

# **Third Quarter 2003 Results**

## **Presentation**

14 November 2003



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

# Results at a Glance - Quarterly

	3Q03	3Q02	YoY	2Q03	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	359	388	(8)	356	1
Non-interest income	230	157	46	174	32
- <i>Fee Income</i>	100	99	1	88	14
Total Income	589	545	8	530	11
Operating Expenses	214	204	5	223	(4)
<b>Operating Profit</b>	<b>375</b>	<b>341</b>	<b>10</b>	<b>307</b>	<b>22</b>
Goodwill	32	31	3	32	0
Provisions	37	75	(51)	70	(47)
Associates	52	11	386	78	(33)
<b>Net Profit</b>	<b>292</b>	<b>181</b>	<b>62</b>	<b>224</b>	<b>30</b>

# Results at a Glance : Year-to-Date

	<b>9 Months 2003</b>	<b>9 Months 2002</b>	<b>2003 / 2002</b>
	S\$m	S\$m	+/(-)%
Interest Income	1,066	1,133	(6)
Non-interest income	552	520	6
- <i>Fee Income</i>	270	283	(5)
Total Income	1,618	1,653	(2)
Operating Expenses	638	633	1
<b>Operating Profit</b>	<b>980</b>	<b>1,020</b>	<b>(4)</b>
Goodwill	95	95	(0)
Provisions	171	371	(54)
Associates	141	114	24
<b>Net Profit</b>	<b>676</b>	<b>498</b>	<b>36</b>

# Results Adjusted for Non-Core Asset Divestment

<b>Quarterly</b>	<b>3Q03</b>	<b>3Q02</b>	<b>YoY</b>	<b>2Q03</b>	<b>QoQ</b>
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Adjusted Operating Profit	297	341	(13)	307	(3)
Adjusted Net Profit	220	181	22	224	(2)

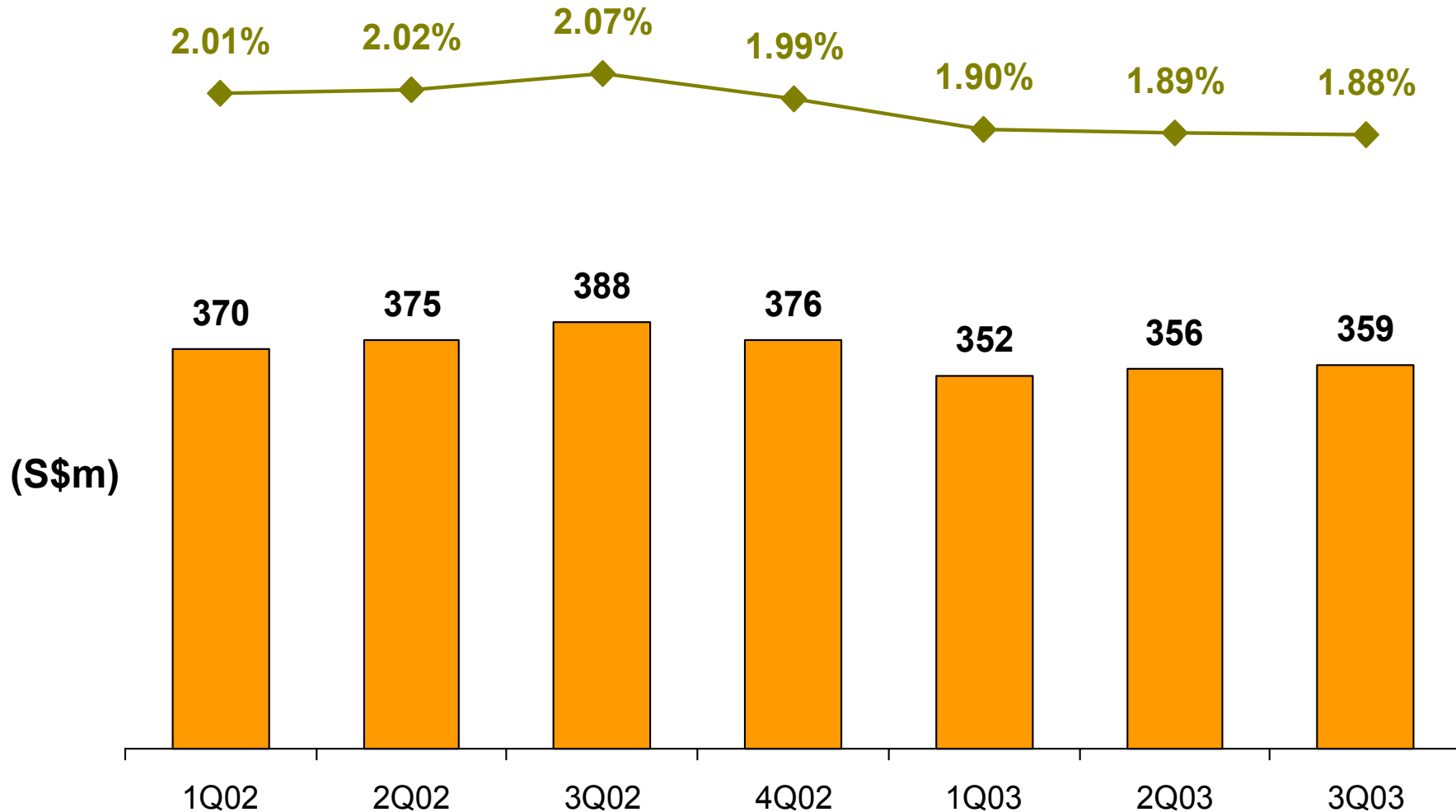
<b>Year-to-Date</b>	<b>9 Months 2003</b>	<b>9 Months 2002</b>	<b>2003 / 2002</b>
	S\$m	S\$m	+/(-)%
Adjusted Operating Profit	902	1,020	(12)
Adjusted Net Profit	604	498	21

Note: Adjusted to exclude gain of S\$78m (S\$72m net of tax) from divestment of non-core assets in 3Q03

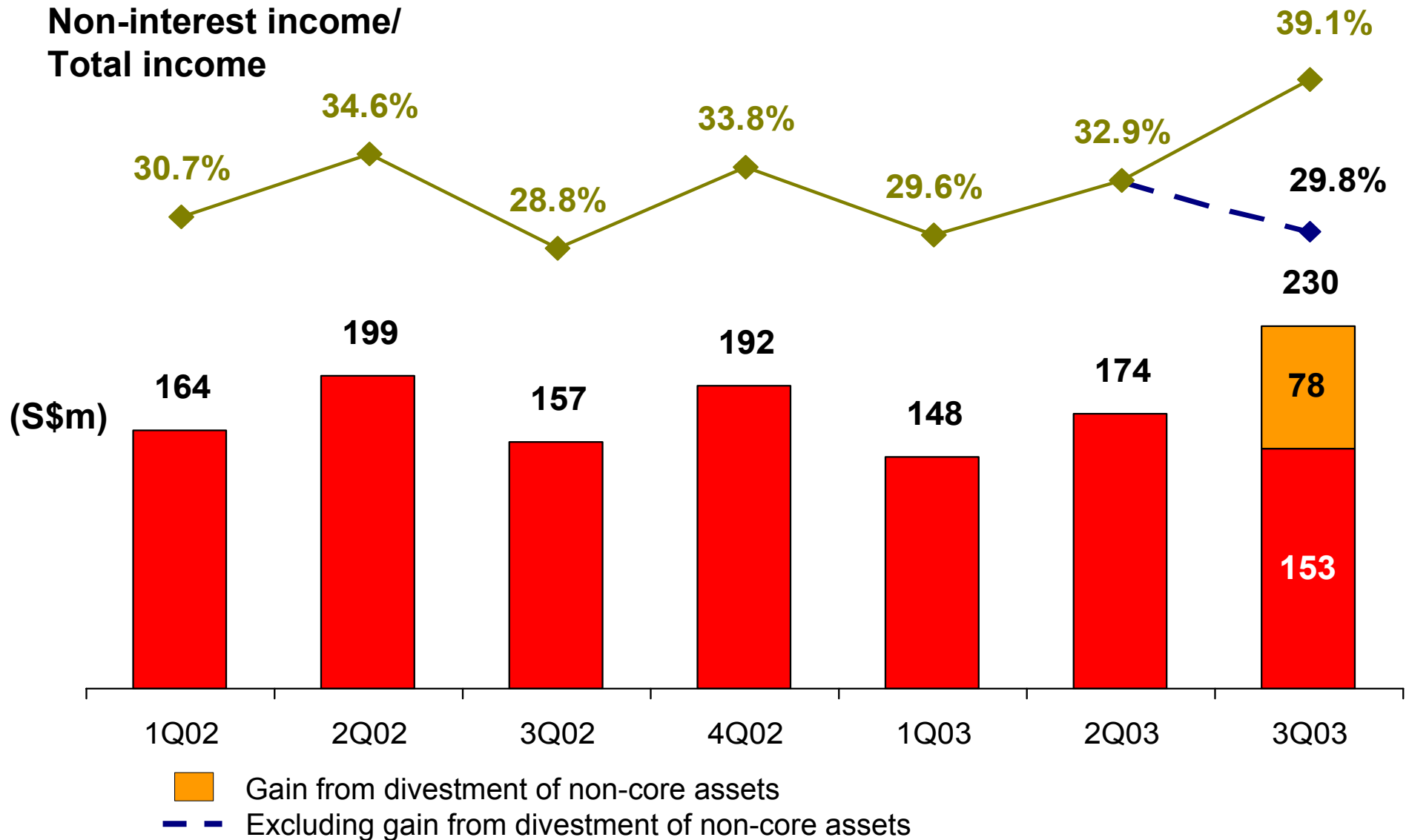
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# Net Interest Income and Margin Stable Compared to 2Q03

## Net Interest Margin

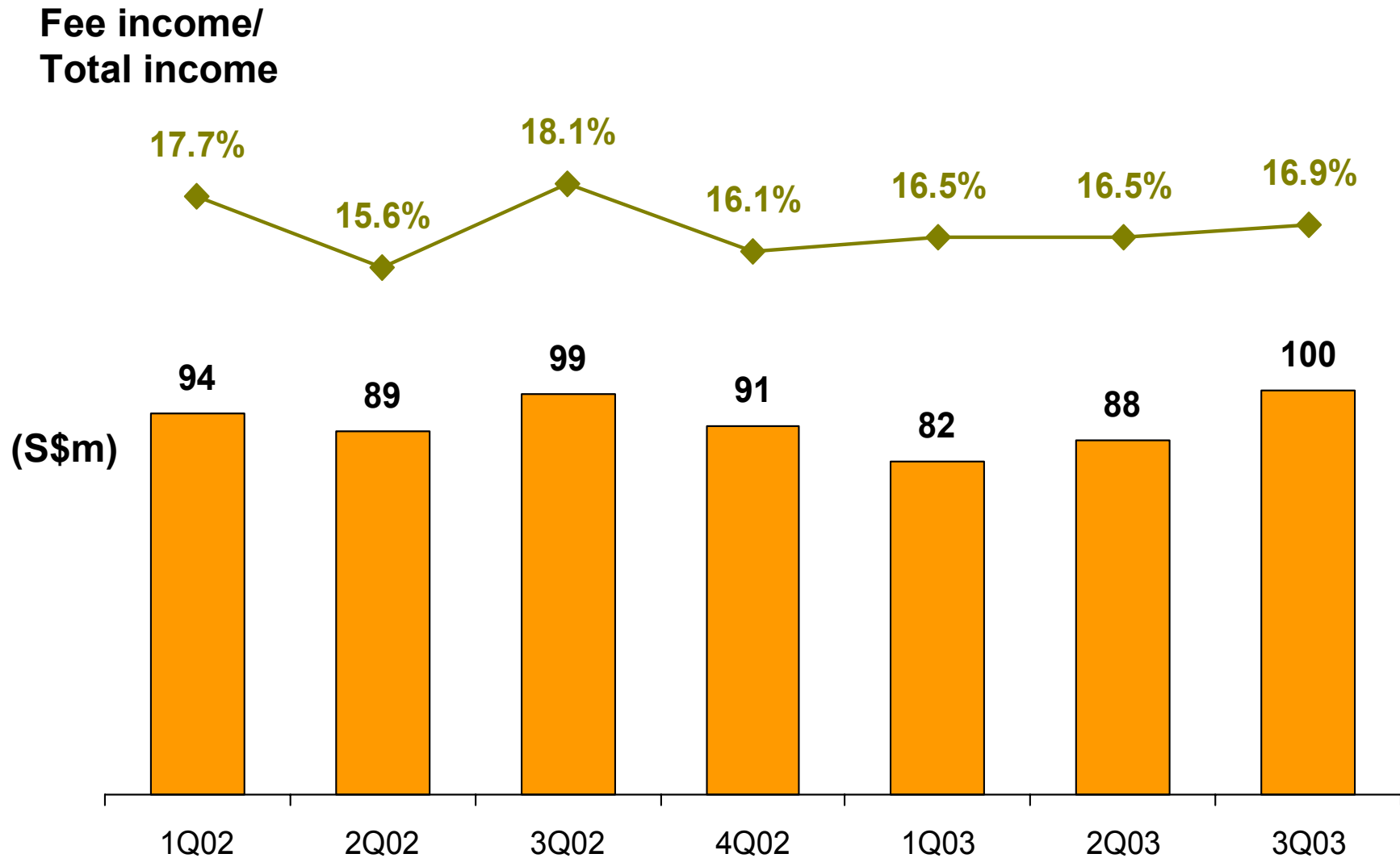


# Non-Interest Income Buoyed by Non-Core Asset Divestment



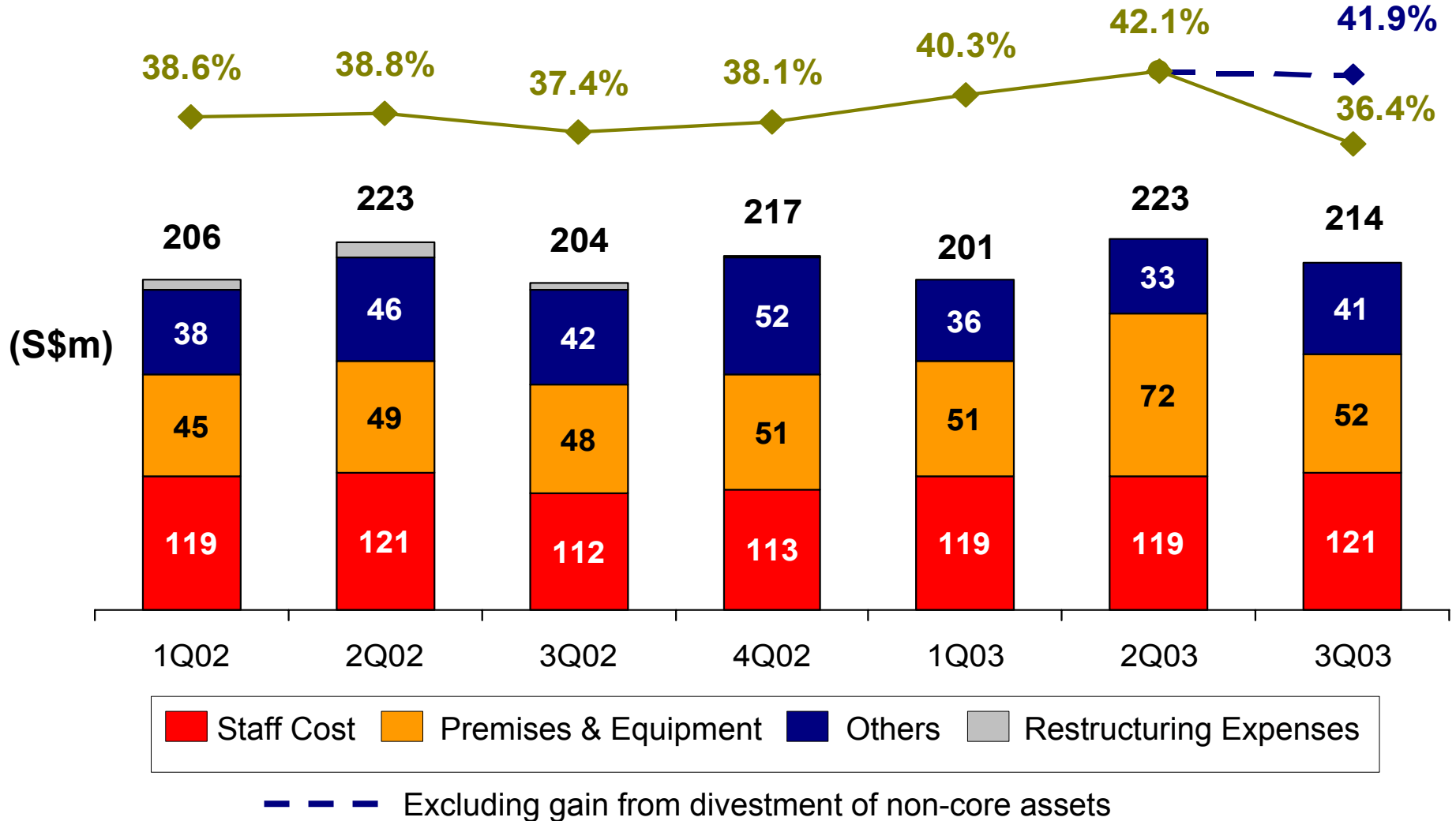


# Steady Rise in Fee Income Since 1Q03



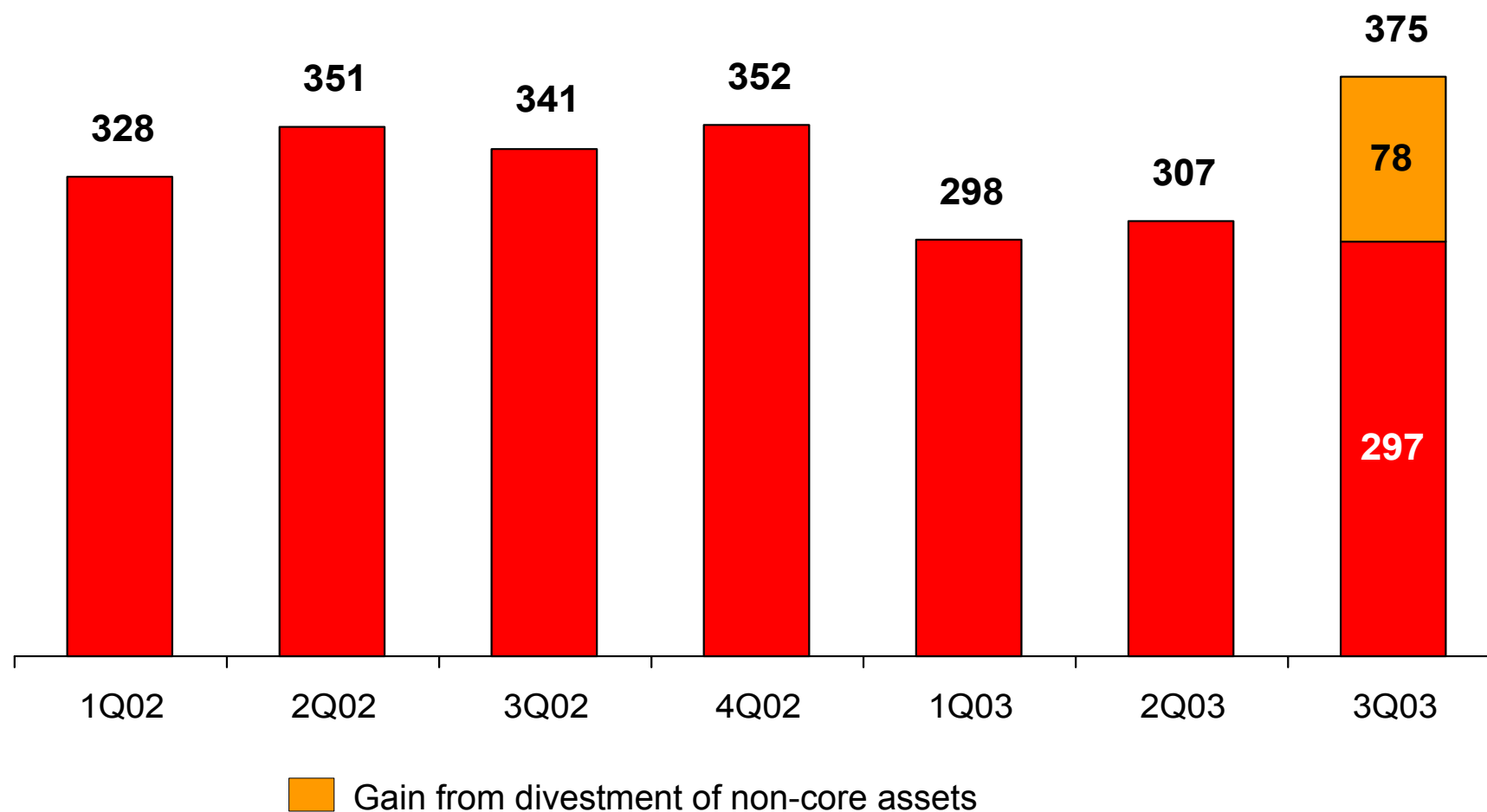
# Cost Discipline Continues

## Cost-to-Income Ratio



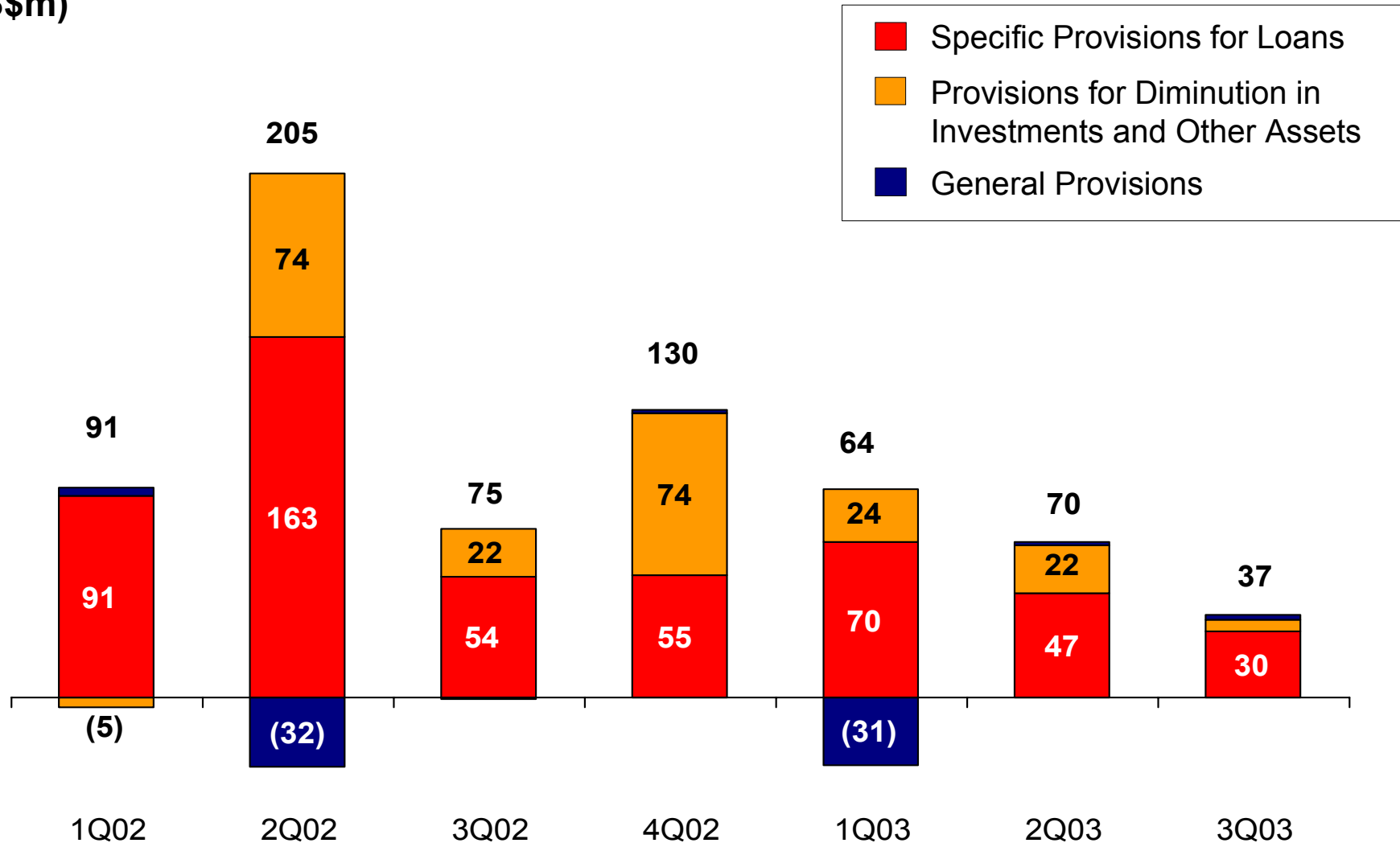
# Operating Profit before Provisions and Goodwill

(S\$m)



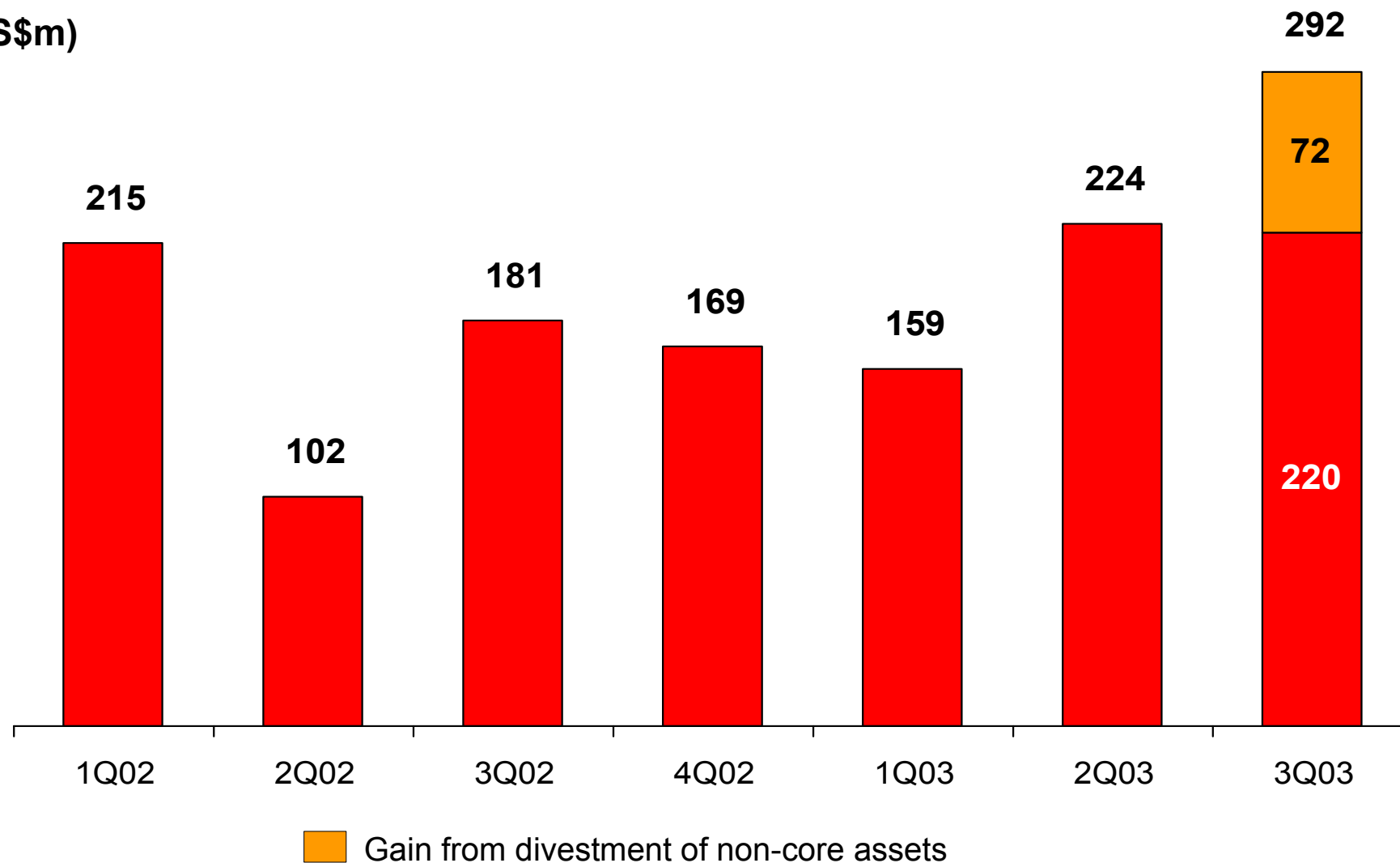
# Provision Charges Continue to Decline

(S\$m)

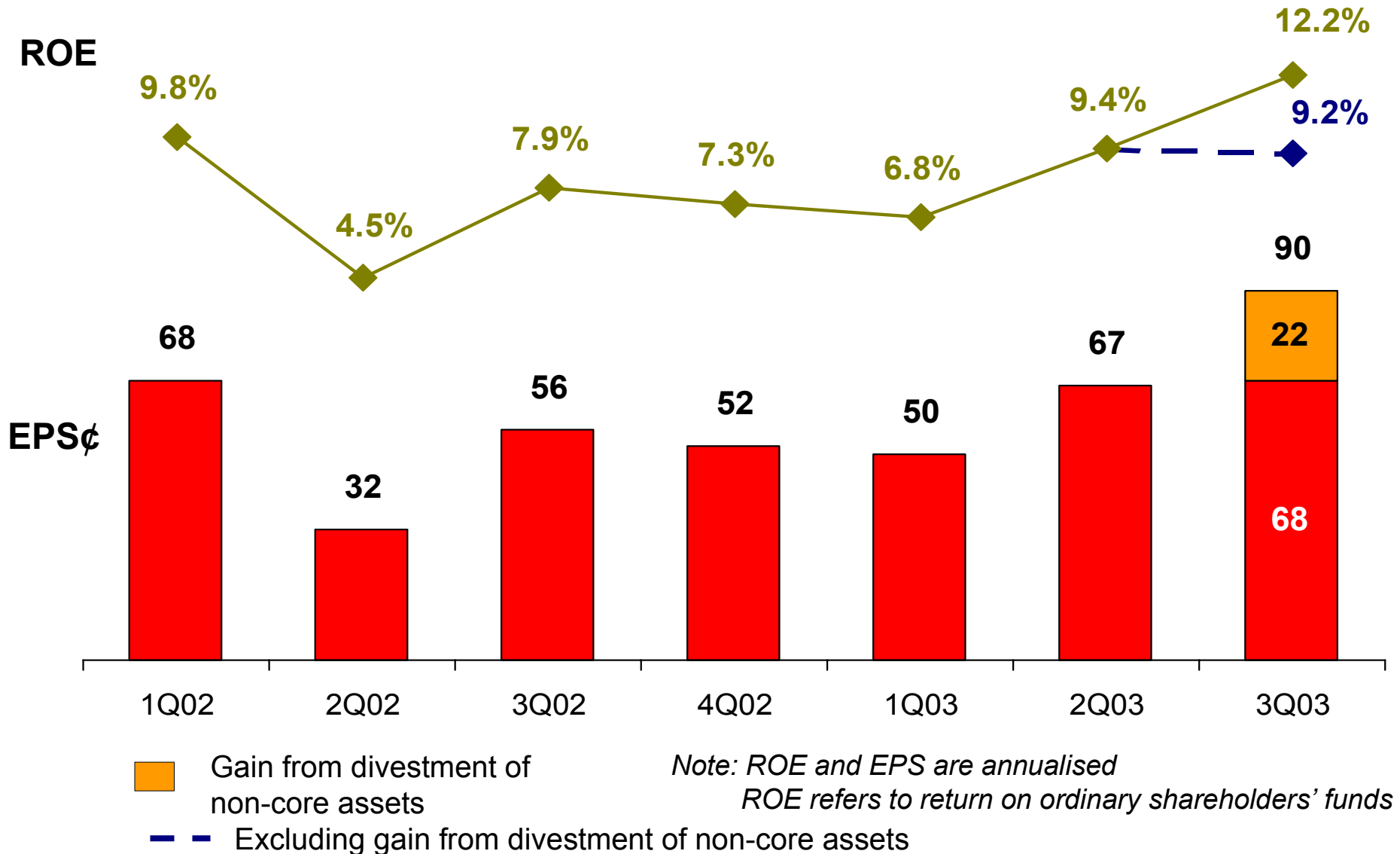


# Net Profit Excluding Non-Core Asset Divestment Gains Remained Healthy

(S\$m)



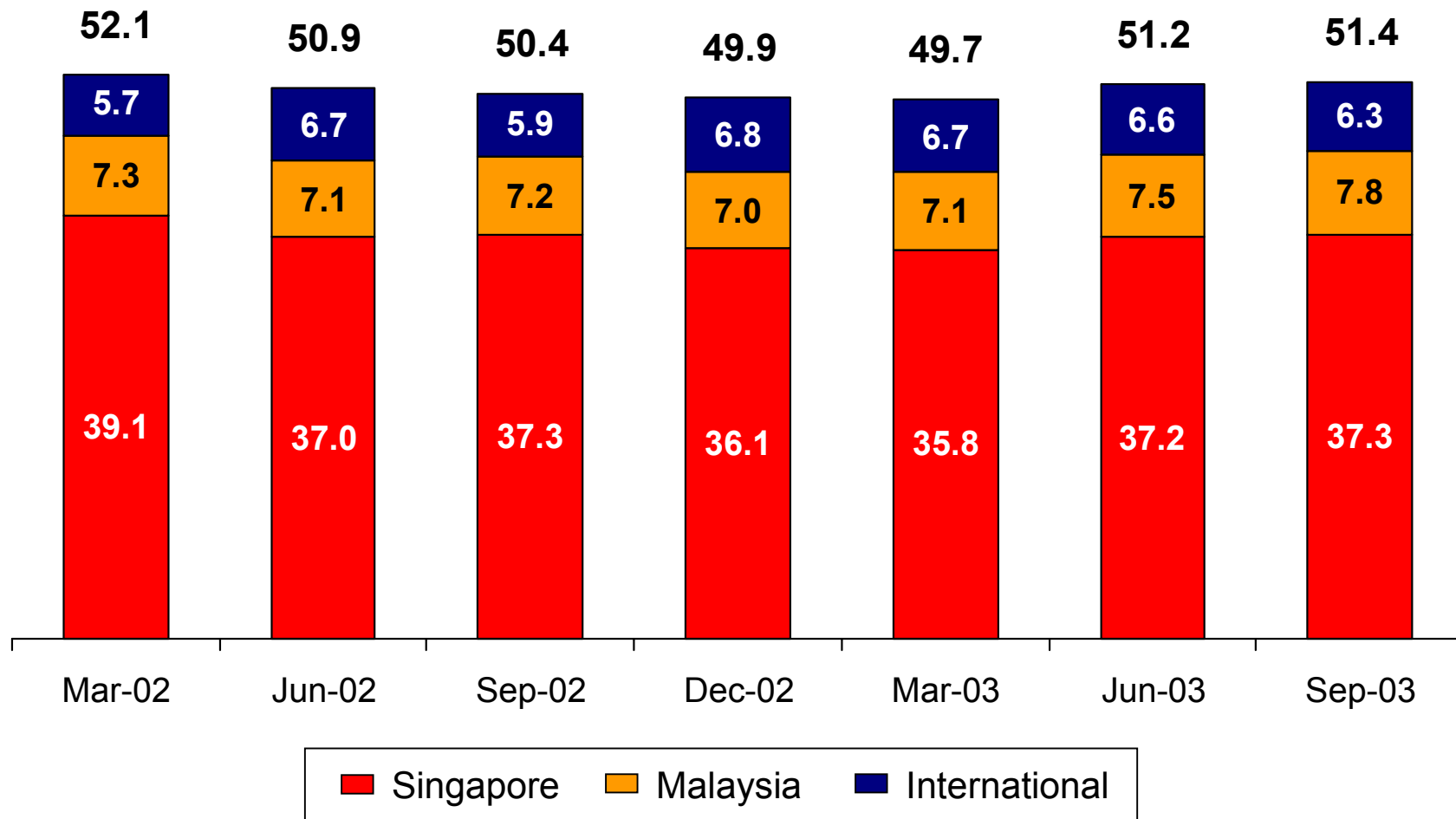
# EPS and ROE



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# Loan Growth Driven by Consumer Loans

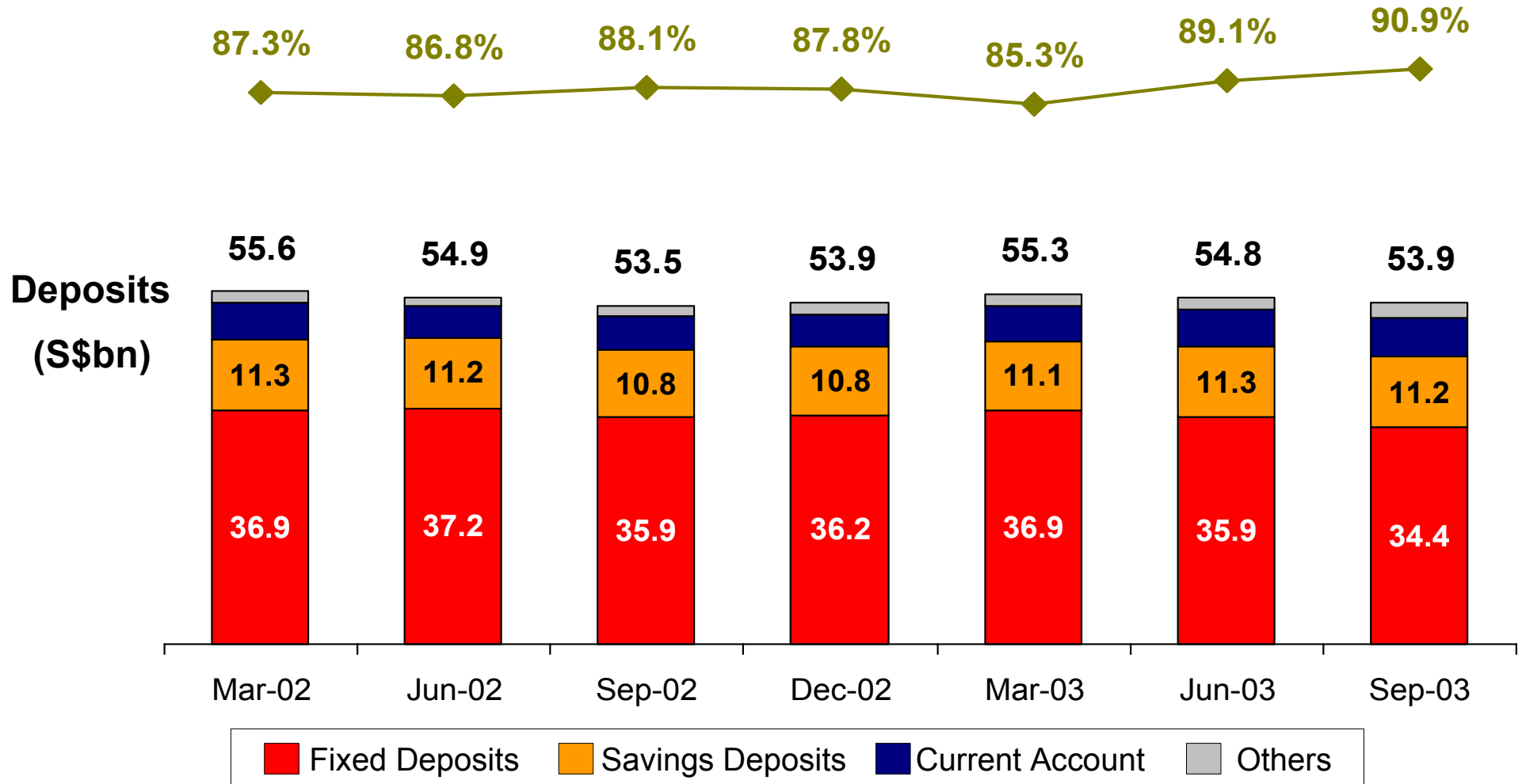
Loans  
(S\$bn)





# Loans-to-Deposit Ratio Increased Slightly

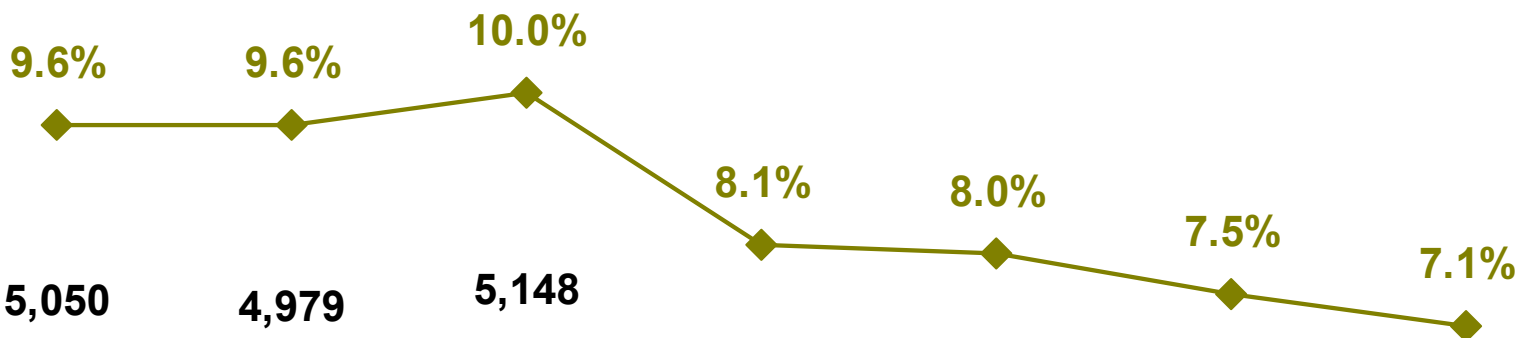
## Loans-to-deposits



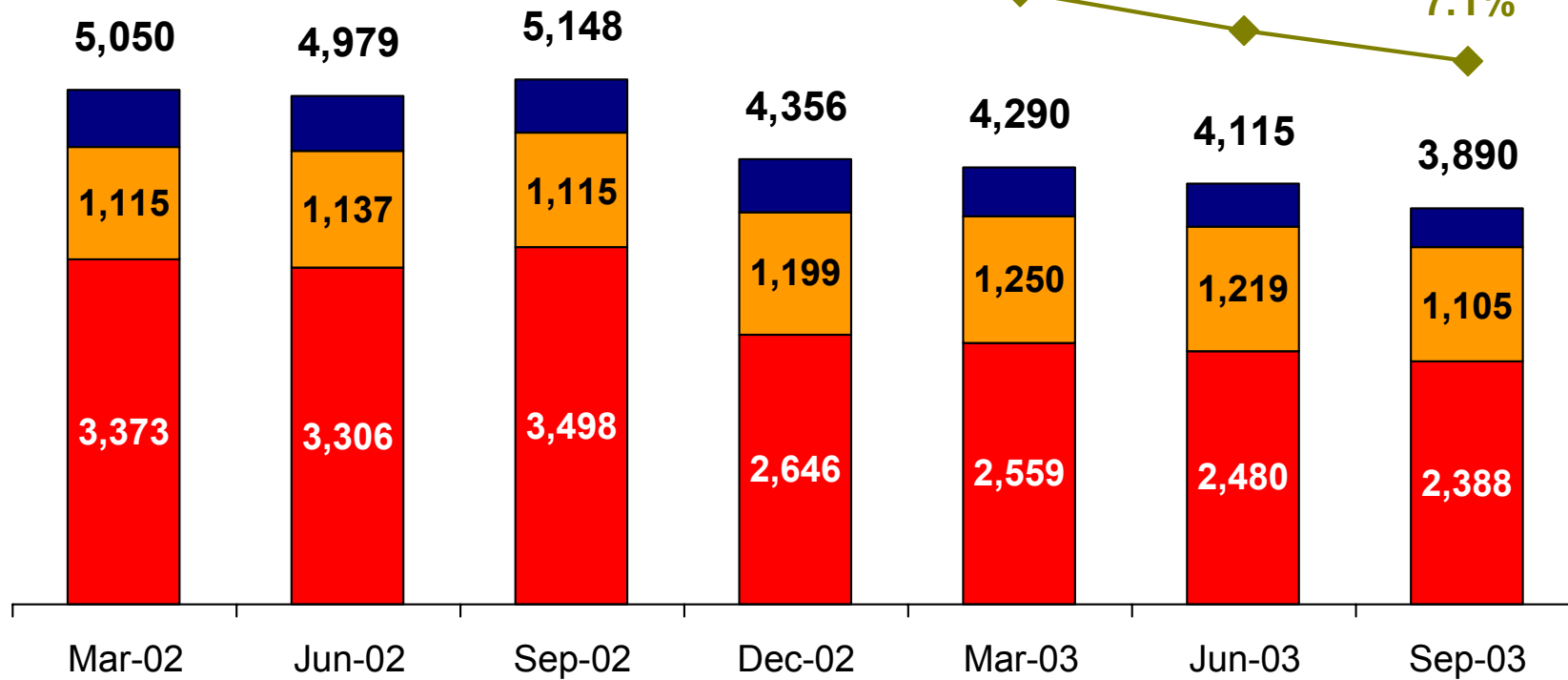
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# NPLs Trending Down

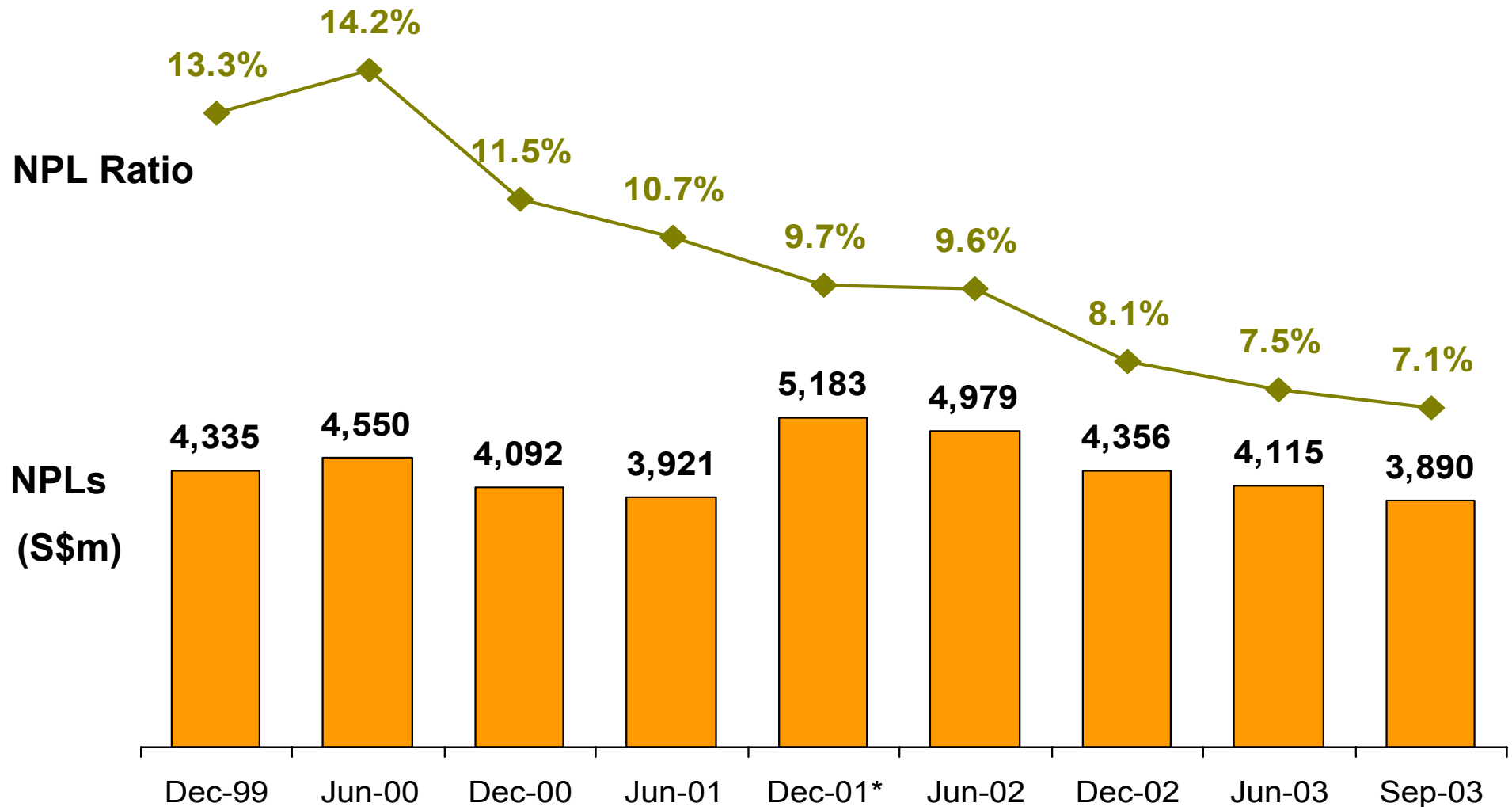
NPL Ratio



NPLs  
(S\$m)



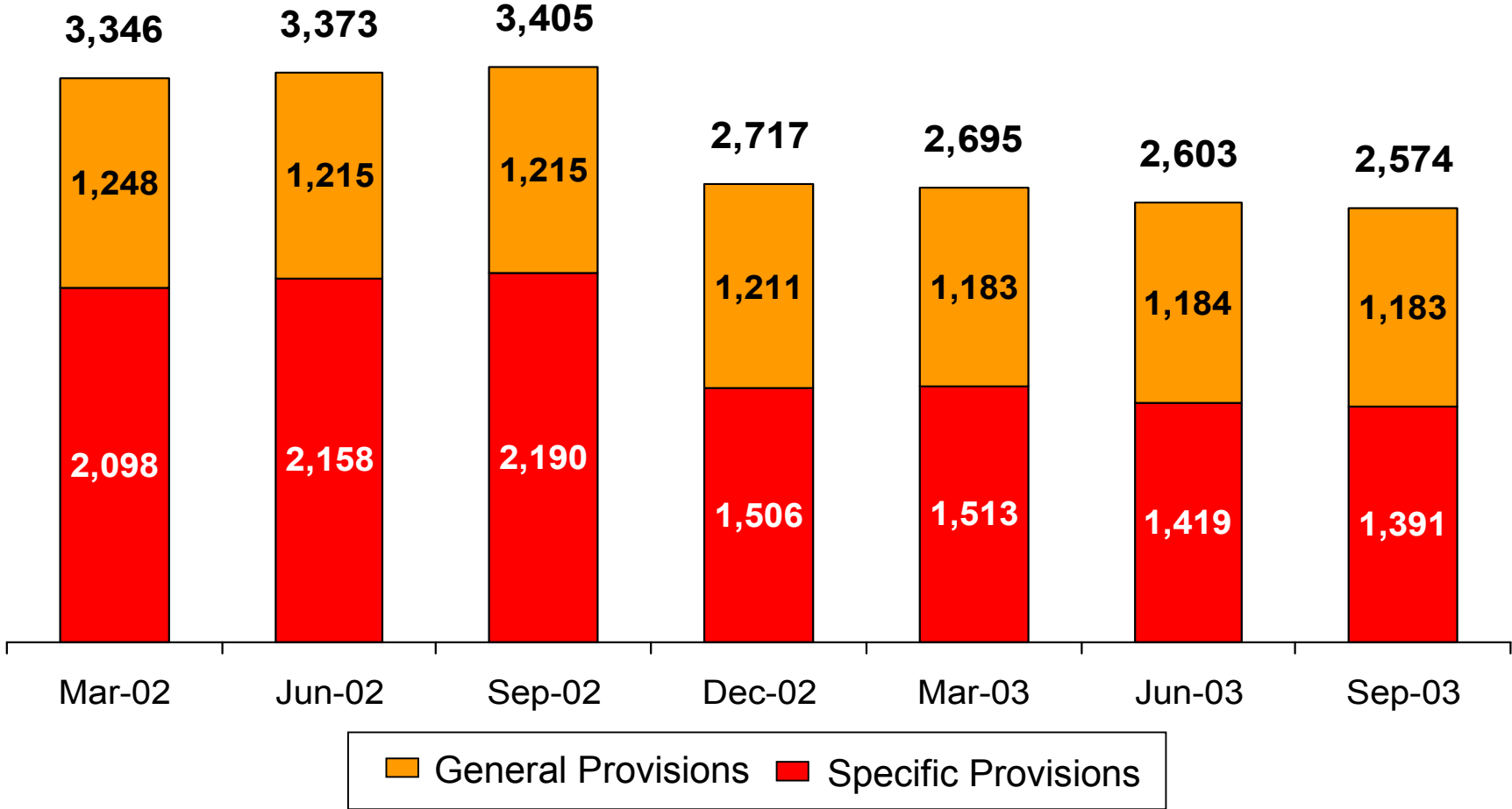
# NPL Ratio has Halved from the Peak



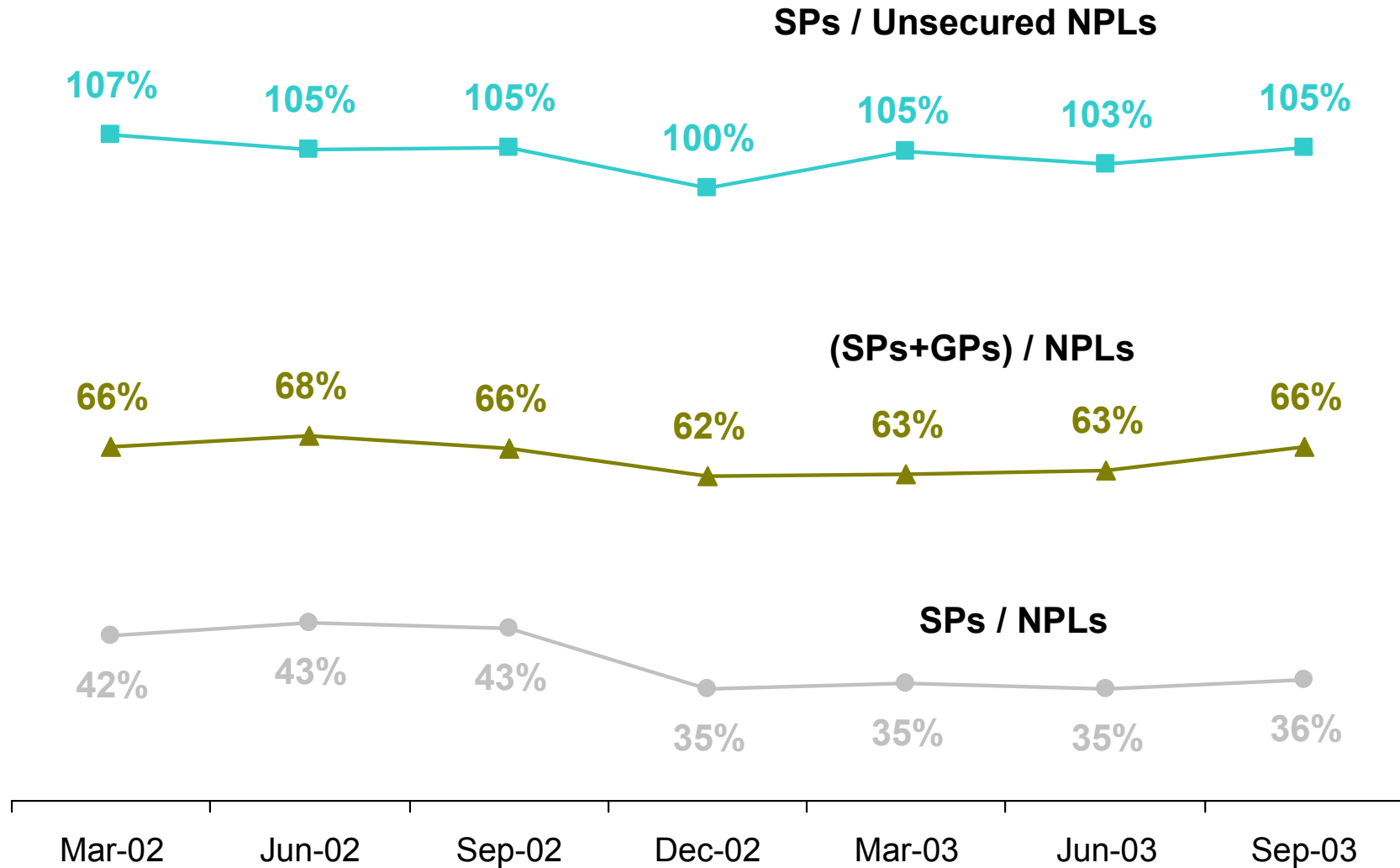
\* Increase in absolute NPLs was due to acquisition of of Keppel Capital Holdings

# Cumulative Provisions

(S\$m)



# Provision Coverage Ratios Remain Adequate



- **Robust quarter-on-quarter recovery in fee income; interest margins and interest income remain challenging**
- **Cost discipline continues**
- **Strengthening of credit processes and asset quality has helped to reduce NPLs and provisions**
- **Progressive divestment of non-core assets**
  - **F&N, WBL, Robinsons, Mount Emily site**
- **Capital restructuring continues**
  - **0.94% reduction in ordinary share capital in 3Q03**
- **OCBC remains cautiously optimistic on the business outlook**