

It's about performance.

That has really been the heart of our New Horizons II strategy over the past five years.

We adopted a disciplined approach towards transforming OCBC into a high performance bank, using a balanced business scorecard to focus on improving our performance in six key areas – customers, products, risk management, productivity, people and shareholder value.

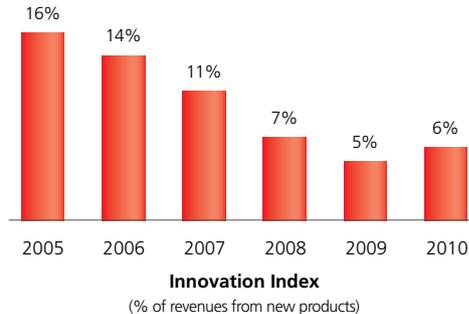
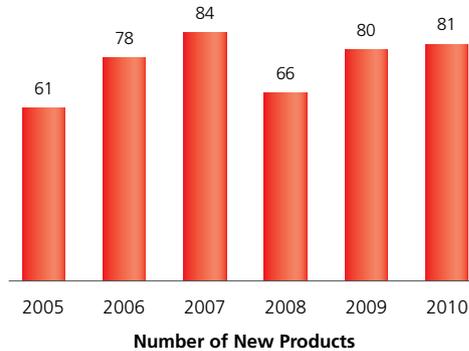
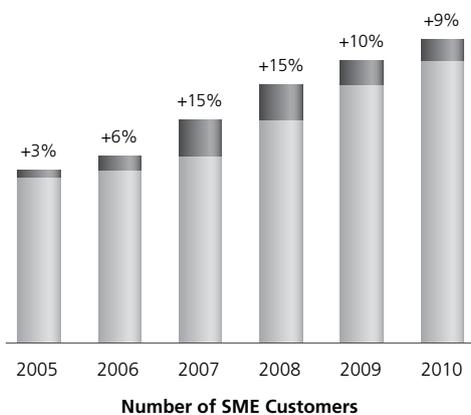
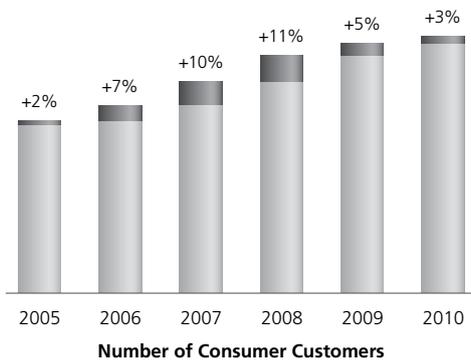
We steadfastly executed this strategy, even as we navigated through one of the most challenging periods in our history – the global financial crisis of 2008-2009. From 2006 to 2010, our core revenue grew at a compounded annual rate of 13%, and core net profit grew at 12%.

OCBC has emerged as a stronger, larger and better-performing organisation, well positioned to tap on the growth opportunities in the region for the years to come.

EXPANDING OUR CUSTOMER BASE...

By deploying customer insights gained from extensive customer surveys, we were able to offer differentiated products and services to better meet our customers' expectations. Examples include our full-service Sunday banking, faster credit approvals and turnaround time, simplified account opening processes, exclusive business banking centres, customised credit cards for SMEs, and financial services offerings tailored for families, children and seniors.

We achieved average annual growth of 7% in our consumer customer base and 11% in the SME customer base since 2006, and improved cross-sell across the organisation.



LAUNCHING INNOVATIVE PRODUCTS...

More than 380 new products were launched since 2006, contributing an average of 9% of annual revenues.

Over the years, we received third party recognition for our improved product capabilities, including various awards for cash management, trade finance, treasury products, investment banking mandates, and unit trust performance.

The acquisition of Bank of Singapore provided a significant boost to our wealth management business, complementing our strengths in insurance, fund management, brokerage and treasury.

MANAGING RISKS WELL...

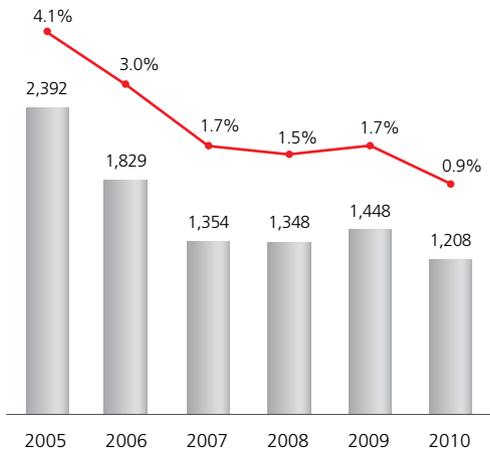
OCBC came through the global financial crisis of 2008-2009 with the lowest NPL ratio and lowest specific credit losses among Singapore banks.

Our NPL ratio improved from 4.1% to 0.9% over five years.

We successfully adopted the Basel II capital framework from January 2008, and continued to make improvements to our risk methodologies.

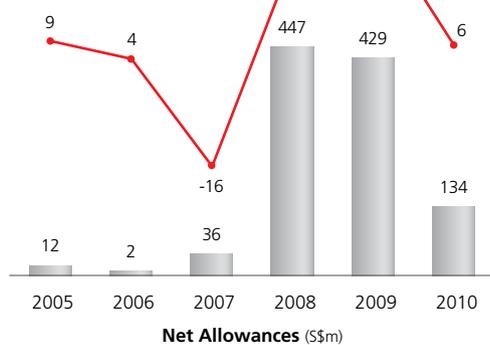
OCBC maintained its position as one of the highest rated banks in Asia-Pacific – our long term credit ratings were upgraded by Moody’s in 2007, Fitch in 2005, and S&P in 2004.

Non-performing loans ratio

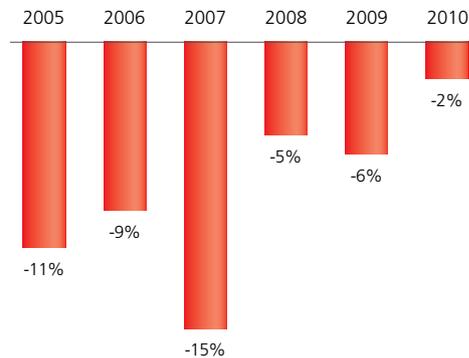


Non-Performing Assets (S\$m)

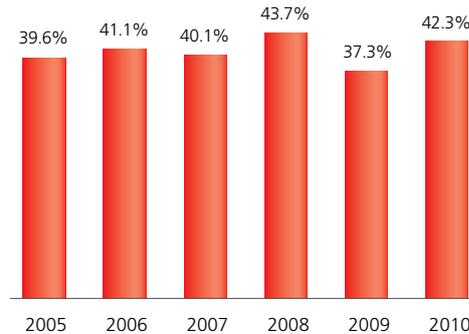
Specific loan allowances/ average loans (bps)



Net Allowances (S\$m)



Unit Processing Costs Reduction



Cost to Income Ratio

IMPROVING PRODUCTIVITY...

We hubbed various work streams into Malaysia, taking advantage of the lower costs; more than 70% of Singapore transactions are now processed in Malaysia.

Productivity improved by more than 10% annually, and unit costs were reduced by an average of 7% per annum across our processing centres in Singapore and Malaysia.

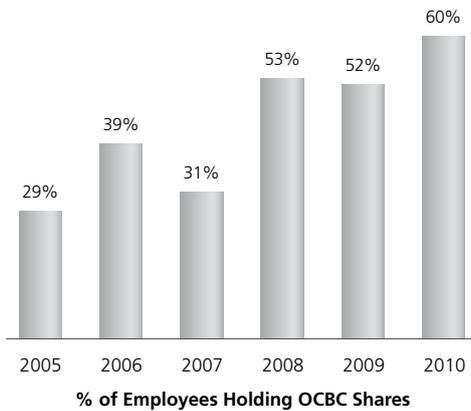
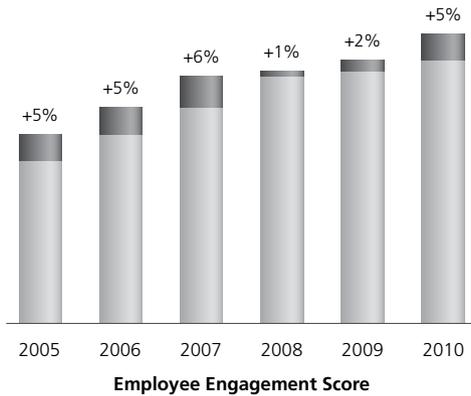
Since 2003, we have executed 69 cross-functional process improvement projects to deliver operational efficiencies and enhanced customer experience, with estimated margin improvements of S\$185 million.

AND, ENGAGING OUR EMPLOYEES...

We continued to invest in our people by expanding our training and career development programmes. We also implemented numerous ideas suggested by our employees to improve our workplace environment.

Our employee engagement scores have improved for each of the past eight years, and OCBC is now within the Hewitt "Best Employer" range.

We achieved high participation rates for our employee share ownership schemes, with 60% of the Bank's employees owning OCBC shares, up from 29% in 2005.



HAVE DELIVERED ENHANCED SHAREHOLDER VALUE

From 2006 to 2010, our core revenue and core net profit grew at a compounded annual rate of 13% and 12% respectively, in spite of the 2008-2009 global financial crisis.

Earnings per share grew at compounded annual rate of 11%.

Dividends per share were maintained through the financial crisis, and increased by 63% over five years.

Return on equity averaged 11.9% (12.2% on cash basis), in line with our minimum target of 12%.

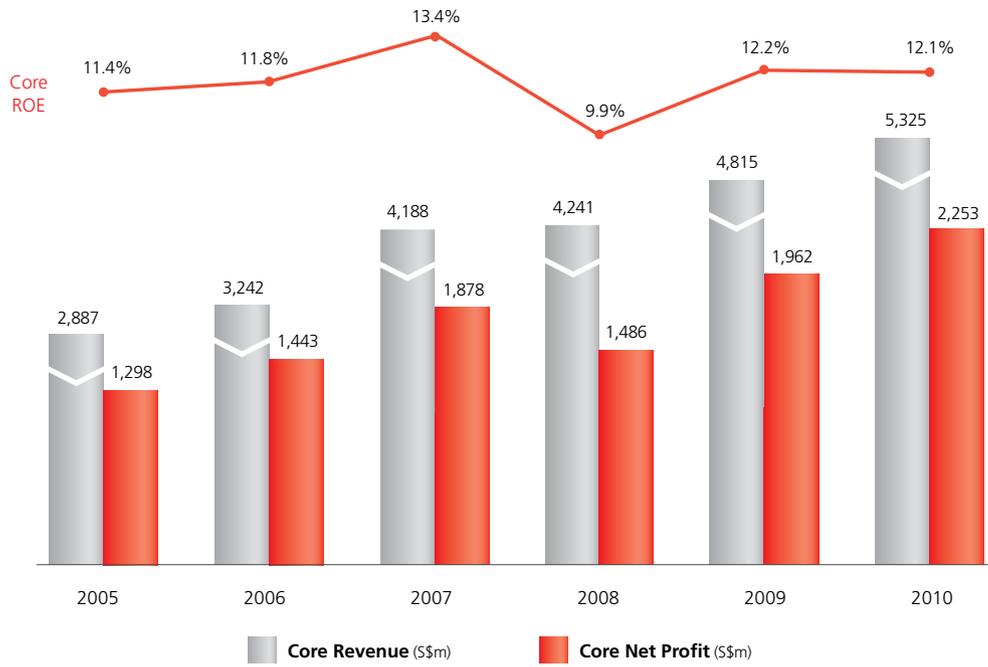
OCBC's share price outperformed the Straits Times Index during the New Horizons II period.

CAGR 2006-2010:

Price	Total Shareholder Return
OCBC: +8%	OCBC: +12%
STI: +6%	STI: +10%



5-Year CAGR: Core Revenue 13%, Core Net Profit 12%



5-Year CAGR: Core EPS 11%, DPS 10%

