

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)
Operating Profit	375	341	10	307	22
Goodwill	32	31	3	32	0
Provisions	37	75	(51)	70	(47)
Associates	52	11	386	78	(33)
Net Profit	292	181	62	224	30

Results at a Glance : Year-to-Date

	9 Months 2003	9 Months 2002	2003 / 2002
	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
Operating Profit	980	1,020	(4)
Goodwill	95	95	(0)
Provisions	171	371	(54)
Associates	141	114	24
Net Profit	676	498	36

Results Adjusted for Non-Core Asset Divestment

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

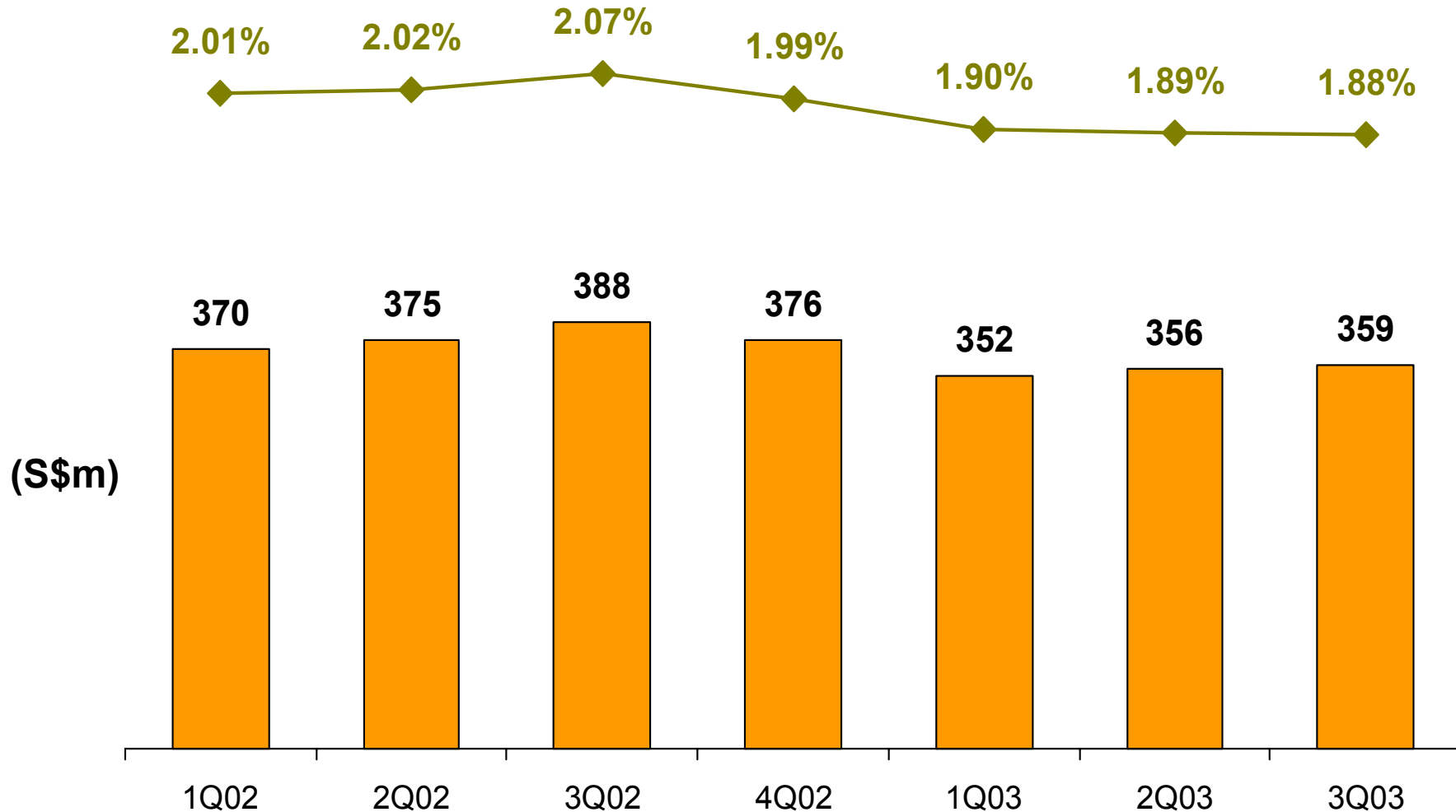
Year-to-Date	9 Months 2003	9 Months 2002	2003 / 2002
	S\$m	S\$m	+/(-)%
Adjusted Operating Profit	902	1,020	(12)
Adjusted Net Profit	604	498	21

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

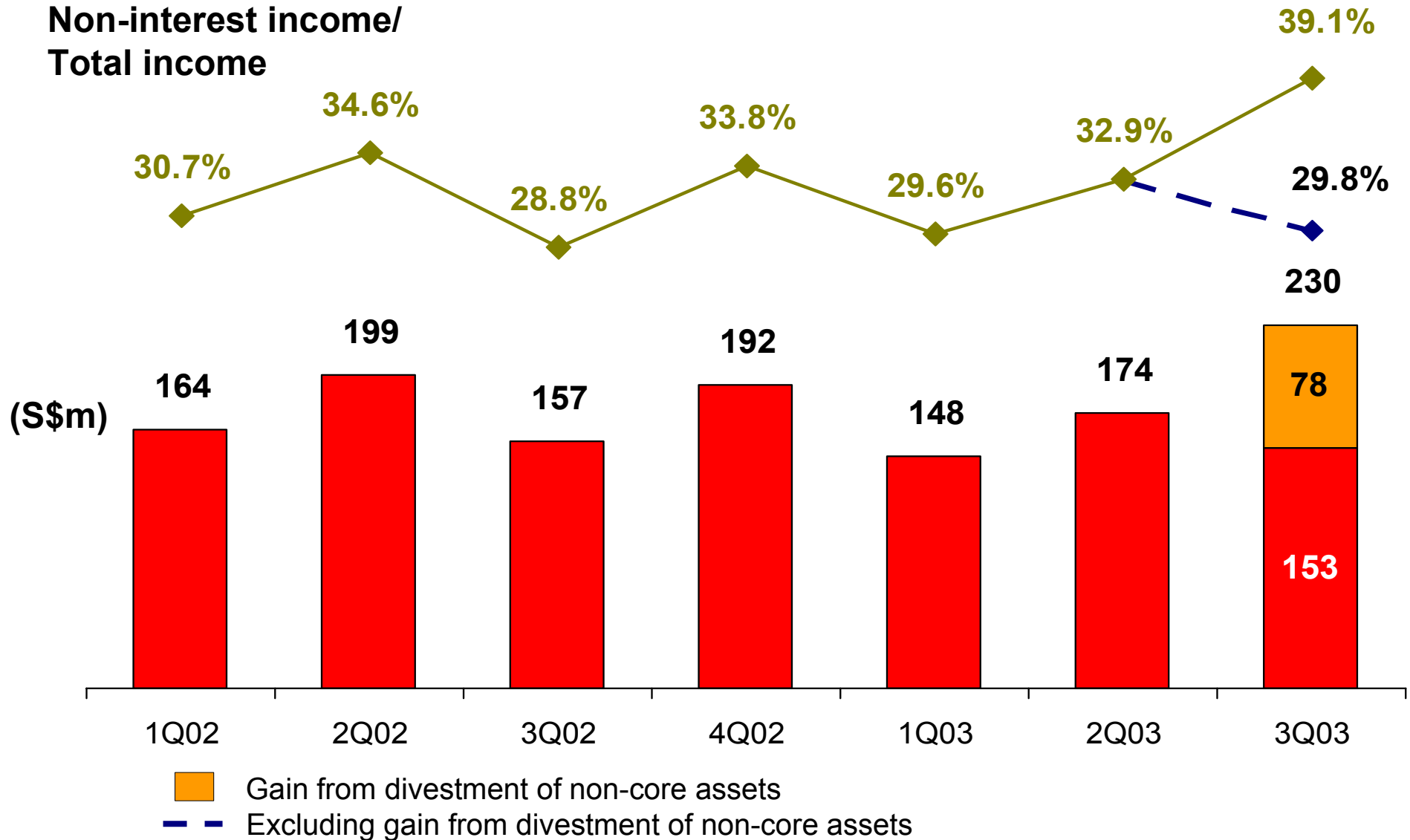
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Net Interest Income and Margin Stable Compared to 2Q03

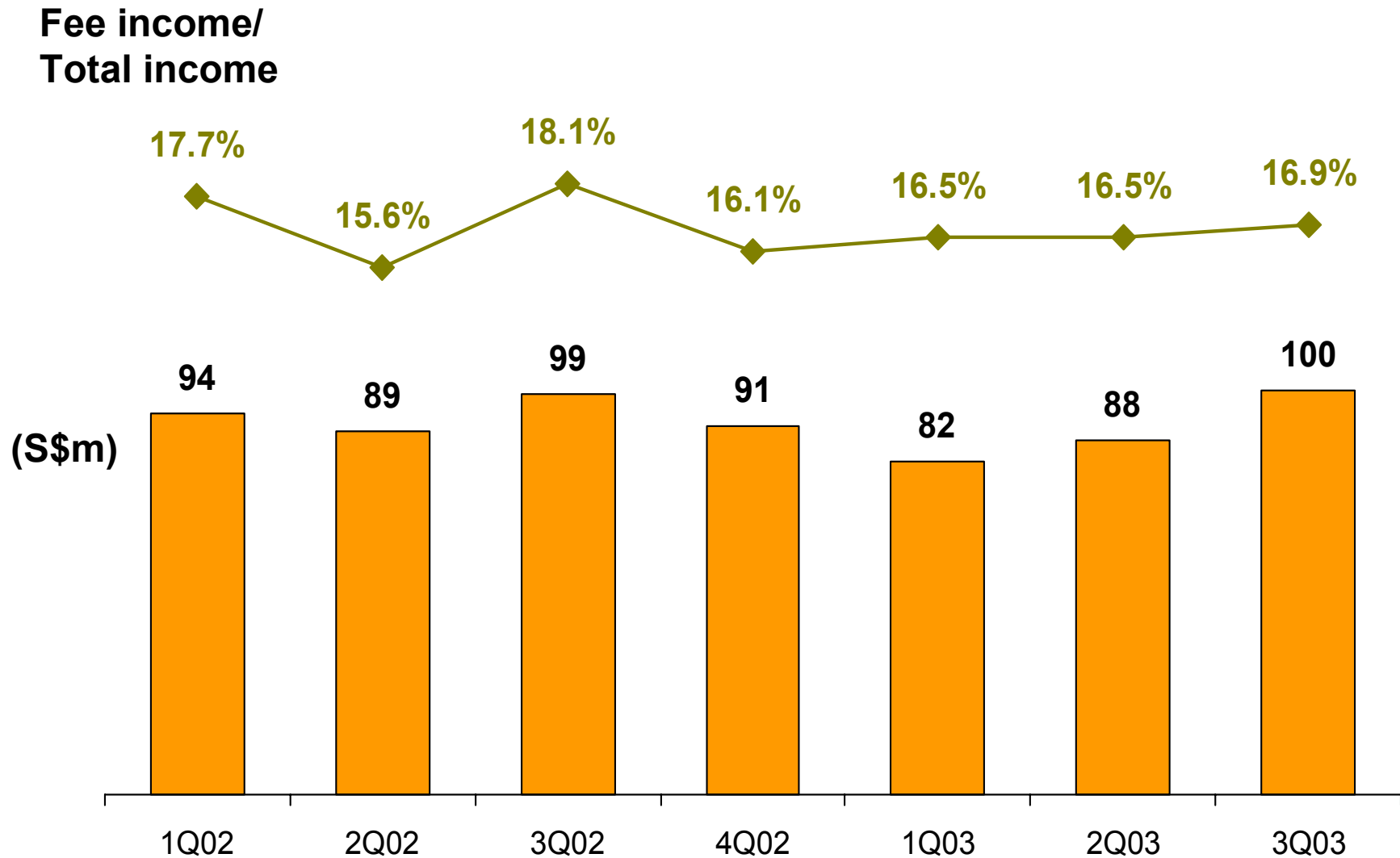
Net Interest Margin



Non-Interest Income Buoyed by Non-Core Asset Divestment

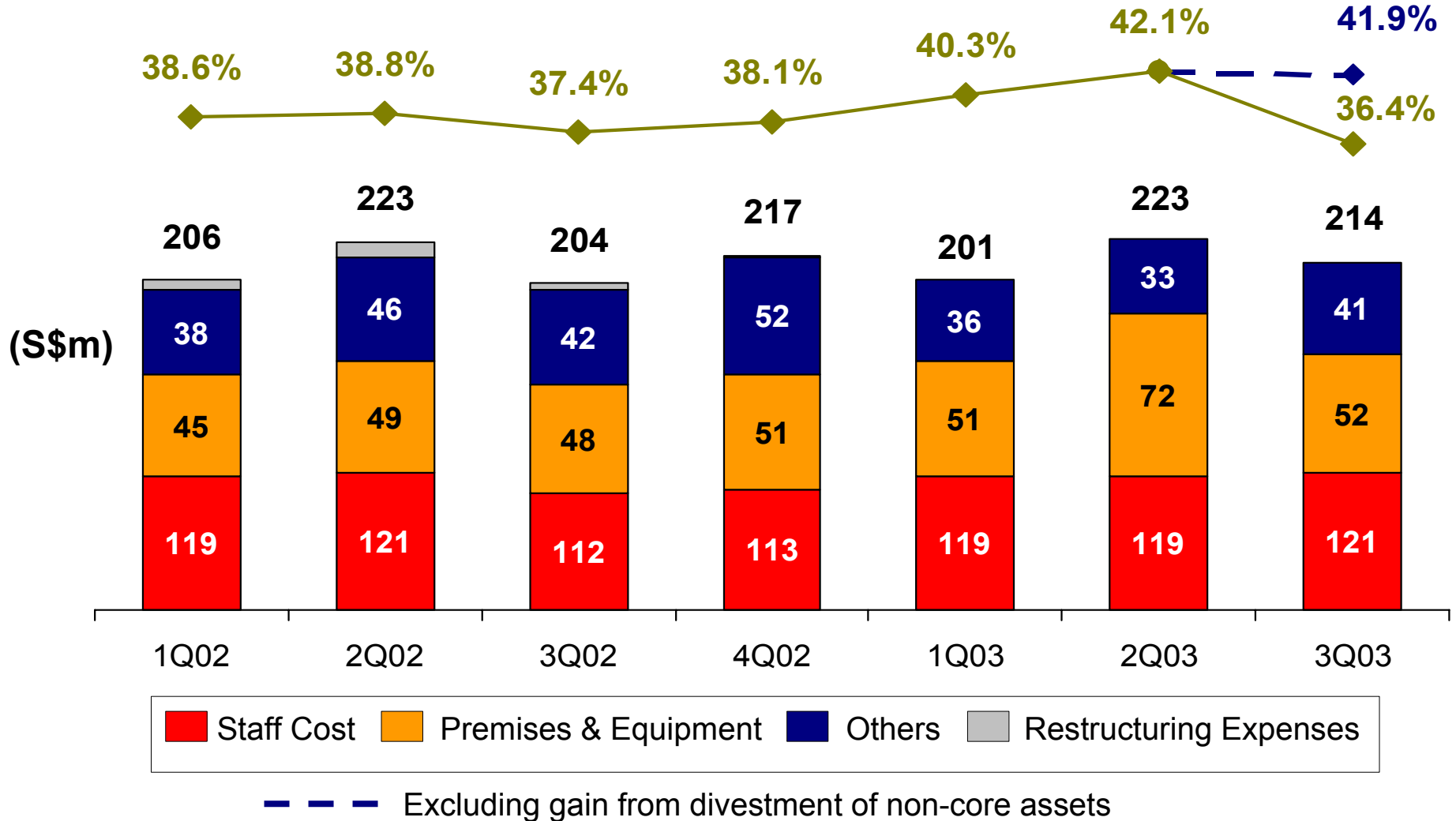


Steady Rise in Fee Income Since 1Q03



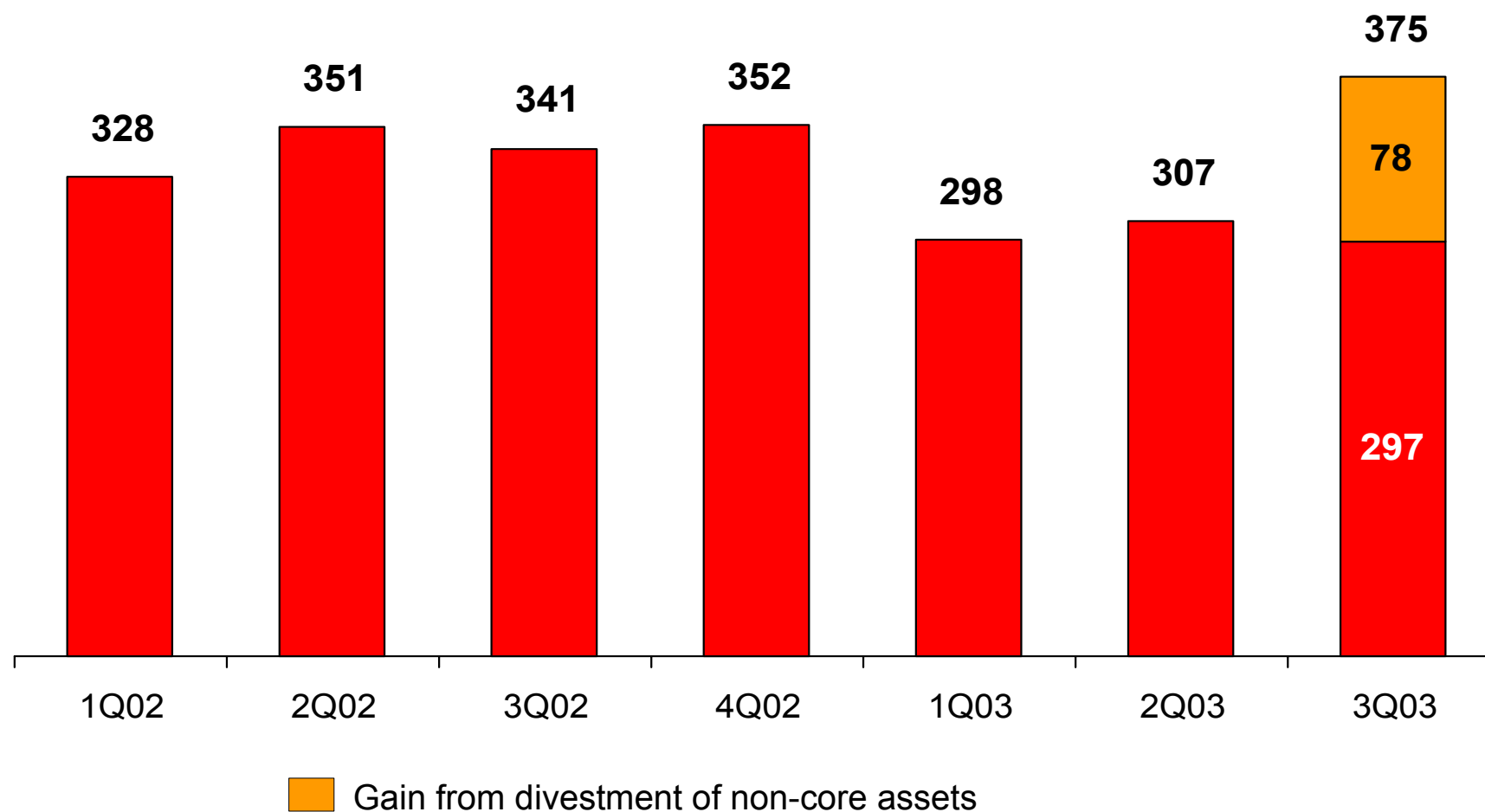
Cost Discipline Continues

Cost-to-Income Ratio



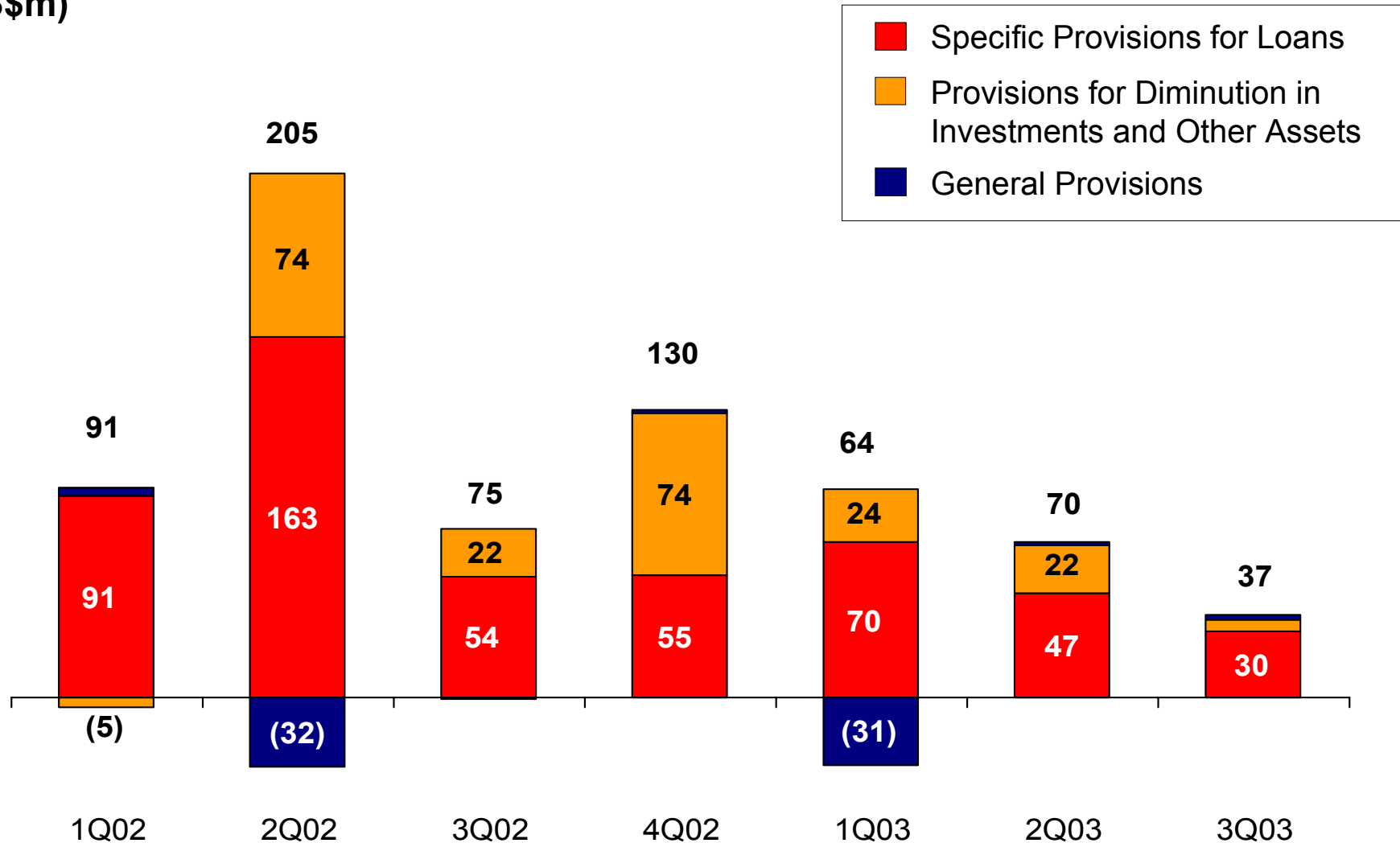
Operating Profit before Provisions and Goodwill

(S\$m)



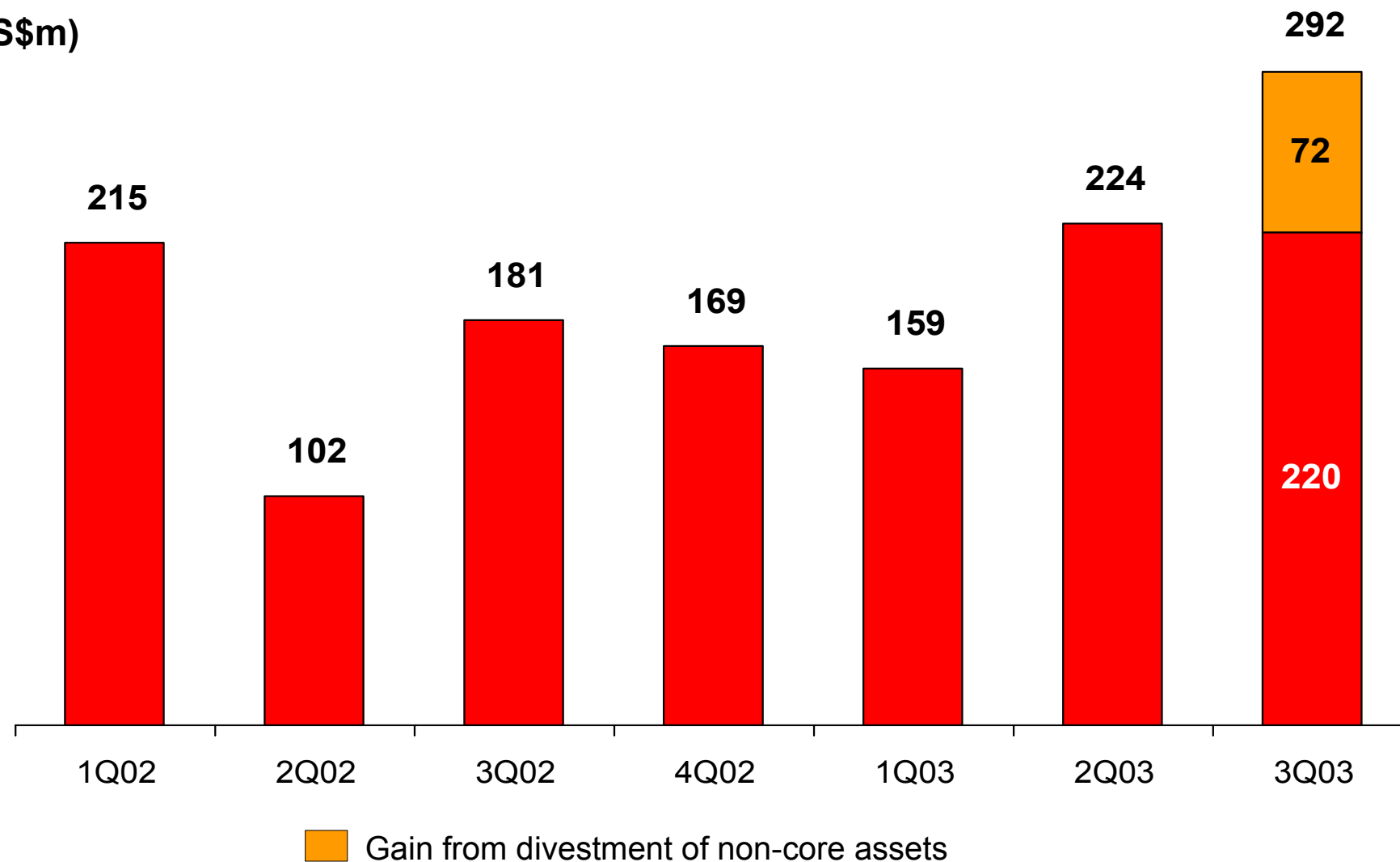
Provision Charges Continue to Decline

(S\$m)

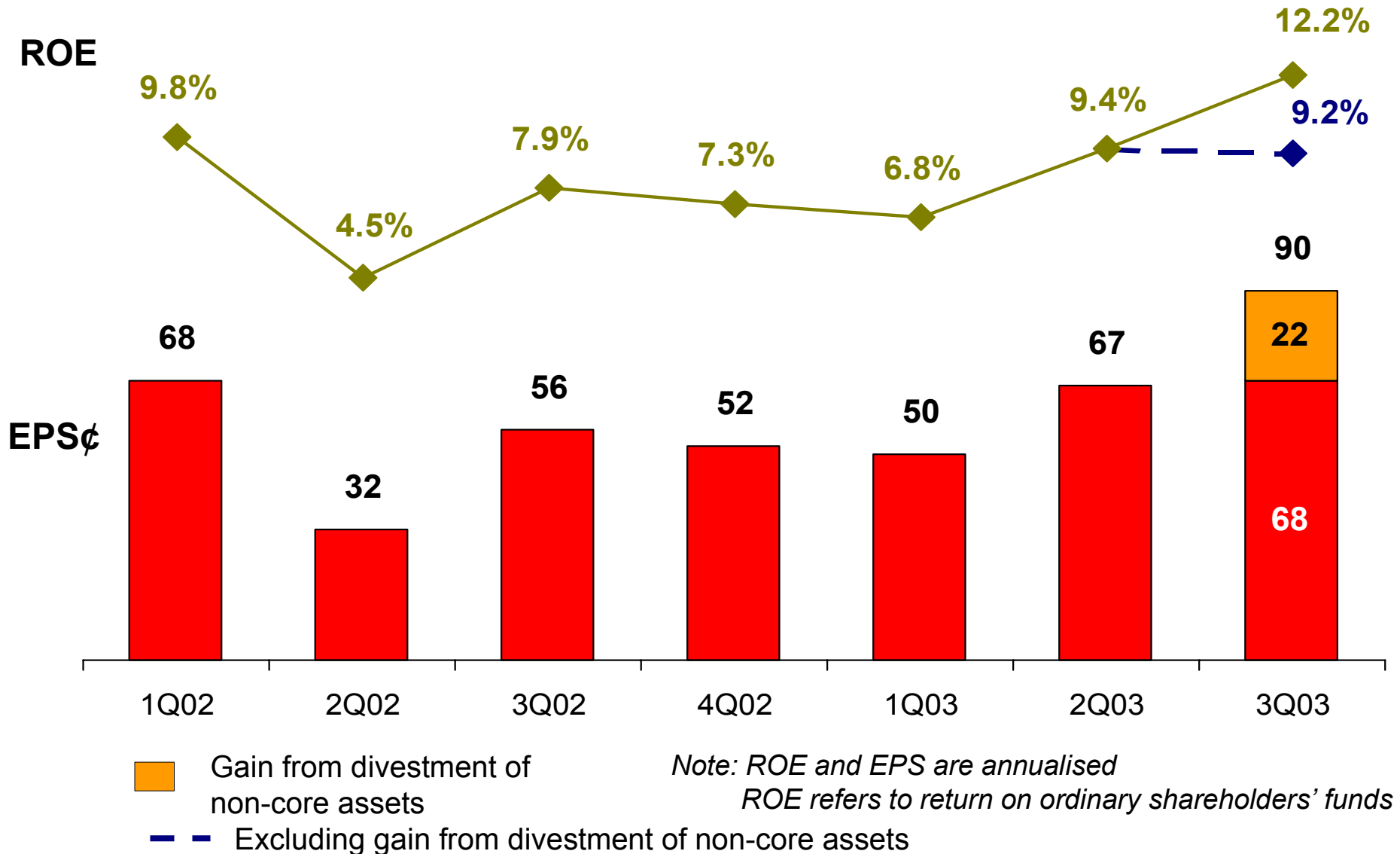


Net Profit Excluding Non-Core Asset Divestment Gains Remained Healthy

(S\$m)



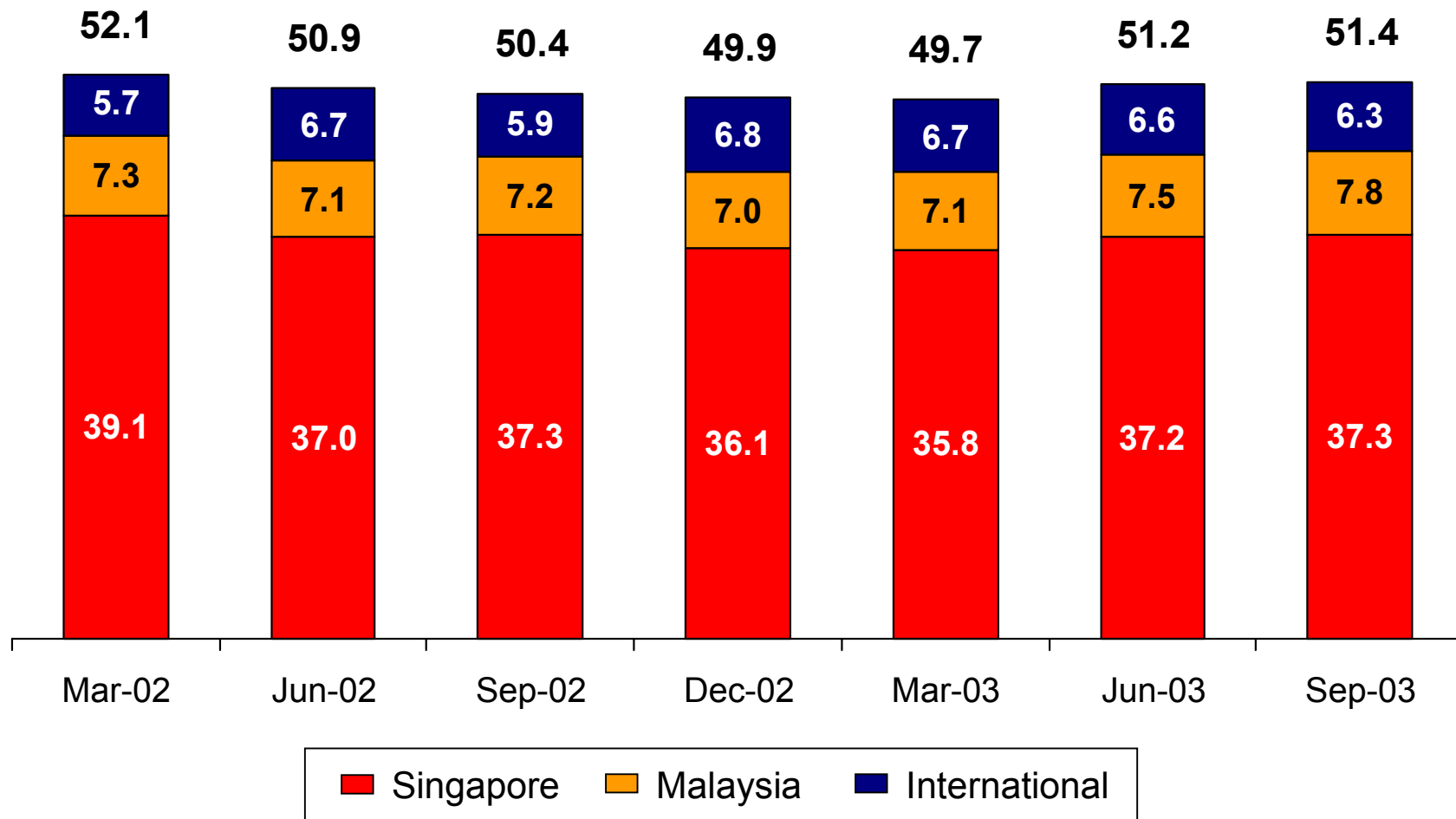
EPS and ROE



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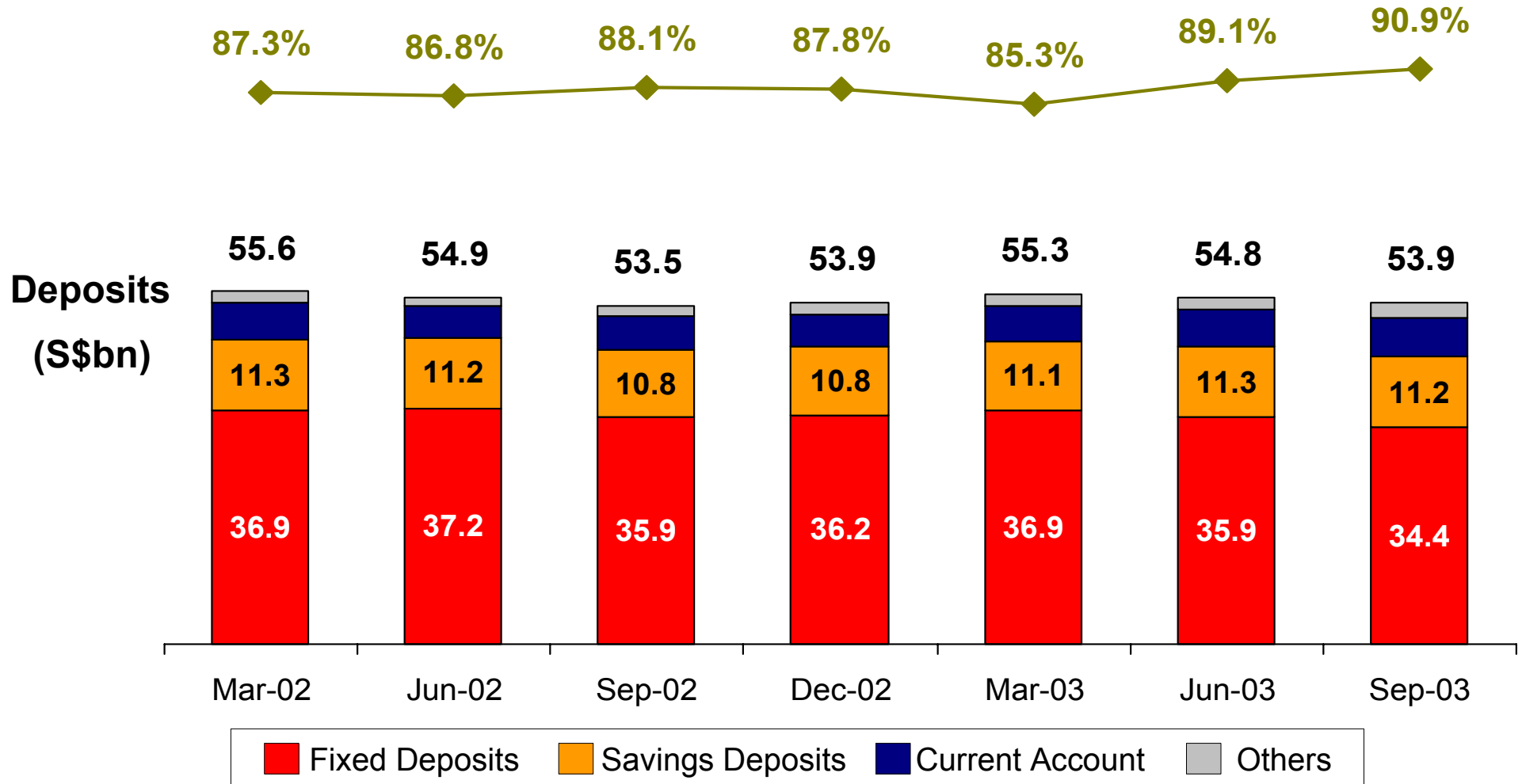
Loan Growth Driven by Consumer Loans

Loans
(S\$bn)



Loans-to-Deposit Ratio Increased Slightly

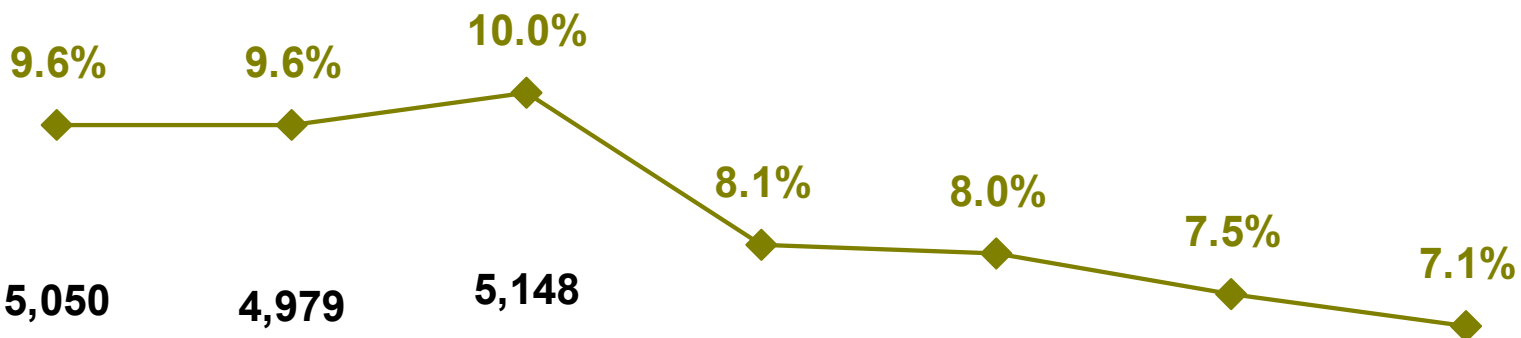
Loans-to-deposits



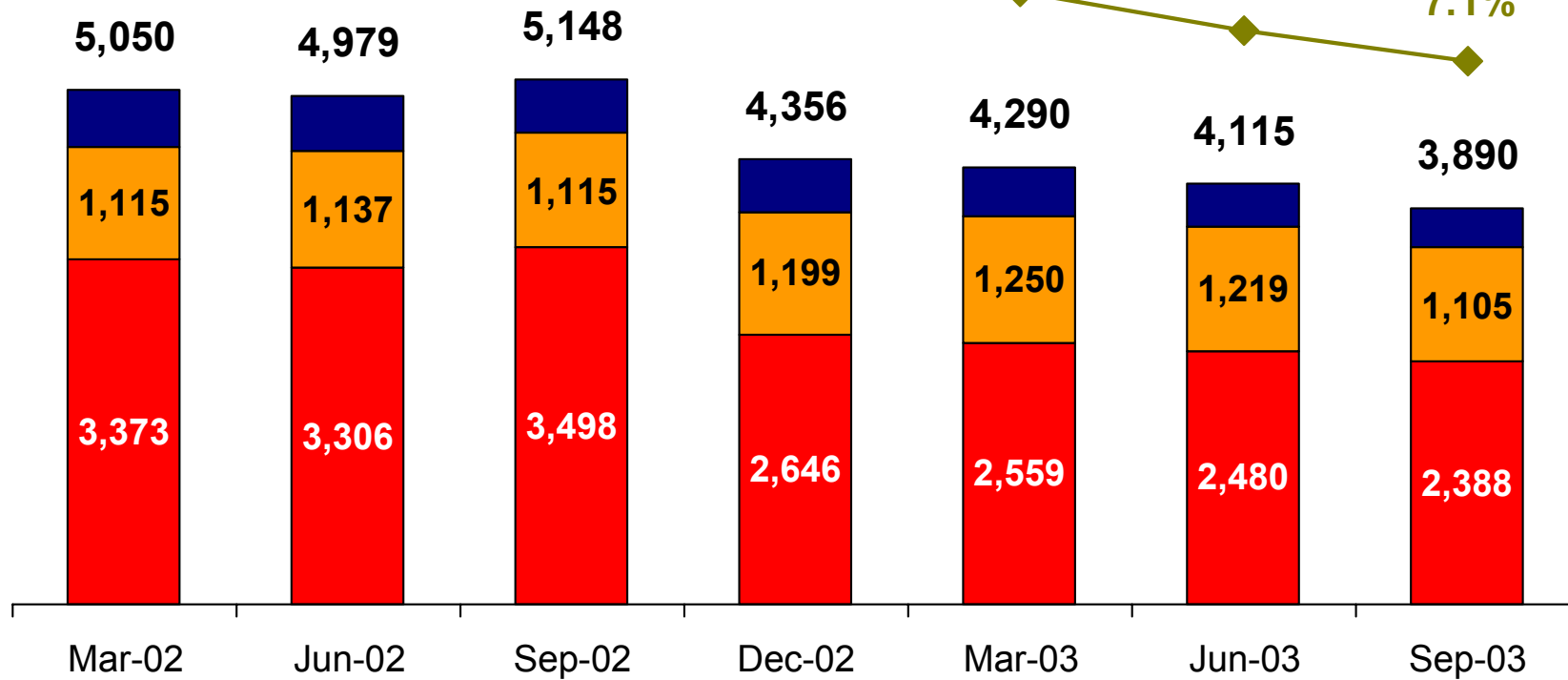
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NPLs Trending Down

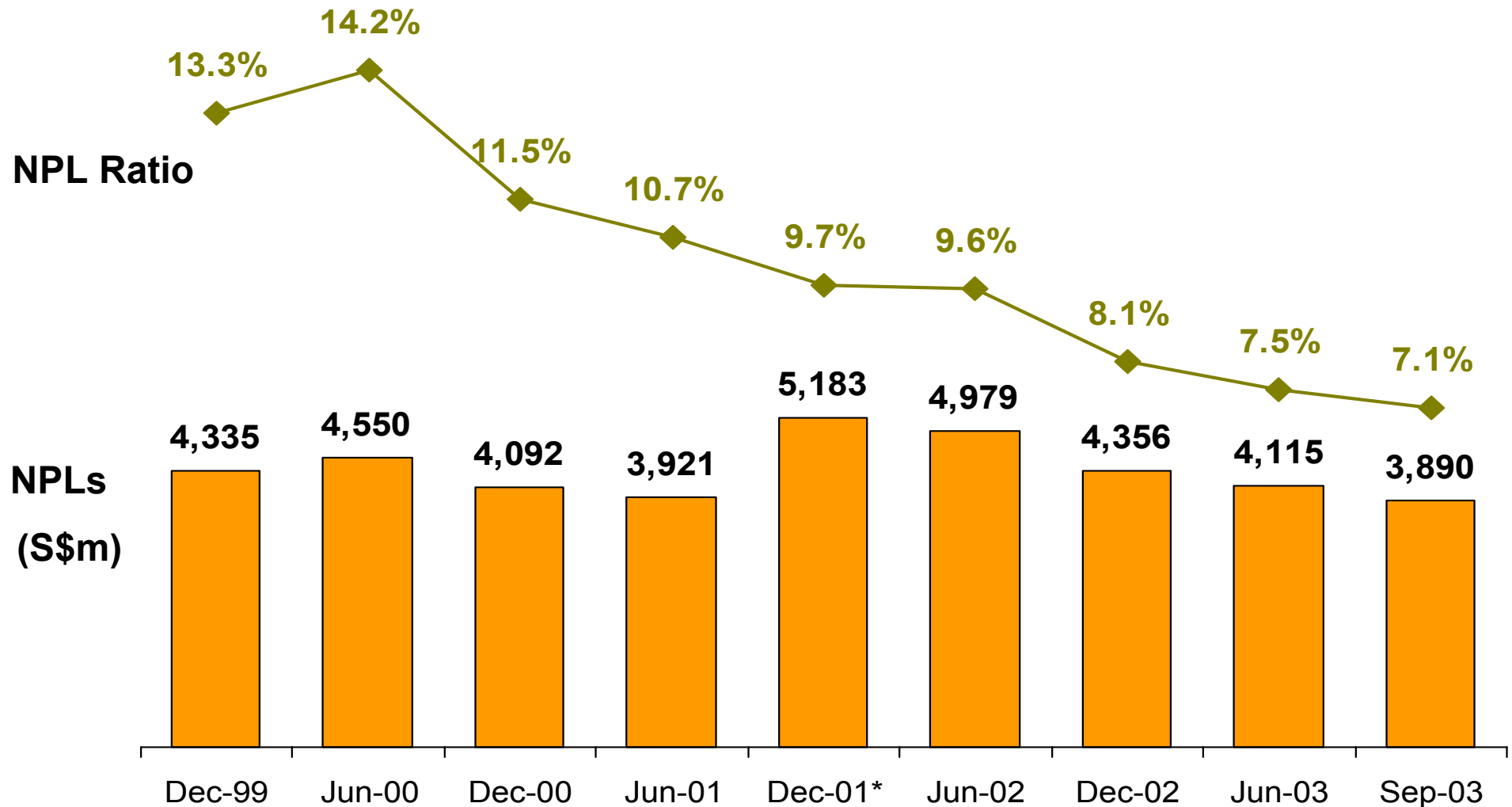
NPL Ratio



NPLs
(S\$m)



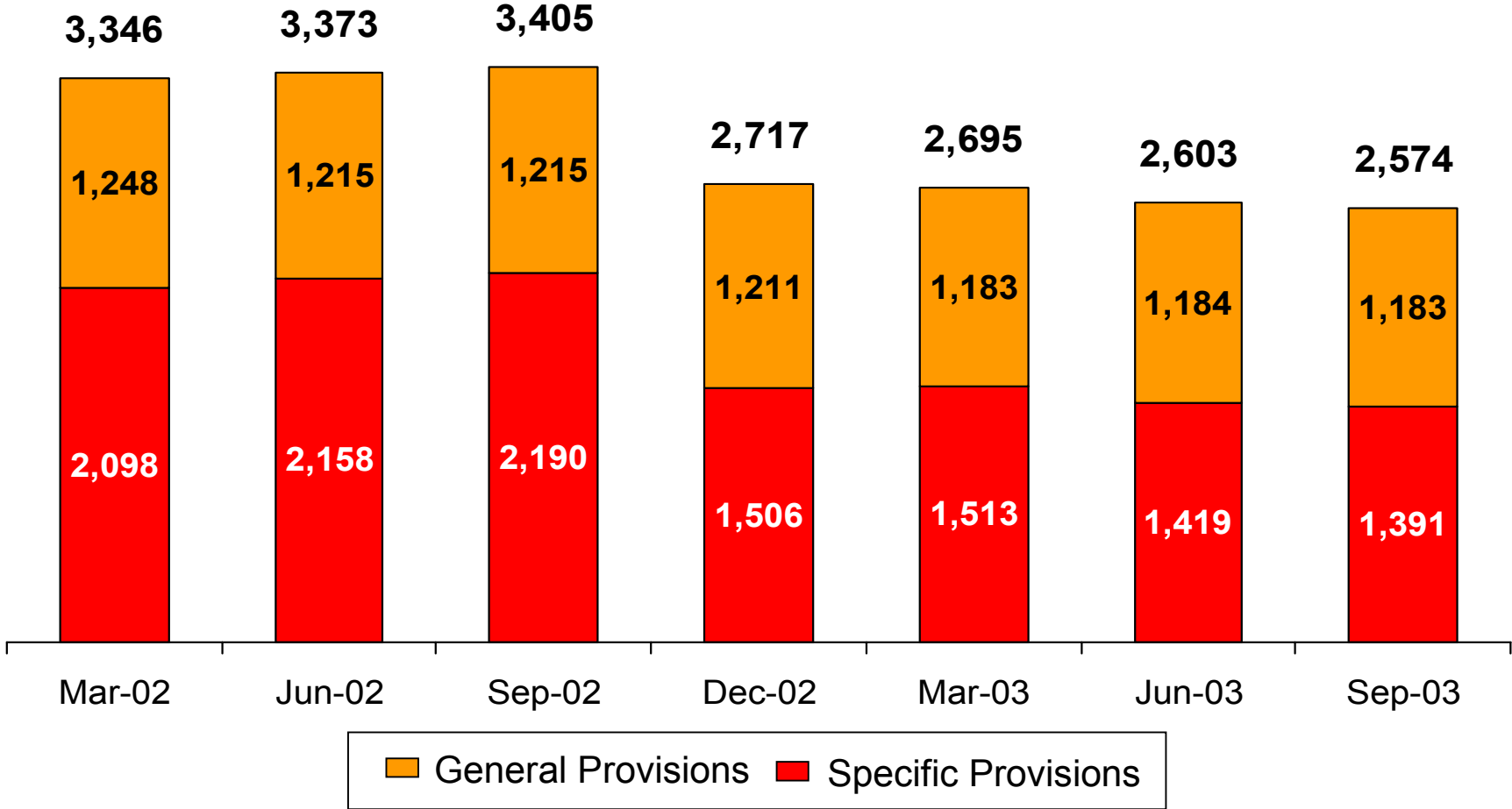
NPL Ratio has Halved from the Peak



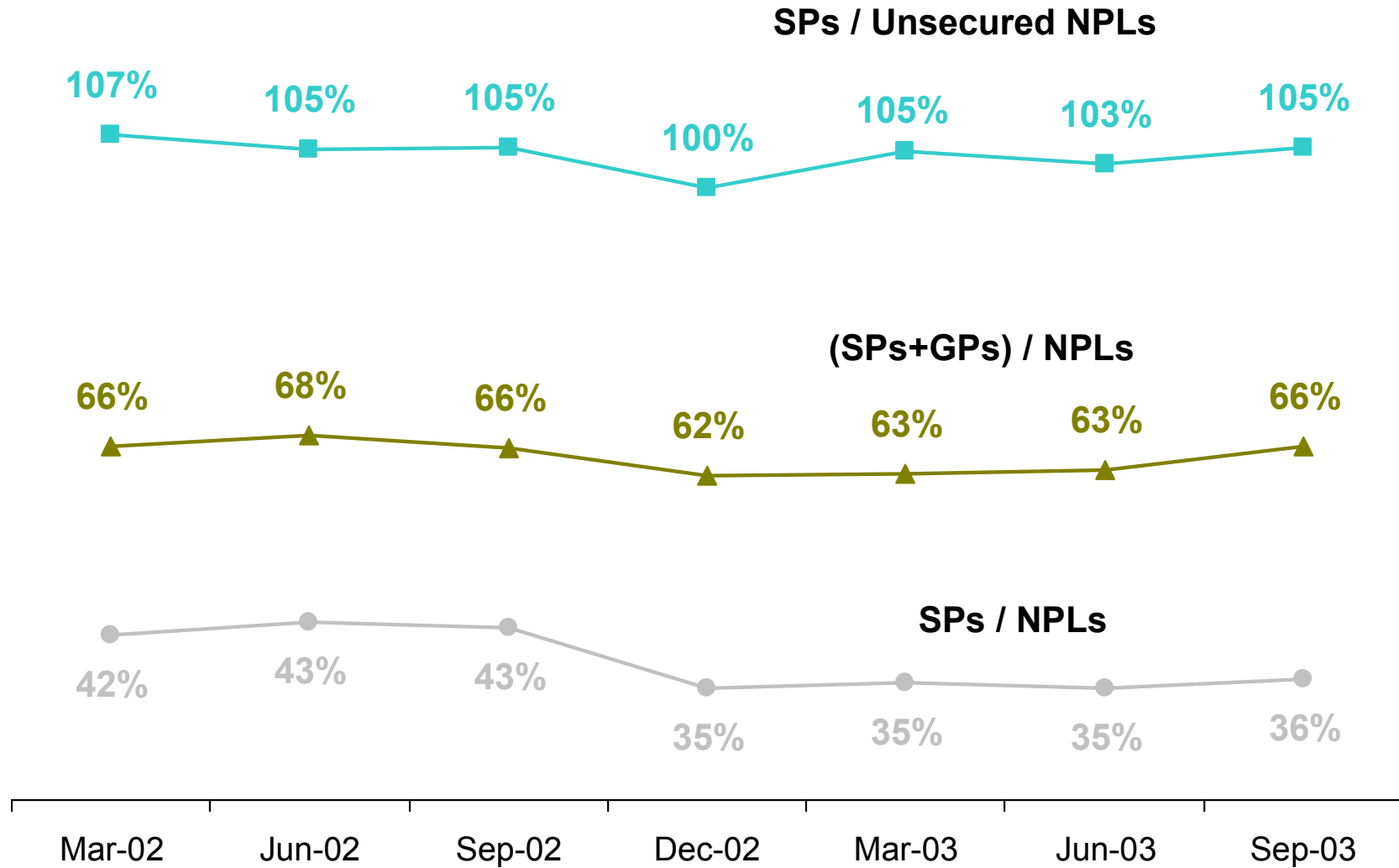
* Increase in absolute NPLs was due to acquisition of of Keppel Capital Holdings

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**