

# First Quarter 2006 Results

## Presentation

15 May 2006



- **Results Overview**
- **Performance Trends**
- **Results of Key Subsidiaries**

# First Quarter Net Profit Up 7% YoY

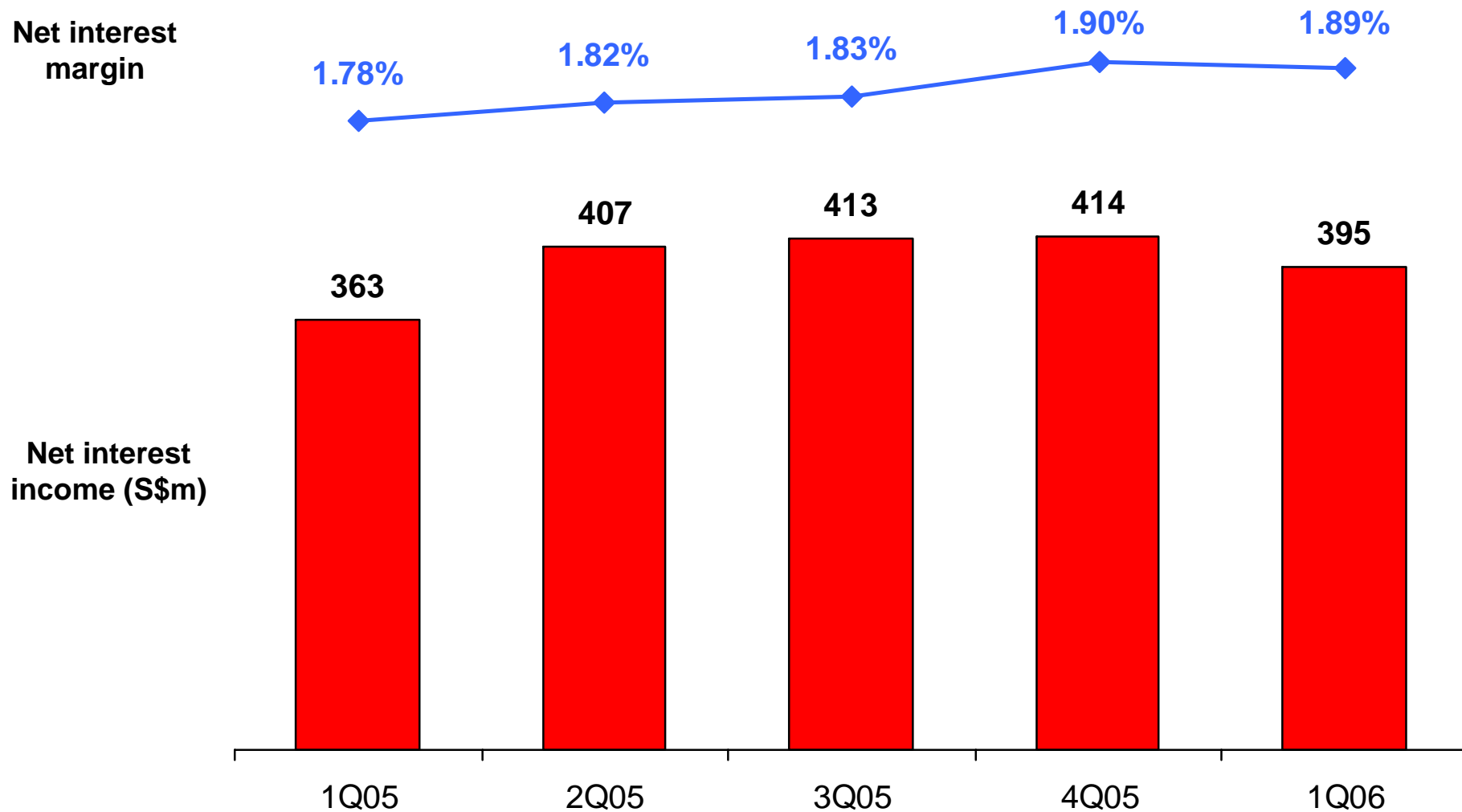
	1Q06	1Q05	YoY	4Q05	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	395	363	9	414	(5)
Non-Interest Income	348	312	11	364	(4)
- <i>Fee Income</i>	140	122	15	128	9
Total Income	743	675	10	779	(5)
Operating Expenses	(308)	(252)	22	(312)	(1)
<b>Operating Profit</b>	<b>435</b>	<b>423</b>	<b>3</b>	467	<b>(7)</b>
Amortisation of Intangibles	(10)	(10)	5	(10)	1
Allowances	7	(24)	(128)	(12)	(156)
Associates and JV	4	8	(51)	1	177
Tax & Minority Interest	(117)	(100)	18	(104)	12
<b>Net Profit</b>	<b>318</b>	<b>298</b>	<b>7</b>	341	<b>(7)</b>

# Key Financial Ratios

	1Q06	4Q05	1Q05
	%	%	%
Net Interest Margin	1.89	1.90	1.78
Non-Interest Income/ Total Income	46.8	46.8	46.3
Cost-to-Income Ratio	41.5	40.1	37.3
Loans-to-Deposits Ratio	84.6	86.0	86.1
NPL Ratio	4.1	4.1	4.8
Allowances/NPLs	87.6	88.3	84.2
ROE	10.8	11.6	10.6
Cash ROE	11.2	11.9	11.0

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# Stable Net Interest Margin

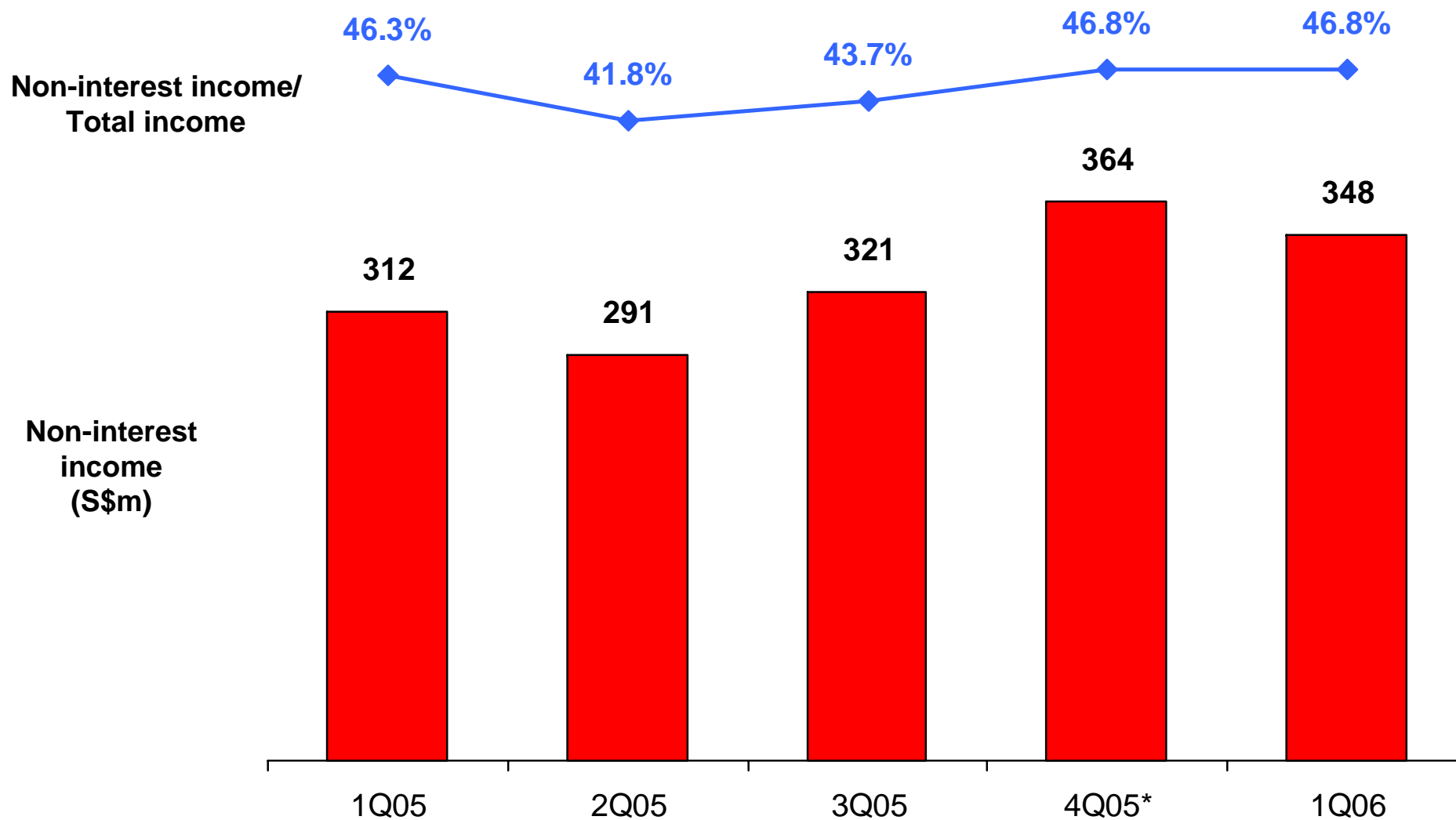


# Average Yield and Cost of Funds Analysis



<u>First Quarter 2006</u>	Ave Bal	Interest Inc / Exp	Interest Rate		
			Ave Rate	YoY	QoQ
	S\$bn	S\$m	%	bps	bps
Customer loans	53.8	682	5.14	+ 120	+ 23
Placements with Banks	15.2	146	3.90	+ 119	+ 56
Securities/ Others	15.8	152	3.90	+ 104	+ 6
<b>Interest Earning Assets</b>	<b>84.8</b>	<b>980</b>	<b>4.69</b>	<b>+ 119</b>	<b>+ 25</b>
Customer Deposits	64.6	434	2.72	+ 110	+ 31
Bank Deposits	9.6	92	3.86	+ 169	+ 35
Other Borrowings	5.8	60	4.22	+ 139	+ 54
<b>Interest Bearing Liabilities</b>	<b>80.0</b>	<b>585</b>	<b>2.97</b>	<b>+ 116</b>	<b>+ 30</b>
<b>Net Interest Income</b>		<b>395</b>			
<b>Net Interest Margin</b>			<b>1.89</b>	<b>+ 11</b>	<b>- 1</b>

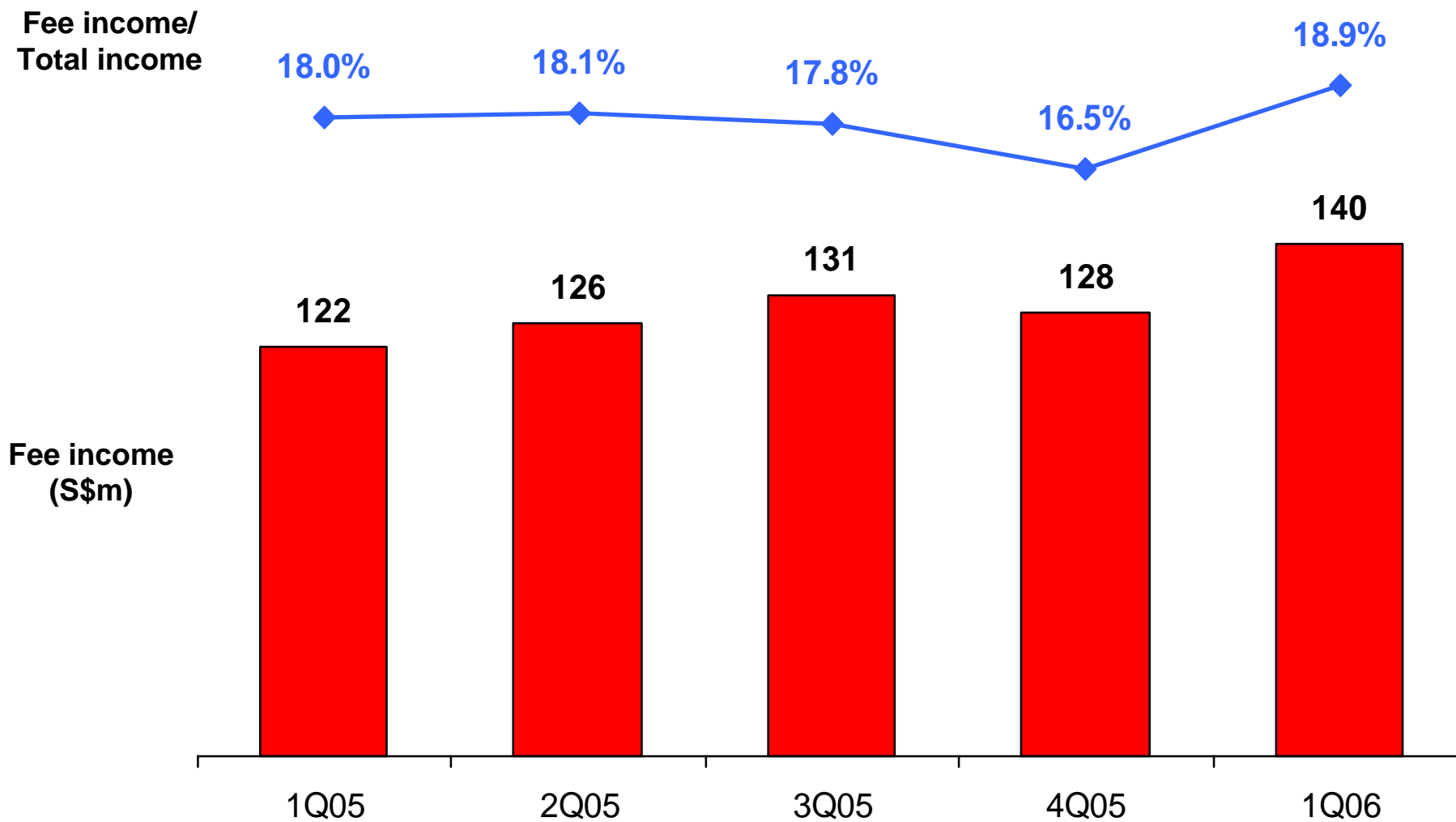
# Non-Interest Income Up 11% YoY



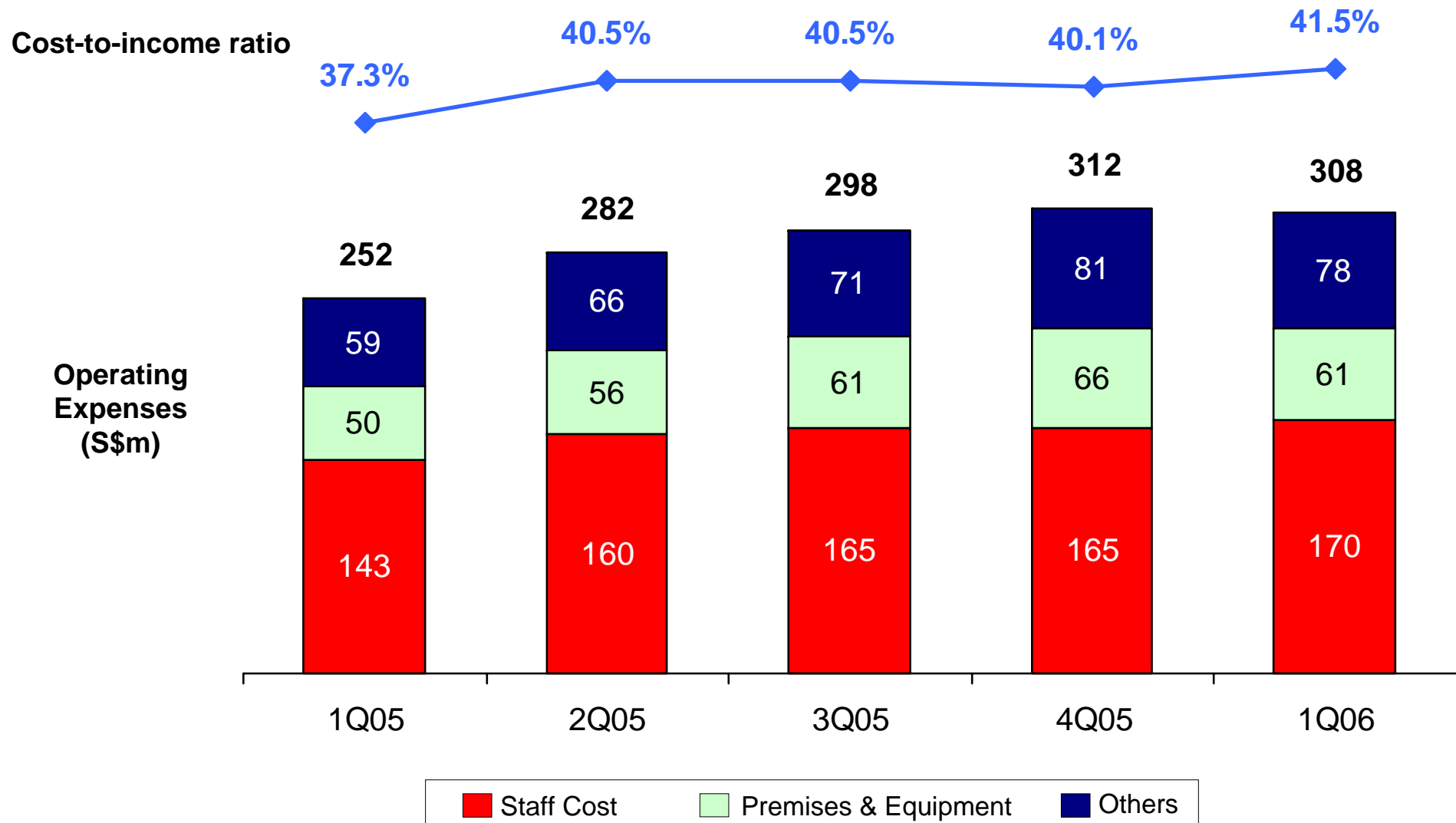
\* 4Q05 includes S\$63m of special dividend from Raffles Holdings Limited



# Steady Growth in Fee Income

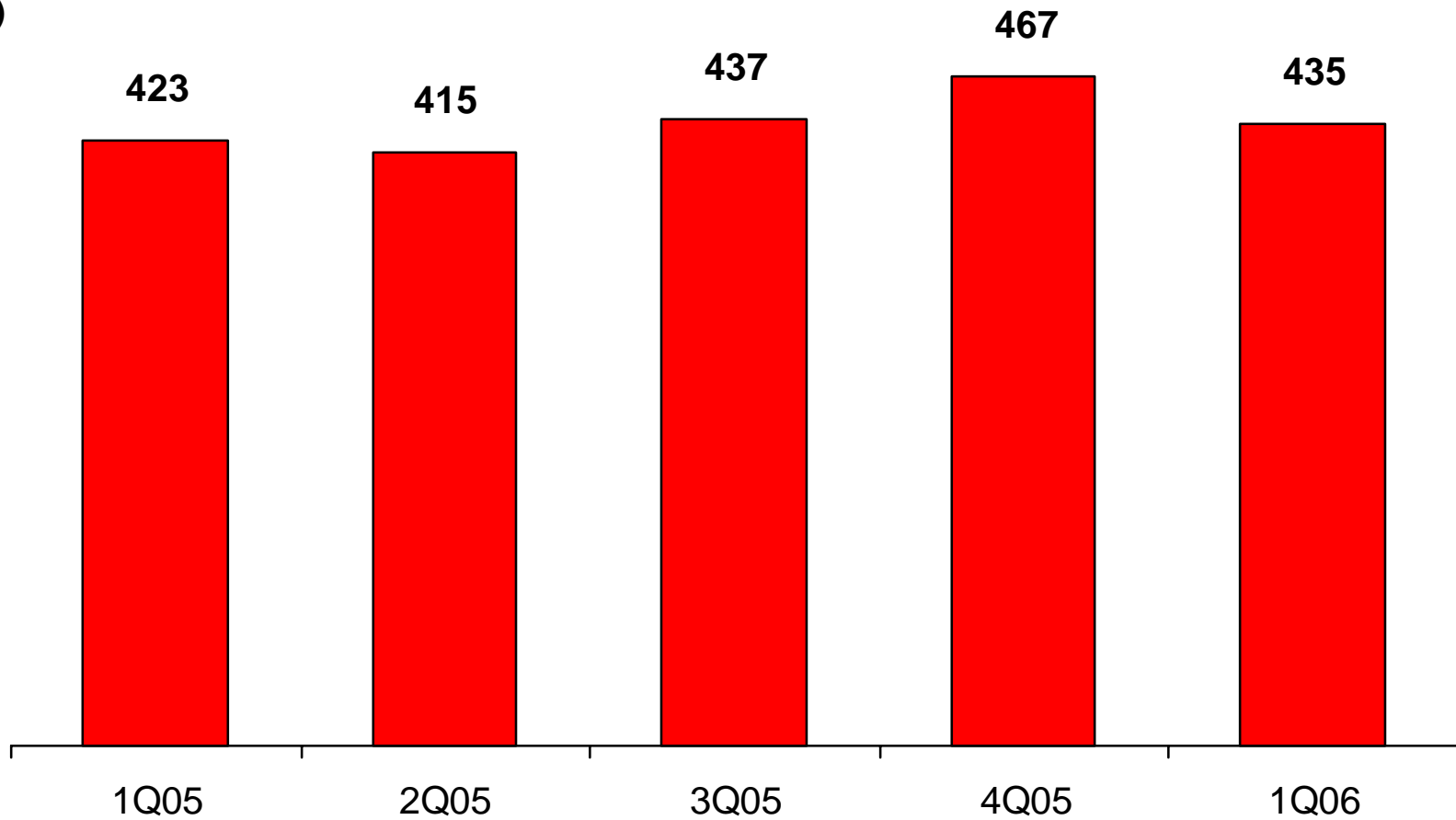


# Adjusted for Consolidation Effects, Expenses Increased 11% YoY

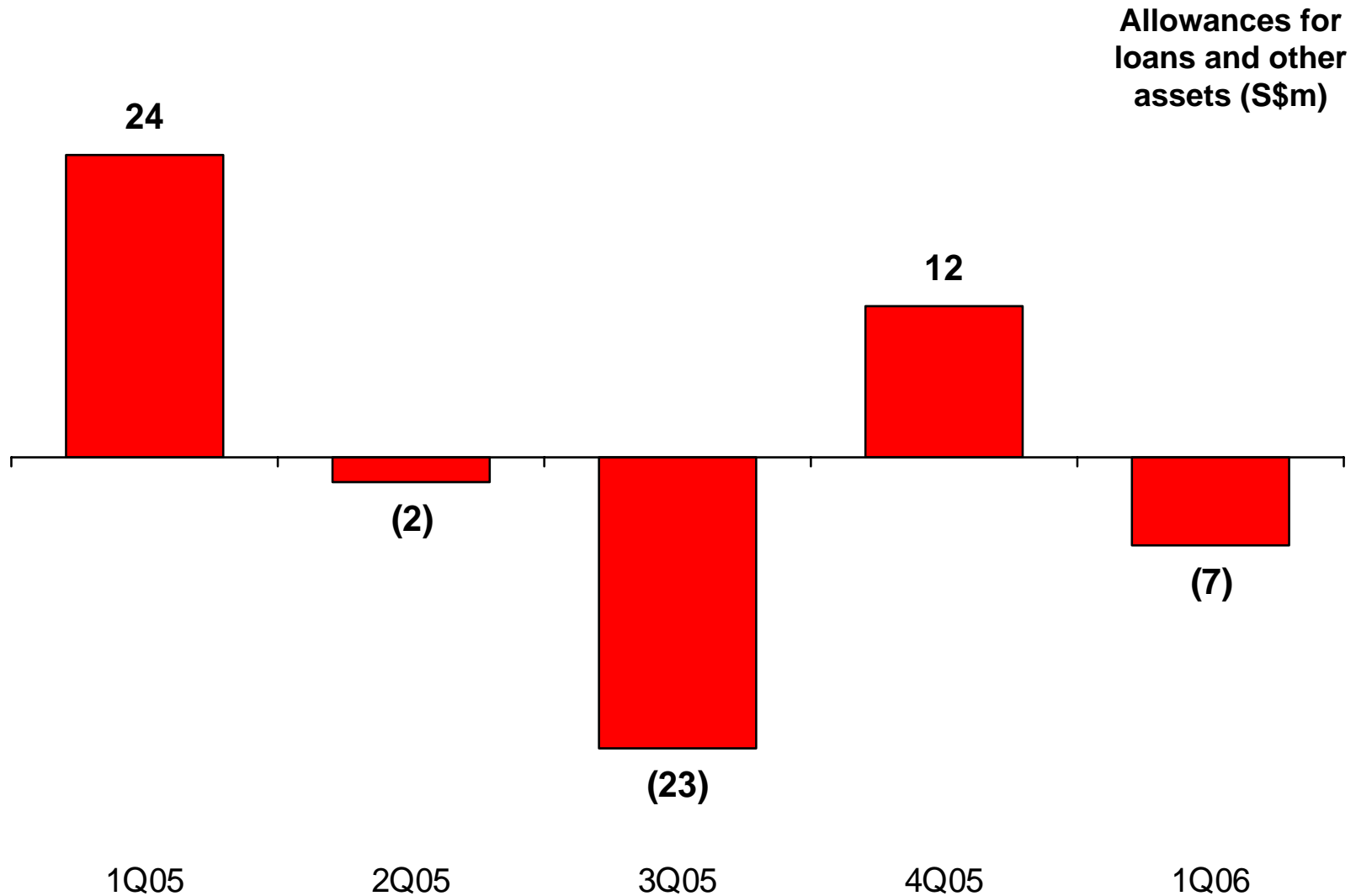


# Operating Profit

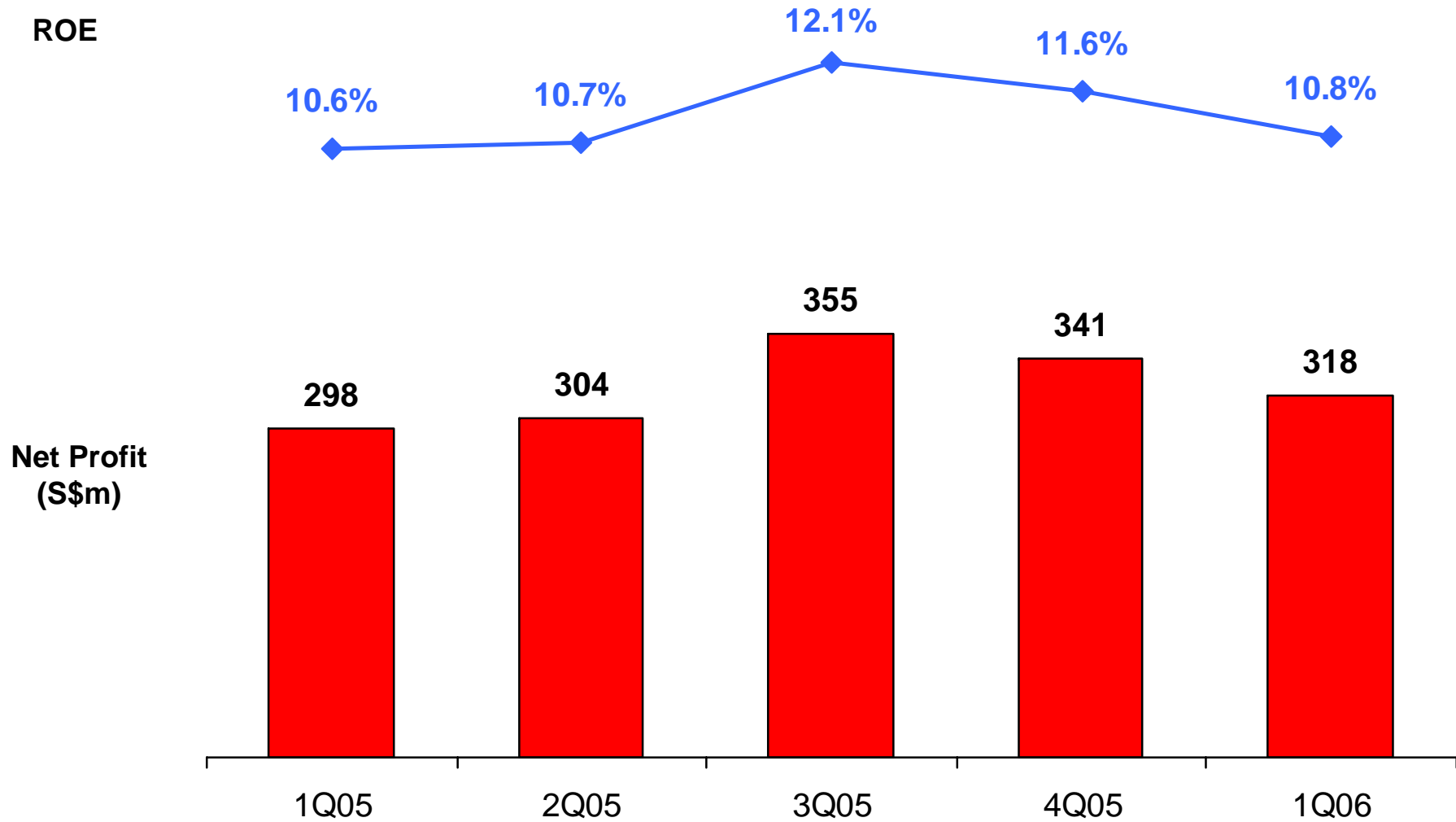
Operating Profit  
before allowances  
(S\$m)



# Net Writeback of Allowances Due to Recoveries

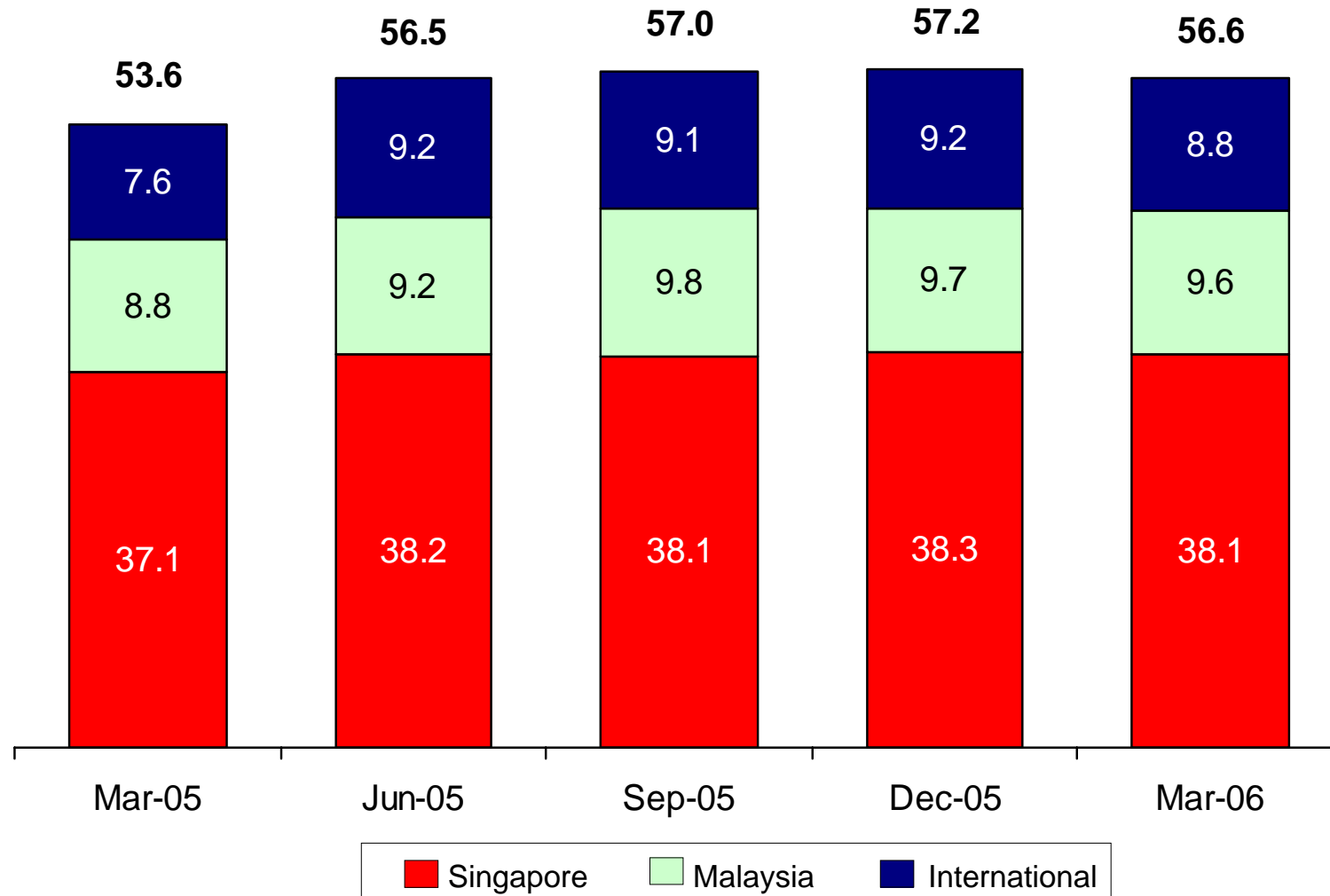


# Net Profit and ROE

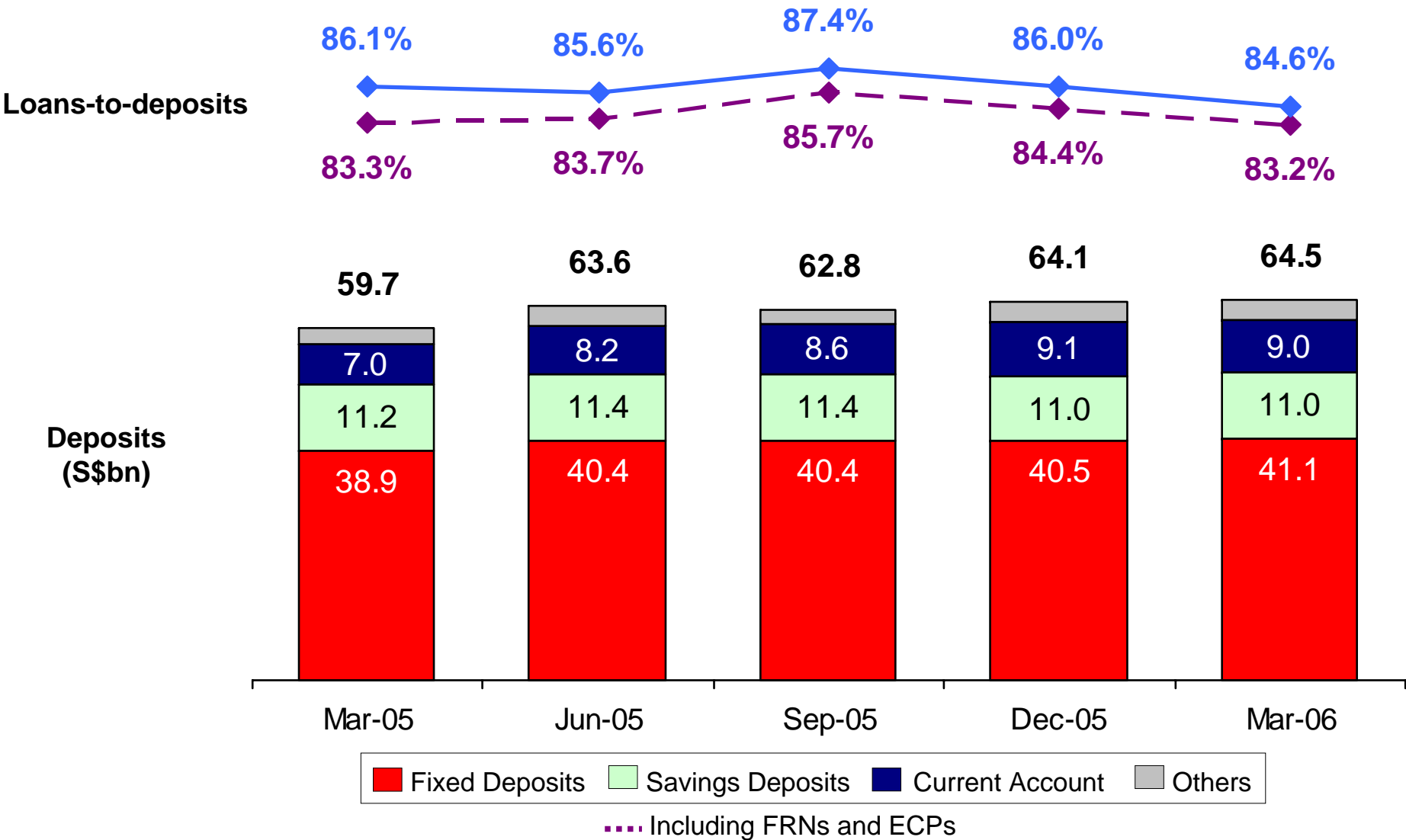


# Loans Growth of 6% YoY

Loans  
(S\$bn)

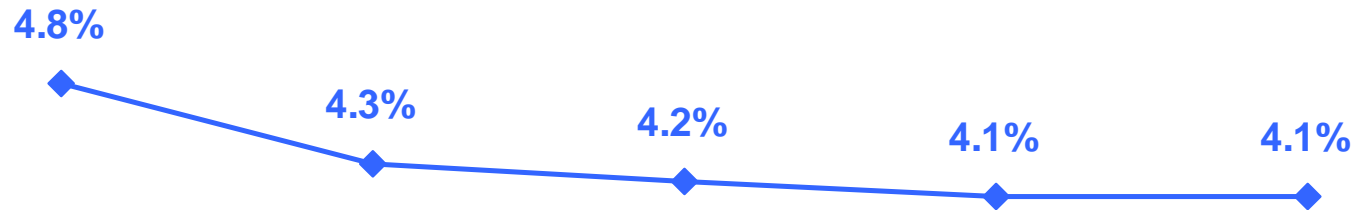


# Lower Loans-to-Deposits Ratio

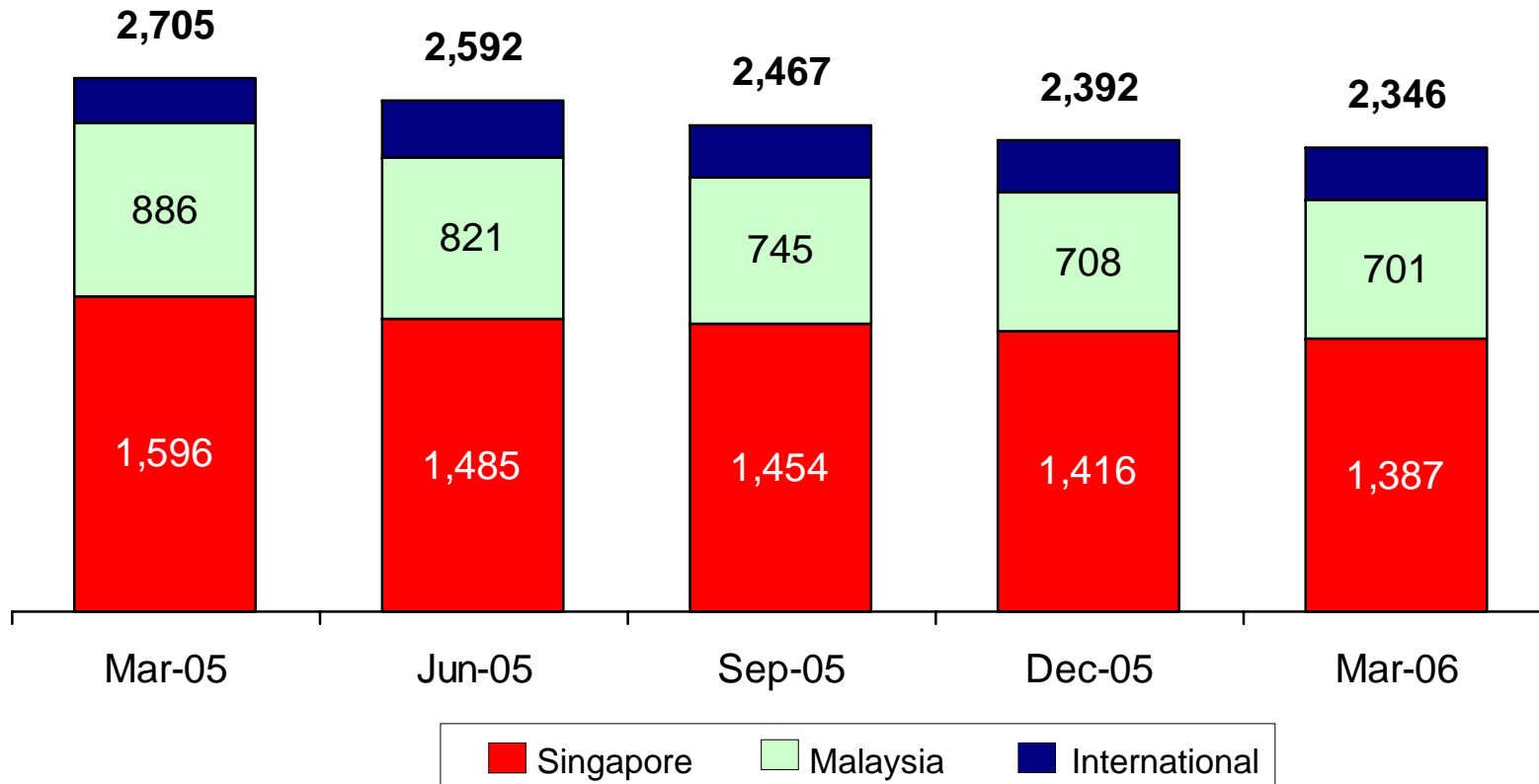


# Asset Quality Remains Strong

NPL Ratio

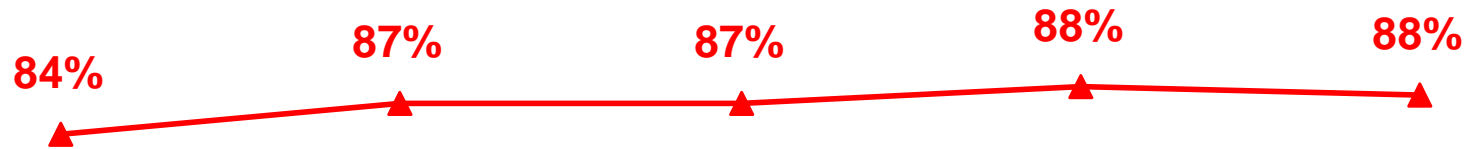


NPLs (S\$m)



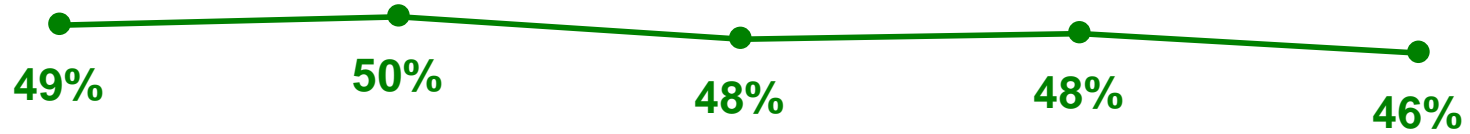


# Allowances Coverage



**Total Allowances / NPLs**

**Specific Allowances / NPLs**



Mar-05

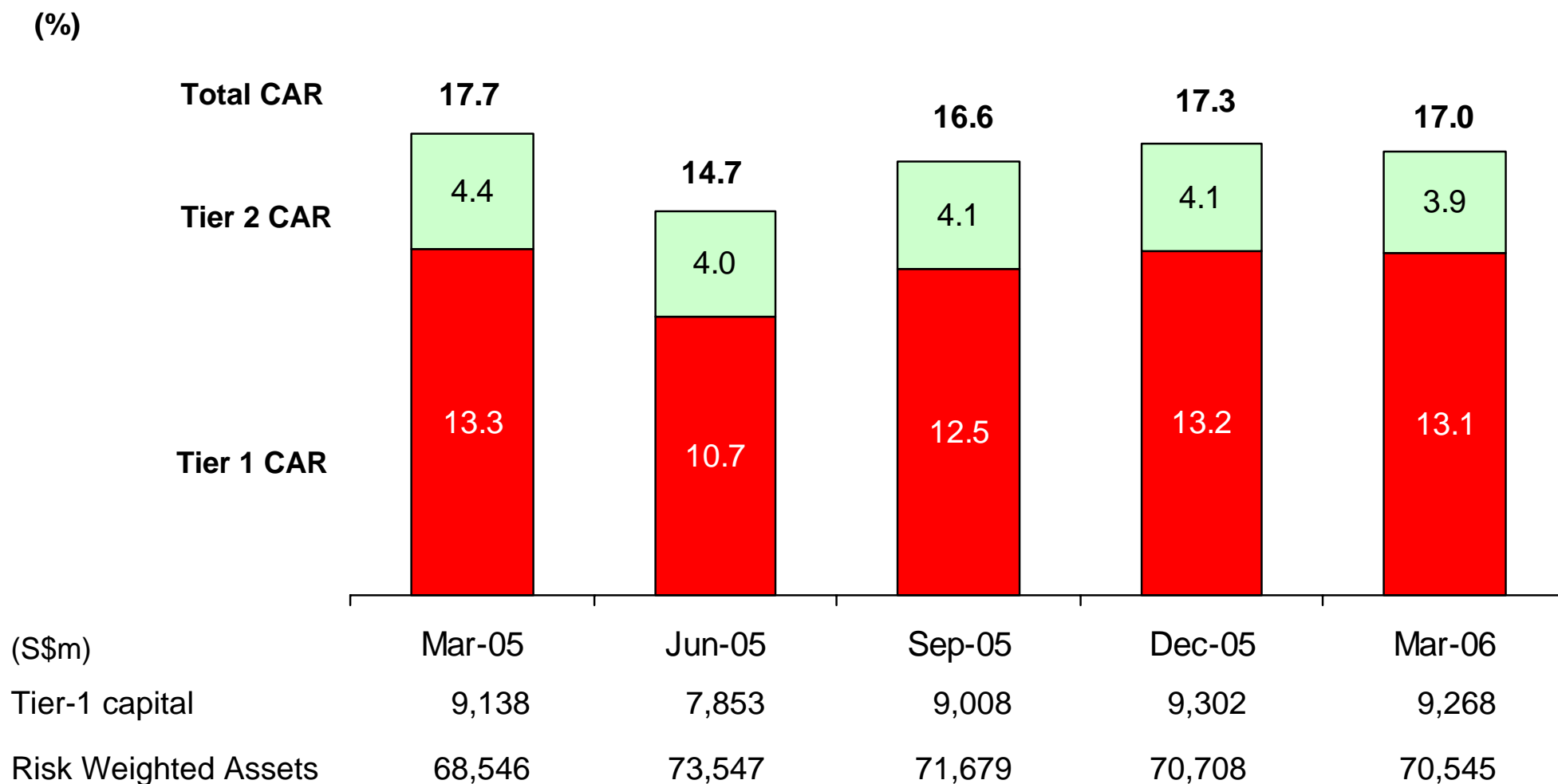
Jun-05

Sep-05

Dec-05

Mar-06

# Robust Capital Position



- **Results Overview**
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# OCBC Malaysia's 1Q06 Net Profit Up 25% YoY



	1Q06	1Q05	YoY	4Q05	QoQ
<u>Unaudited Results*</u>	RM m	RM m	+/(-)%	RM m	+/(-)%
Net Interest Income	166	144	15	170	(2)
Islamic Banking Income	13	10	32	14	(11)
Non Interest Income	73	57	29	65	12
Total Income	252	210	20	249	1
Operating Expenses	(91)	(84)	8	(100)	(9)
<b>Operating Profit</b>	<b>161</b>	<b>126</b>	<b>28</b>	<b>149</b>	<b>8</b>
Writeback of Allowances	7	6	3	26	(73)
Tax	(48)	(37)	31	(50)	4
<b>Net Profit</b>	<b>119</b>	<b>96</b>	<b>25</b>	<b>125</b>	<b>(5)</b>

\* Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards.

# OCBC Malaysia: Financial Ratios



	1Q06	4Q05	1Q05
<u>Unaudited Results*</u>	%	%	%
Net Interest Margin	2.52	2.55	2.41
Non-Interest Income / Total Income	29.0	26.0	27.0
Cost-to-Income Ratio	36.0	40.0	40.0
RM Loans-to-Deposits Ratio	83.2	85.1	87.1
Gross NPL Ratio	6.3	6.2	7.6
Loans Growth (YTD)	1.7	10.0	3.0
ROE	23.4	24.4	24.9

\* Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards.

# GEH Contributed 21% of Group Net Profit

	1Q06	4Q05	1Q05
<u>GEH's Contribution to OCBC's Results</u>	S\$m	S\$m	S\$m
Total Income	141	139	127
Operating Expenses	(26)	(23)	(21)
Operating Profit	114	116	106
Amortisation of Intangibles	(10)	(10)	(10)
Tax	(19)	(21)	(14)
Minority Interests	(16)	(16)	(23)
<b>Net Profit contribution of GEH *</b>	<b>68</b>	68	59

\* The Group's effective interest in GEH was 82.9% in 1Q06, 82.3% in 4Q05 and 81.1% in 1Q05.

# Bank NISP Results – Recovering from Volatile Interest Rates



	1Q06	1Q05	YoY	4Q05	QoQ
<u>Unaudited Results*</u>	RP bn	RP bn	+/(-)%	RP bn	+/(-)%
Net Interest Income	201	172	17	187	8
Non Interest Income	40	96	(58)	167 <sup>^</sup>	(76)
Expenses	(162)	(145)	12	(174)	(7)
Operating Profit	80	123	(35)	180	(55)
Allowances	4	(4)	(204)	(15)	(127)
<b>Net Profit</b>	<b>54</b>	<b>93</b>	<b>(42)</b>	<b>121</b>	<b>(55)</b>
Gross Loans	11,789	10,757	10	12,438	(5)
NPL Ratio (%)	3.15	1.26	+189bps	2.46	+69bps
Net Interest Margin (%)	4.49	4.36	+13bps	4.13	+36 bps
ROE (%)	10.3	28.2	-18 ppt	31.3	-21 ppt

\* Bank NISP's results were consolidated from April 2005. Its contribution to Group net profit was S\$9m in 4Q05 and S\$6m in 1Q06.

<sup>^</sup> 4Q05 includes Rp127bn gain from sale of an investment.

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Thank You

