OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Incorporated in Singapore)

The Directors of OCBC Bank wish to make the following announcement :-

1 AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

	GROUP			
	2002	2001		+/(-)
	S$'000	S$'000		%
Interest income	**2,746,046**	3,040,364		(9.7)
Less: Interest expense	**1,236,559**	1,648,463		(25.0)
Net interest income	**1,509,487**	1,391,901		8.4
Fees and commissions	**374,022**	292,347		27.9
Dividends	**33,684**	36,229		(7.0)
Rental income	**76,605**	80,839		(5.2)
Other income	**227,833**	412,319		(44.7)
Income before operating expenses	**2,221,631**	2,213,635		0.4
Less: Staff costs	**464,765**	475,925		(2.3)
Other operating expenses	**384,493**	390,641		(1.6)
	849,258	866,566		(2.0)
Operating profit before provisions and amortisation of goodwill	**1,372,373**	1,347,069		1.9
Less: Amortisation of goodwill	**126,995**	51,486	#	146.7
Provisions for possible loan losses and diminution in value of other assets	**500,608**	517,530		(3.3)
Operating profit after provisions and goodwill amortisation	**744,770**	778,053		(4.3)
Share of profits less losses of associated companies	**160,822**	198,472		(19.0)
Profit before tax	**905,592**	976,525		(7.3)
Less: Tax	**199,726**	155,909	#	28.1
Share of tax of associated companies	**37,028**	39,351		(5.9)
	236,754	195,260		21.3
Profit after tax	**668,838**	781,265		(14.4)
Less: Minority interests	**2,130**	3,265		(34.8)
Profit attributable to stockholders of the Bank	**666,708**	778,000	#	(14.3)

Figures restated with the adoption of the revised Singapore Statement of Accounting Standard (SAS) 12 on Income Taxes which became effective for financial periods beginning on or after 1 April 2001.

2 SELECTED BALANCE SHEET DATA

	GROUP			BANK		
	2002	2001	+/(-)	**2002**	2001	+/(-)
	S$'000	S$'000	%	**S$'000**	S$'000	%
(a) **Assets**						
Total assets	**84,051,388**	85,416,977#	(1.6)	**71,285,546**	59,036,917	20.7
Loans to customers including bills (net of specific and general provisions)	**47,269,015**	49,609,375	(4.7)	**38,126,244**	27,764,813	37.3
(b) **Liabilities**						
Deposits of non-bank customers	**53,947,536**	54,675,125	(1.3)	**43,944,085**	32,078,928	37.0
Deposits and balances of banks	**12,621,149**	14,050,998	(10.2)	**12,076,240**	11,493,725	5.1
(c) **Capital and reserves**						
Issued and paid-up capital	**1,290,299**	1,286,606	0.3	**1,290,299**	1,286,606	0.3
Total shareholders' equity	**9,224,222**	8,832,224#	4.4	**7,015,698**	6,240,307	12.4

3 NET ASSET VALUE

	GROUP			BANK		
	2002	2001	+/(-)	**2002**	2001	+/(-)
	S$	S$	%	**S$**	S$	%
Net asset value per share	**7.15**	6.86#	4.1	**5.44**	4.85	12.1

4 OTHER INFORMATION

	GROUP		
	2002	2001	+/(-)
	S$'000	S$'000	%
(a) Attributable net profit [S$'000]			
(i) First half year	**317,267** #	433,368	(26.8)
(ii) Second half year	**349,441**	344,632 #	1.4
(b) Attributable net profit as a percentage of weighted average shareholders' funds [%]	**7.4**	9.3 #	
(c) Attributable net profit as a percentage of average total assets [%]	**0.80**	1.11#	

	GROUP		
	2002	2001	+/(-)
	S$'000	S$'000	%
(d) Earnings per S$1 ordinary stock unit* [S$]			
- basic	**0.52**	0.60#	(14.5)
- fully diluted	**0.52**	0.60#	(14.5)
(e) Depreciation of property, plant and equipment	**72,890**	71,031	2.6
(f) Amortisation of computer software costs	**10,863**	10,028	8.3

* Basic earnings per share is calculated by dividing the profit after tax attributable to members by the weighted average number of ordinary shares in issue during the financial year.
For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the exercise of all outstanding share options granted to employees where such shares would be issued at a price lower than the fair value (average share price during the financial year).

Figures restated with the adoption of the revised Singapore Statement of Accounting Standard (SAS) 12 on Income Taxes which became effective for financial periods beginning on or after 1 April 2001

5 REVIEW OF PERFORMANCE

Group operating profit before provisions and amortisation of goodwill increased by 1.9% to S$1,372 million for the year ended 31 December 2002. However, excluding the effect of a large one-off gain of S$260 million from the disposal of Overseas Union Bank (OUB) shares in 2001, operating profit rose by 26.2%. The improved performance was driven by revenue growth and realisation of cost savings in the first full year of the enlarged OCBC Group following the successful integration of Keppel Capital Holdings ("KCH"). The 2001 results included only four and a half months' contribution from KCH, which was acquired in August 2001. Group net attributable profit declined by 14.3% to S$667 million in 2002, mainly due to the S$260 million gain from the sale of OUB shares in 2001, a one-off gain of S$65 million from associate PacificMas Berhad in 2001, as well as higher goodwill amortisation in 2002.

Excluding the one-off gain in 2001, the Group achieved a 13.7% increase in total income to S$2,222 million, underpinned by moderate growth in net interest income and robust fee-based revenue. Net interest income grew by 8.4% to S$1,509 million, with higher interest earning asset base compensating for a lower net interest margin. Net interest margin declined by 15 basis points to 1.94% largely due to lower returns on interbank placements arising from the low interest rate environment, as well as competitive pressure on margins for Singapore and Malaysia loans. Fee and commission income rose by 27.9%, driven by double-digit growth from loan-related fees, unit trust distribution, bancassurance, trade financing, stockbroking and service charges.

Operating expenses fell by 2.0% to S$849 million in 2002 mainly from the rationalisation and optimisation of human resources, premises and equipment after the acquisition of KCH. The Group achieved integration-related cost savings of approximately S$74 million in 2002, surpassing the original expected savings of S$55 million. The cost to income ratio improved to 38.2% from 39.1% in 2001.

Provision charge decreased by 3.3% to $501 million, comprising specific provisions of S$365 million for loans, specific provisions of S$80 million for investment securities and S$84 million for the Group's properties, and a net general provision writeback of S$28 million.

The share of associated companies' results fell by 19% to S$161 million mainly due to the one-off gain of S$65 million arising from the disposal of the banking business by PacificMas Berhad in 2001.

Total assets fell by 1.6% to S$84.1 billion as customer loans declined by 4.7% year-on year to S$47.3 billion. The decline generally reflects the weak demand for loans as well as the Group's selective and cautious approach in lending. The Group's non-performing loans (NPLs) fell by 16% from December 2001 to S$4,356 million as at December 2002, while the ratio of non-bank NPLs to non-bank loans improved from 9.7% to 8.1% as at 31 December 2002.

The Group's shareholders' funds increased by 4.4% to S$9.2 billion and the Tier 1 and total capital adequacy ratios computed based on the Bank of International Settlements guidelines were 11.5% and 20.9% respectively. Earnings per share declined by 14.5% to S$0.52 and return on equity was 7.4% compared to 9.3% in 2001.

With effect from 1 January 2002, the Group adopted the revised Singapore Statement of Accounting Standard (SAS) 12 on Income Taxes which became effective for financial periods beginning on or after 1 April 2001. The Standard requires full provision for deferred tax liabilities and deferred tax assets including those arising from business combinations. On initial adoption of SAS 12, the Group's goodwill, deferred tax liability and deferred tax asset as at 1 January 2002 increased by S$125.6 million, S$117.8 million and S$65.8 million respectively with a corresponding increase of S$69.4 million in retained earnings. The adjustment in retained earnings represented largely deferred tax asset arising from temporary differences on general provisions.

For the year ended 31 December 2002, the impact of the adoption of SAS 12 was an increase to the Group's net profit by S$24.9 million in 2002 (2001 : decrease in net profit by S$7.0 million). This represented the effects of movement in deferred tax liability/asset and additional goodwill amortisation.

Subsequent to the financial year-end, OCBC Bank issued S$500 million of Tier 1 non-cumulative non-convertible preference shares in January 2003. The increase in Tier 1 capital will further strengthen the Bank's capital base in preparation for future expansion and growth.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen, which would substantially affect the results of the operations of the Group during the financial year and the period from the end of the financial year to the date of this report.

6 DIVIDEND

A final dividend of 15 cents for every S$1 ordinary stock unit, less 22% Singapore income tax, has been recommended by the Directors in respect of the financial year ended 31 December 2002.

	2002		2001	
	%	**S$'000**	%	S$'000
Interim				
5 cents (2001 : 5 cents) per S$1 stock less 22% (2001 : 24.5%) tax	**5**	**50,317**	5	48,528
Final				
15 cents (2001 : 13 cents) per S$1 stock less 22% (2001 : 22%) tax	**15**	**150,965**	13	130,803
Total	**20**	**201,282**	18	179,331

7 SCRIP DIVIDEND SCHEME

The Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme, which was approved by the Members of the Bank at the Extraordinary General Meeting on 8 June 1996, will not be applicable to the final dividend.

8 SHARES ISSUED AND OUTSTANDING CONVERTIBLES

(a) From 1 July 2002 to 31 December 2002 (both dates inclusive), the Bank issued 239,088 ordinary shares of S$1 each upon the exercise of options by officers of the Bank pursuant to the OCBC Executives' Share Option Scheme 1994.

(b) As at 31 December 2002, there were 27,336,449 ordinary shares of S$1 each (30 June 2002: 27,963,986) that may be issued on the exercise of options.

9 SUBSEQUENT EVENTS

Subsequent to the financial year end, the following events took place :

(a) On 2 January 2003, a Scheme of Arrangement and Amalgamation pursuant to sections 210 and 212 of the Companies Act, Cap. 50, for the merger of the Bank's wholly-owned subsidiary companies, OCBC Bullion & Futures Limited ("OBFL") and OCBC Securities Private Limited ("OSPL"), was sanctioned by the High Court and became effective on that date. Pursuant to the Scheme, the business, assets and liabilities of OBFL, save for and except for certain excluded assets and liabilities were by virtue of the Order of the Court transferred to and vested in OSPL.

(b) On 8 January 2003, the shareholders of the Bank approved the alterations to the Articles of Association of the Bank in connection with the establishment of a programme for the issuance of non-cumulative non-convertible preference shares eligible to qualify as Tier 1 capital of the Bank. Following the approval, the authorised share capital of the Bank has increased from S$2,000,000,000 divided into 2,000,000,000 ordinary shares of par value S$1 each ("Ordinary Shares") to S$2,000,625,000 and US$125,000 divided as follows :

(i) 2,000,000,000 Ordinary Shares;
(ii) 12,500,000 non-cumulative non-convertible Class A preference shares of par value S$0.01 each;
(iii) 12,500,000 non-cumulative non-convertible Class B preference shares of par value S$0.01 each;
(iv) 12,500,000 non-cumulative non-convertible Class C preference shares of par value S$0.01 each;
(v) 12,500,000 non-cumulative non-convertible Class D preference shares of par value US$0.01 each;
(vi) 12,500,000 non-cumulative non-convertible Class E preference shares of par value S$0.01 each;
(vii) 12,500,000 non-cumulative non-convertible Class F preference shares of par value S$0.01 each;

by the creation of 12,500,000 new Class A Preference Shares, 12,500,000 new Class B Preference Shares, 12,500,000 new Class C Preference Shares, 12,500,000 new Class D Preference Shares, 12,500,000 new Class E Preference Shares and 12,500,000 new Class F Preference Shares, respectively.

The Directors of the Bank were given the authority to allot and issue the Class A Preference Shares, the Class B Preference Shares, the Class C Preference Shares, the Class D Preference Shares, the Class E Preference Shares and the Class F Preference Shares at any time upon such terms and conditions and for such purposes as the Directors may deem fit and such authority shall continue in force until the conclusion of the next Annual General Meeting of the Bank or the date by which the next Annual General Meeting of the Bank is required to be held, whichever is earlier.

On 28 January 2003, the Bank issued S$500 million Class E non-cumulative non-convertible preference shares ("Class E Preference Shares"). These Class E Preference Shares qualify as Tier 1 capital for the purposes of computing the regulatory capital adequacy ratio. The Class E Preference Shares have a fixed dividend rate of 4.5 per cent per annum (net), payable semi-annually in arrears on 20 June and 20 December, subject to the terms and conditions of the Class E Preference Shares as set out in the Articles of Association of the Bank.

(c) On 8 January 2003, the Bank announced that, Keppel TatLee Nominees (HK) Limited ("Company"), a wholly-owned subsidiary of the Bank, has passed a special resolution by circulation for members' voluntary winding up of the Company. The statutory declaration of solvency in compliance with the Hong Kong Companies Ordinance was lodged with the Hong Kong Registrar of Companies.

(d) On 22 January 2003, the Bank announced that PT OCBC Sikap Securities, a 70 per cent owned subsidiary company, held through wholly-owned Provident Securities Private Limited, would cease its securities business on 23 January 2003.

(e) On 29 January 2003, Tat Lee Securities Holdings Pte Ltd and TLB Management Services Pte Ltd were liquidated and ceased to be subsidiaries of the Bank.

(f) On 1 February 2003, Singapore Polyclinic Private Limited was liquidated and ceased to be a subsidiary of the Bank.

(g) On 18 February 2003, the Bank announced that its subsidiary, Keppel Capital Holdings Ltd ("KCH"), has completed the sale of 10,800,000 ordinary shares of par value S$1.00 each in the capital of Keppel Insurance Pte Ltd ("KIPL"), representing its entire 40% equity interest in KIPL, to HSBC Insurance (Asia-Pacific) Holdings Limited.

Following the disposal by KCH of its entire shareholding interest in KIPL, KIPL has ceased to be an associated company of the Bank.

BY ORDER OF THE BOARD

Peter Yeoh
Secretary

Singapore, 25 February 2003

More details on the results are available at the Bank's website at www.ocbc.com

AUDITORS' REPORT TO THE MEMBERS OF
OVERSEA-CHINESE BANKING CORPORATION LIMITED

We have audited the financial statements of Oversea-Chinese Banking Corporation Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2002. These financial statements are the responsibility of the Bank's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the accompanying financial statements of the Bank and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

    (i) the state of affairs of the Group and of the Bank at 31 December 2002, the profit and changes in equity of the Group and of the Bank, and the cash flows of the Group for the financial year ended on that date; and

    (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements of the Bank and the consolidated financial statements of the Group; and

(b) the accounting and other records, and the registers required by the Act to be kept by the Bank and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The subsidiaries audited by other member firms of the PricewaterhouseCoopers Global Organisation and another firm are indicated in Note 35 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Bank are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under section 207(3) of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 25 February 2003