

Presentation to Media and Analysts

2006 Final Results

22 February 2007



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

Full Year Net Profit Up 54%

	FY06	FY05	YoY
	S\$m	S\$m	+/(-)%
Net Interest Income	1,794	1,597	12
Non-Interest Income	2,045	1,289	59
- <i>Fee Income</i>	597	507	18
Total Income	3,840	2,887	33
Operating Expenses	(1,331)	(1,145)	16
Operating Profit	2,508	1,742	44
Amortisation of Intangibles	(44)	(40)	10
Allowances	(2)	(12)	(79)
Associates	14	15	(8)
Tax & Minority Interest	(474)	(408)	16
Net Profit	2,002	1,298	54

Note: FY06 included net divestment gains of S\$559m.

4th Quarter Net Profit Up 49% YoY



	4Q06	4Q05	YoY	3Q06	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	491	414	18	473	4
Non-Interest Income	495	364	36	357	39
- <i>Fee Income</i>	161	128	25	155	4
Total Income	986	778	27	831	19
Operating Expenses	(342)	(312)	10	(333)	3
Operating Profit	644	466	38	498	29
Amortisation of Intangibles	(12)	(10)	13	(11)	3
Allowances	(12)	(12)	(3)	(3)	333
Associates	5	1	234	4	2
Tax & Minority Interest	(116)	(104)	11	(109)	6
Net Profit	510	341	49	379	34

Note: 4Q06 included net divestment gains of S\$77m.

Strong Underlying Performance, Record Core Earnings



Excluding Divestment Gains*

	FY06	FY05	YoY
	S\$m	S\$m	+/(-)%
Total Income	3,242	2,887	12
<i>of which: Non-Interest Income</i>	1,448	1,289	12
Operating Profit	1,911	1,742	10
Net Profit	1,443	1,298	11

Total Income

of which: Non-Interest Income

Operating Profit

Net Profit

	4Q06	4Q05	YoY	3Q06	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Total Income	903	778	16	831	9
<i>of which: Non-Interest Income</i>	412	364	13	357	15
Operating Profit	561	466	20	498	13
Net Profit	432	341	27	379	14

* Adjusted to exclude the following divestment gains :

FY06 – S\$598m (S\$559m net of tax) from sale of stakes in Straits Trading Co Ltd, Robinson & Co Ltd, Southern Bank Bhd & Raffles Holdings, and Kim Seng Road property

4Q06 – S\$83m (S\$77m net of tax) from Raffles Holdings (including special dividend prior to exit offer)

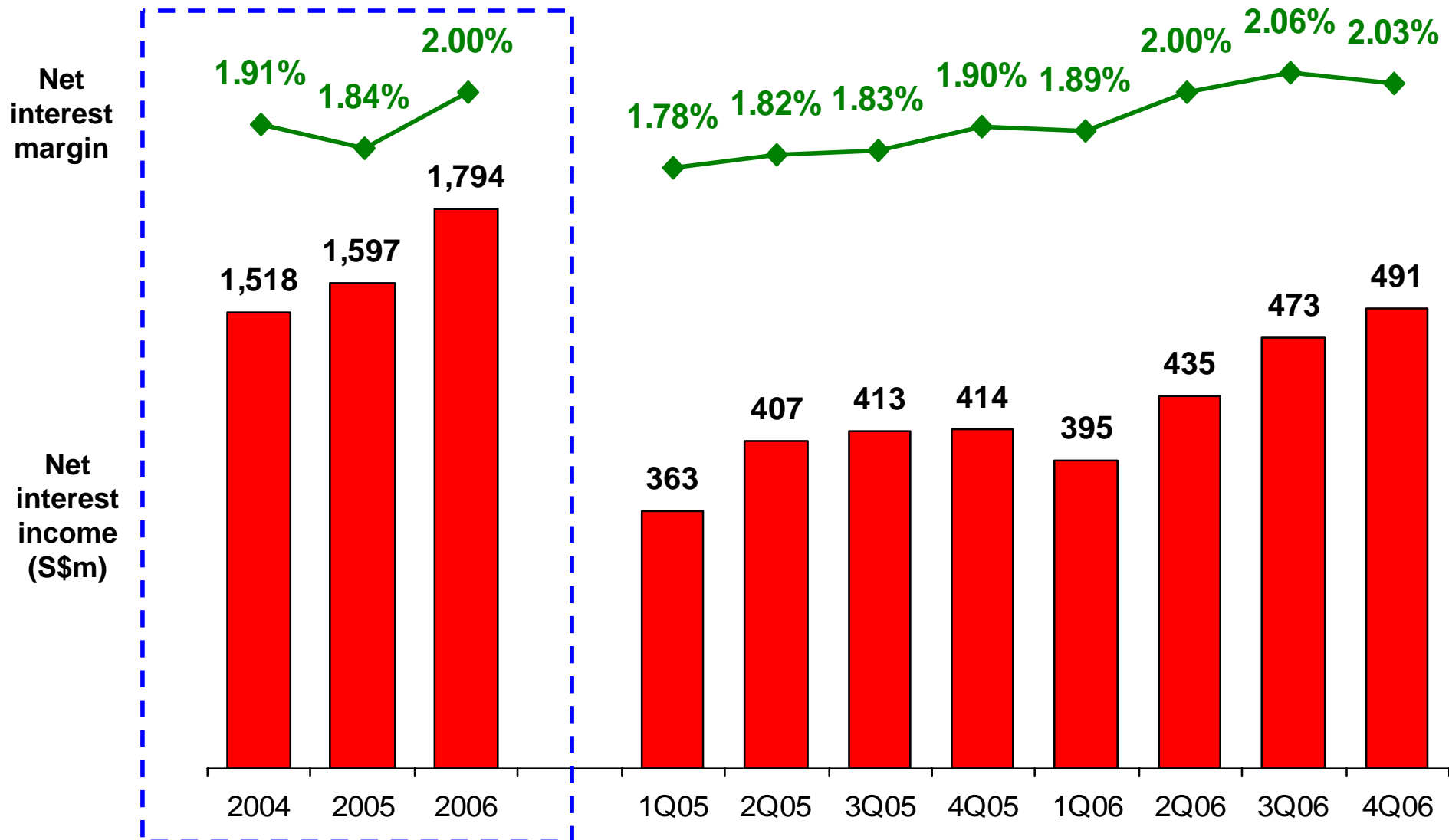
Key Financial Ratios

– Excluding Divestment Gains

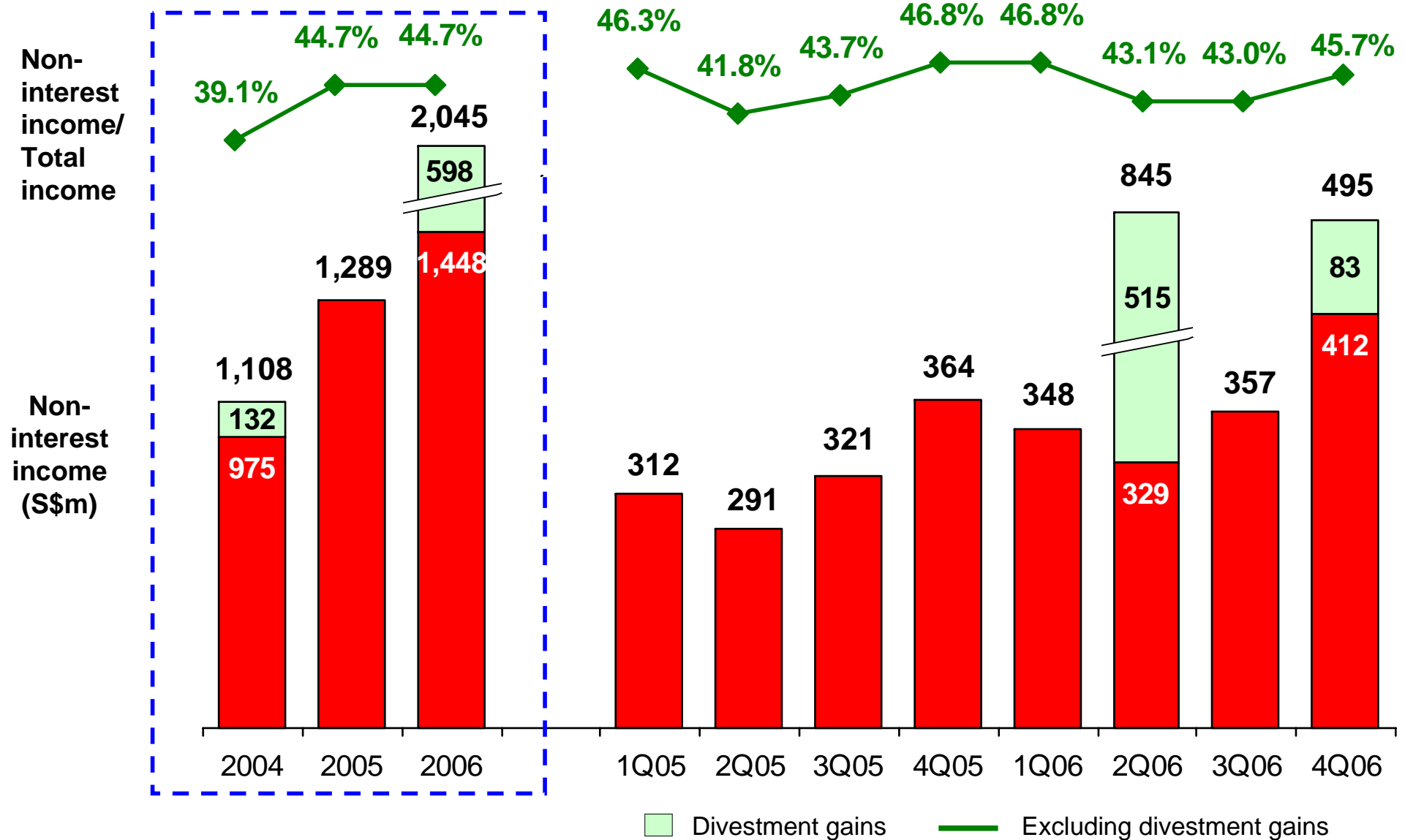
	FY06	FY05	4Q06	3Q06	4Q05
	%	%	%	%	%
Net Interest Margin	2.00	1.84	2.03	2.06	1.90
Non-Interest Income/ Total Income	44.7	44.7	45.7	43.0	46.8
Cost-to-Income Ratio	41.1	39.6	37.9	40.0	40.1
Loans-to-Deposits Ratio	79.0	86.0	79.0	82.6	86.0
NPL Ratio	3.0	4.1	3.0	3.3	4.1
Cumulative Allowances/ NPLs	100.9	88.3	100.9	97.1	88.3
ROE	11.8	11.4	13.8	12.3	11.6
Cash ROE	12.2	11.7	14.2	12.7	11.9

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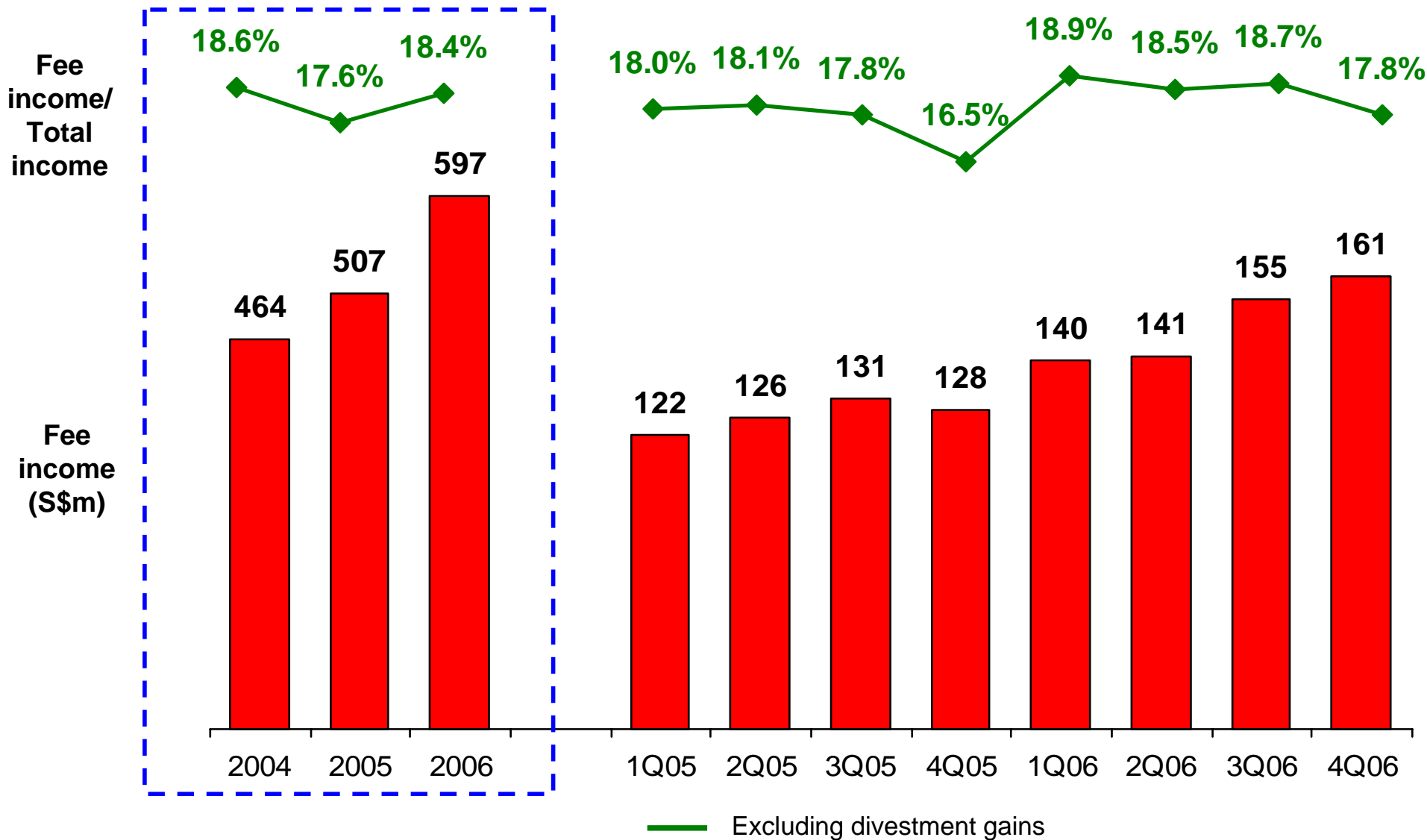
Steady Improvement in Net Interest Income and Interest Margins



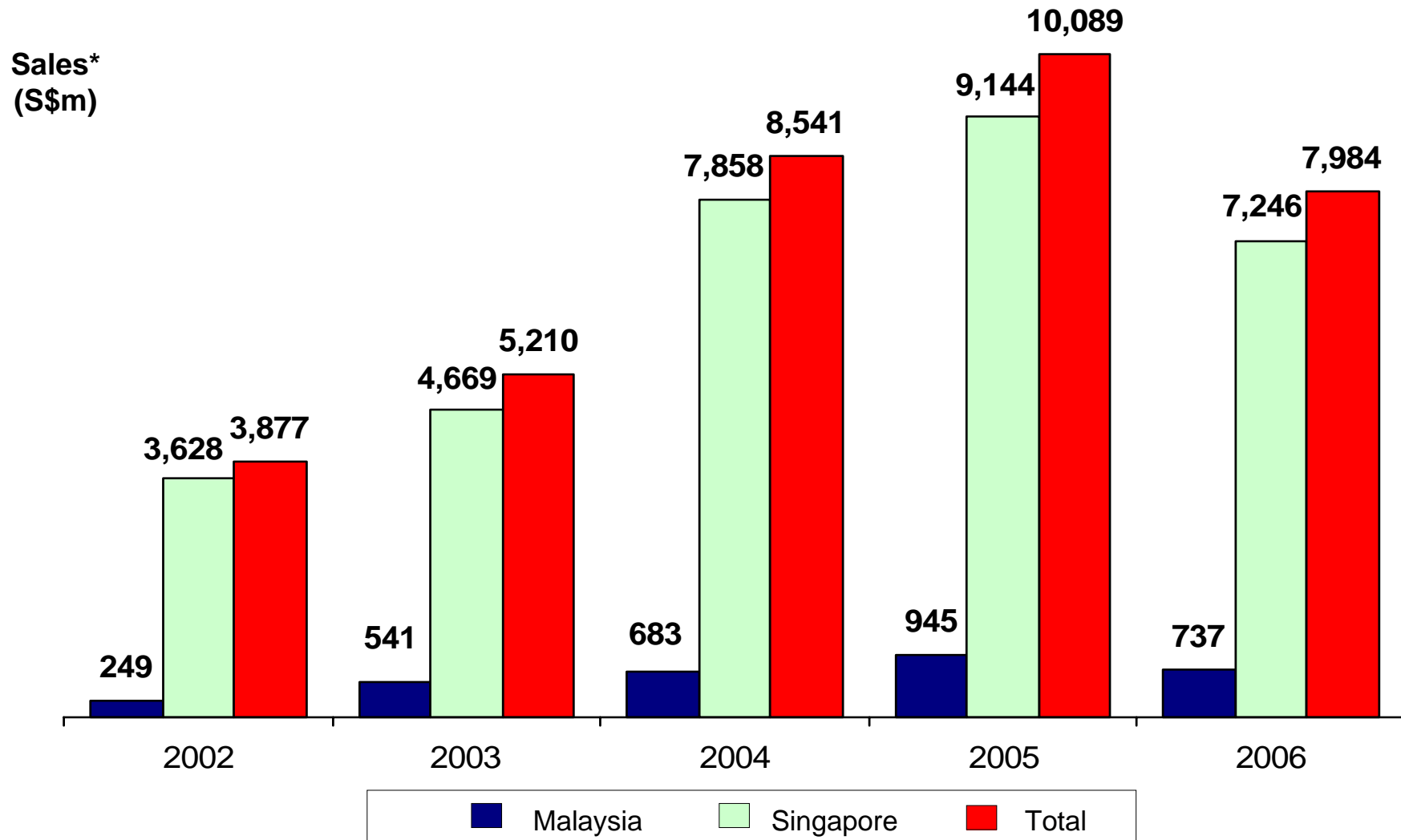
Non-Interest Income Boosted by Higher Fee & Commission, Insurance and Forex Income



Steady Growth in Fee Income

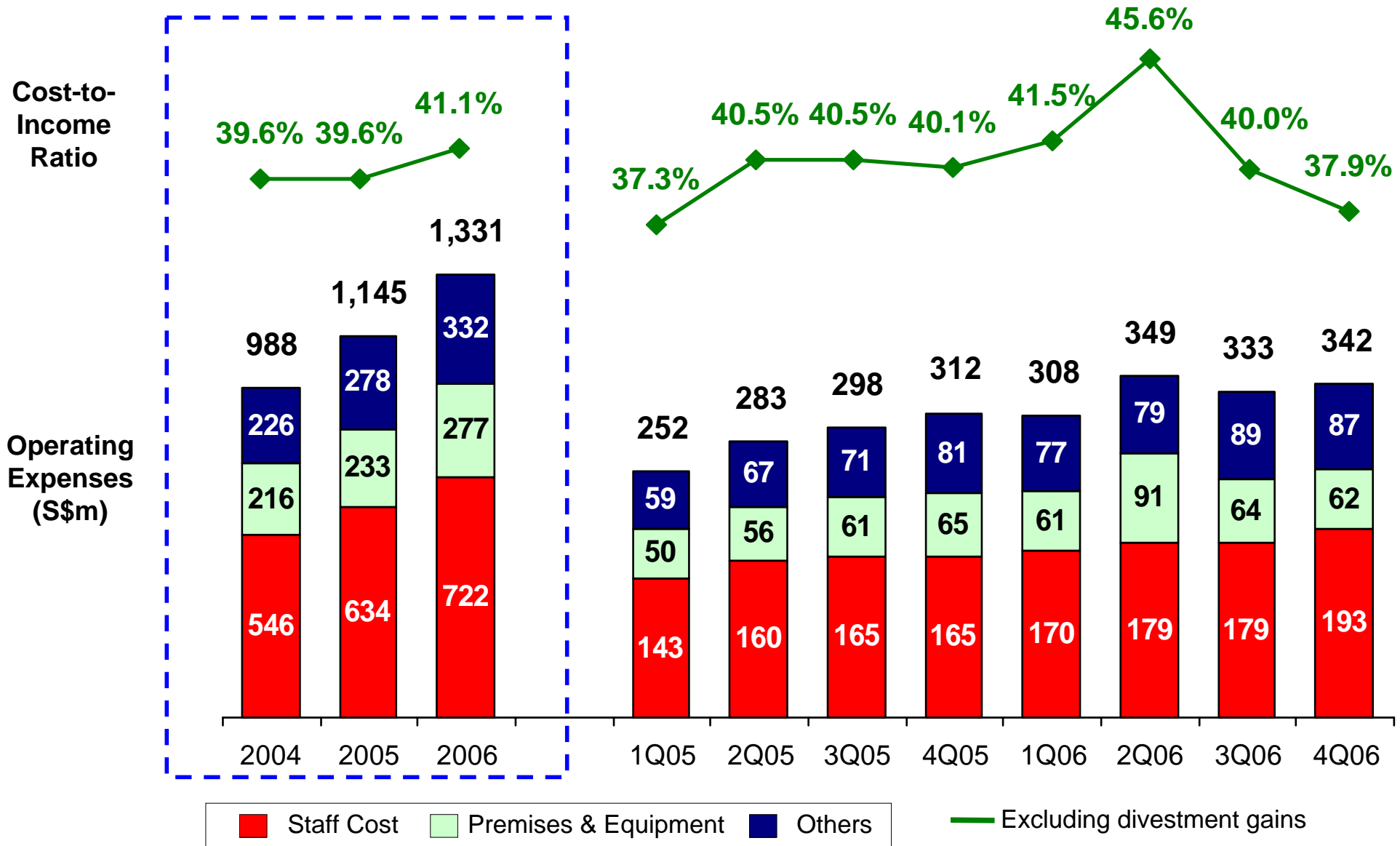


Wealth Management Sales Affected by Flat Yield Curve

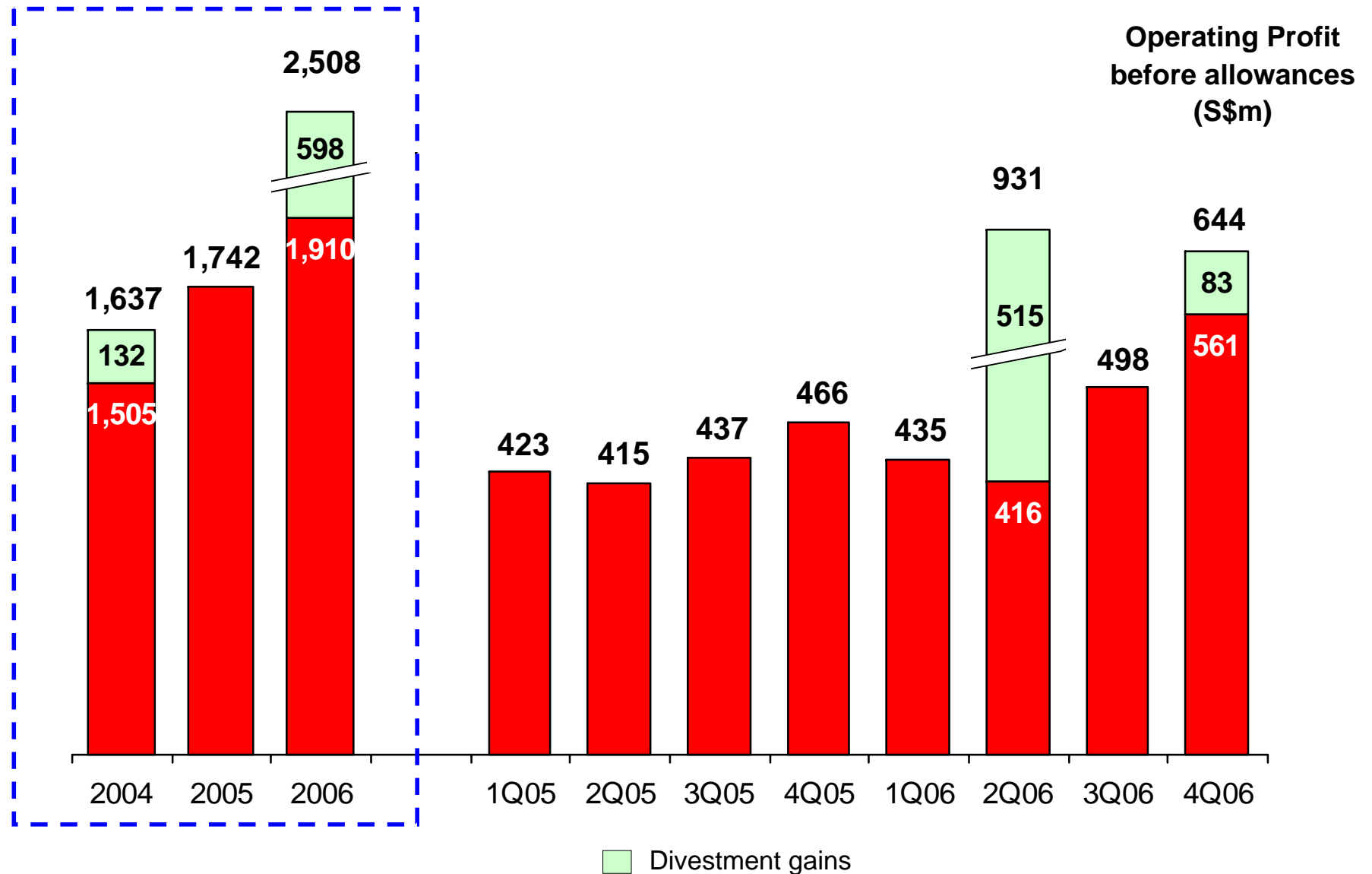


* Comprises sales of unit trusts, bancassurance products and structured deposits & notes

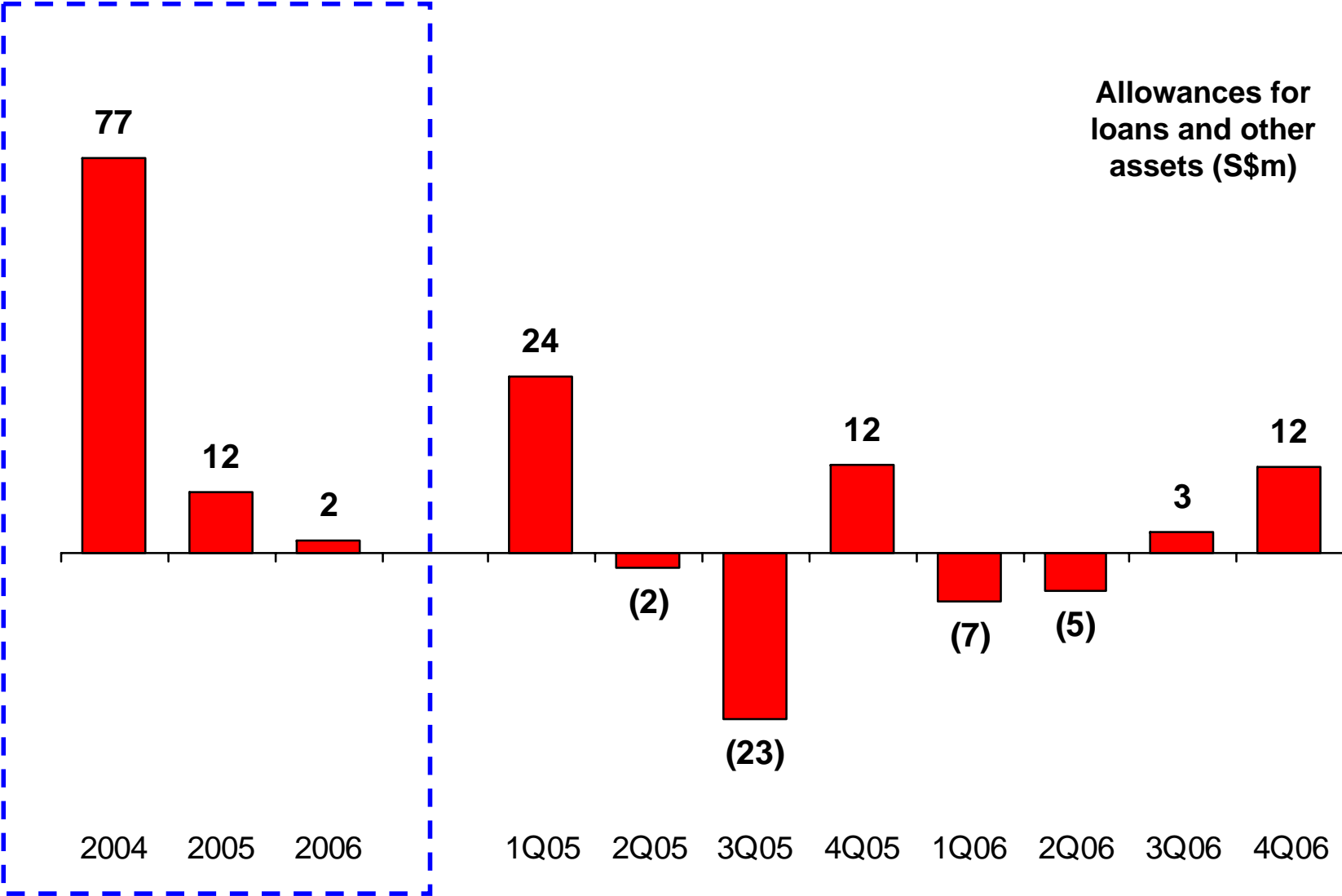
Expenses Rose 16% in FY06, and 10% excluding Bank NISP expenses and one-time charges



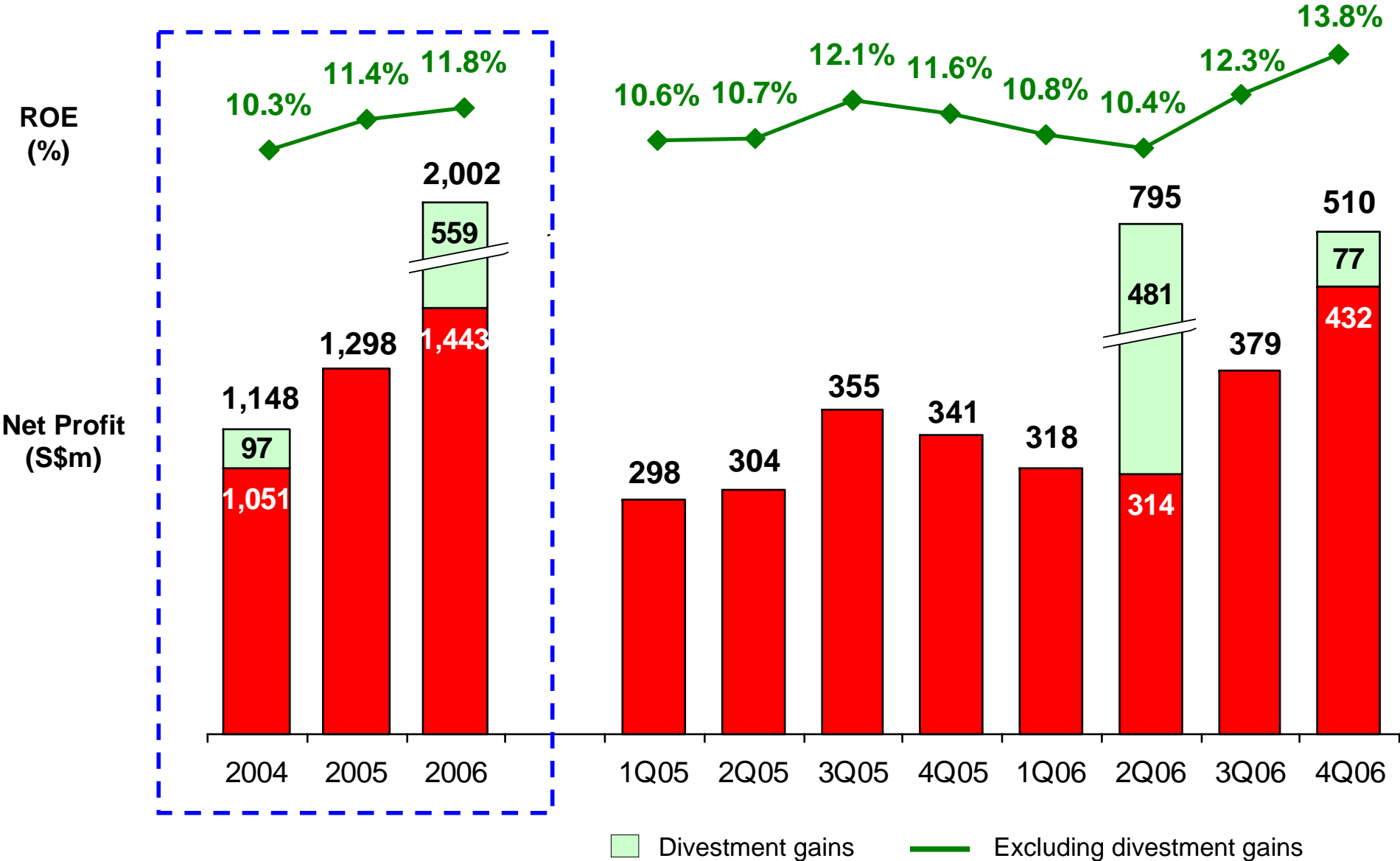
Core Operating Profit at a Quarterly Record



Allowances Remain Low as Loan Recoveries Continue

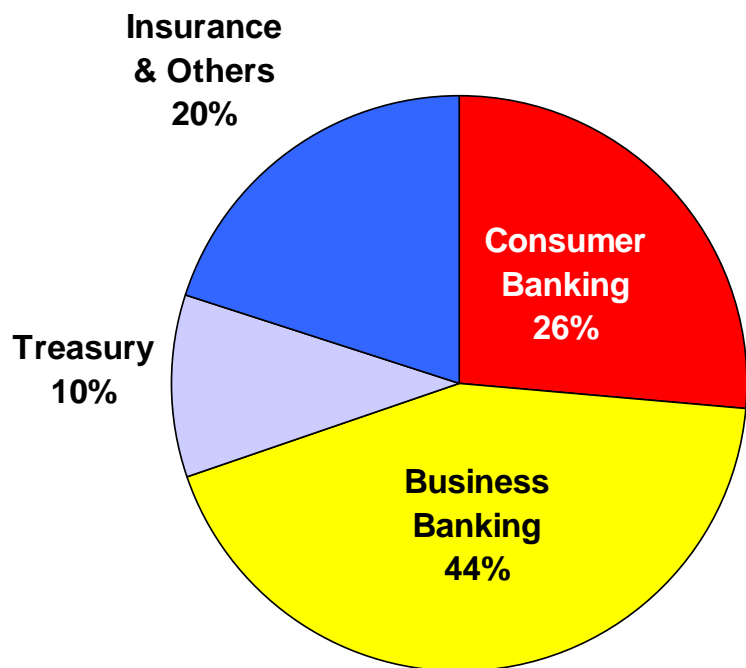


Core Earnings up 11% in FY06; Improving ROE Trend



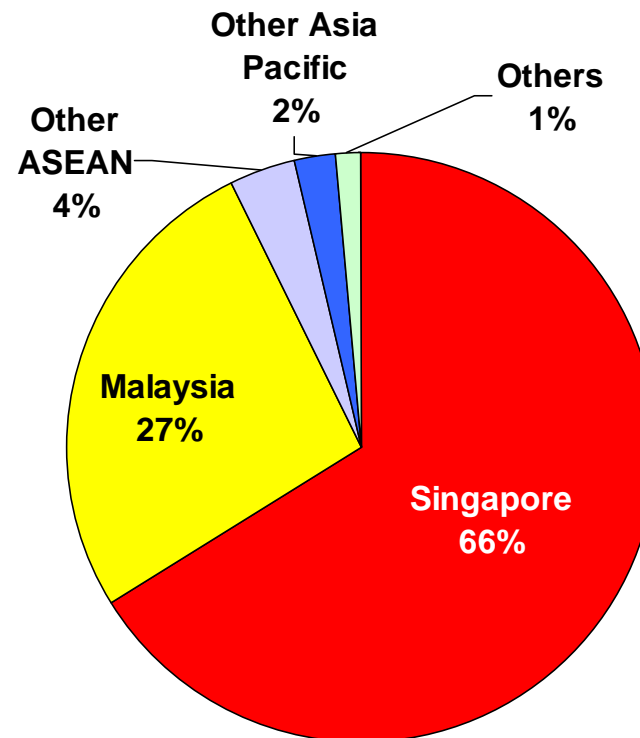
Earnings Contribution by Segments

Net Profit by Business Segment



FY06 Net Profit After Tax: S\$1,443m
(excluding divestment gains)

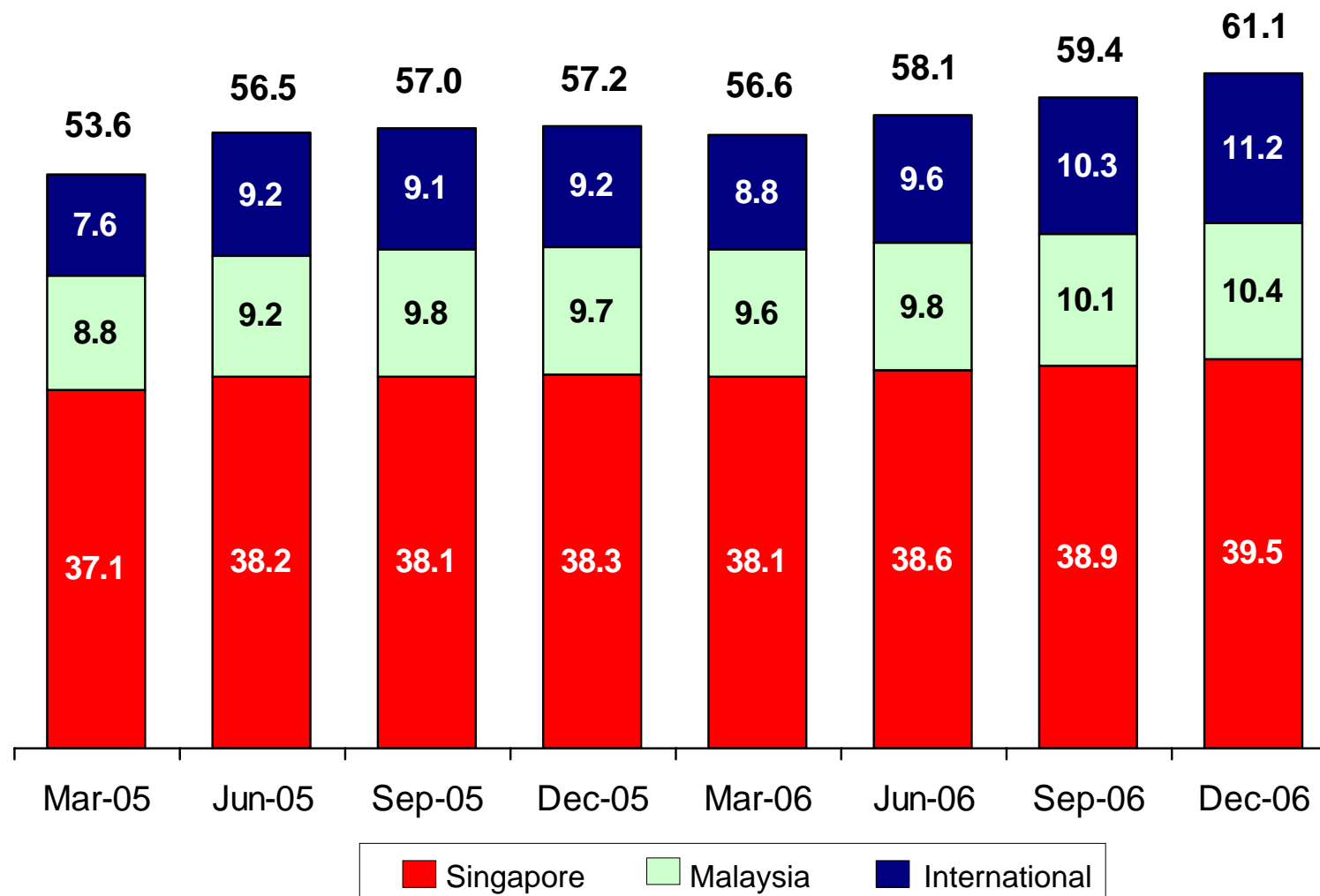
PBT by Geography



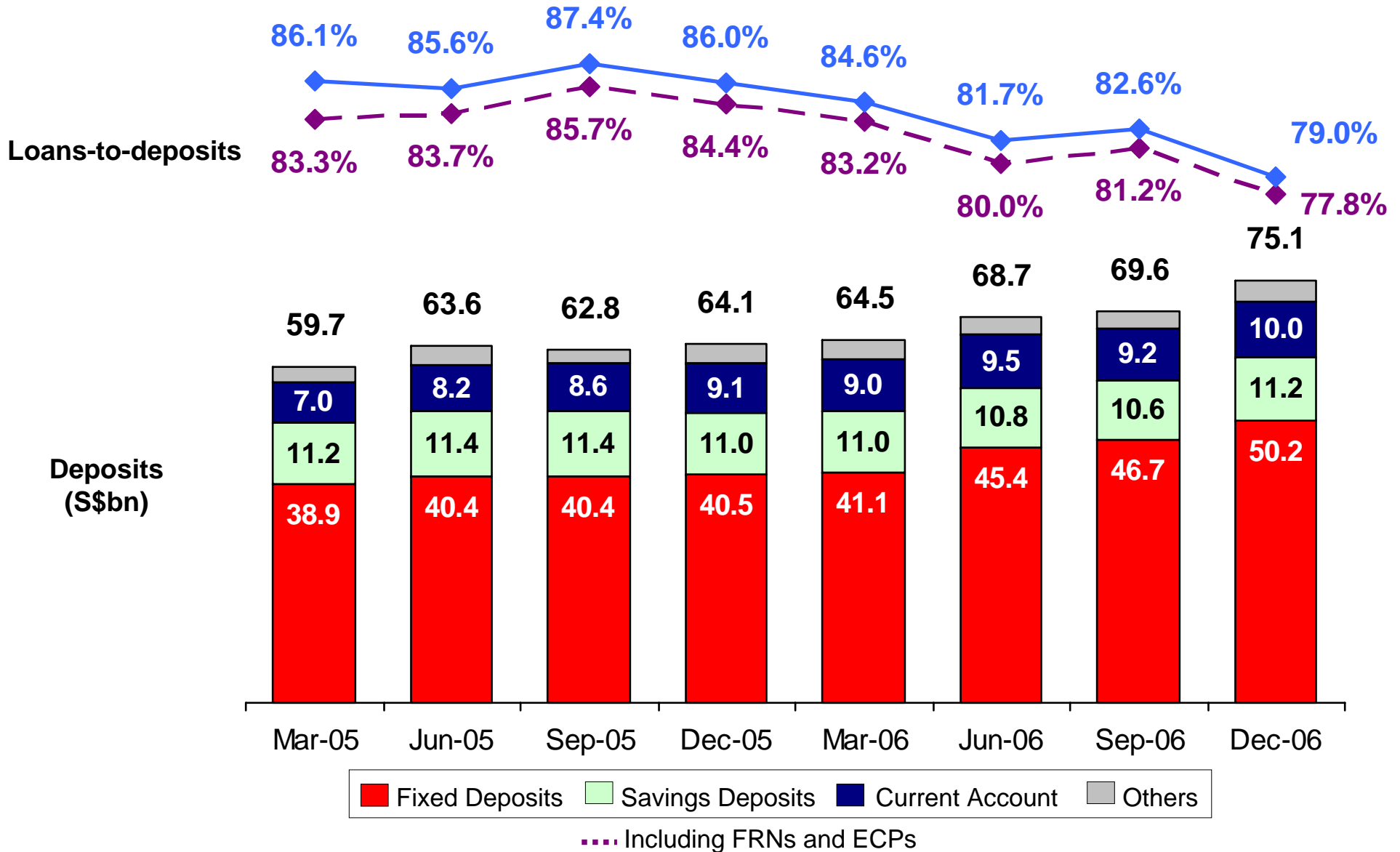
FY06 Profit before Tax: S\$1,878m
(excluding divestment gains)

Loans Growth of 7% YoY, 3% QoQ

Loans
(S\$bn)

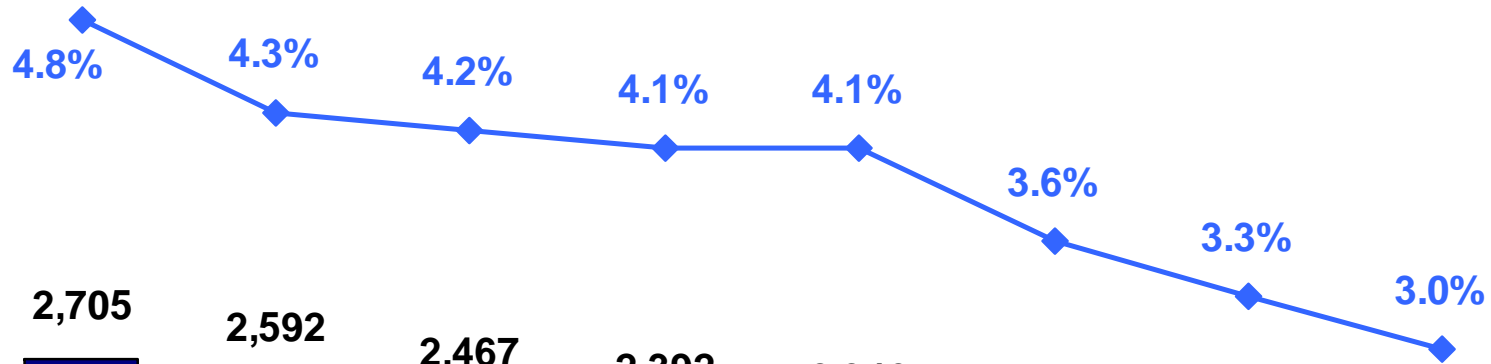


Deposits Up 17% YoY, 8% QoQ

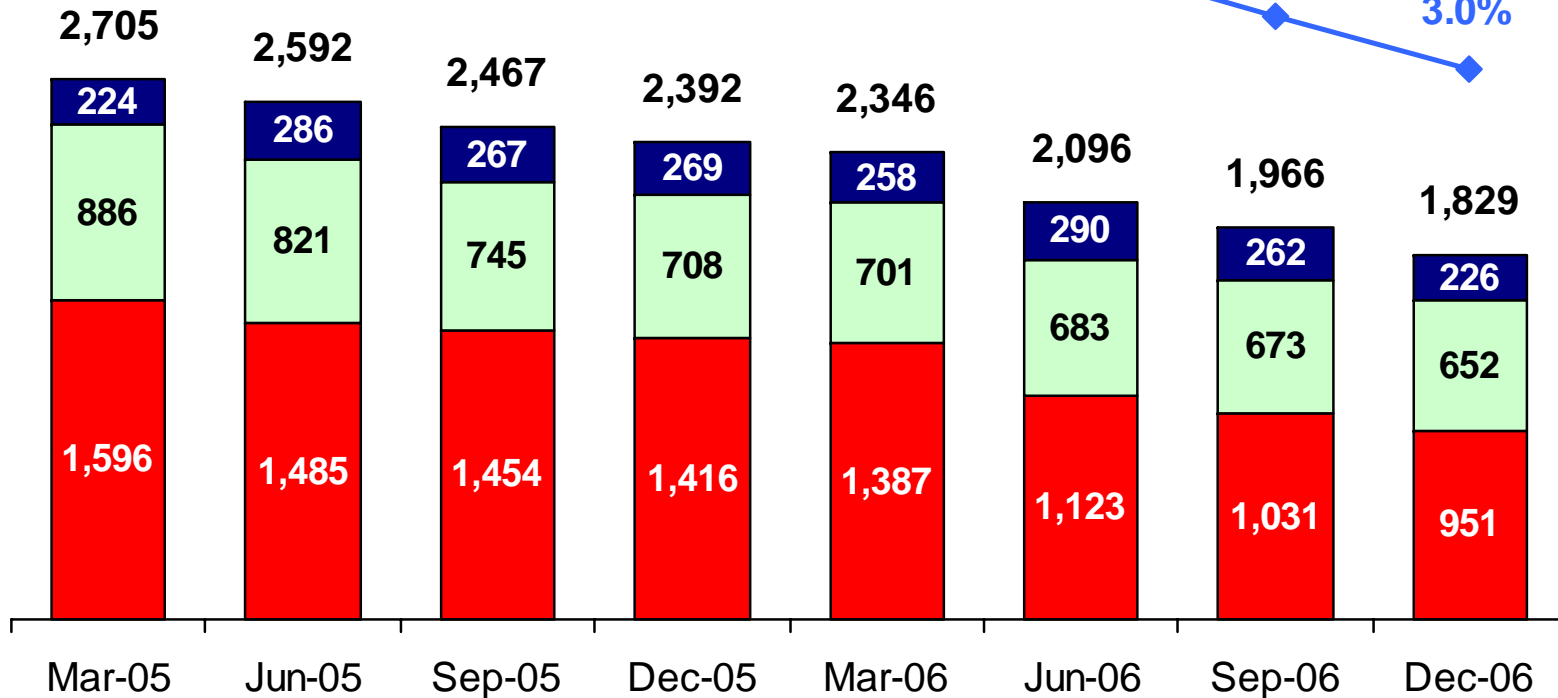


NPL Ratio Improved Further to 3%

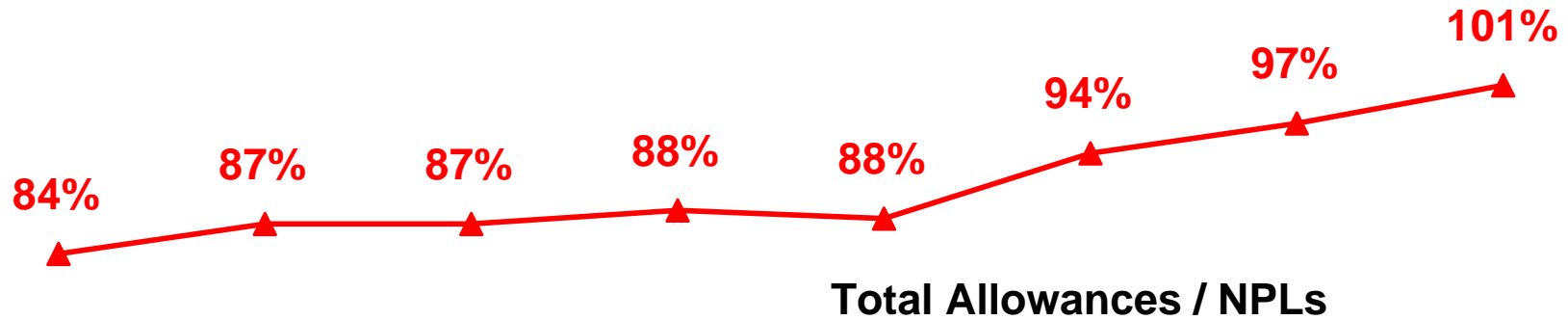
NPL Ratio



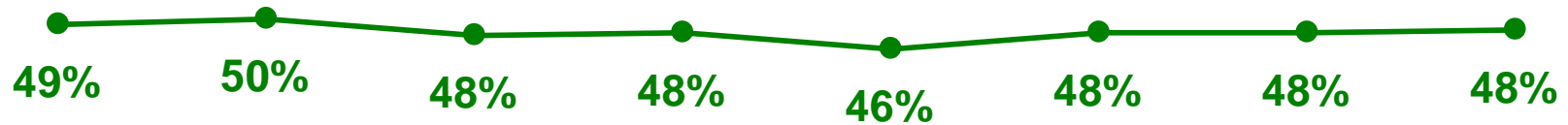
NPLs (S\$m)



Allowances Coverage Exceeds 100%



Specific Allowances / NPLs



Mar-05

Jun-05

Sep-05

Dec-05

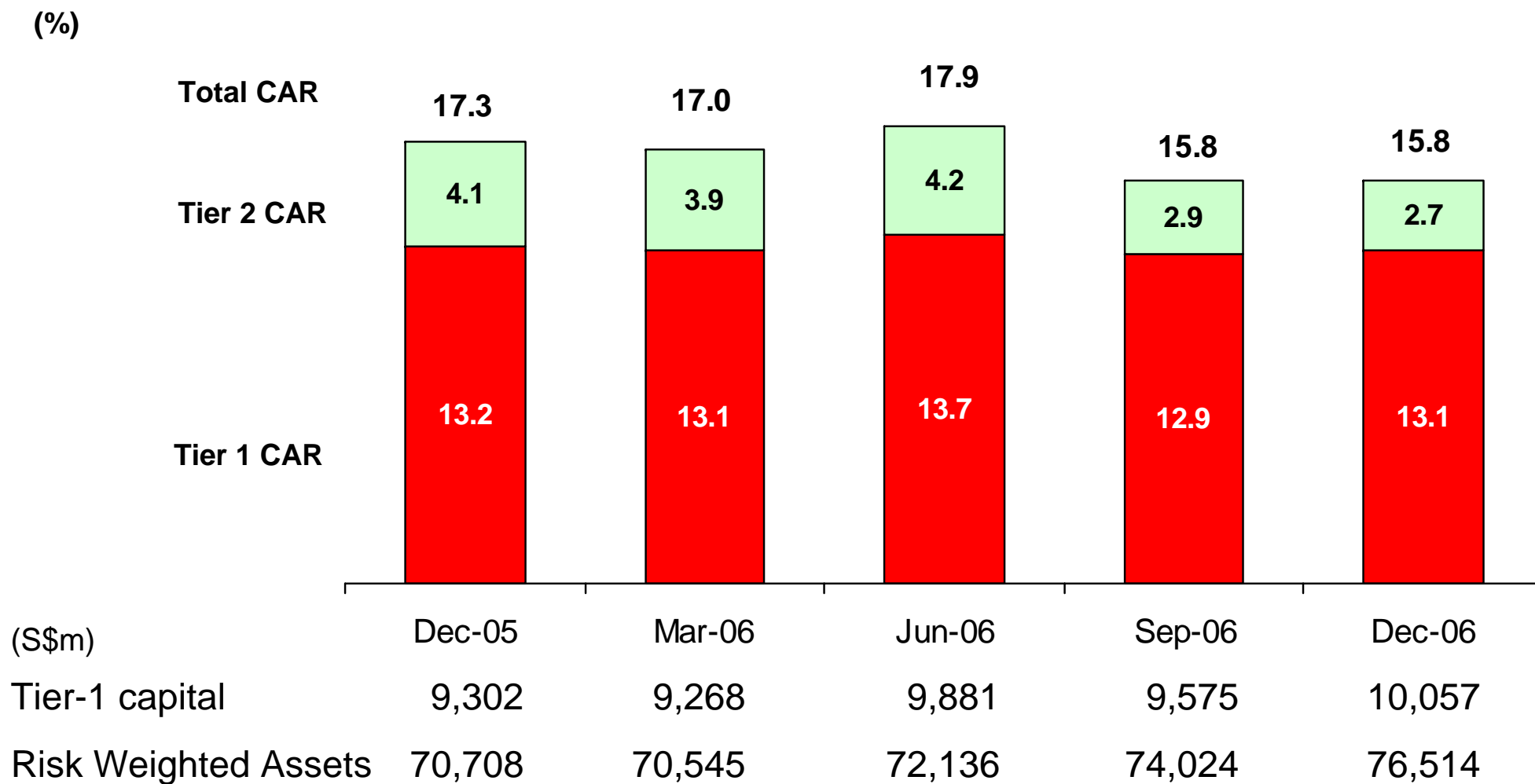
Mar-06

Jun-06

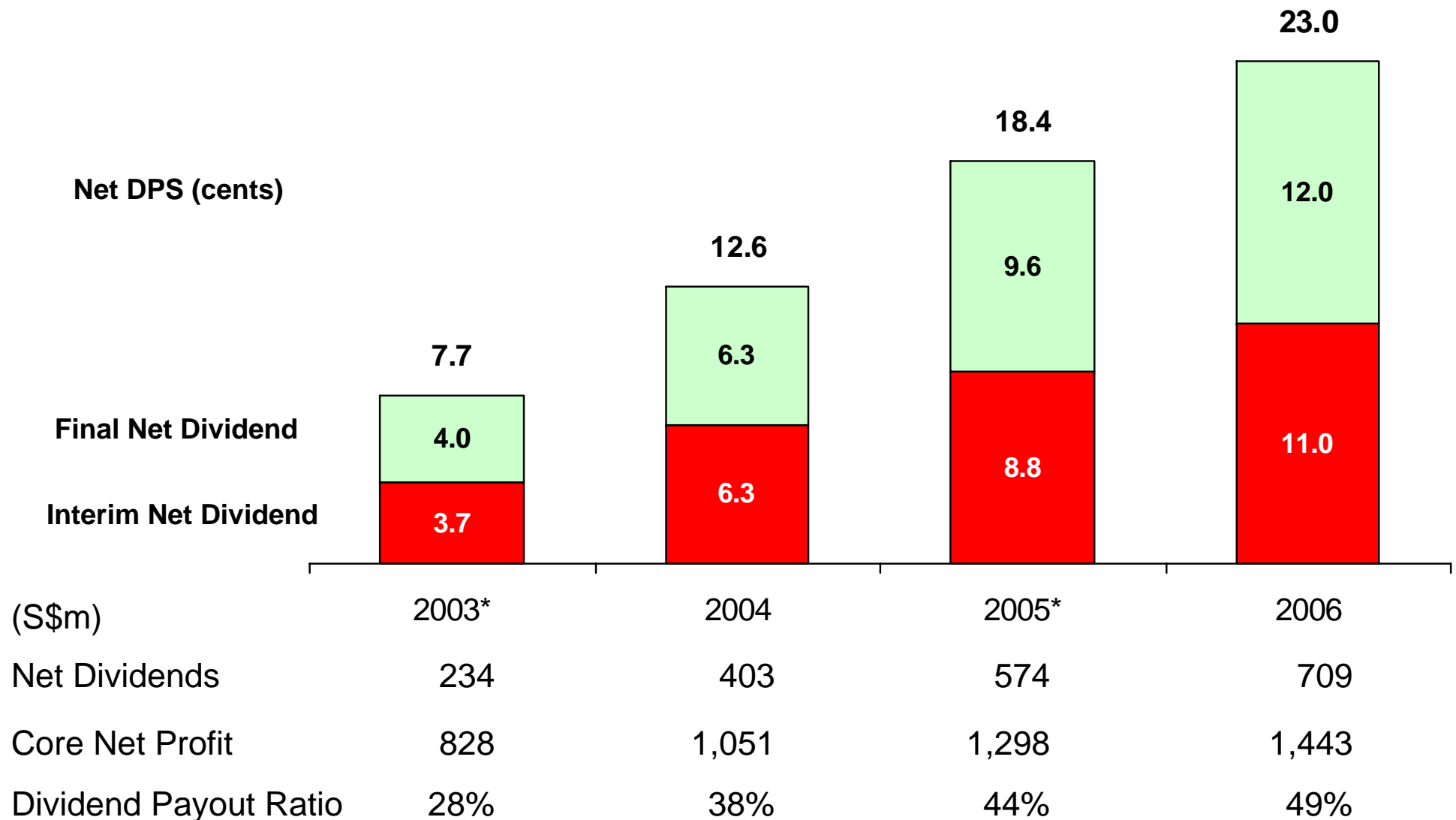
Sep-06

Dec-06

Strong Capital Position



Full Year Dividend Up 25%; Payout Increased from 44% to 49% of Core Earnings



* Excludes Special Dividend of S\$0.6378 per share in 2003 and Bonus Dividend of S\$1.25 per share in 2005 (unadjusted)

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OCBC Malaysia: Strong Operating Profit Growth



	FY06	FY05	YoY
<u>Audited Results*</u>	RM m	RM m	+/(-)%
Net Interest Income	749	627	19
Islamic Banking Income	52	45	16
Non Interest Income	283	257	10
Total Income	1,084	929	17
Operating Expenses	(418)	(370)	13
Operating Profit	666	559	19
Allowances	(63) [^]	26	n.m.
Tax	(172)	(170)	1
Net Profit	431	415	4

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

[^] Include general allowances of RM38m in compliance with BNM requirement (cumulative general allowances of at least 1.5% of loans)

OCBC Malaysia: 4Q06 Financials



	4Q06	4Q05	YoY	3Q06	QoQ
<u>Unaudited Results*</u>	RM m	RM m	+/(-)%	RM m	+/(-)%
Net Interest Income	198	170	16	198	-
Islamic Banking Income	15	14	7	12	25
Non Interest Income	82	65	26	63	30
Total Income	294	249	18	273	8
Operating Expenses	(114)	(100)	(14)	(113)	1
Operating Profit	180	149	21	160	12
Allowances	(21)	26	n.m.	(16)	31
Tax	(45)	(50)	(10)	(41)	10
Net Profit	114	125	(9)	103	11

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

OCBC Malaysia: Financial Ratios



	FY06	FY05	4Q06	3Q06	4Q05
	%	%	%	%	%
Net Interest Margin	2.60	2.39	2.60	2.67	2.55
Non-Interest Income / Total Income	26.1	27.7	27.7	23.1	26.0
Cost-to-Income Ratio	38.5	39.8	38.9	41.4	40.0
RM Loans-to-Deposits Ratio	80.5	85.0	80.5	83.7	85.0
Gross NPL Ratio	5.5	6.2	5.5	5.8	6.2
Loans Growth (YTD)	9.6	10.0	9.6	8.3	10.0
ROE	20.7	23.3	21.1	20.1	24.4

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

GEH Contributed 22% of Group Net Profit *



<u>GEH's Contribution to</u>	FY06[^]	FY05	4Q06[^]	3Q06	4Q05
<u>OCBC's Results</u>	S\$m	S\$m	S\$m	S\$m	S\$m
Total Income	659	523	209	160	139
Operating Expenses	(101)	(88)	(18)	(26)	(23)
Operating Profit	558	436	192	134	116
Amortisation of Intangibles	(44)	(40)	(12)	(11)	(10)
Tax	(86)	(67)	(23)	(18)	(21)
Minority Interests	(70)	(76)	(23)	(15)	(16)
Net Profit contribution of GEH	357	251	134	90	68

* Excluding divestment gains from both GEH and OCBC Group

[^] FY06 include S\$53m gains (S\$40m net of tax) from divestment of stakes in Straits Trading, Robinson & Co and Raffles Holdings; 4Q06 include S\$29m gain (S\$23m net of tax) from Raffles Holdings.

Bank NISP: Strong Underlying Revenue Growth

	FY06	FY05 [^]	4Q06	3Q06	4Q05 [^]
<u>Unaudited Results*</u>	RP bn	RP bn	RP bn	RP bn	RP bn
Net Interest Income	904	714	267	228	185
Non-Interest Income	215	189	82	58	170
Expenses	(731)	(572)	(232)	(179)	(171)
Operating Profit	388	331	116	108	184
Allowances	(57)	(39)	(31)	(14)	(15)
Net Profit	237	205	66	68	121
Gross Loans	15,633	12,438	15,633	14,154	12,438
NPL Ratio (%)	2.49	2.46	2.49	3.31	2.46
Net Interest Margin (%)	4.76	4.15	5.11	4.71	4.13
ROE (%)	11.0	14.8	11.9	12.5	31.3

* Bank NISP's contribution to Group net profit (after taking into account fair value adjustments upon acquisition) was S\$31m in both FY05 and FY06.

[^] FY05 and 4Q05 results included Rp127 bn gain from sale of an investment

- **Healthy top-line growth across all our key geographical markets, improving steadily through the year**
- **Both lending and fee-based businesses performed well, loans growth trending up, margins are steady**
- **Asset quality continues to improve, allowances remain low, coverage ratios are strong**
- **New Horizons II strategy off to a strong start**
- **We will continue to focus on growing our market share in Singapore, Malaysia and Indonesia, and to step up investments in the China market for longer term growth**

2006 Final Results

Thank You

