

# First Quarter 2004 Results

## Presentation

30 April 2004



- **Results at a Glance**
- **Income Statement Trends**
- **Loans and Deposits**
- **Asset Quality and Provisions**
- **Conclusion**

# Results at a Glance

	1Q04	1Q03	YoY	4Q03	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	365	352	4	369	(1)
Non-interest income	161	148	9	206	(22)
- <i>Fee Income</i>	115	82	40	103	12
Total Income	526	499	5	575	(9)
Operating Expenses	206	201	2	216	(5)
<b>Operating Profit</b>	<b>320</b>	<b>298</b>	<b>7</b>	<b>358</b>	<b>(11)</b>
Goodwill	32	32	0	32	(0)
Provisions	20	64	(68)	54	(62)
Associates	62	11	449	94	(34)
<b>Net Profit</b>	<b>256</b>	<b>159</b>	<b>61</b>	<b>279</b>	<b>(8)</b>

# Results Adjusted for Non-Core Asset Divestment

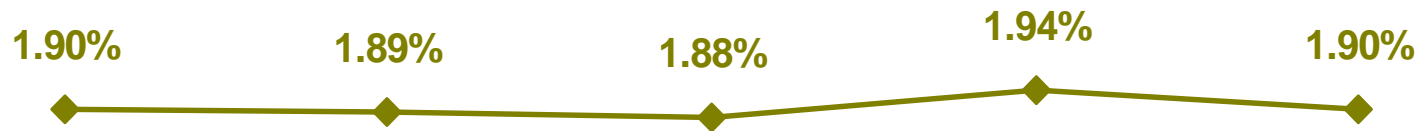
	<b>1Q04</b>	<b>1Q03</b>	<b>YoY</b>	<b>4Q03</b>	<b>QoQ</b>
	<b>S\$m</b>	<b>S\$m</b>	<b>+/(-)%</b>	<b>S\$m</b>	<b>+/(-)%</b>
Adjusted Operating Profit	<b>320</b>	298	7	308	4
Adjusted Net Profit	<b>256</b>	159	61	224	<b>14</b>

Note: Adjusted to exclude the following net gains from divestment of non-core assets:  
4Q03 - Mount Emily property (S\$36m), WBL Corp (S\$4m), Raffles Hotel (S\$14m under associates)

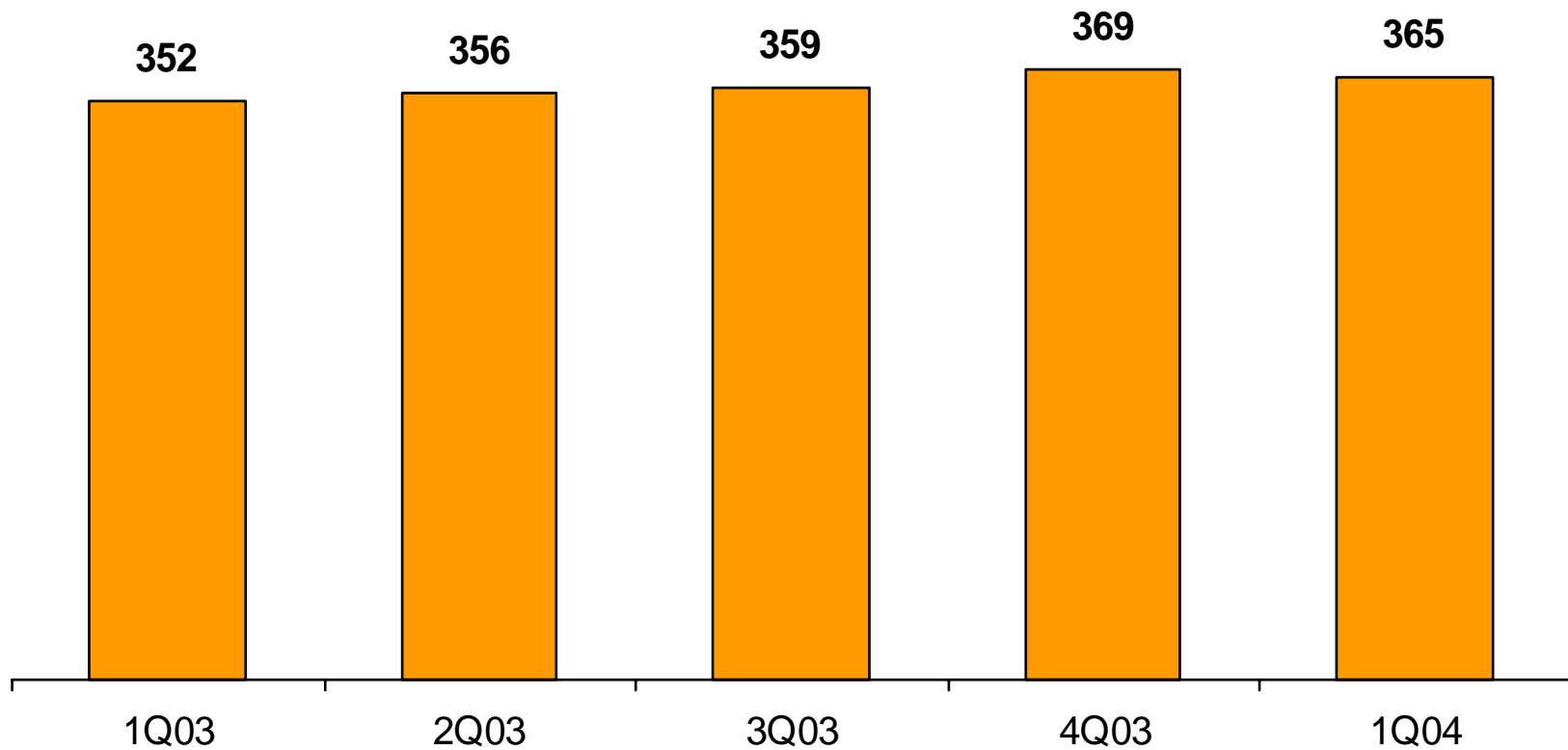
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# Net Interest Income and Margin Stable

Net interest margin

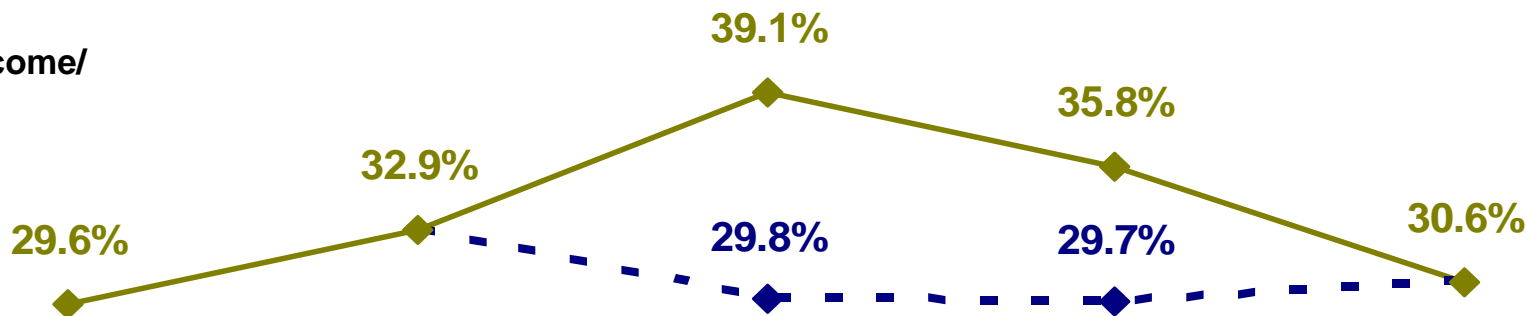


Net interest income (\$m)

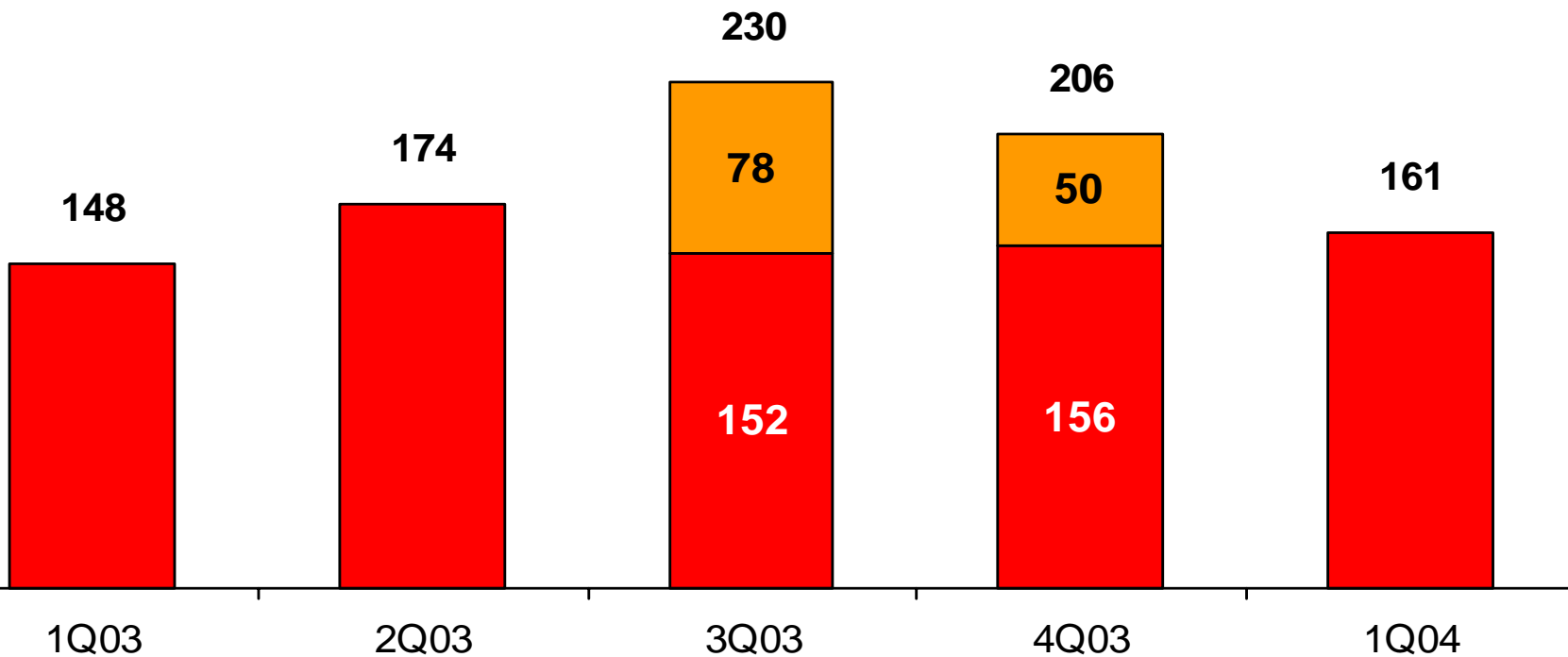


# Non-Interest Income

Non-interest income/  
Total income



Non-interest  
income  
(S\$m)



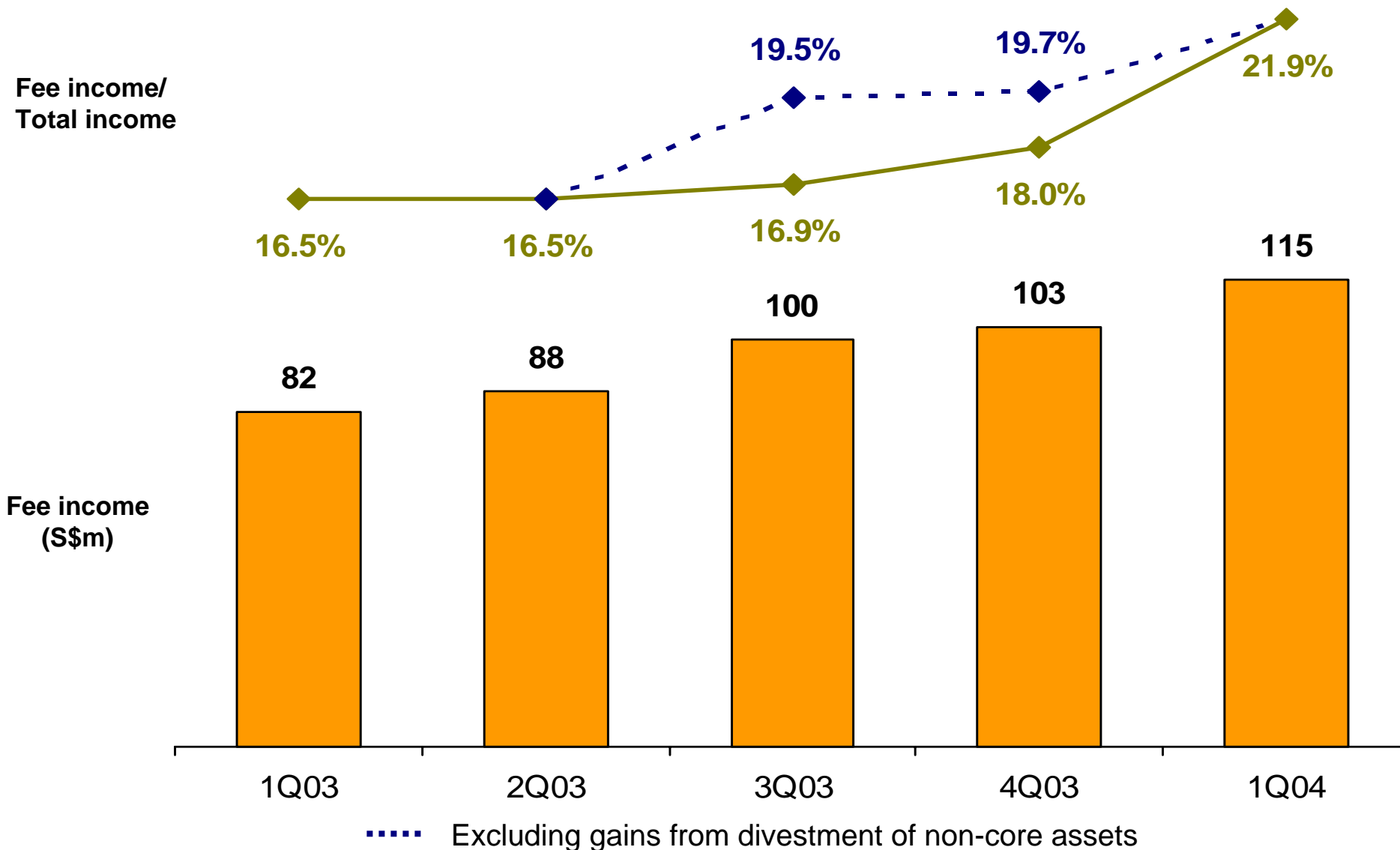
Gains from divestment of non-core assets



Excluding gains from divestment of non-core assets

# Fee Income Boosted by Strong Wealth

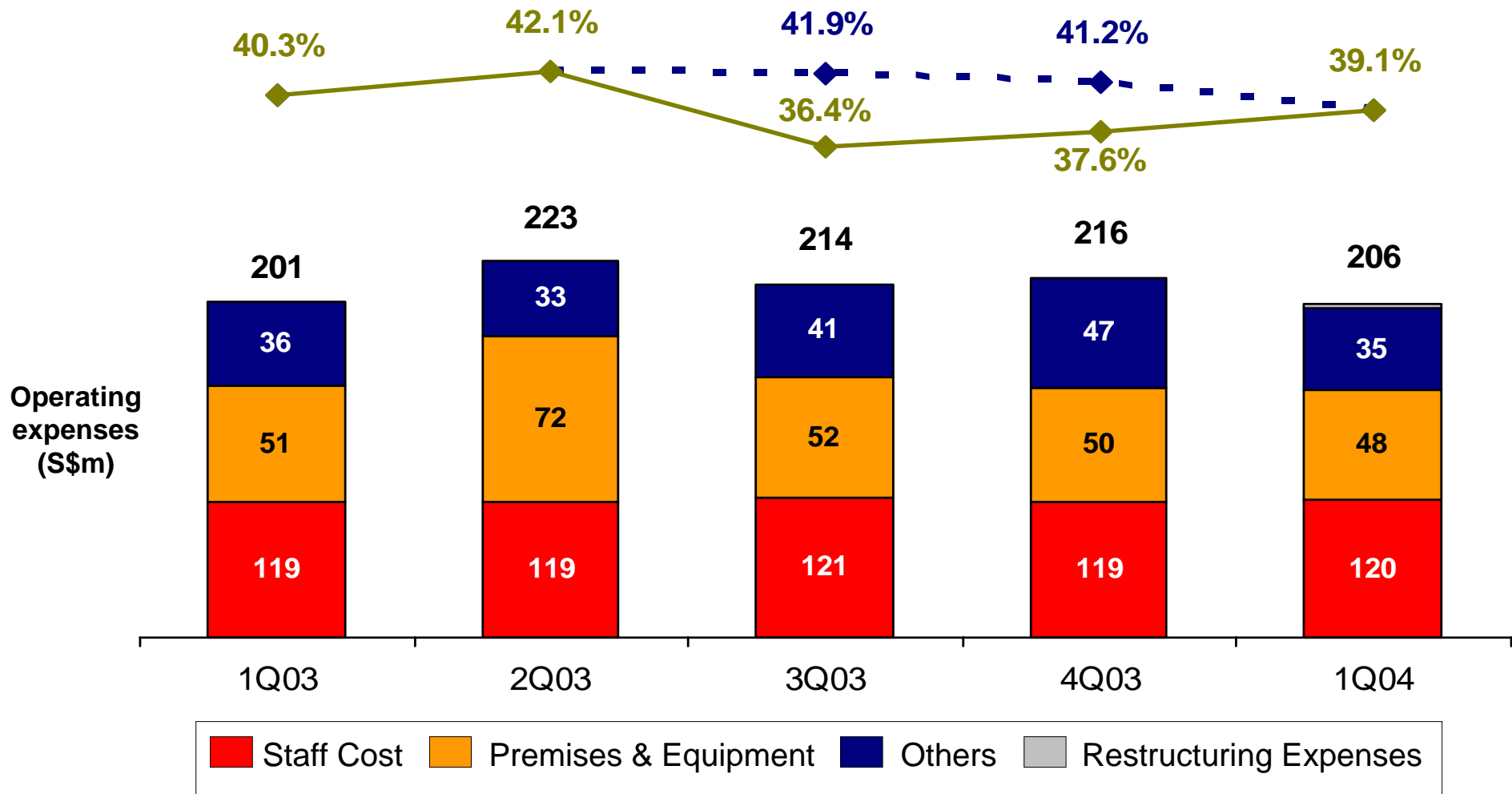
## Management Sales and Increased Cross-Selling





# Operating Expenses Remain Stable

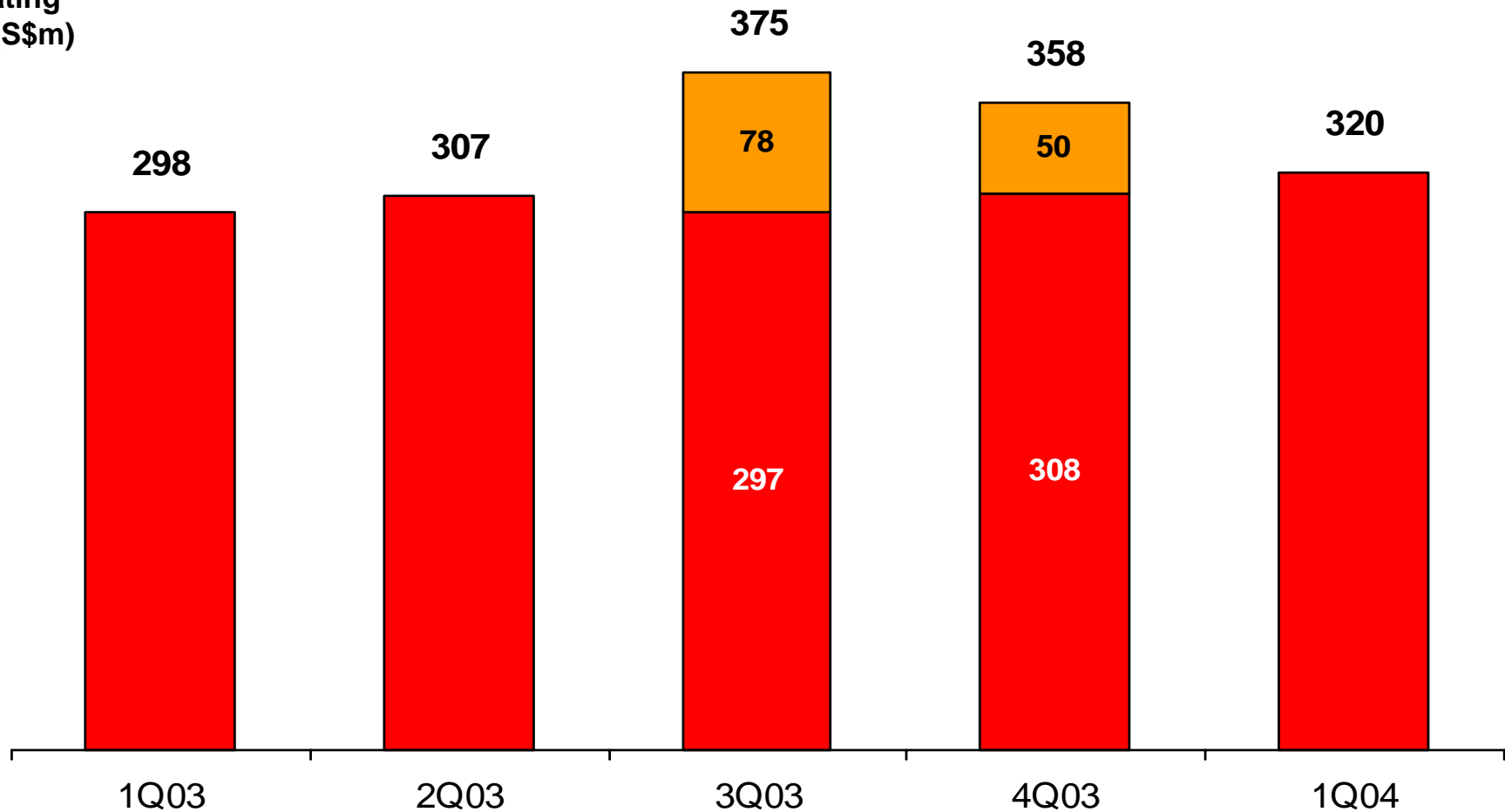
Cost-to-Income Ratio



..... Excluding gains from divestment of non-core assets

# Growth in Core Operating Profit before Provisions and Goodwill

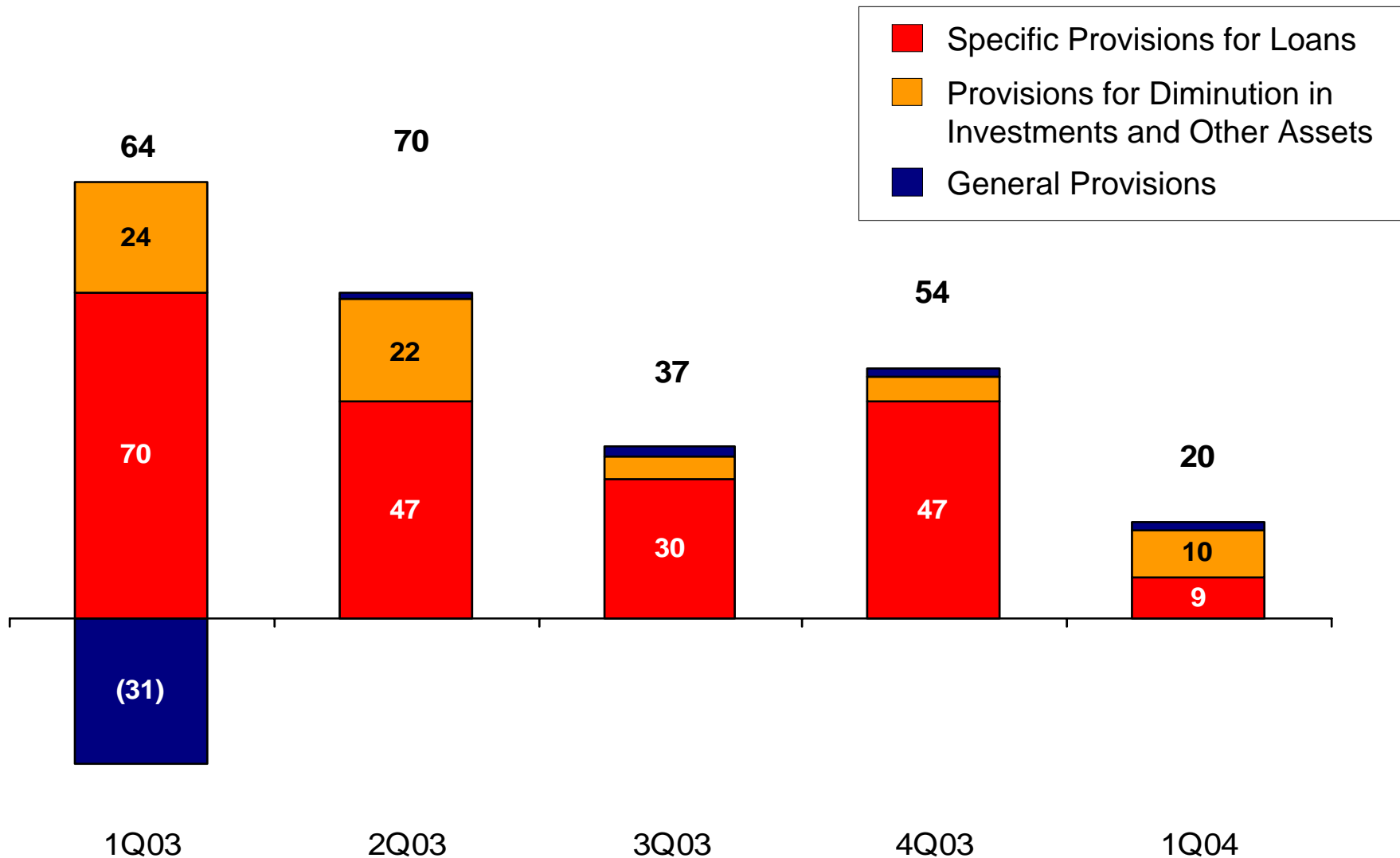
Operating Profit (S\$m)



 Gains from divestment of non-core assets

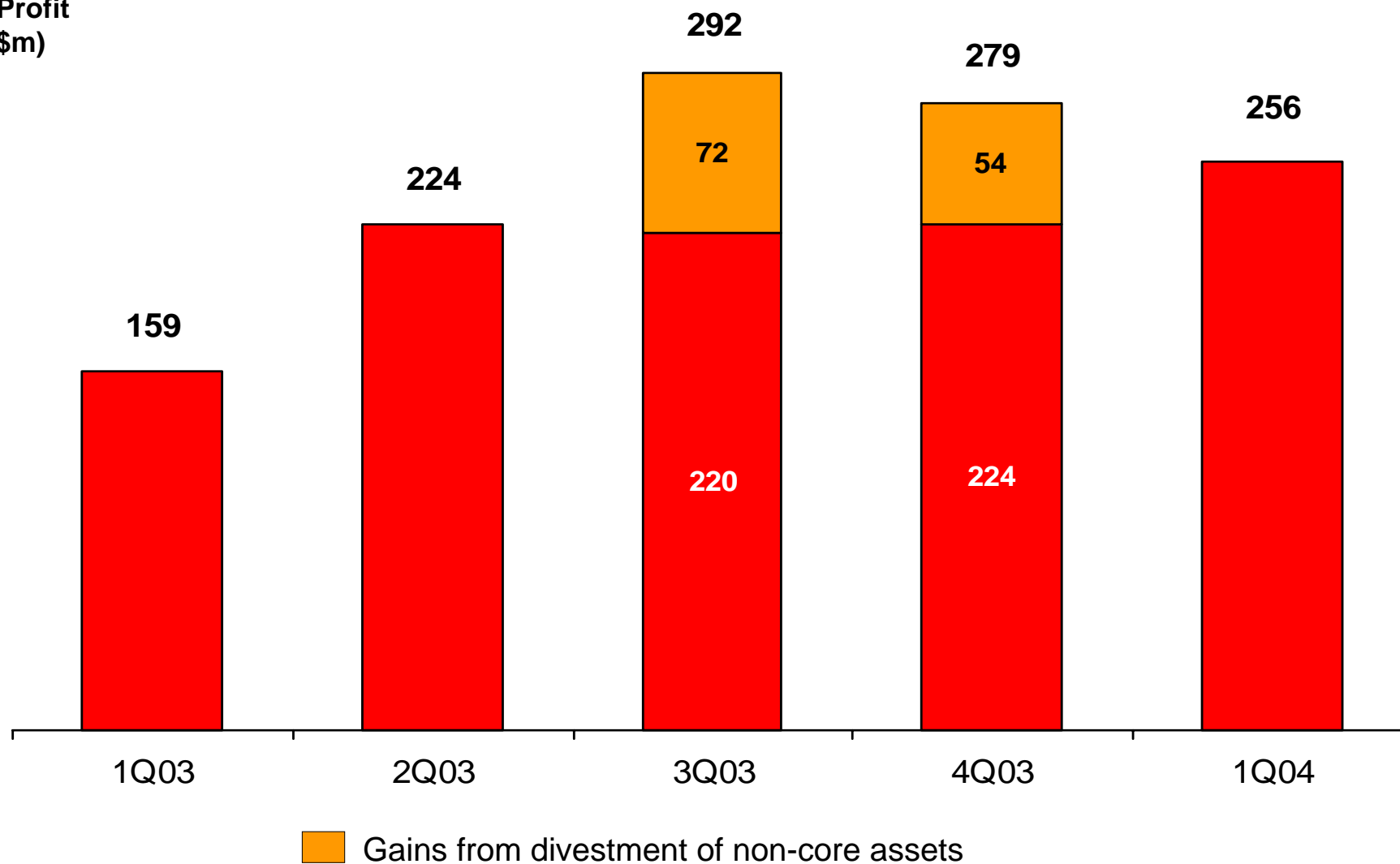
# Provision Charges Remain Stable

(S\$m)

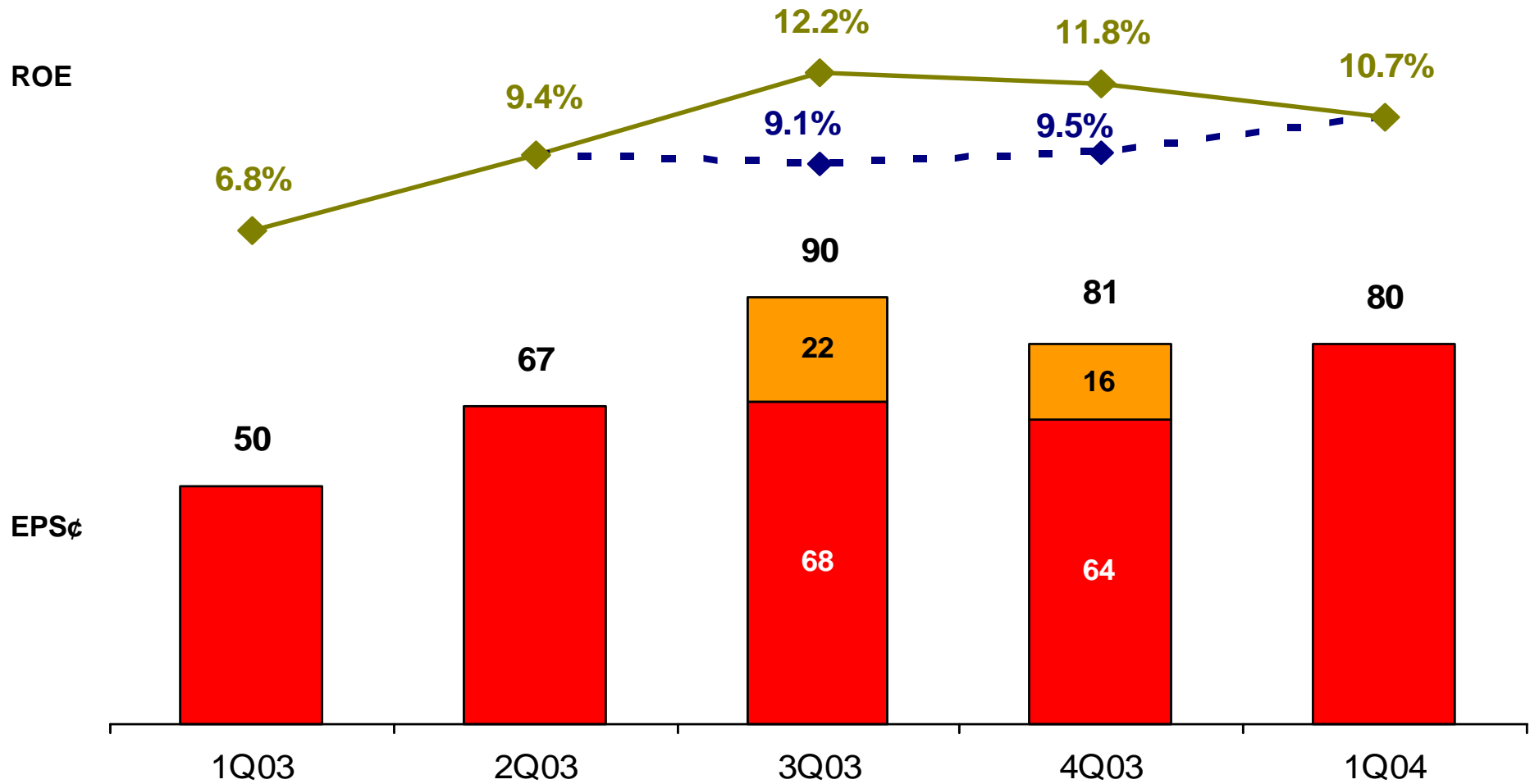


# Steady Growth in Net Profit Excluding Non-Core Asset Divestment Gains

Net Profit  
(S\$m)



# EPS and ROE



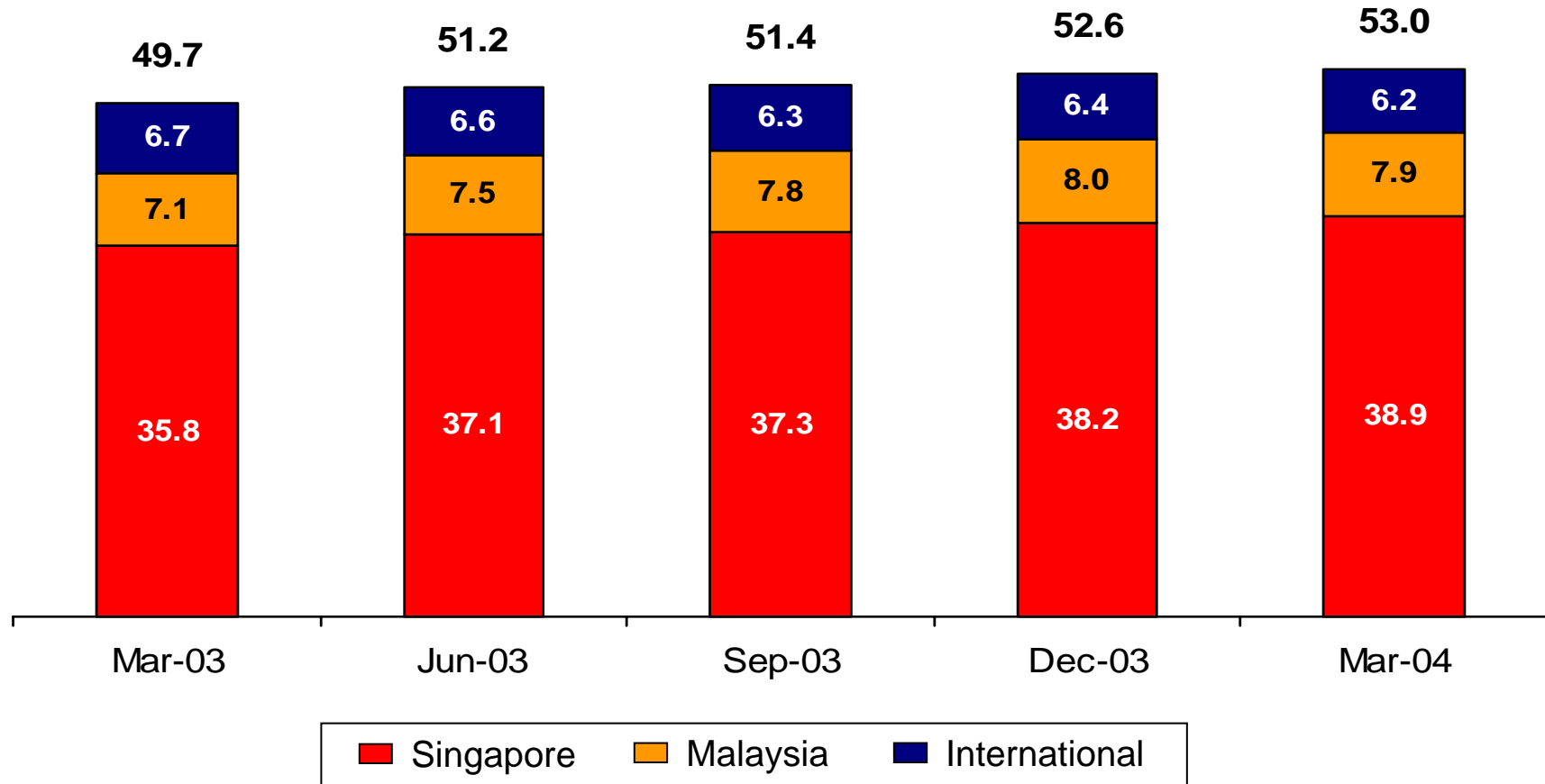
■ Gains from divestment of non-core assets     
 - - - - Excluding divestment gains

Note: Quarterly ROE and EPS are annualised; ROE refers to return on ordinary shareholders' funds

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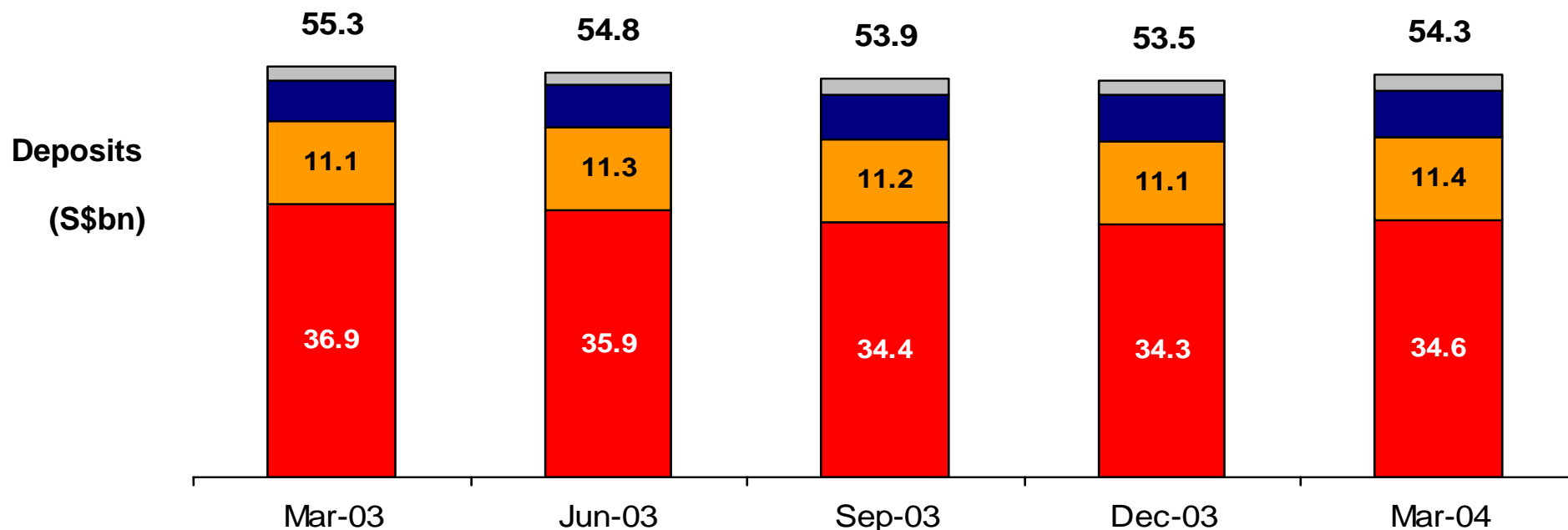
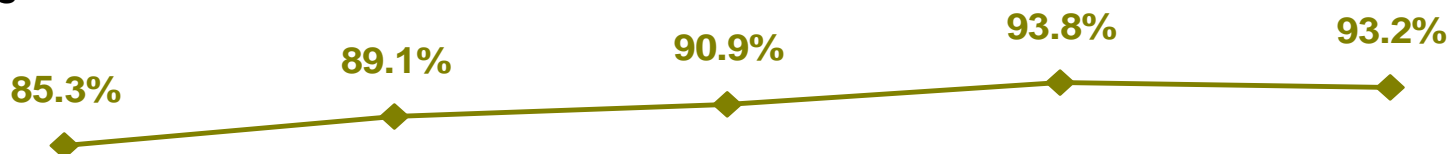
# Loan Growth Driven by Consumer Loans

Loans  
(S\$bn)



# Deposits and Loans-Deposits Ratio

## Loans-to-deposits

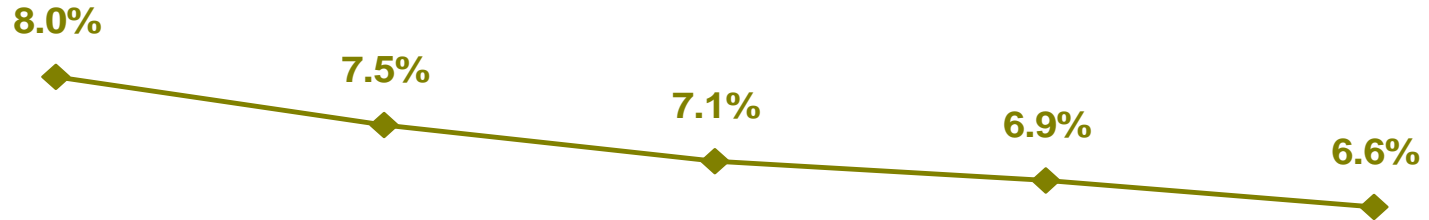




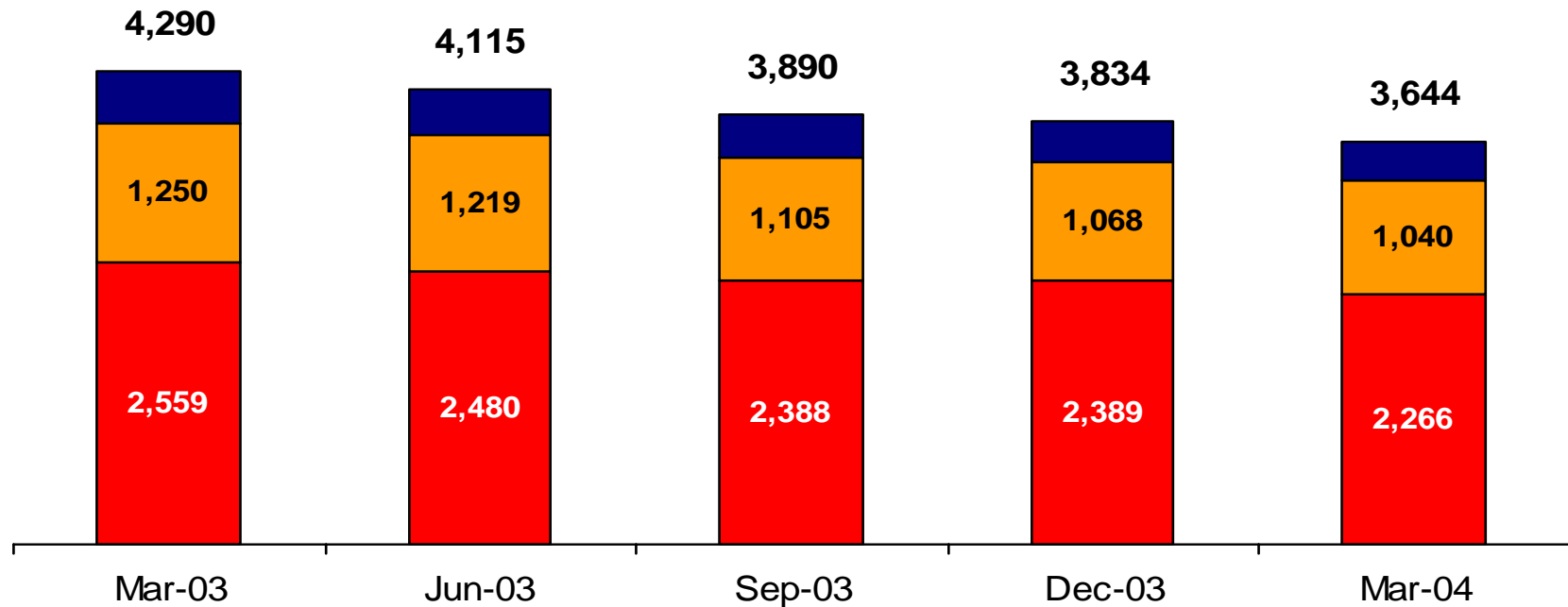
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# Sustained Improvement in Asset Quality

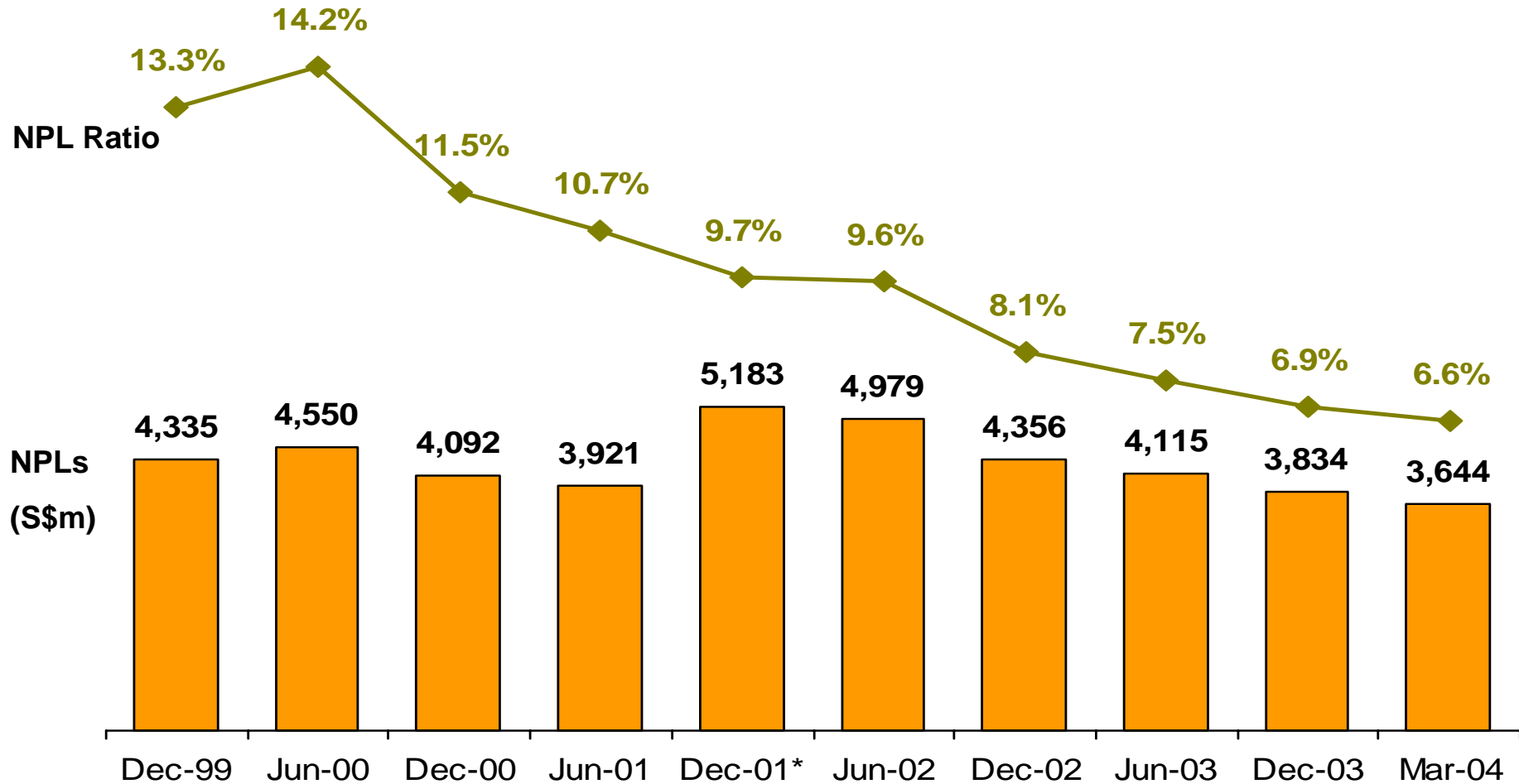
NPL Ratio



NPLs (S\$m)



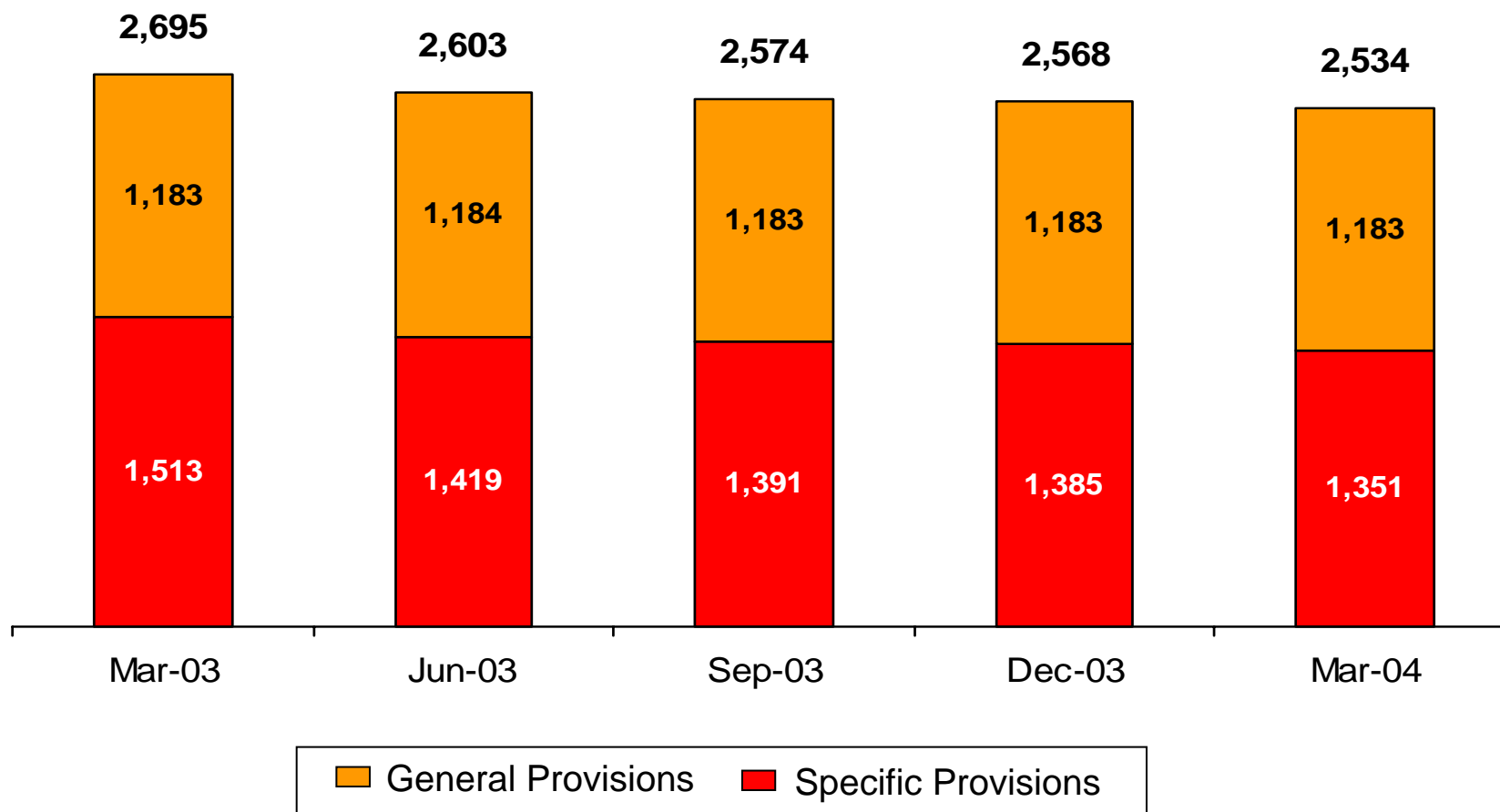
# NPL Ratio Down Sharply from the Peak



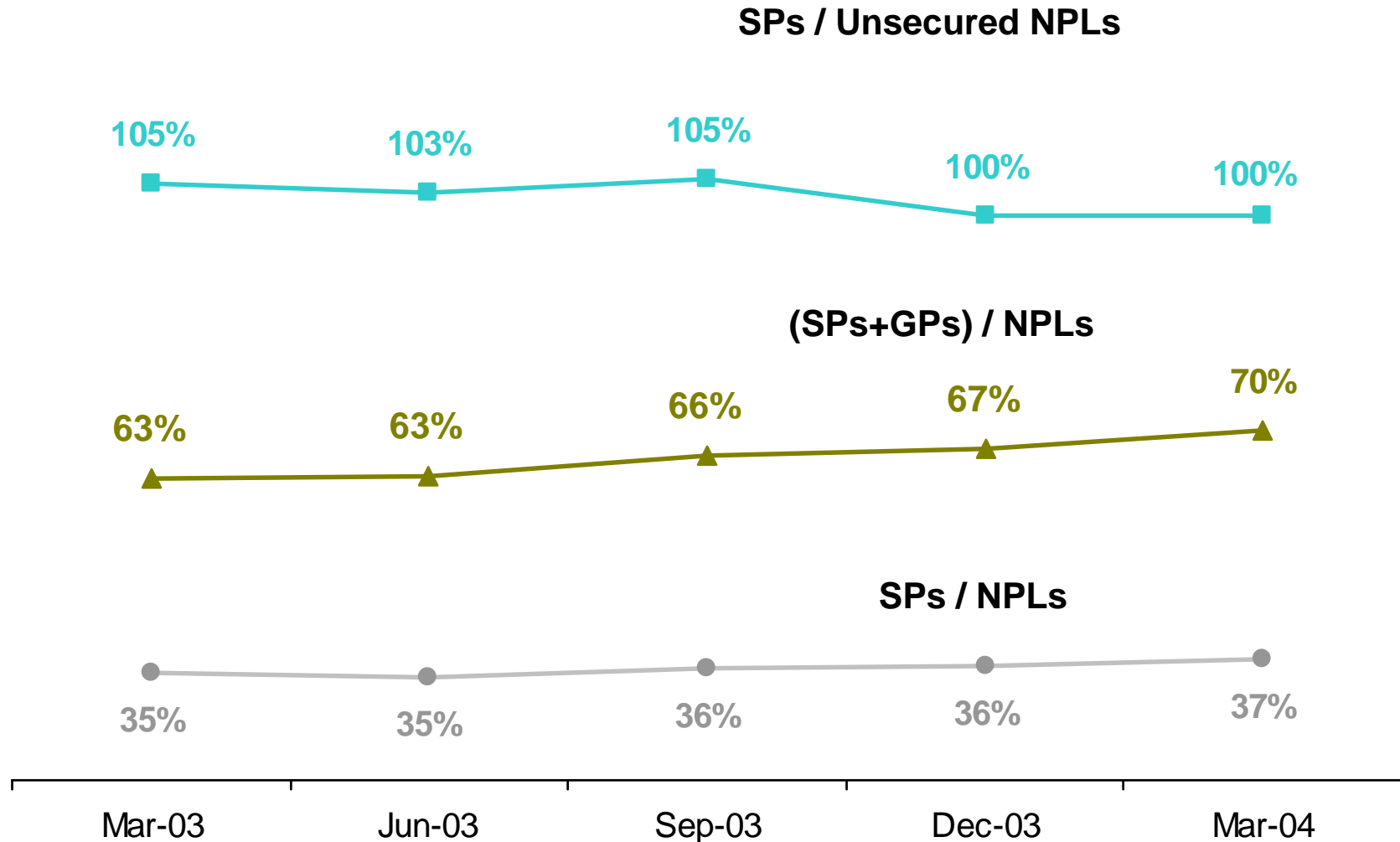
\* Increase in absolute NPLs was due to acquisition of Keppel Capital Holdings

# Cumulative Provisions

(S\$m)



# Provision Coverage Remains Prudent



- **Healthy set of results, underpinned by growth in both net interest income and fee income, and reflecting results of credit process improvement**
- **Fee income growth driven by wealth management distribution capability and increased cross-selling**
- **New Horizons initiatives and targets remain on track**
- **Malaysia business continues to grow**
- **Great Eastern offer in progress and second quarter results will consolidate GEH**