

OCBC BANK IS SINGAPORE'S FIRST BANK TO INTRODUCE REVERSE MORTGAGE LOANS FOR PRIVATE PROPERTIES

Two options are introduced to meet different retirement preferences.

Singapore, 25 August 2006 – OCBC Bank today announces the launch of **OCBC Reverse Mortgage** for private properties. This finance scheme aims to help senior citizens translate the value of their homes into supplementary income during retirement.

“We recognise that with longer life expectancy, many senior citizens are concerned about the rising costs of living and reduced income streams during retirement,” said Mr Gregory Chan, Head of Consumer Secured Lending at OCBC Bank.

“Today, there are already various solutions that they can rely on, including support from their children, downgrading their properties and even continuing with some form of employment. But now they can consider **OCBC Reverse Mortgage** as an additional option,” added Mr Chan.

To be eligible for **OCBC Reverse Mortgage**, senior citizens need to meet the following criteria:

- Be a Singapore Citizen or Permanent Resident;
- Aged 65 years and above;
- Own or co-own a private property with a remaining lease of at least 45 years at end of the loan tenure.

To address the different retirement preferences of senior citizens, **OCBC Reverse Mortgage** comes with two different loan options.

Firstly, with the term-based option they will receive a monthly payout for up to 25 years or when they reach 90 years of age, whichever is earlier. However, for those who are concerned about outliving the payouts, there is a second annuity-linked* option they can choose.

Both the term-based and annuity-linked options are priced at interest rates of 5.00% and 4.88% p.a. respectively.

With the term-based plan, customers can expect to receive a higher monthly payout as compared to the annuity-linked plan, although the latter has the added advantage of providing the customer with payouts for life.

Monthly payouts will depend on several factors including property value, loan tenure and whether the property has been pledged under the CPF Minimum Sum Scheme.

Extensive measures have also been put in place by OCBC Bank to ensure that senior citizens clearly understand what the reverse mortgage entails before they sign up.

They can expect to undergo thorough interviews with senior bank officers to verify if the scheme is suitable for them. In addition, a next-of-kin will have to be present during the entire process to ensure that the applicant's decision is made in consultation with his family members.

**Annuity plan purchased will be underwritten by Overseas Assurance Corporation Limited (OAC).*

About OCBC Bank

Singapore's longest established local bank, OCBC Bank, currently has assets of S\$136 billion and a network of over 310 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Vietnam, 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.
