

Review of 2001 Results

by

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Results At A Glance

	2001				2000	
	OCBC Group	Acquisition Effects	KCH	OCBC Proforma	OCBC Group	+ / (-) *
	S\$m	S\$m	S\$m	S\$m	S\$m	%
Income	2,209	(74)	243	2,040	1,727	18.1%
Expenses	862	32	89	741	656	13.0%
Goodwill amortisation	49	45	-	4	-	n.m.
Provisions	518	-	67	451	139	224.1%
Net Profit	785	(134)	81	838	840	-0.2%
Loans	52,849		14,722	38,127	35,238	8.2%
Deposits	54,904		13,584	41,320	37,942	8.9%
NPLs	5,183		1,608	3,575	4,092	-12.6%
ROE (GAAP Basis)	9.4%				10.7%	-1.3% pts
Return on Net Tangible Equity	11.1%				10.7%	+0.4% pts
EPS	61 cents				65 cents	-6.6%
DPS	18 cents				40 cents	-55.0%
- Ordinary	18 cents				18 cents	-
- Special	-				22 cents	-
CAR	18.8%				24.1%	-5.3% pts

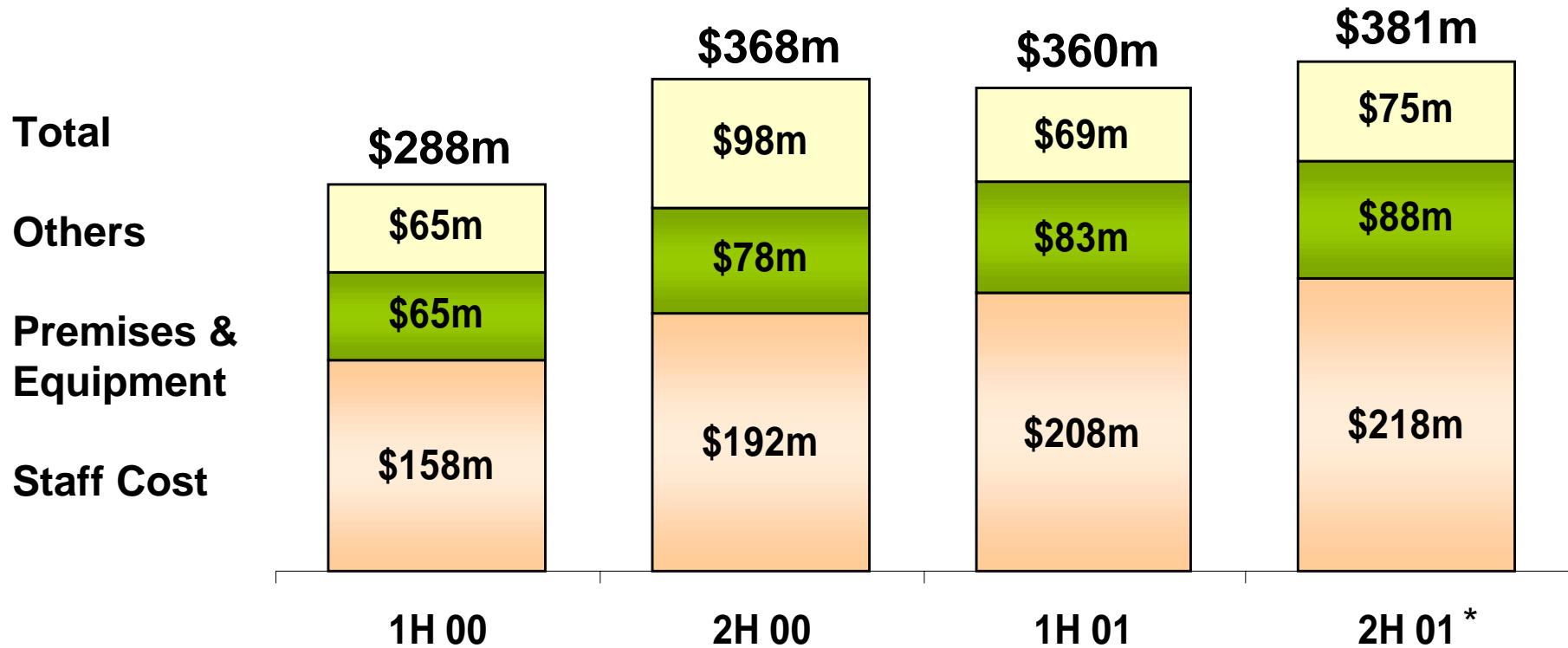
* % increase/decrease refers to 2001 OCBC proforma (excluding acquisition effects and KCH contribution) over 2000 OCBC Group.

Resilient Operating Income

	2000	2001 [*]	YoY
	S\$m	S\$m	%
Net Interest Income	1,260	1,271	+0.9
Fees & Commissions	256	259	+1.5
- Brokerage	64	45	-29.5
- Non-Brokerage	192	214	+11.8
Ave Loan Balances	32,334	36,368	+12.5
Net Interest Margin	2.33%	2.16%	-17bps

** OCBC proforma (excluding acquisition effects and KCH contribution)*

Expenses Under Control



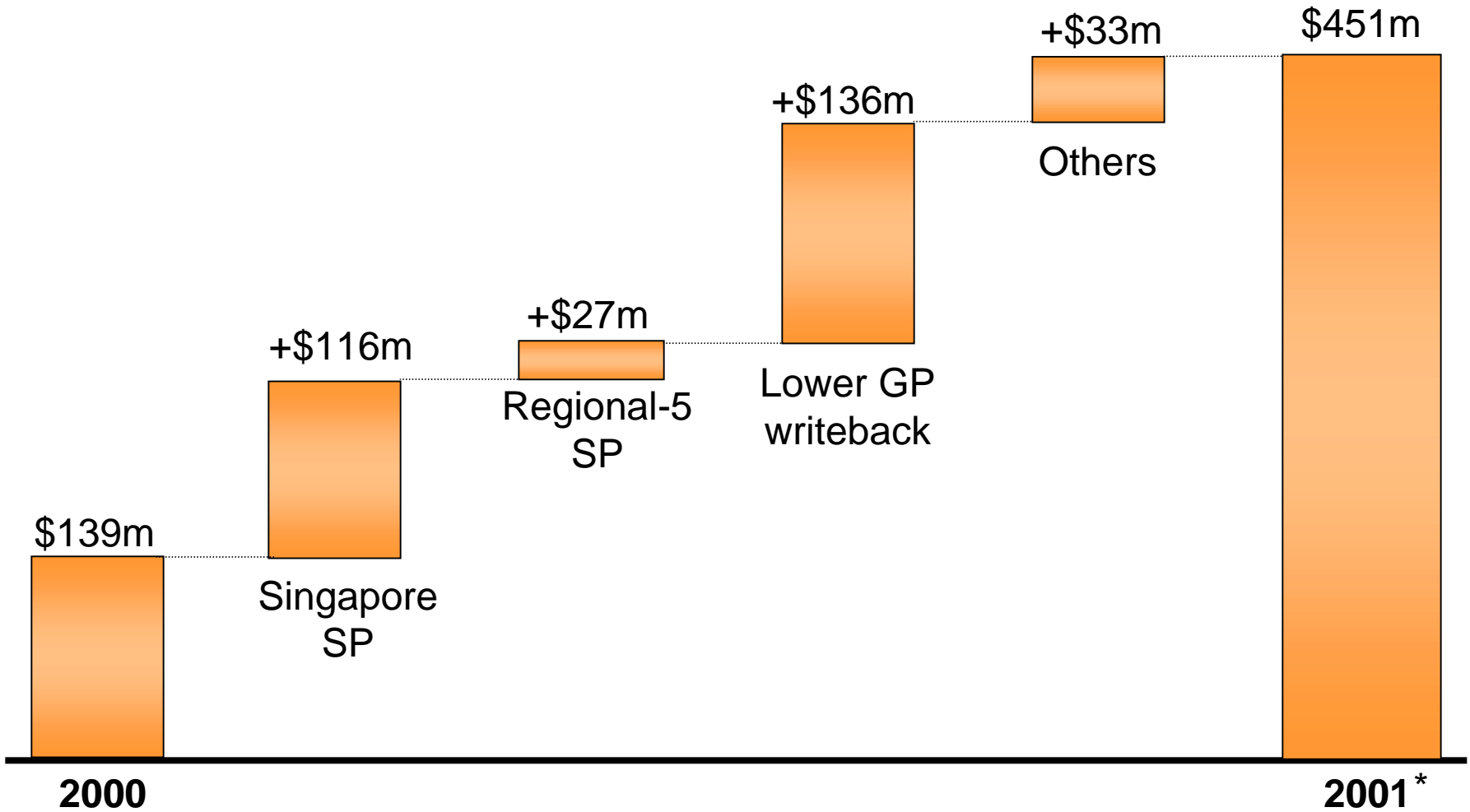
* OCBC proforma (excluding acquisition effects and KCH contribution)

Operating Profit

	1H	2H*	2001*	2000	YoY
	S\$m	S\$m	S\$m	S\$m	%
Net Interest Income	653	618	1,271	1,260	0.9
Fee & Other Income	243	526	769	467	64.8
Expenses	360	381	741	656	13.0
Operating Profit	536	763	1,299	1,071	21.3
Cost/Income Ratio	40.1%	33.3%	36.3%	38.0%	-

* OCBC proforma (excluding acquisition effects and KCH contribution)

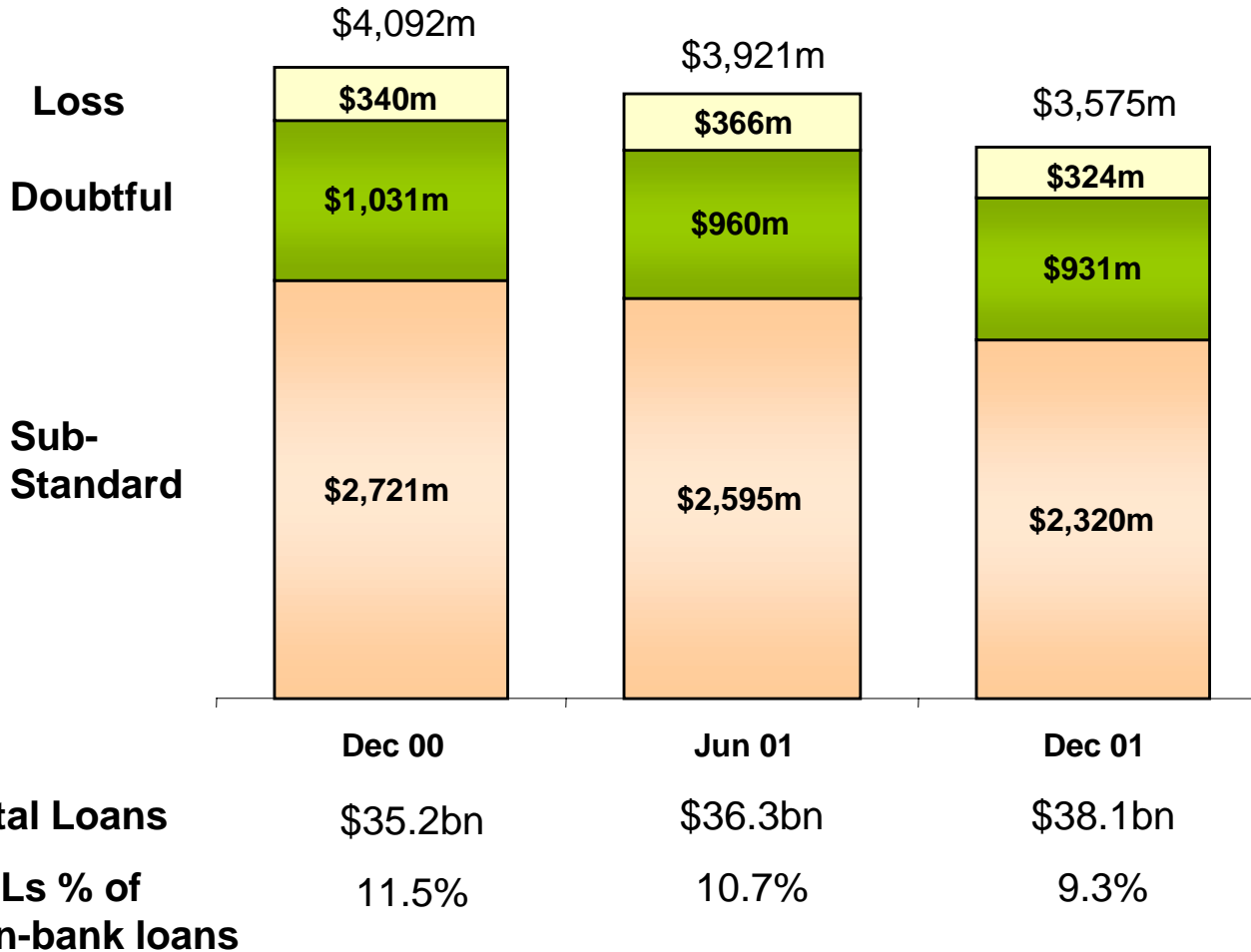
Provision Charge



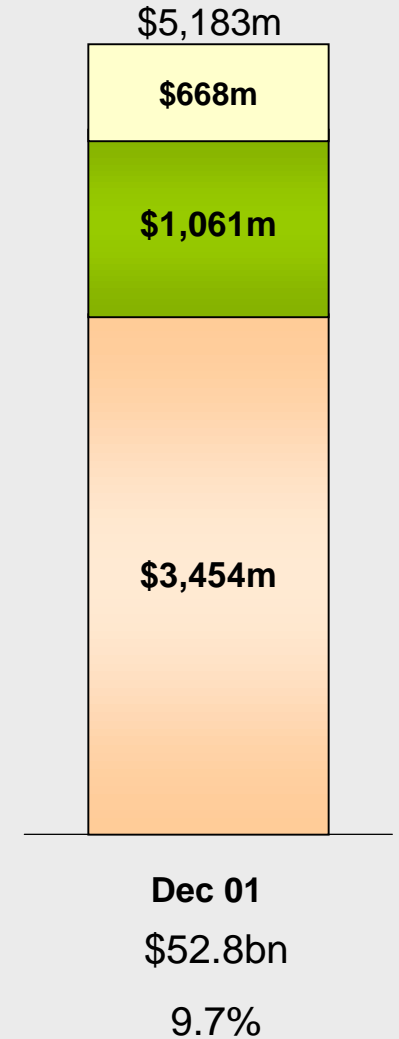
* OCBC proforma (excluding KCH)

Improving Asset Quality

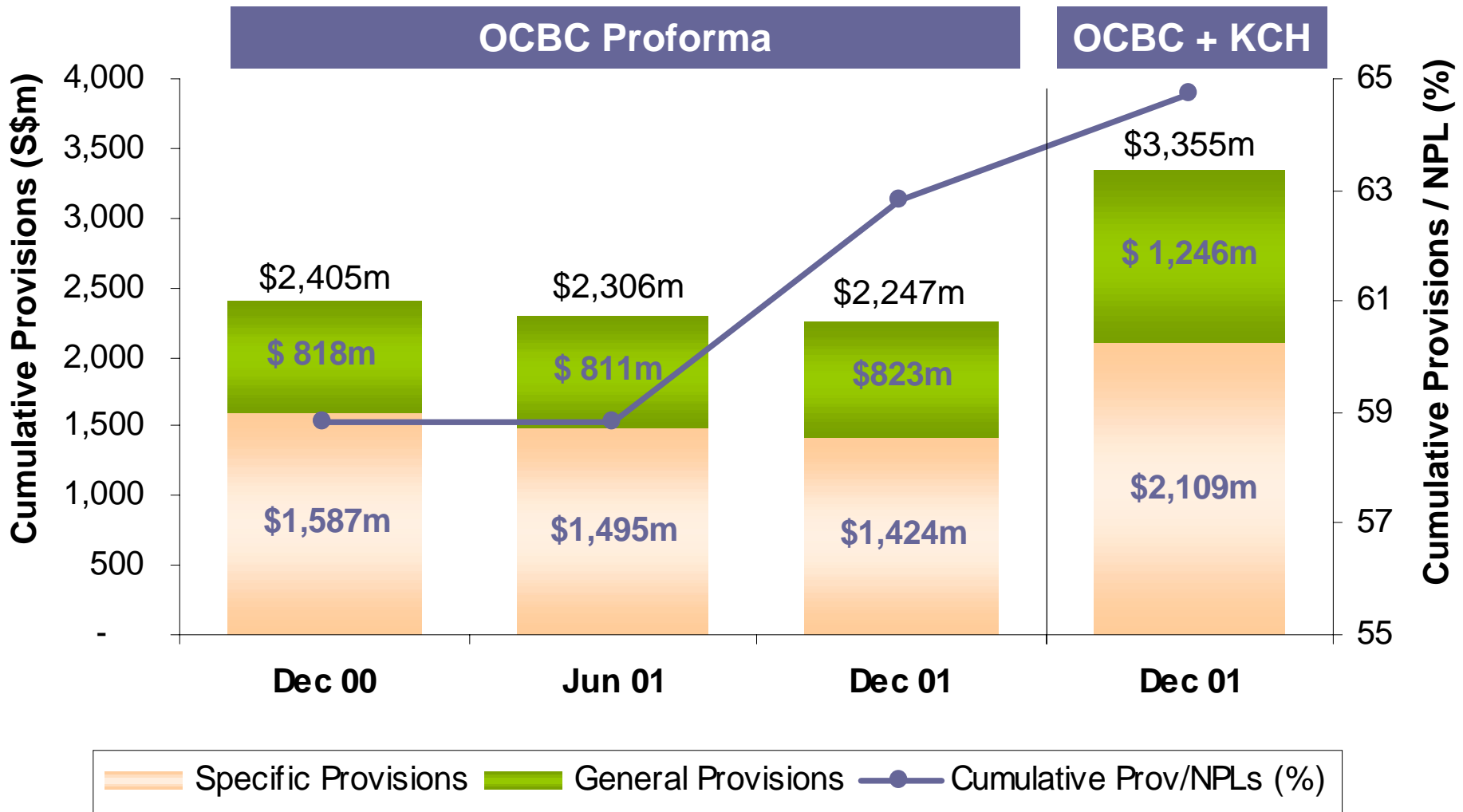
NPLs, OCBC Proforma



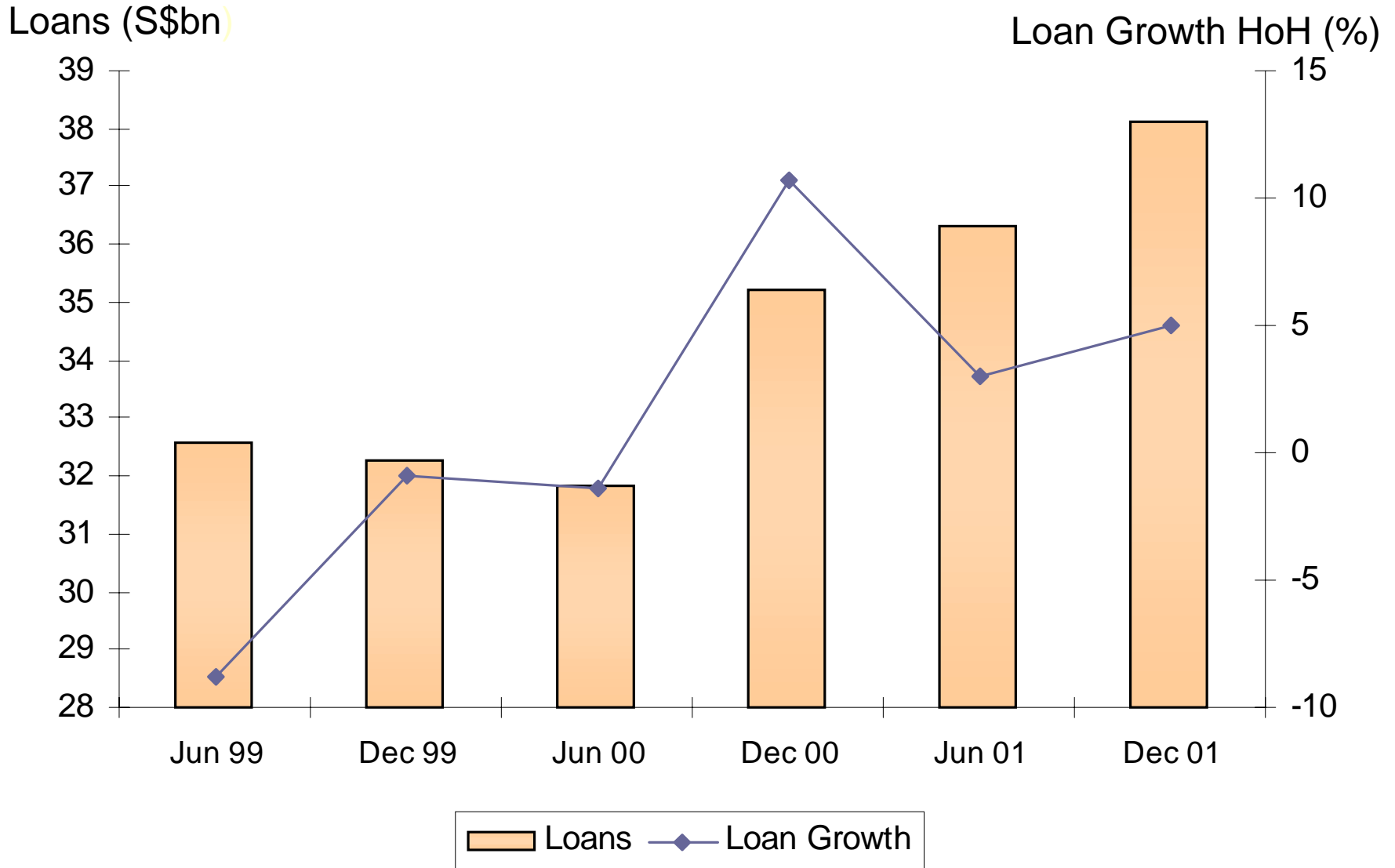
NPLs, OCBC + KCH



Higher Provisioning Coverage



Loan Growth Remains Robust



(1) FUNDING COST

- S\$3.88bn Upper Tier 2 subordinated debt issued in July 2001
- 10-year maturity, denominated in S\$, US\$ and Euros
- Fixed-rate coupon swapped into floating rate
- Currency risk hedged by swapping proceeds into S\$
- For 2H2001, funding cost was S\$74m



Average funding cost is approximately six-month SIBOR + 150 bps

Integration Effects

(2) GOODWILL

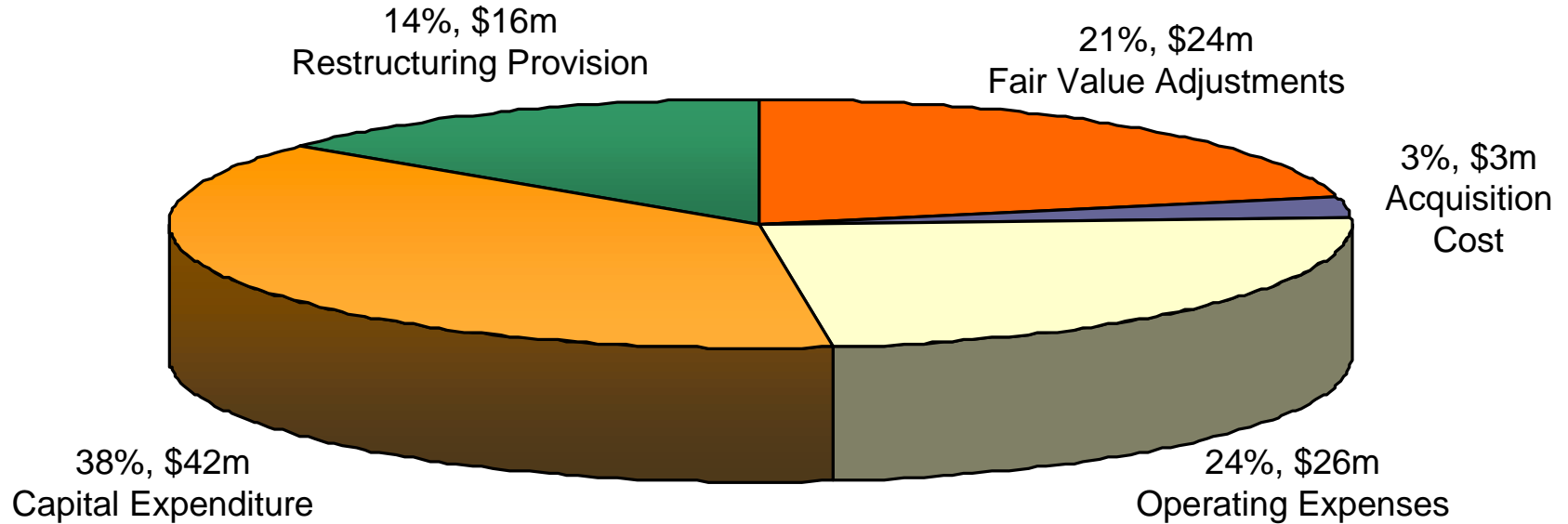
	S\$m
Net tangible assets as at 31 July 2001	3,020
Fair value adjustments	33
Pre-acquisition profits (1 Aug to 16 Aug 2001)	10
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Fair value as at date of acquisition	3,063 [B]
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Total purchase consideration ^{1/}	5,287 [A]
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Goodwill [A - B]	2,224

2001	2002-2005	2006	2007+
S\$45m	S\$119m p.a.	S\$115m	S\$109m p.a.

^{1/} including warrants, ESOS, advisory fees, etc

Integration Effects

(3) INTEGRATION COSTS



	2001	2002	2003	2004	2005	Total
Cash Outlay	\$12m	\$95m	\$4m	-	-	\$111m
P/L Impact	\$32m	\$26m	\$11m	\$10m	\$6m	-

(4) PROJECTED COST SYNERGIES

[in today's dollars, S\$m]	2001	2002	2003	2004+
Personnel cost (including Training)	0	33	53	57
Premises & Equipment	1	13	25	25
IT Cost (Hardware & Software)	(1)	3	11	12
Communication Equipment	0	1	1	1
Professional Fees & Others	1	5	6	7
Total	1	55	96	102



Thank You