

OCBC INTRODUCES HOME LOAN PACKAGE BASED ON UNIQUE MORTGAGE LENDING RATE (MLR)

OCBC's first-of-its-kind MLR is now an alternative to BLR-based housing loans

Kuala Lumpur, 29 June 2009 – OCBC Bank (Malaysia) Berhad today launched an innovative home loan package based on its newly-introduced first-of-its-kind Mortgage Lending Rate (MLR).



OCBC Bank's Head of Consumer Financial Services, Mr Charles Sik

MLR-based packages, such as the inaugural *Ideal Mortgage* launched today, are priced more competitively than BLR-based ones and are flexible enough for borrowers to make a significantly lower investment outlay on their loans during the lock in period.

The MLR, currently set at 4.70%, is OCBC Bank's internal reference rate developed exclusively for home loans and is calculated based on the mortgage business as opposed to the BLR which takes into consideration overall bank costs.

Revealing this when introducing *Ideal Mortgage* today, OCBC Bank's Head of Consumer Financial Services, Mr Charles Sik, said MLR-based home loan packages are particularly attractive to those wishing to upgrade or sell their properties or even pay off their loans in a hassle-free manner after a short period of about three years.

"Loan packages pegged to the MLR have short lock in periods. They are highly flexible and thus attractive to property buyers who may not intend to hold on to loans for too long a time and who are always on the lookout for their next investment opportunity. Accordingly, our new packages would appeal most to those who want to minimise investment costs during the lock in period," he said.

The *Ideal Mortgage* first-year rate of 2.5%, currently the lowest loan rate in the market, is fixed and guaranteed not to change for a year from the date of the first drawdown or until expiry of the maturity date of the guarantee, whichever comes first. Thereafter, the interest rate is set at MLR – 1.3%.

“Ultimately, the MLR-based package is about a short lock in period with great rates and an alternative to conventional BLR-based home loans. We believe the introduction of this package is timely considering the current economic climate. We are confident that with the introduction of this latest home loan package, our home loans growth will increase significantly. Over time, we expect to introduce other packages as well involving different rates that are pegged to the MLR,” Mr Sik added.

For more information on the MLR or the new MLR-based home loan packages, the public may call 1300 88 500 or visit www.ocbc.com.my.

About OCBC Bank

OCBC Bank is Singapore’s longest established local bank. It has assets of S\$180 billion and a network of more than 480 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 more than 360 branches and offices in Indonesia operated by OCBC Bank’s subsidiary, Bank OCBC NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to treasury and stock-broking 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 Global Investors is one of the largest asset management companies in Southeast Asia. Additional information may be found at www.ocbc.com.