBC Bank will guarantee, on a subordinated basis, all payment obligations in respect of the OCBC OCC-A Preference Shares, and it intends to use the net proceeds from the issue of the Subordinated Note for general funding purposes.

While the OCBC OCC-A Preference Shares are perpetual securities, OCBC Capital Corporation has the option, *inter alia*, to redeem these preference shares on the first dividend date occurring after ten years from the date of issue, and on each dividend date thereafter. These preference shares may be substituted with Class I Preference Shares to be issued directly by OCBC Bank, on the occurrence of certain substitution events in accordance with the terms thereof.

Dividends on these preference shares will be paid at a fixed rate for the first ten years, and subsequently at a floating rate. Both the fixed and floating dividend rates will only be determined after the book-building exercise.

The Offering’s lead manager and sole bookrunner is OCBC Bank, with Deutsche Bank AG, Singapore Branch and J.P. Morgan (S.E.A.) Limited acting as co-managers.

The Singapore Exchange Securities Trading Limited (the “SGX-ST”) has granted in-principle approval for the listing and quotation of the preference shares on the SGX-ST. In addition, the SGX-ST has granted OCBC Capital Corporation a waiver from having to provide the SGX-ST its published annual report under Rule 746 of the Listing Manual. Such in-principle approval is not to be taken as an indication of the merits of the Offering, OCBC Capital Corporation, OCBC Bank and its subsidiaries, the preference shares or the guarantee.

About OCBC Bank

OCBC Bank is Singapore's longest established local bank. It has assets of S\$119 billion and a network of 112 branches and representative offices in 14 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Japan, Australia, UK and USA. 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 meet the needs of its customers across communities. Its subsidiary, Great Eastern Holdings, is the largest insurance group in both Singapore and Malaysia in terms of assets and market share.

In 2004, OCBC Bank was named Lafferty Group’s Retail Bank of the Year in Asia-Pacific and South East Asia and Global Finance magazine’s Best Bank in Singapore. Additional information may be found at www.ocbc.com.

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