



MEDIA RELEASE

OCBC BANK SETS ASIDE S\$500 MILLION FOR THIRD SHARE BUYBACK PROGRAMME

Singapore, 31 May 2006 – OCBC Bank announces today that it is setting aside another S\$500 million for on-market purchases of its ordinary shares, pursuant to the share purchase mandate approved by shareholders at the extraordinary general meeting held on 20 April 2006.

This will be OCBC Bank's third S\$500 million share buyback programme. Its second programme, announced on 29 June 2005 and commenced on 5 July 2005, is close to completion, with approximately S\$491 million utilised and 76 million shares purchased as at 30 May 2006.

The new share repurchase exercise will commence when the second programme is completed. The shares will be purchased from the normal trading counter and/or the odd lots counter depending on market conditions. Similar to its previous buyback programmes, OCBC Bank intends to execute the buybacks in a controlled and orderly manner over a reasonable period of time to minimise undue movement in OCBC's share price. For reference, under the second programme its share buybacks on average accounted for approximately 11% of the market turnover of OCBC Bank shares (during the days when the buybacks were executed).

OCBC Bank intends to hold the shares re-purchased as treasury shares. OCBC Bank also plans to use treasury shares for various purposes, including to fund its employee share incentive schemes, so as to take advantage of the recently announced benefit which allows the cost of treasury shares to be tax deductible if they are used to satisfy share based incentive schemes for employees.

David Conner, CEO of OCBC Bank, said, "We are committed to enhancing value for our shareholders, and one of our goals is to improve our return on equity. Our policy is to pay uniform semi-annual dividends at a minimum payout ratio of 35% of core net profits, and return excess capital to shareholders by way of share buybacks. With this third share buyback programme, we will continue to return surplus capital to our shareholders and enhance the efficiency of our capital base."

About OCBC Bank

Singapore's longest established local bank, OCBC Bank currently has assets of S\$134 billion and a network of 320 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes 207 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 Ltd. is the largest private investment management firm 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.

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