



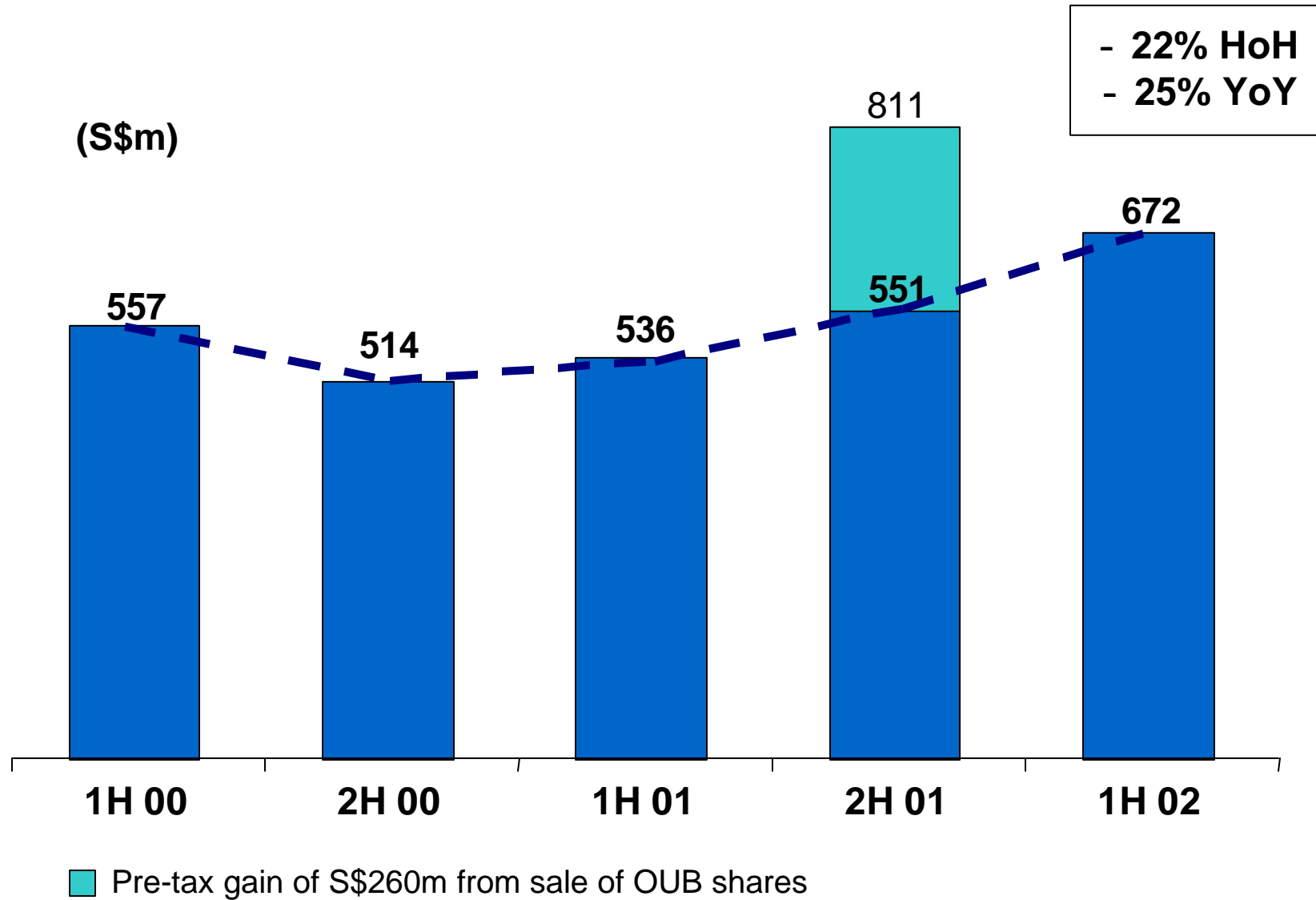
# **First Half 2002 Results**

Presentation to Media and Analysts

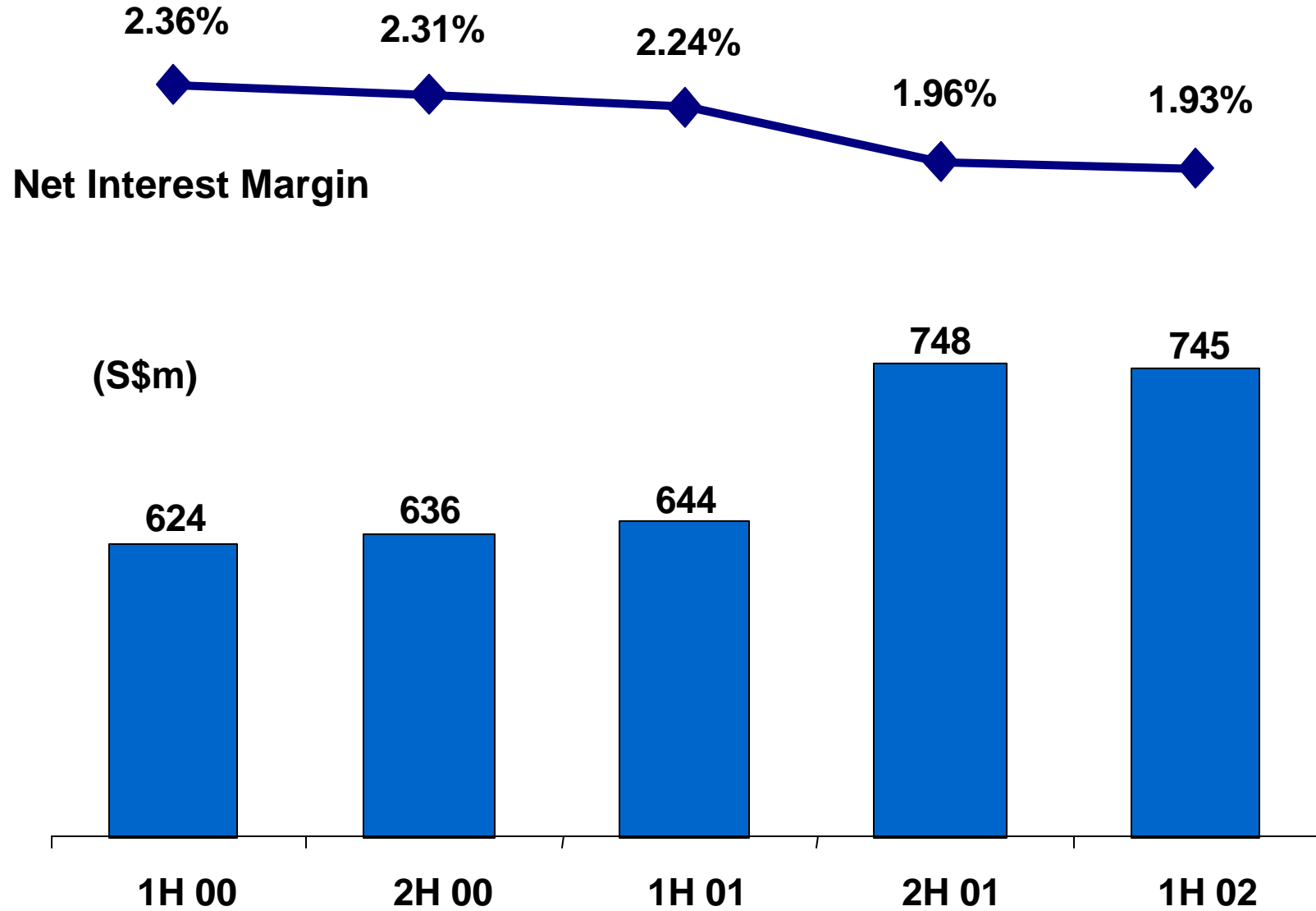
5 August 2002

- **Income Statement Trends**
- **Comparison of 1H 2002 vs 1H 2001**
- **Comparison of 1H 2002 vs 2H 2001**
- **Balance Sheet, Asset Quality Trends**
- **Integration Update and Revenue Synergies**
- **Conclusion**

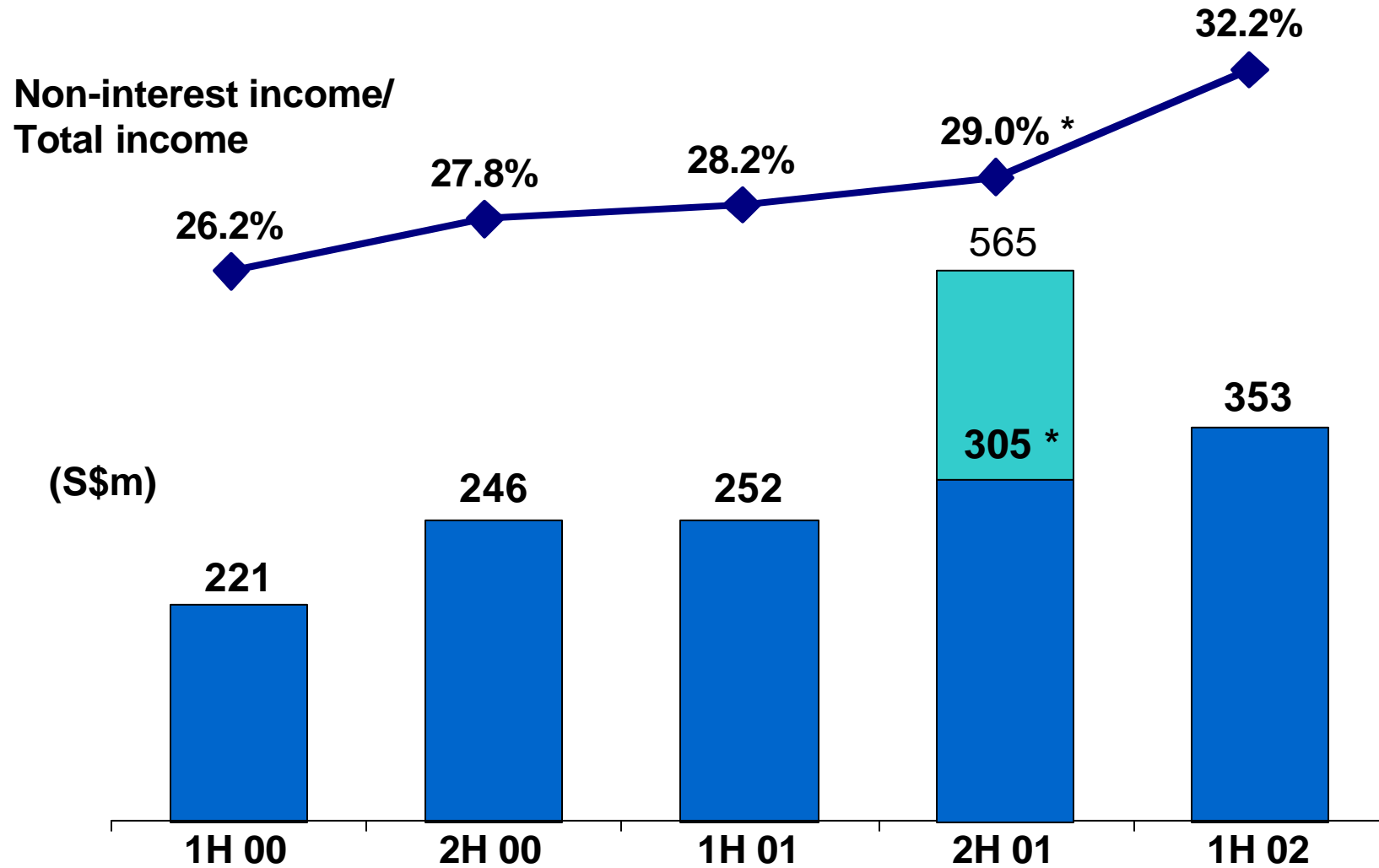
# Operating Profit on an Uptrend



# Net Interest Income



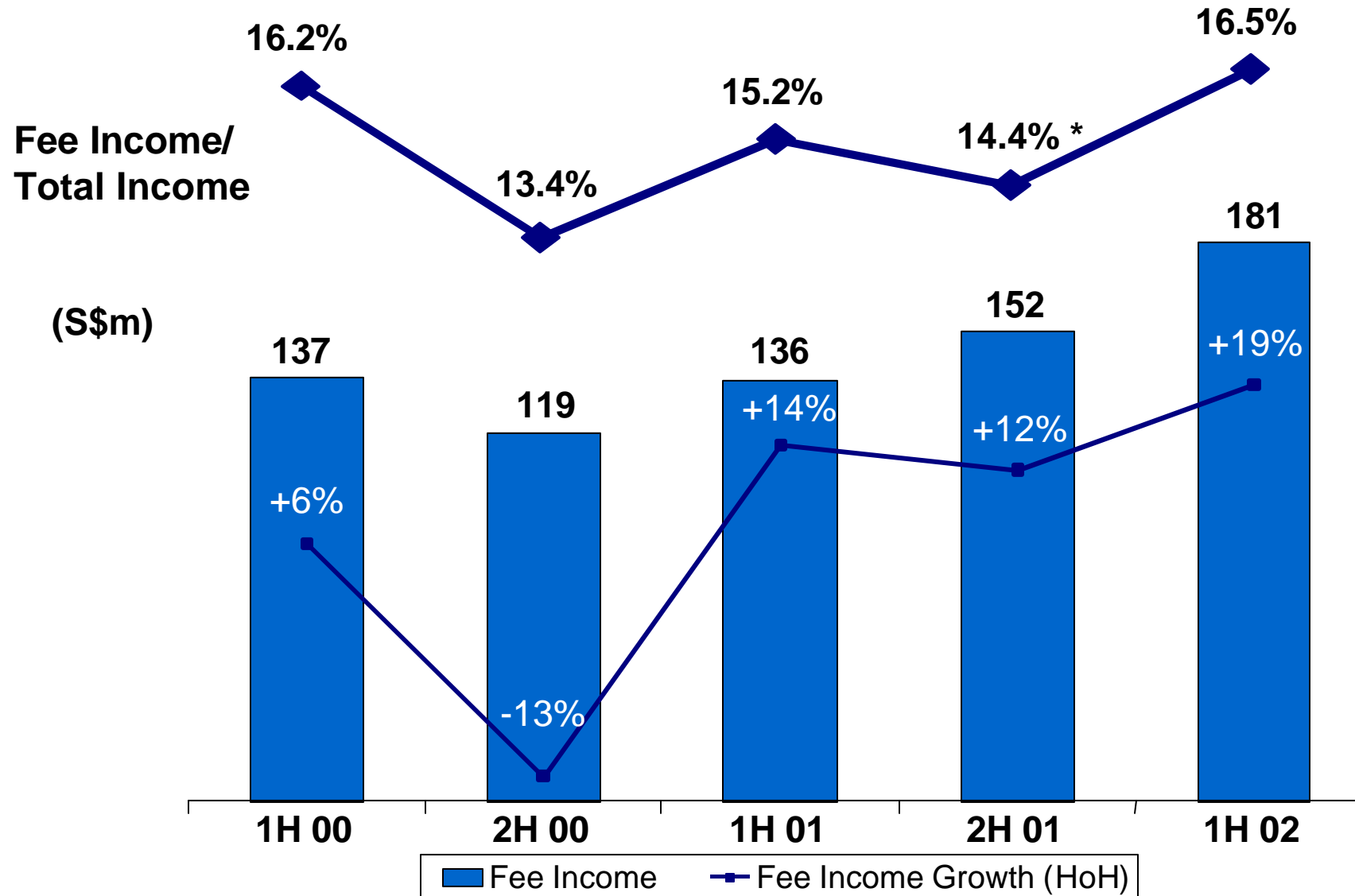
# Non-interest Income Improving, Led by Fee Income



■ One-off gain of S\$260m from sale of OUB shares

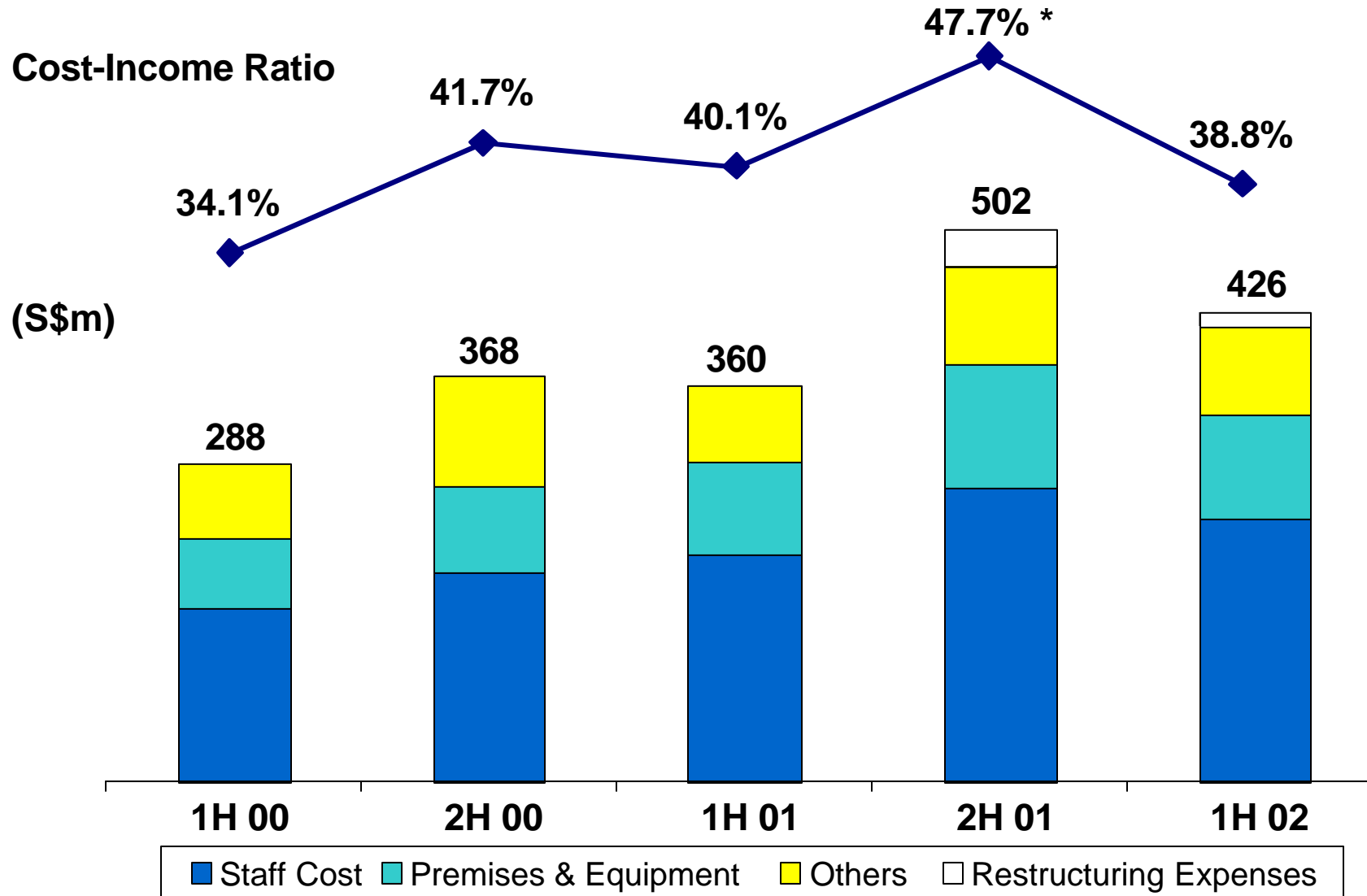
\* Excluding one-off gain of S\$260m from sale of OUB shares

# Fee Income Contribution Rising



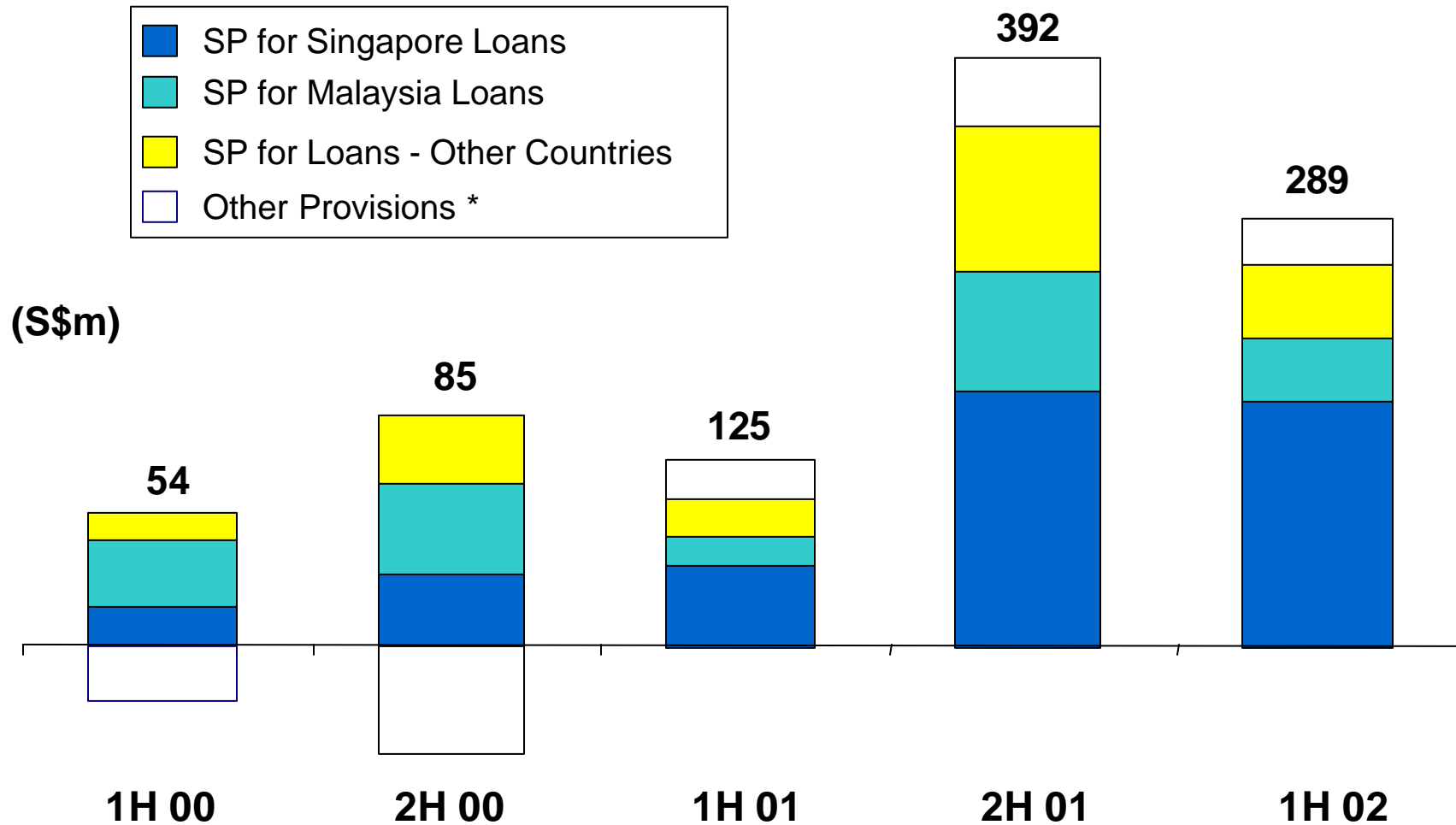
\* Excluding one-off gain from sale of OUB shares

# Expenses and Cost-Income Ratio Down



\* Excluding one-off gain from sale of OUB shares

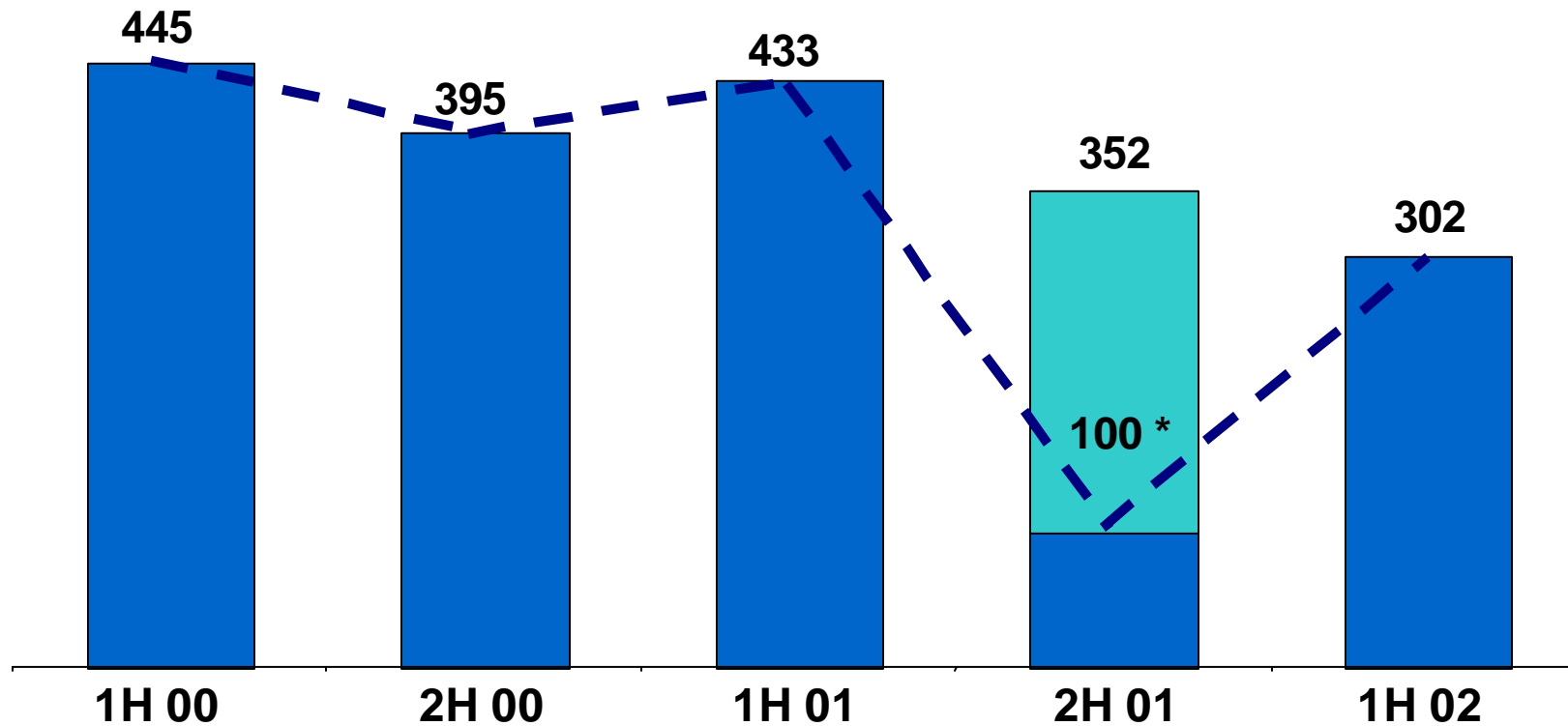
# Provision Charge Remains High But Below 2H01



\* Other provisions comprise general provision for loans and specific provision for diminution in value of investment securities and other assets



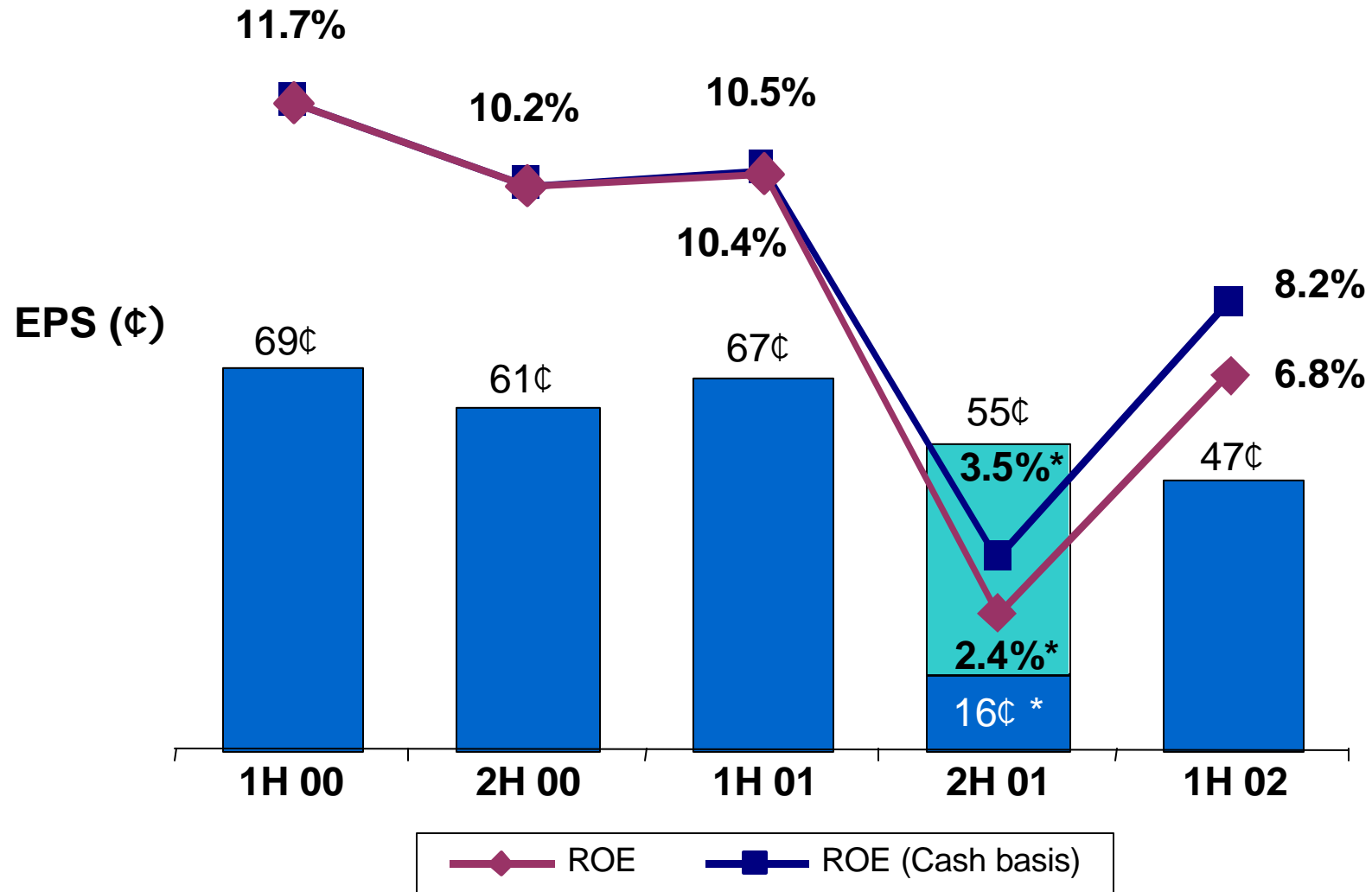
(S\$m)



■ One-off gain of S\$252m (after tax) from sale of OUB shares

\* Excluding one-off gain from sale of OUB shares

# Similar Trend for EPS and ROE



■ Gain from sale of OUB shares

\* Excluding one-off gain from sale of OUB shares

Note: ROE and EPS are annualised

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## Comparison of 1H 2002 vs 1H 2001

	1H02	1H01 *	YoY
	S\$m	S\$m	+/(-)
Net Interest Income	745	644	16%
Non-interest Income	353	252	40%
Total Income	1,098	896	23%
Operating Expenses	426	360	18%
<b>Operating Profit</b>	<b>672</b>	<b>536</b>	<b>25%</b>
Goodwill	62	2	n.m.
Provisions	289	125	131%
Associates	103	158	-34%
<b>Net Profit</b>	<b>302</b>	<b>433</b>	<b>-30%</b>

\* 1H01 figures exclude KCH as KCH was acquired in August 2001

## Comparison of 1H 2002 vs 2H 2001 \*

	1H02	2H01 *	HoH
	S\$m	S\$m	+/(-)
Net interest income	745	748	0%
Non-interest income	353	305	16%
Total Income	1,098	1,053	4%
Operating Expenses	426	502	-15%
<b>Operating Profit</b>	<b>672</b>	<b>551</b>	<b>22%</b>
Goodwill	62	47	32%
Provisions	289	392	-26%
Associates	103	41	153%
<b>Net Profit</b>	<b>302</b>	<b>100</b>	<b>202%</b>

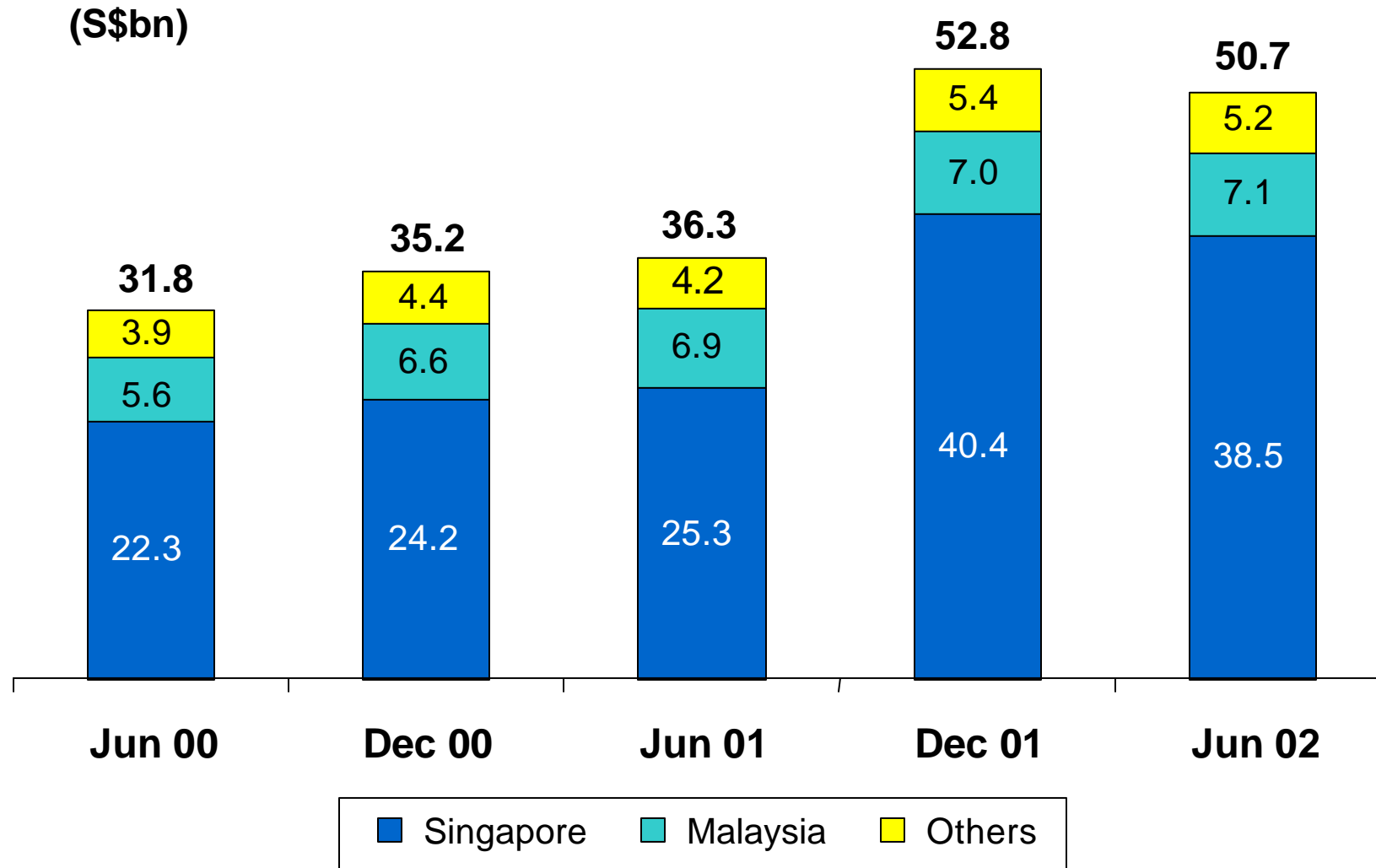
2H01 figures include 4½ months' contribution from KCH

\* Excluding one-off pre-tax gain of S\$260m from sale of OUB shares.

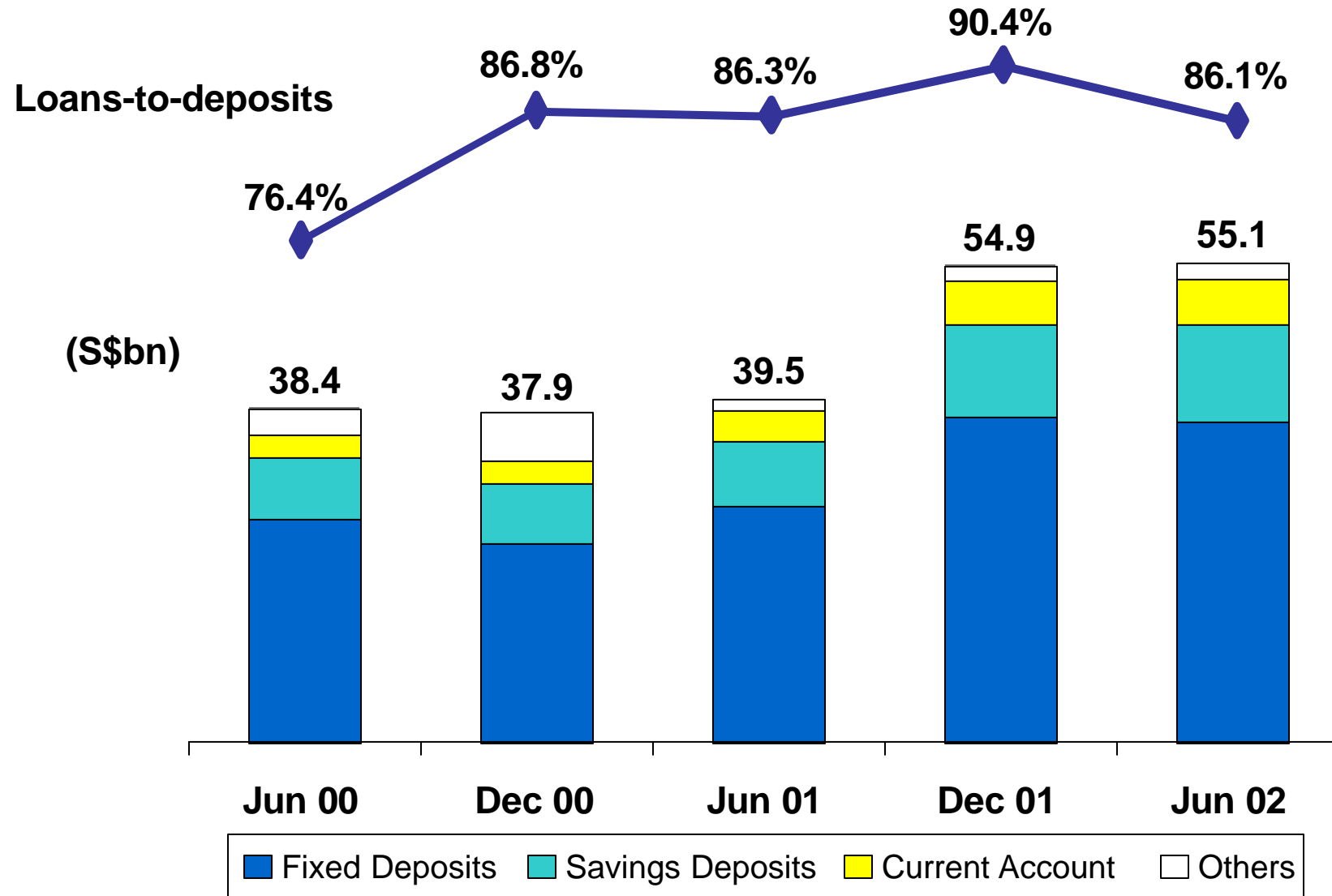
See Appendix 1 for the reported 2H 2001 results which include this gain.

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# Loan Growth Stalled

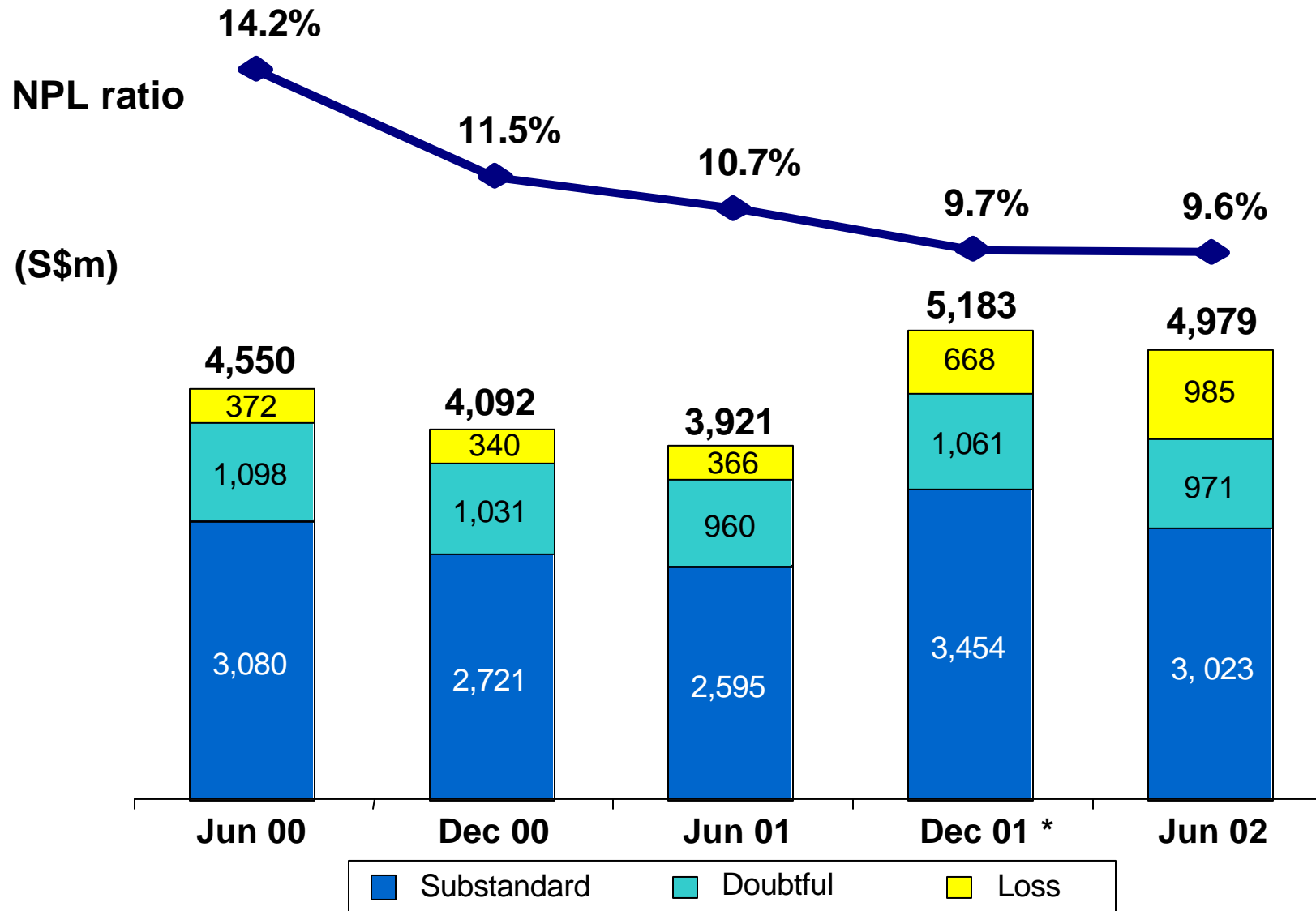


# Deposits Holding Steady



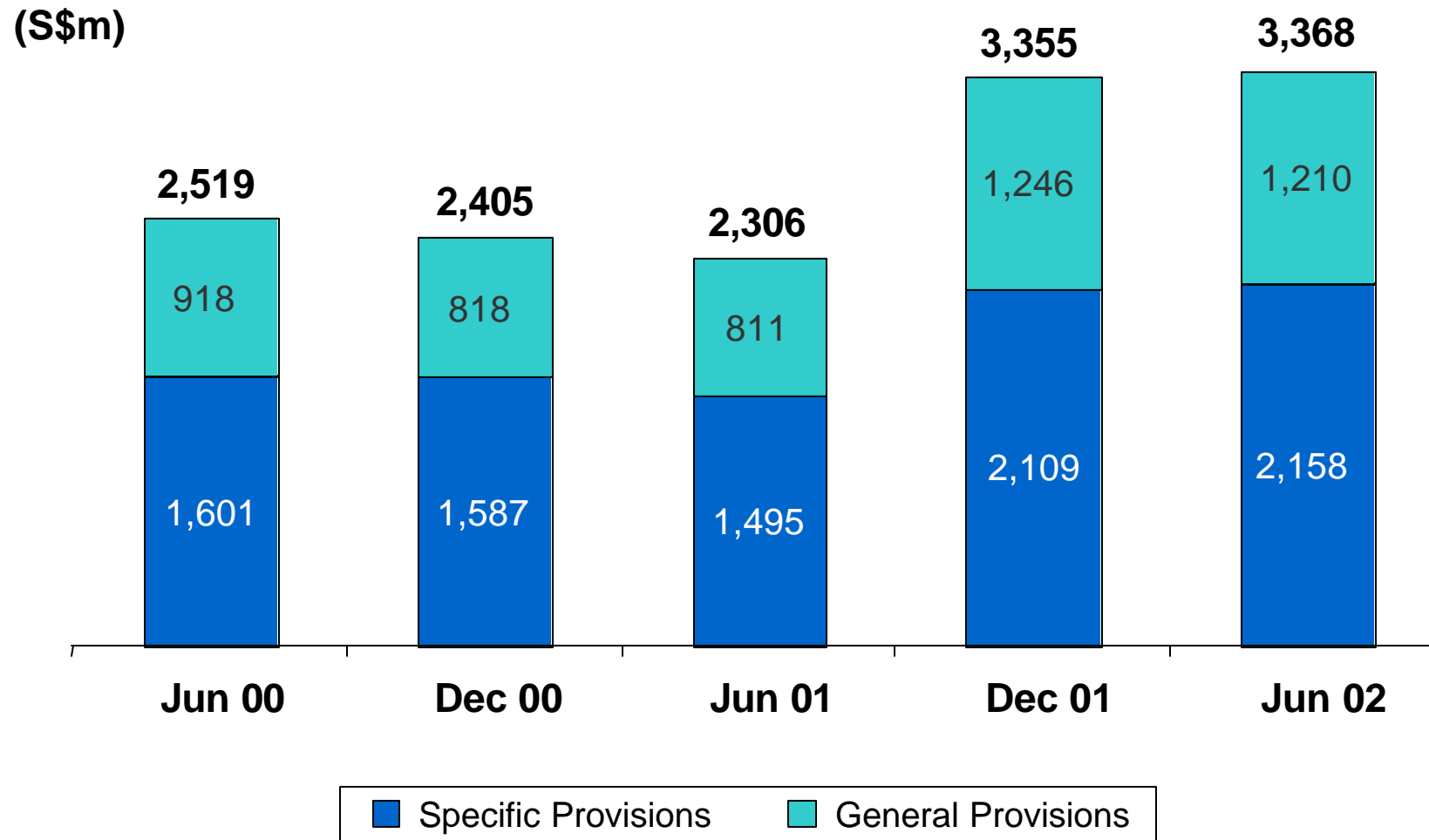


# NPLs Down Due to Active NPL Resolution and Recovery Efforts



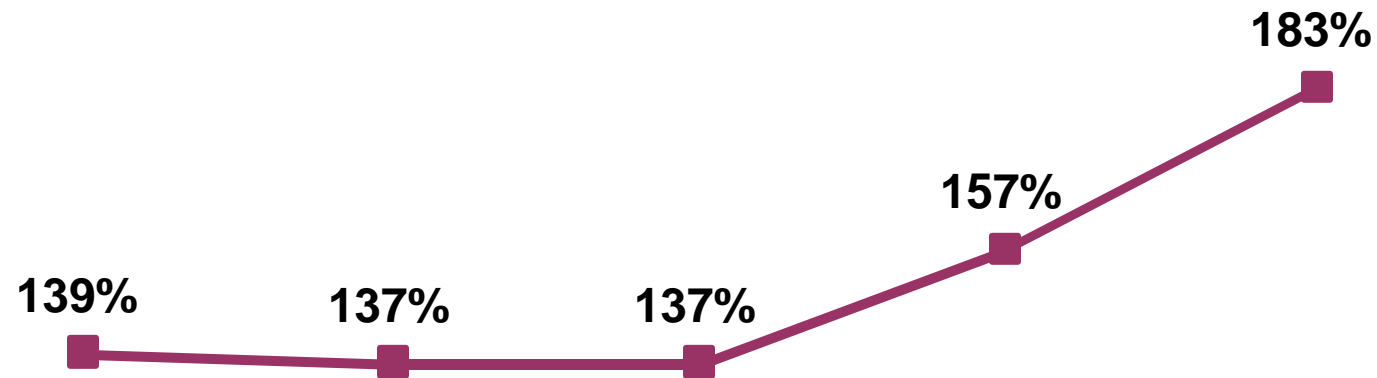
\* Increase was due to consolidation of KCH

# Cumulative Loan Provisions Remain Adequate

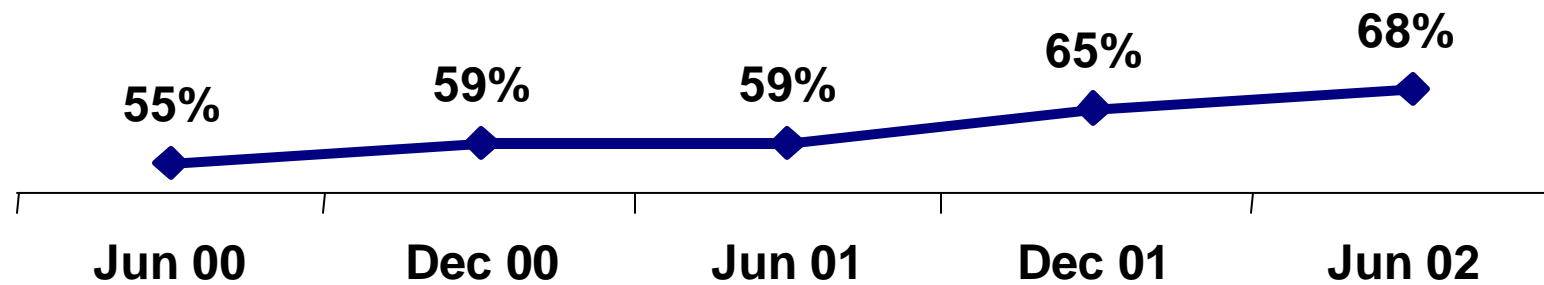


# Provision Coverage Increased

Cumulative Provisions/Unsecured NPLs



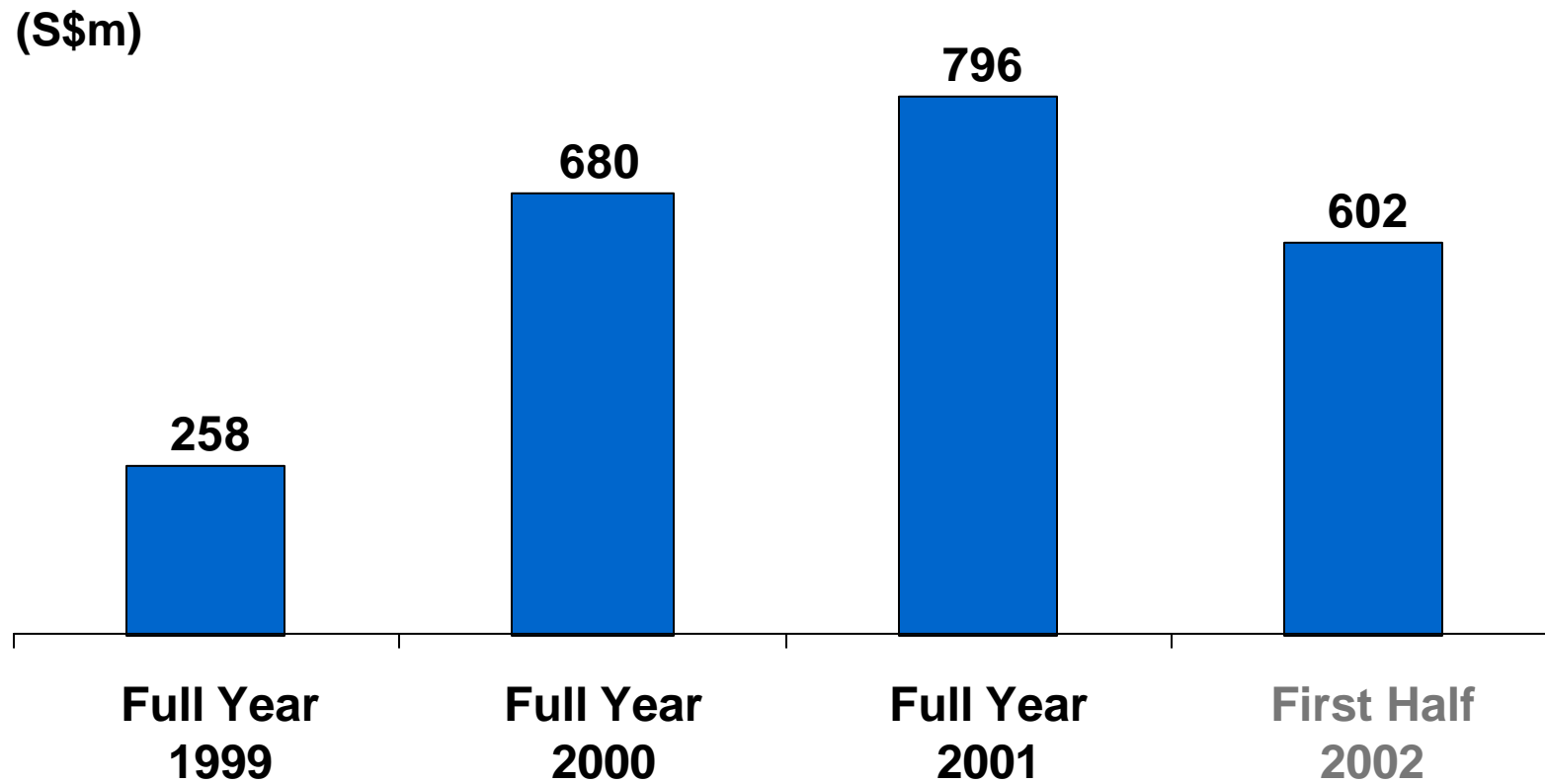
Cumulative Provisions/Total NPLs

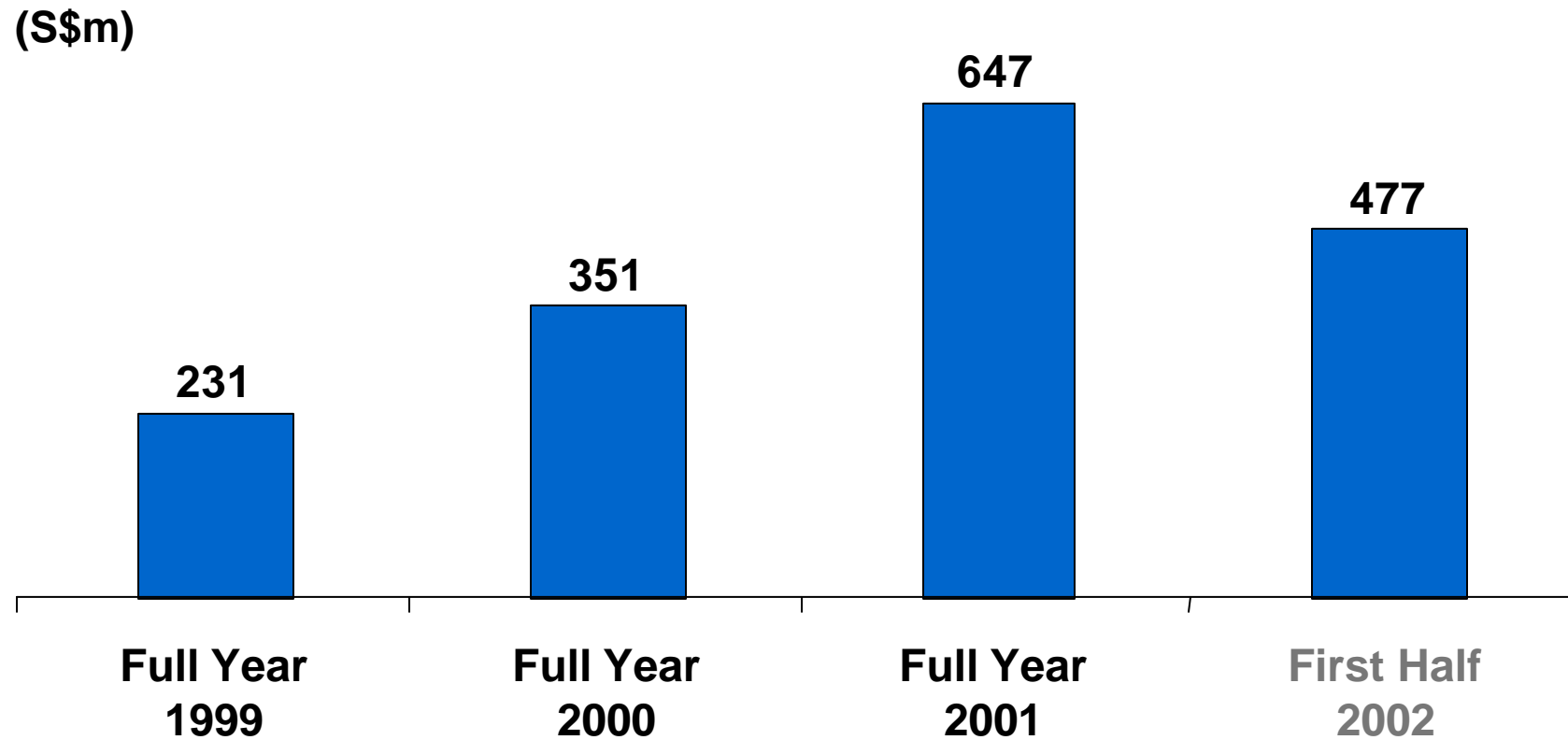


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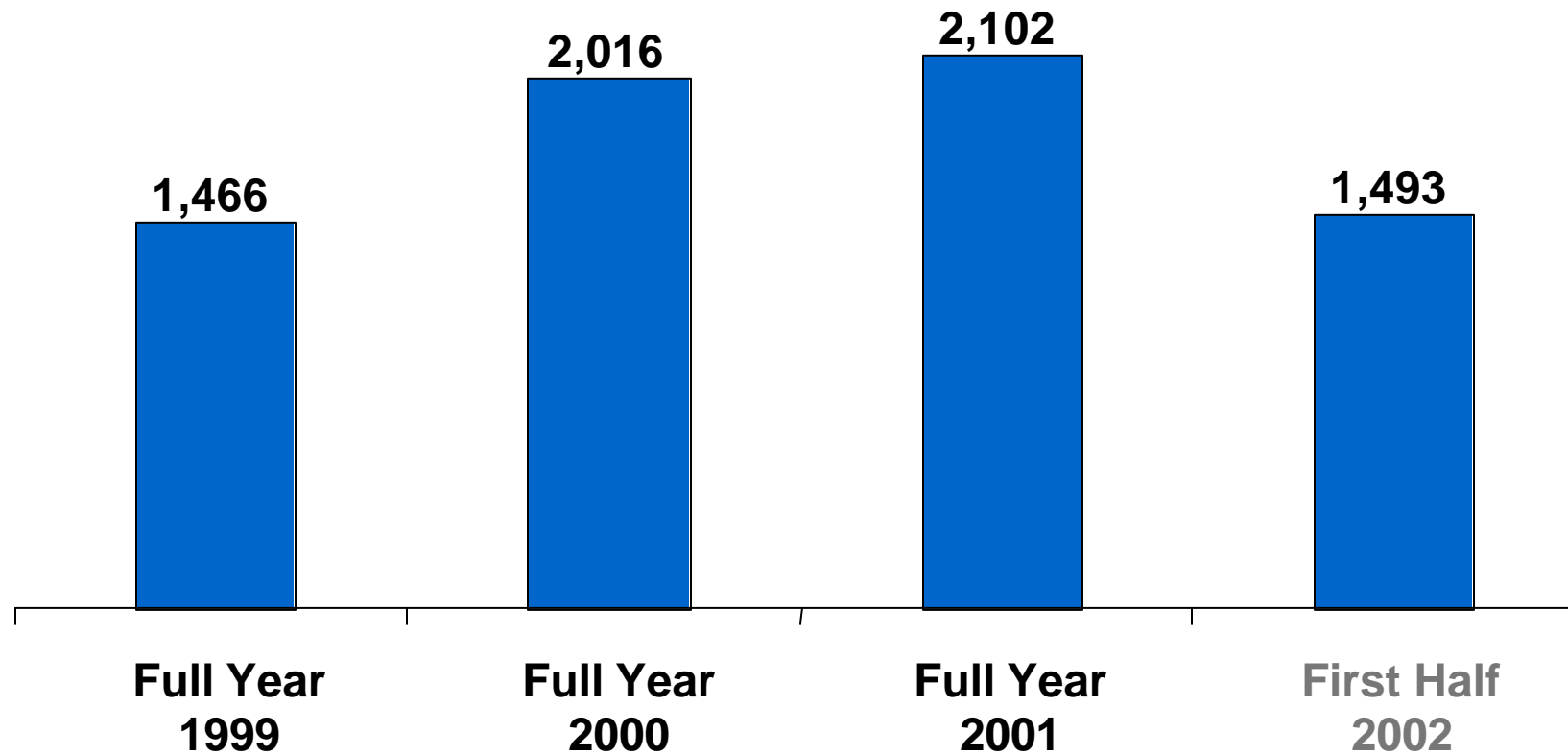
- **Full legal and operational integration between KTB and OCBC Bank achieved on 25 February 2002, six months ahead of original plan**
  
- **Branch/rep office network:**
  - Domestic: Reduced by one-third from 108 to 77
  - Malaysia: Maintained at 25 branches (no duplication)
  - International: Reduced by one-quarter from 33 to 25
  
- **Headcount**
  - Sep 2001: 8,600
  - June 2002: 7,700
  - Reduced by 900 or 10%
  
- **Increased cross-selling and other revenue synergies → most evident in wealth management and consumer loans**

# Revenue Synergy from Enlarged Customer Base – Unit Trust Sales

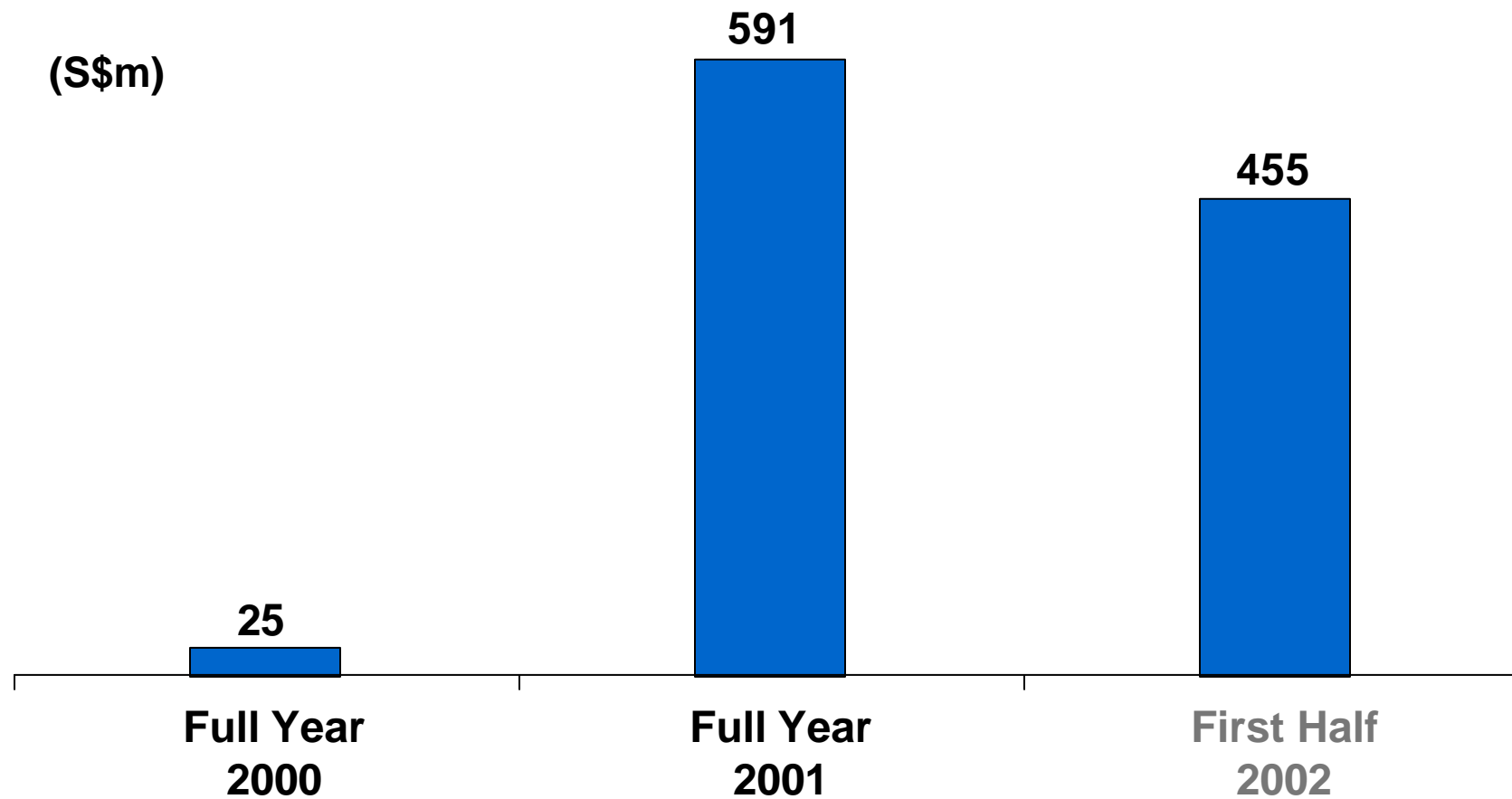




(S\$m)







*Note: OCBC Bank introduced its car loan product in September 2000  
Figures exclude OCBC Finance which provides loans for the secondary car market*

- **Operating profit held up well under challenging economic environment**
- **Strong fee income, better-than- expected costs savings**
- **Integration cost and revenue synergies flowing through**
- **Focus is on growing top line, improving asset quality, and increasing operational efficiencies**
- **OCBC Bank named Best Corporate/Institutional Internet Bank in both Singapore and the Asia Pacific - *Global Finance*, July 2002**
- **Review of overall strategy underway in 2H02**

# Appendix 1: Comparison of 1H 2002 vs 2H 2001

	1H02	2H01	HoH
	S\$m	S\$m	+/(-)
Net interest income	745	748	0%
Non-interest income	353	565 *	-38%
Total Income	1,098	1,313 *	-16%
Operating Expenses	426	502	-15%
<b>Operating Profit</b>	<b>672</b>	<b>811 *</b>	<b>-17%</b>
Goodwill	62	47	32%
Provisions	289	392	-26%
Associates	103	41	153%
<b>Net Profit</b>	<b>302</b>	<b>352 *</b>	<b>-14%</b>

\* Includes one-off pre-tax gain of S\$260m (S\$252m after tax) from sale of OUB shares