

Third Quarter 2004 Results

Presentation

10 November 2004



- **Results at a Glance**
- **Income Statement Trends**
- **Loans and Deposits**
- **Asset Quality and Provisions**
- **Divestment of Non-Core Assets**
- **Conclusion**

Results at a Glance - Quarterly

	3Q04	3Q03	YoY	2Q04	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	384	359	7	380	1
Non-Interest Income	384	230	67	267	44
- <i>Fee Income</i>	118	100	18	117	-
Total Income	768	589	30	647	19
Operating Expenses	251	214	17	236	6
Operating Profit	517	375	38	411	26
Goodwill	45	32	42	36	25
Provisions	36	37	(2)	22	64
Associates	7	52	(86)	48	(85)
Net Profit	324	292	11	303	7

Results at a Glance – Year-to-Date

	9 Months 2004	9 Months 2003	YoY
	S\$m	S\$m	+/(-)%
Net Interest Income	1,129	1,066	6
Non-Interest Income	812	552	47
- <i>Fee Income</i>	350	270	30
Total Income	1,941	1,618	20
Operating Expenses	692	638	8
Operating Profit	1,248	980	27
Goodwill	113	95	19
Provisions	79	171	(54)
Associates	117	141	(17)
Net Profit	883	676	31

Results Adjusted to Exclude Divestment Gains

Quarterly	3Q04	3Q03	YoY	2Q04	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Adjusted Operating Profit	385	297	30	411	(6)
Adjusted Net Profit	227	220	3	303	(25)

Year-to-Date	9 Months 2004	9 Months 2003	YoY
	S\$m	S\$m	+/(-)%
Adjusted Operating Profit	1,116	902	24
Adjusted Net Profit	786	604	30

Note: Adjusted to exclude the following gains from divestment of non-core assets:

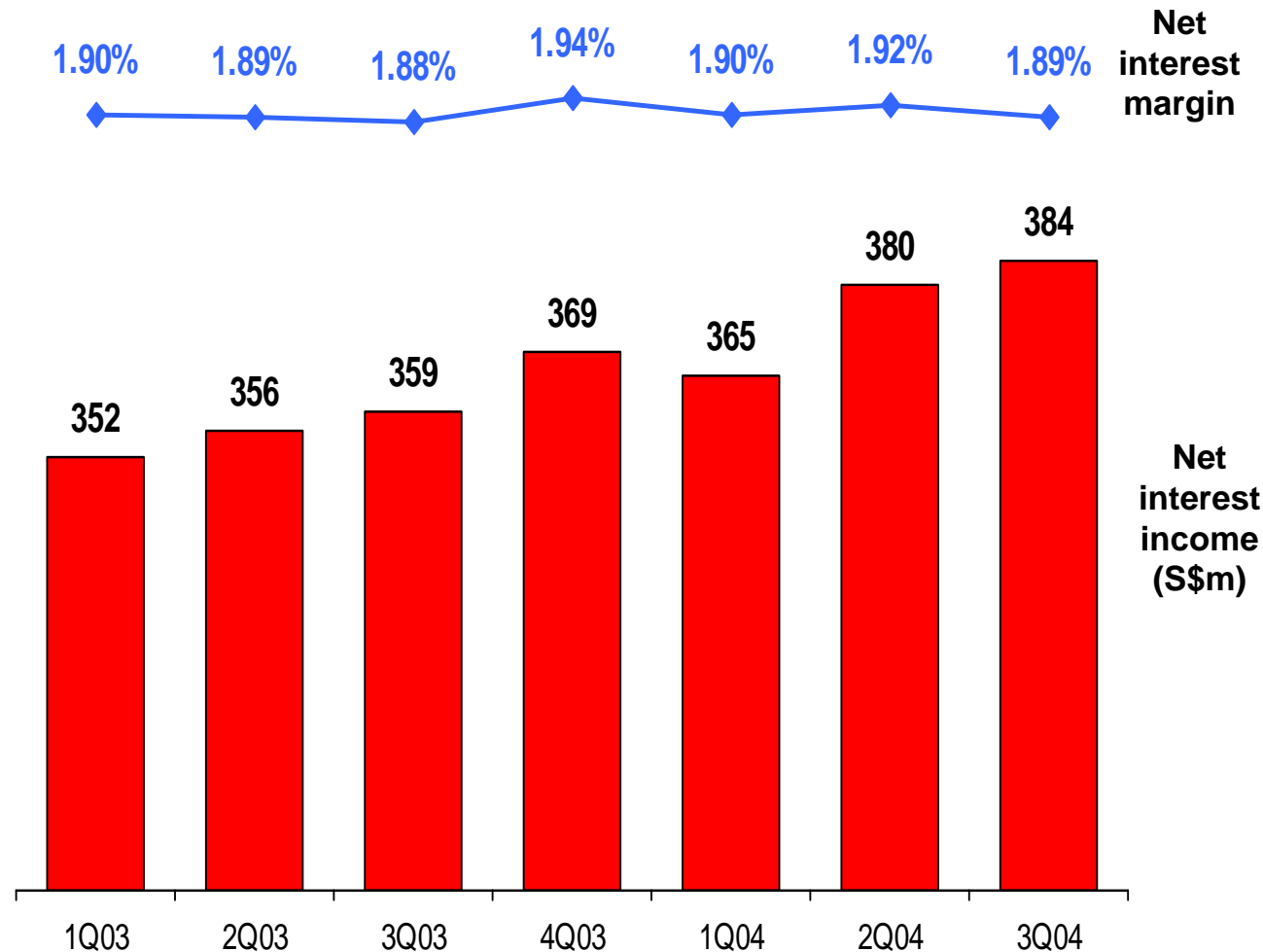
3Q03 – F&N (S\$78m gross, S\$72m net)

3Q04 – Raffles Investments (S\$55m net), Whitesands Shopping Mall (S\$77m gross, S\$43m after minorities)

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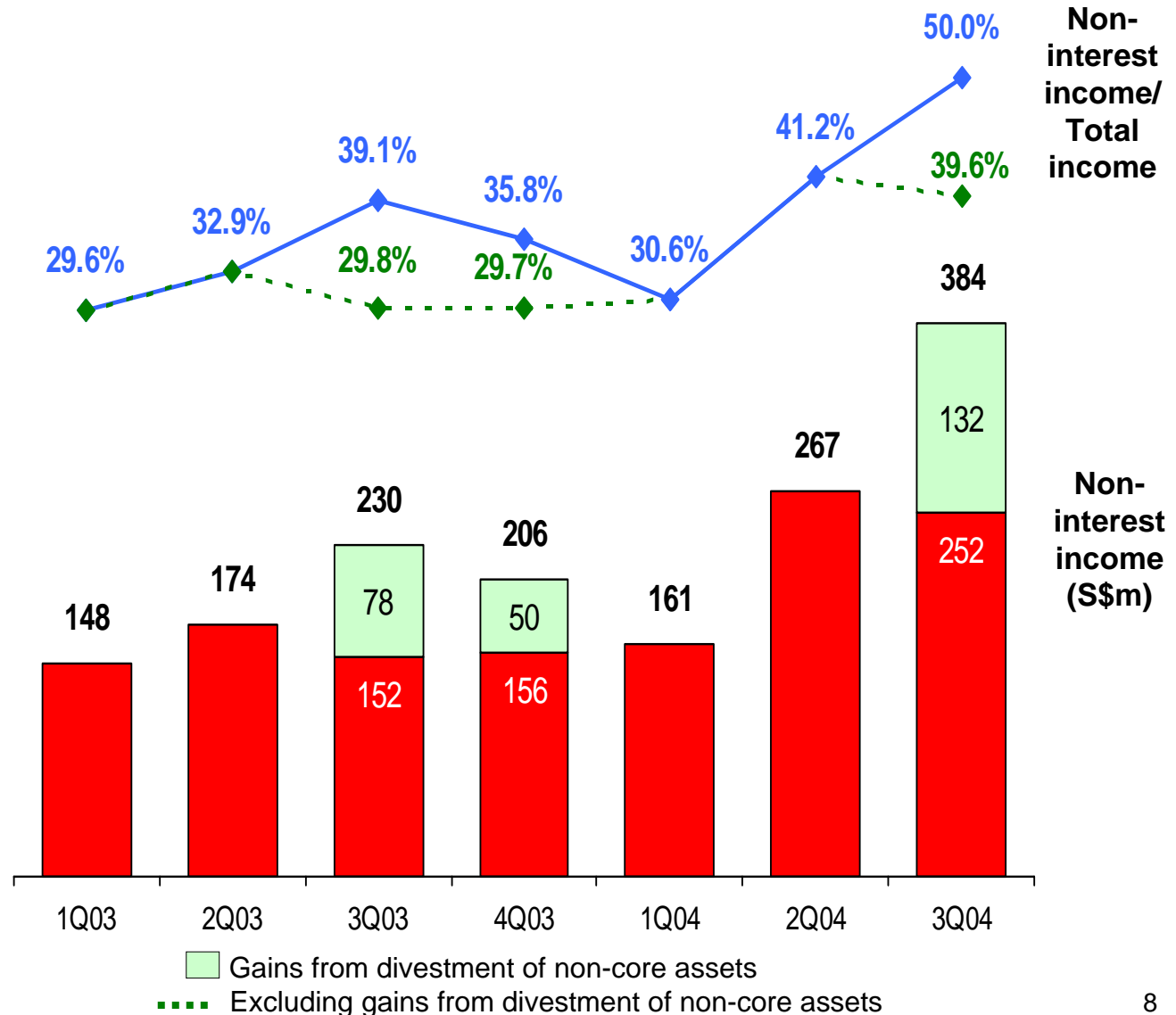
Growth in Net Interest Income, Margins Remained Stable

- Net interest income continued its rising trend
- 3Q04 net interest income up 7% YoY and 1% QoQ, due to higher interest-earning assets
- 3Q04 net interest margin up 1 bps YoY but fell 3bps from 2Q04 due to higher cost of funds



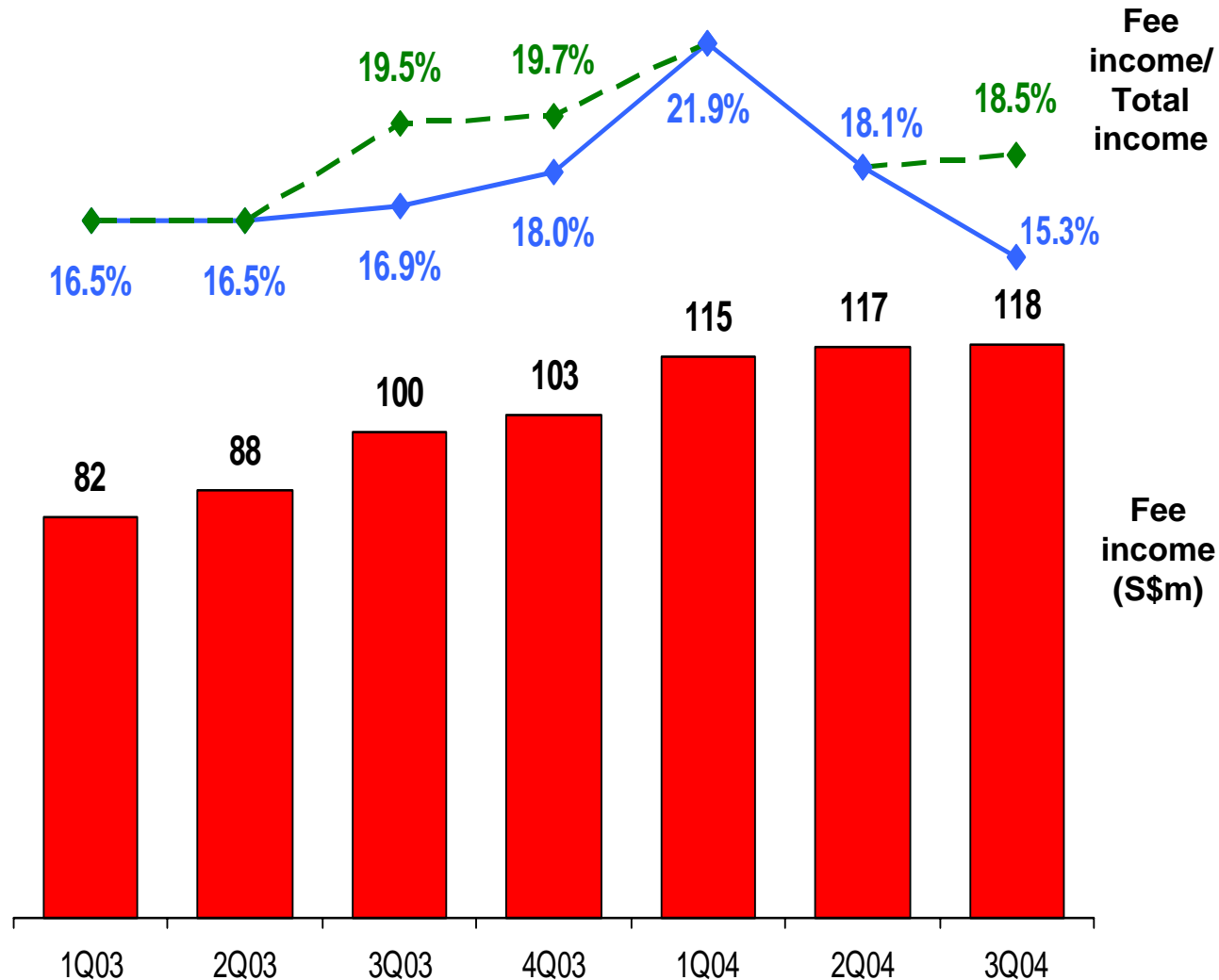
Non-Interest Income Boosted by Divestment Gains

- 3Q04 non-interest income boosted by divestment gains of S\$132m and insurance income contribution of S\$85m from GEH
- Partly offset by S\$20m net loss in securities/ derivatives dealing compared to S\$49m net gain in 2Q04



Fee Income Maintained

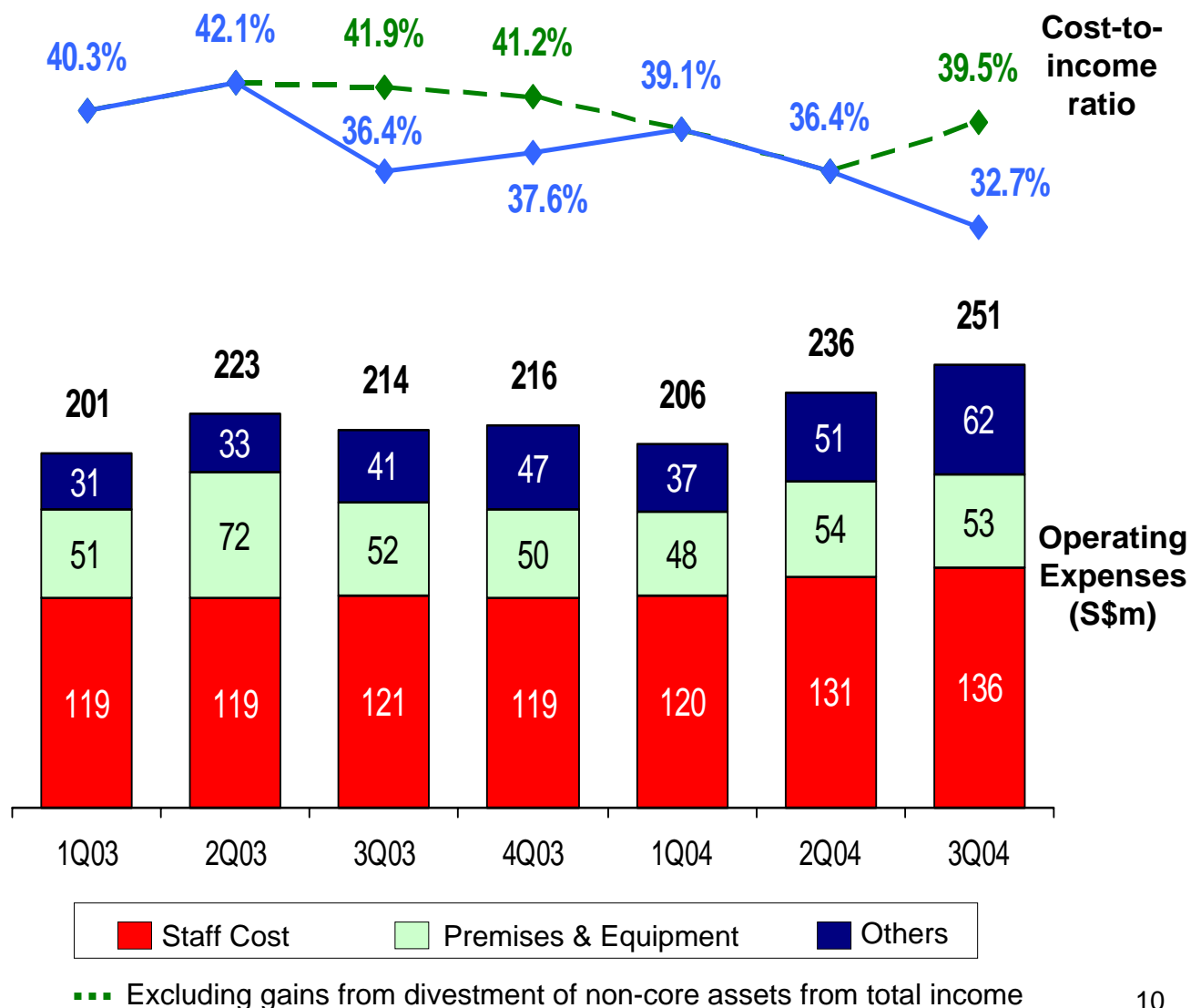
- Fee income up 18% from 3Q03, led by growth in wealth management, fund management, investment banking and trade-related income
- Fee income accounted for 18.5% of total income in 3Q04 excluding divestment gains



--- Ratio excludes gains from divestment of non-core assets from total income

Cost Ratio Remains Comfortable - Investing to Support Business Growth

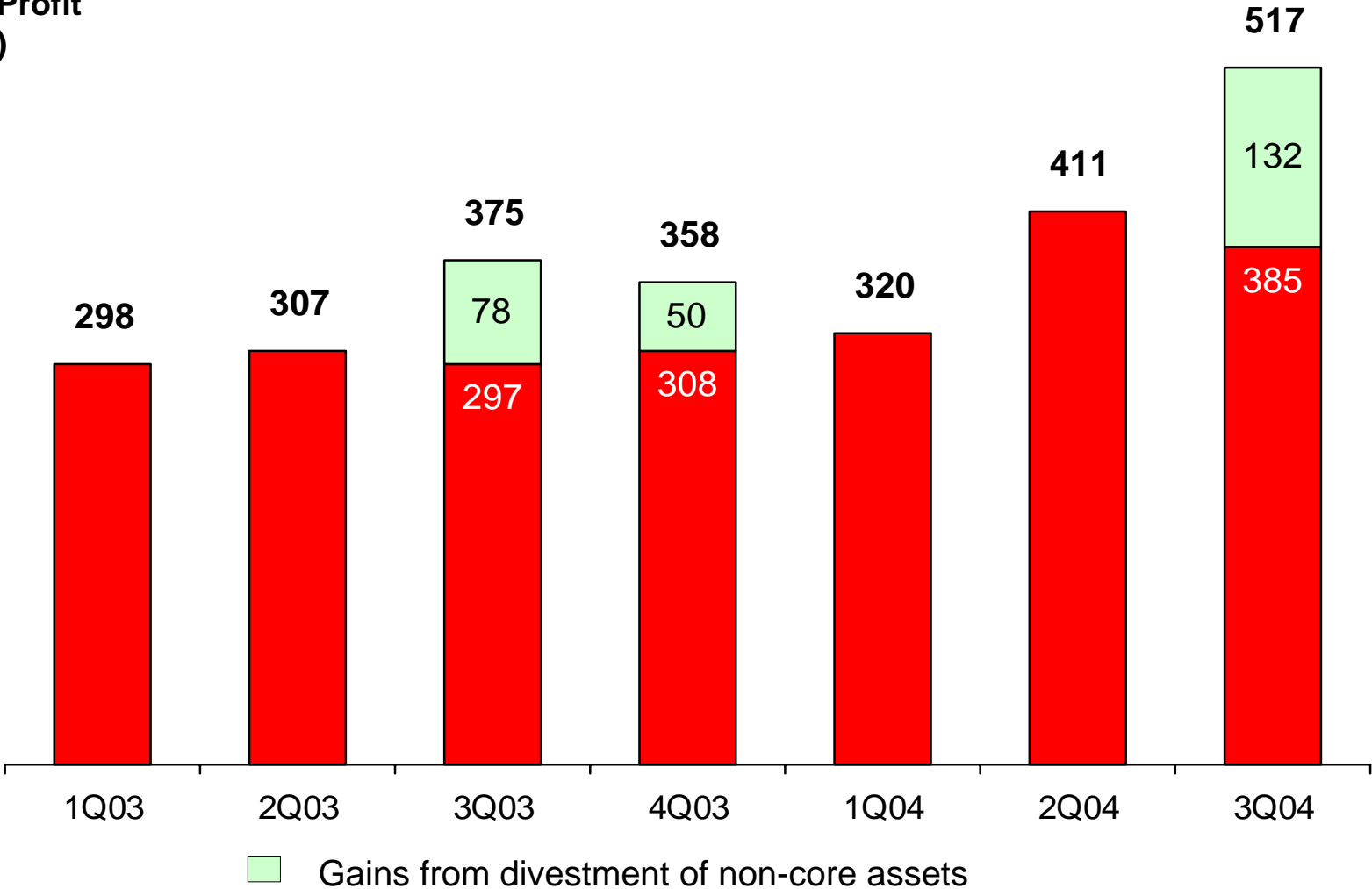
- Expenses rose 6% QoQ, largely due to inclusion of 3 months of GEH's expenses in 3Q04 vs 1 month in 2Q04
- Excluding GEH, 3Q04 expenses fell 1% QoQ and increased 7% YoY
- YoY increase due to higher headcount (+6% YTD), higher business promotion and marketing expenses
- Cost-income ratio of 36% for first nine months 2004



Operating Profit Before Provisions & Goodwill Amortisation

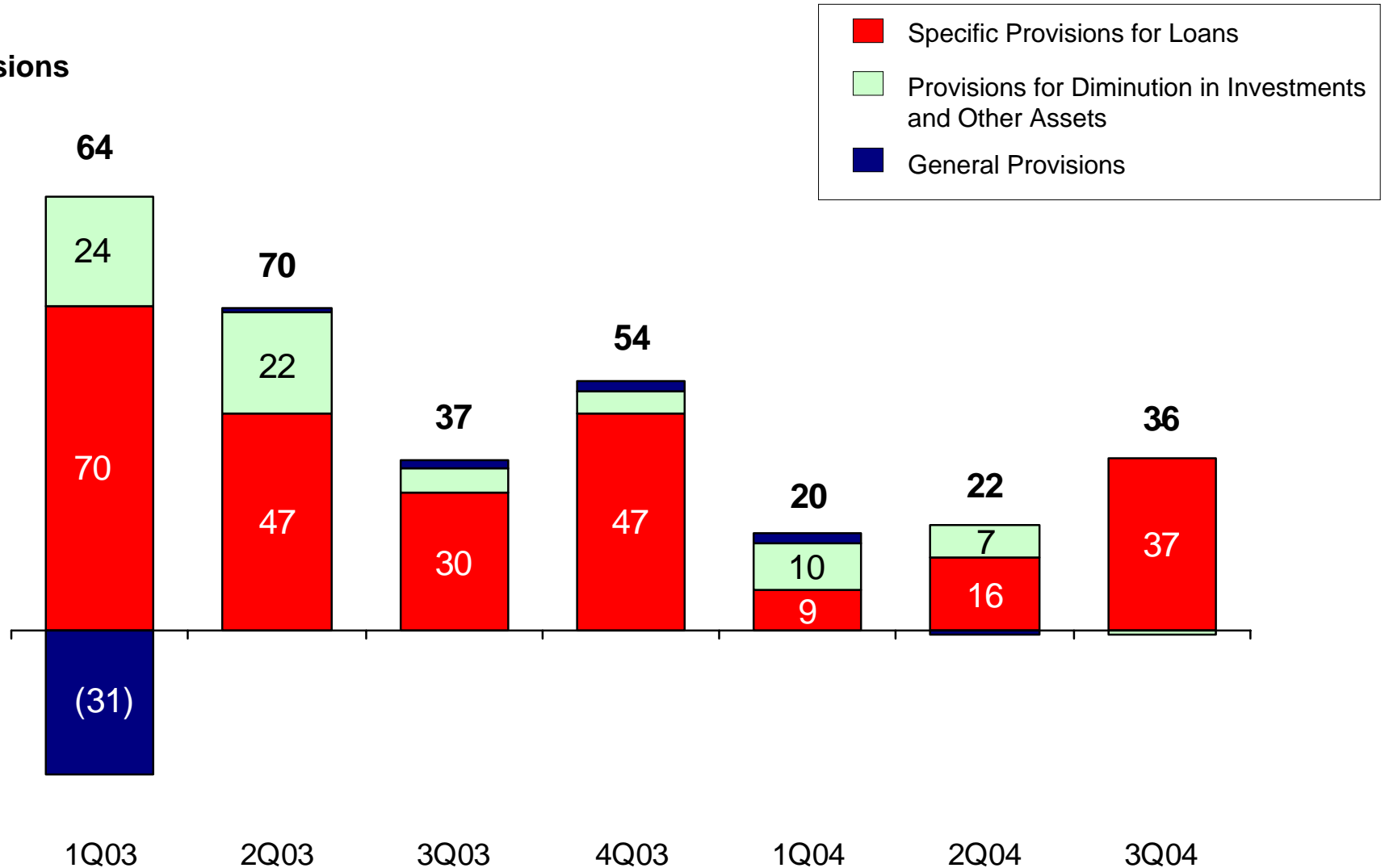


Operating Profit
(S\$m)



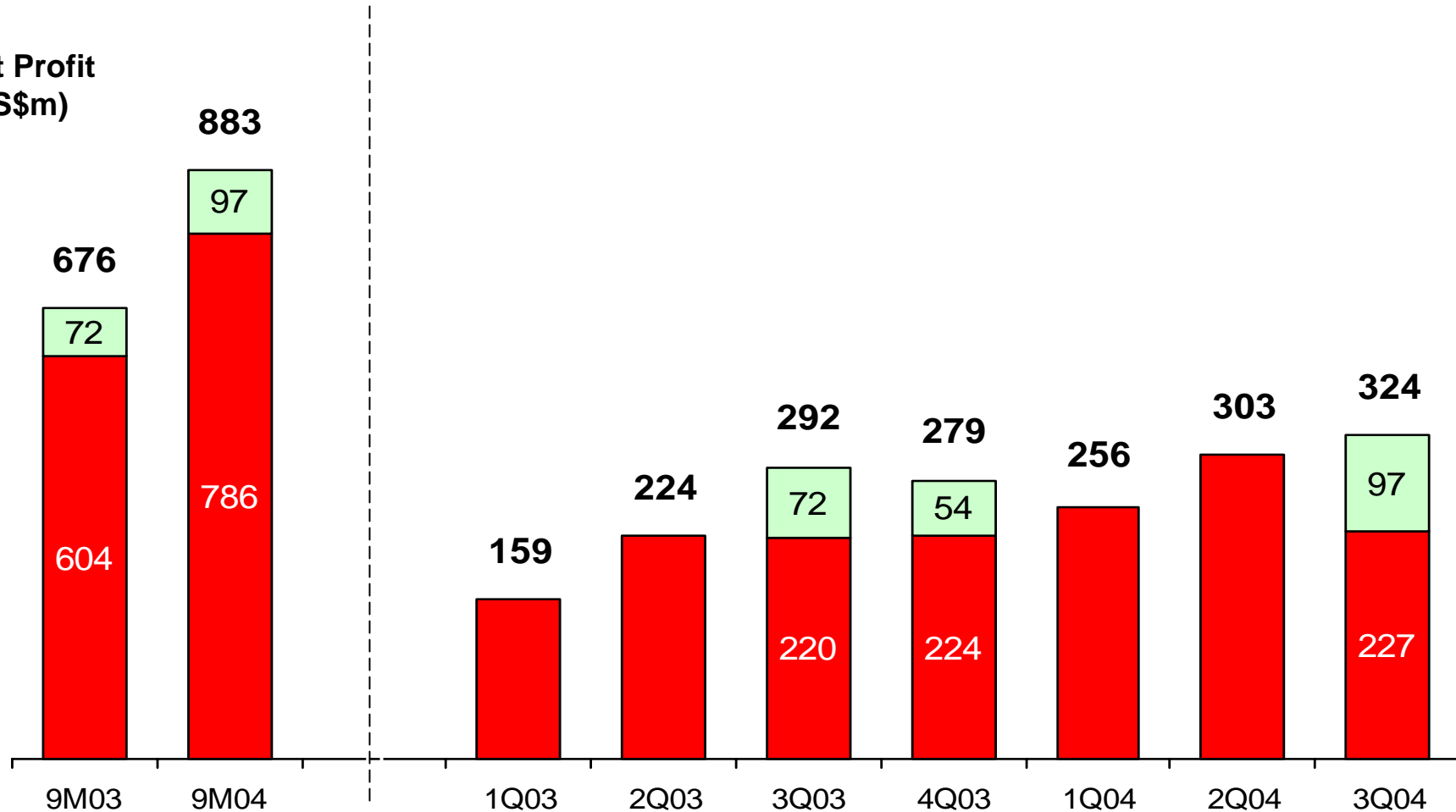
Provisions Remain Low

Total Provisions
(S\$m)



Net Profit Excluding Divestment Gains in First Nine Months Up 30%

Net Profit
(S\$m)



 Gains from divestment of non-core assets

Contribution of GEH

GEH's Contribution to OCBC's Results

(S\$m)	3Q04 ^{1/}	2Q04 ^{1/}	3Q03	9M 2004	9M 2003
Total Income	104	38	-	142	-
Operating Expenses	22	5	-	27	-
Operating Profit	83	32	-	115	-
Goodwill Amortisation	13	5	-	18	-
Tax	18	7	-	26	-
Minority Interests	12	8	-	19	-
Net Profit contribution as a subsidiary	39	12	-	51	-
Net Profit contribution as an associate	-	22	36	68	107
Total Net Profit Contribution of GEH	39	35	36	120	107

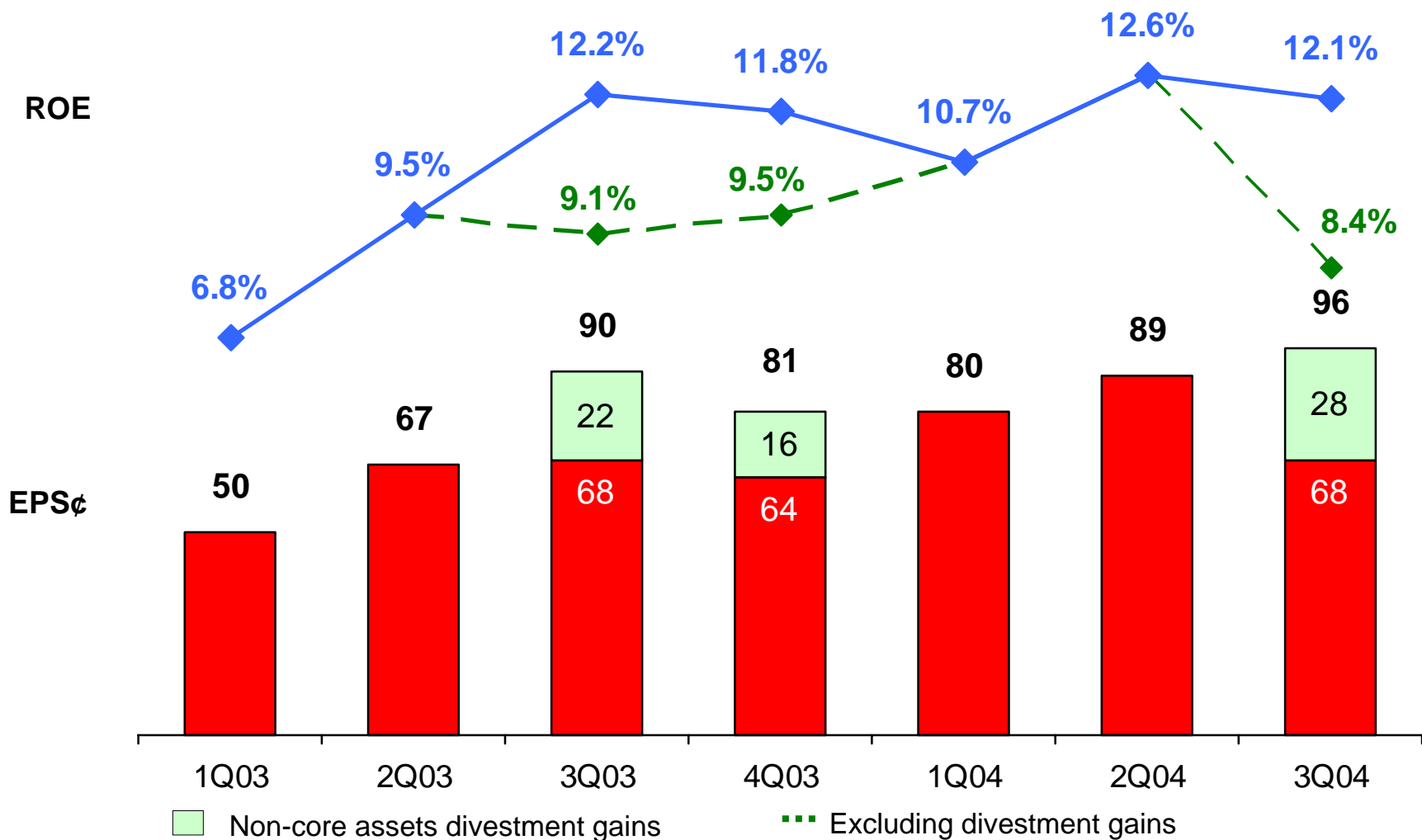
^{1/} GEH was equity accounted as a 48.9%-owned associated company for April and May 2004, and consolidated as a subsidiary for June 2004 with minority interests of 30%. From July 2004, it was consolidated as a subsidiary with minority interests of 19%

Contribution of Bank NISP

	9 Months 2004	9 Months 2003	YoY
<u>Bank NISP's reported results</u>	Rp mil	Rp mil	+/(-)%
Net Interest Income	472,259	308,373	53
Non-Interest Income	111,645	112,516	(1)
Net Profit	201,545	118,736	70
Gross Loans	9,451,507	7,983,369	18
Net Interest Margin	4.70%	3.56%	+ 114 bps
ROE	25.2%	17.8%	+ 740 bps
Pre-tax Contribution to OCBC	S\$6m ^{1/}	-	n.m.
Net Profit Contribution to OCBC	S\$4m^{1/}	-	n.m.

^{1/} Contribution as a 22.5%-owned associated company from May to September 2004, after subtracting goodwill of S\$1.7m

EPS and ROE

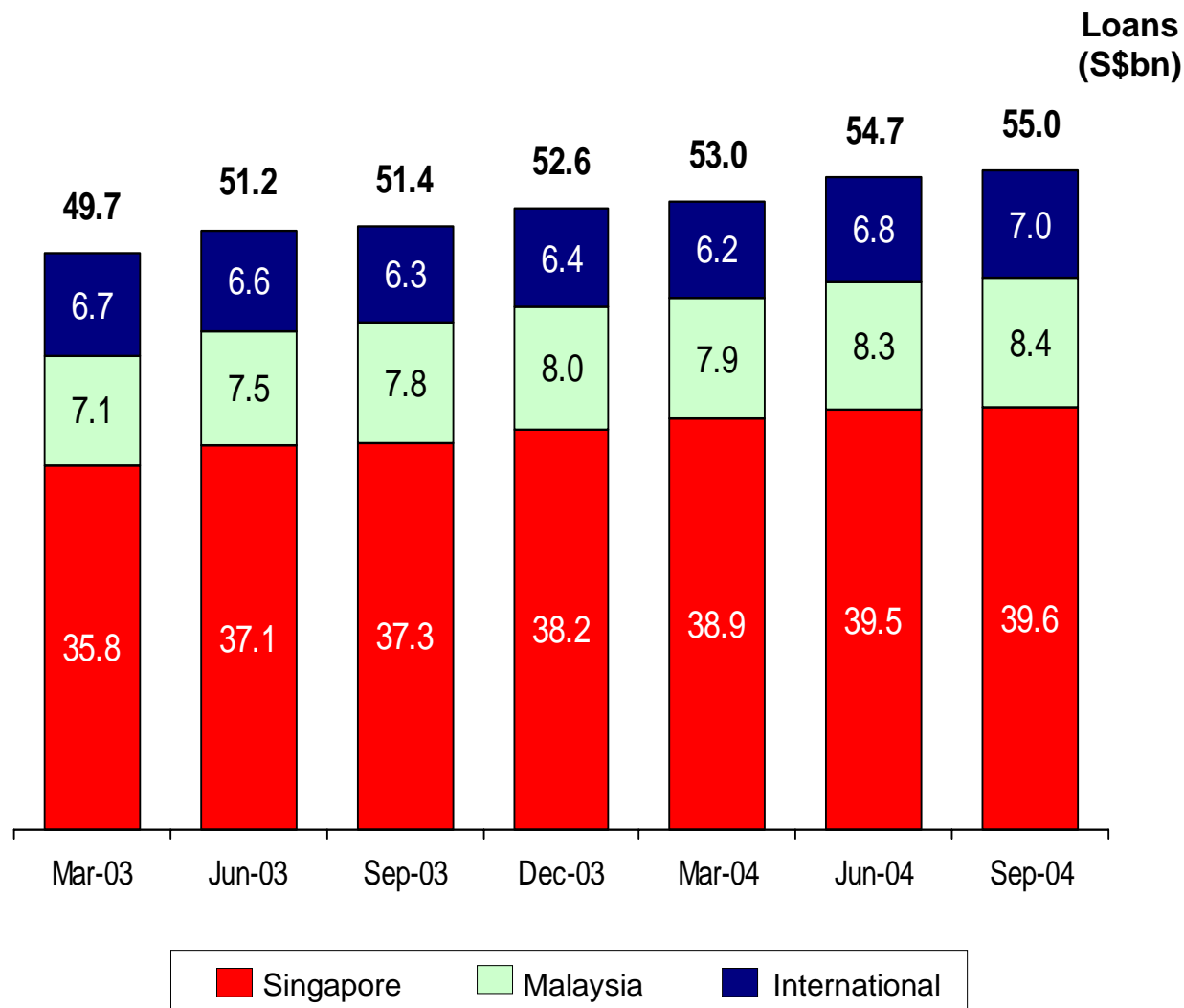


Note: Quarterly ROE and EPS are annualised; ROE refers to return on ordinary shareholders' funds

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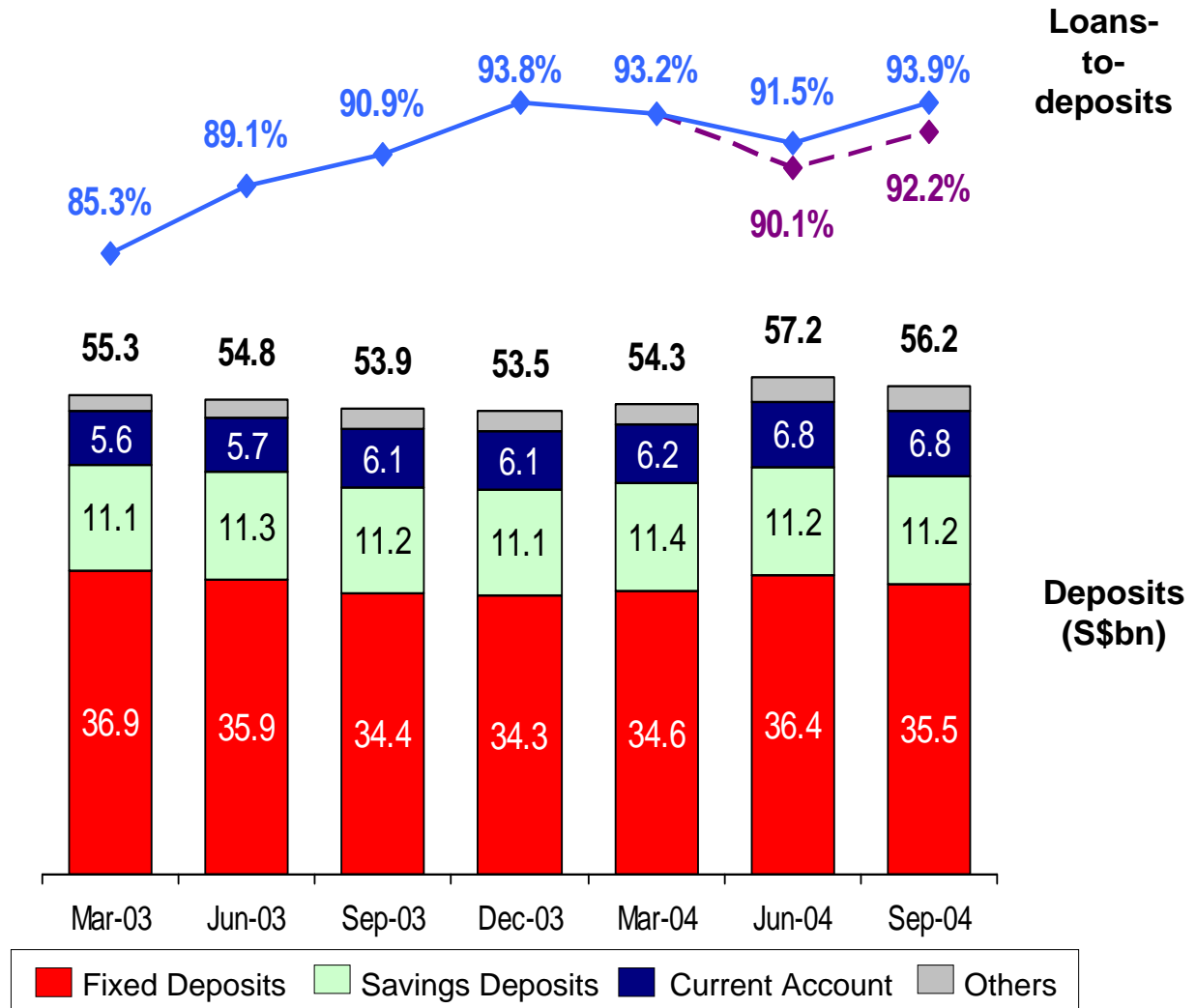
Continued Loans Expansion

- Group loans up 5% over Dec 03, led by housing loans (+10% to S\$17bn), general commerce, manufacturing and financial institutions / investment holding companies
- OCBC Malaysia loans up 9% from Dec 03 to RM19.2bn, led by loans to housing, financial & business services, manufacturing and agriculture sectors



Deposits and Loans-to-Deposits Ratio

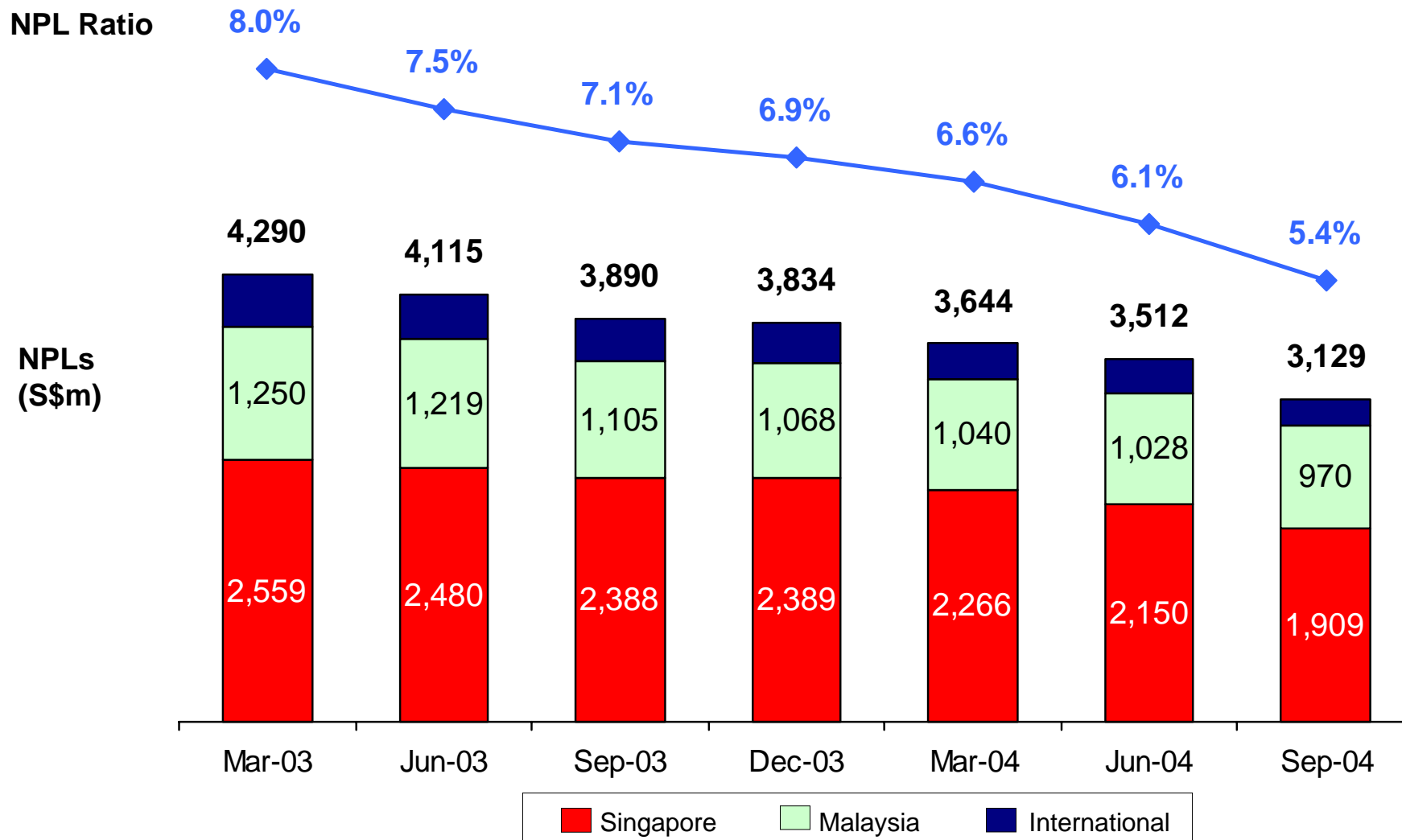
- Customer deposits grew 5% from Dec 03 from higher fixed deposits and current account balances
- Issued US\$500m 3-year Floating Rate Notes in June and Euro-Commercial Paper in September as part of our programme to diversify funding sources. Total amount outstanding S\$1.03bn as at Sep 04
- LDR of 94% in Sep 04; 92% if adjusted to include the FRNs & ECPs



--- Including FRNs and ECPs

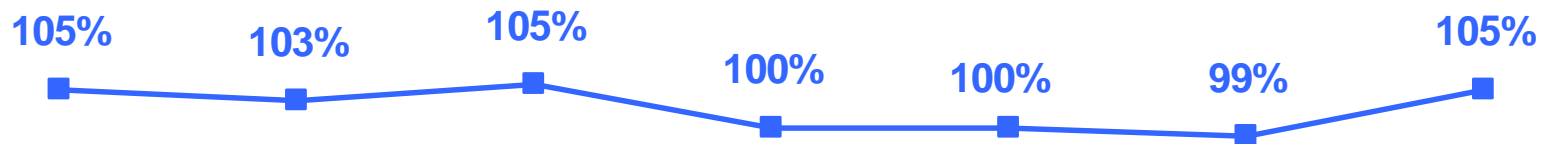
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NPL Ratio Continues to Improve

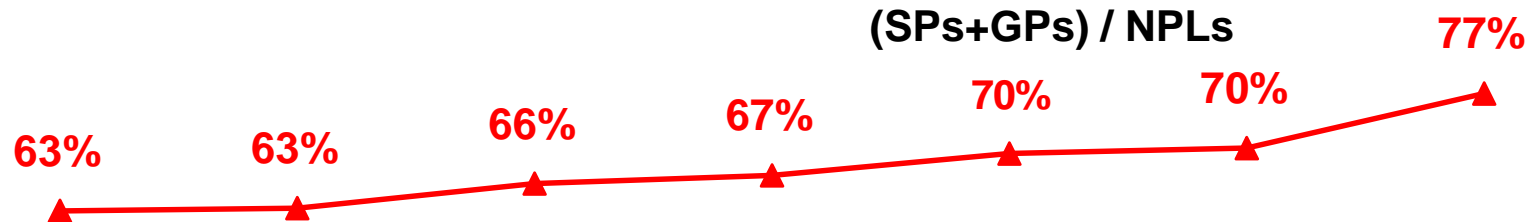


Provision Coverage Remains Strong

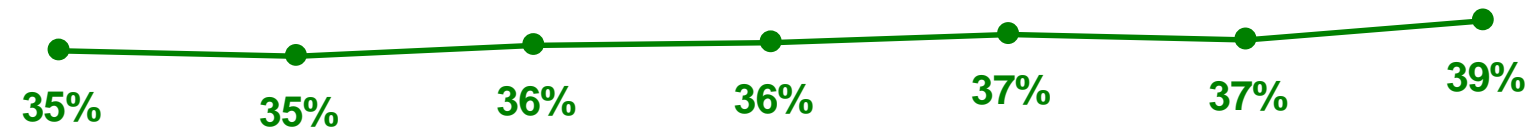
SPs / Unsecured NPLs



(SPs+GPs) / NPLs



SPs / NPLs



Mar-03 Jun-03 Sep-03 Dec-03 Mar-04 Jun-04 Sep-04

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Non-Core Assets Divested

Completion Date	Divestment	Sales Amount (S\$m)	Net Gain (S\$m)
Sep 03	4.4% stake in Fraser & Neave	88	72
Dec 03	2.2% stake in WBL Corporation	9	4
Dec 03	43.3% stake in Raffles Hotel (held by associated company)	53	14
Dec 03	Residential land at Mount Emily	50	36
	Total in 2003	200	126
Jul 04	49.8% stake in Raffles Investments	122	55
Sep 04	Whitesands Shopping Mall	161	43
	Total in 2004	283	97
Total Gains to-date			223

- **Core revenue streams remained steady in the third quarter**
- **Year-to-date performance shows across-the-board improvement in net interest income, fee income, cost/income ratio, provisions and asset quality**
- **Share buybacks: Purchased 13.5m shares (1% of share capital) to-date, for S\$185m**
- **Further progress on divestment of non-core assets**
- **Solid contribution from both Great Eastern Holdings and Bank NISP with promising growth prospects**
- **Continue to focus on building sustainable growth in our core Singapore and Malaysia markets**

Third Quarter 2004 Results

Thank You

