

Third Quarter 2006 Results

Presentation

14 November 2006



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

Results at a Glance - Quarterly

	3Q06	3Q05	YoY	2Q06	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	473	413	15	435	9
Non-Interest Income	357	321	11	845	(58)
- <i>Fee Income</i>	155	131	19	141	10
Total Income	831	735	13	1,280	(35)
Operating Expenses	(333)	(298)	12	(349)	(5)
Operating Profit	498	437	14	931	(46)
Amortisation of Intangibles	(11)	(10)	14	(11)	6
Allowances	(3)	23	112	5	152
Associates	4	2	89	1	442
Tax & Minority Interest	(109)	(98)	12	(132)	(17)
Net Profit	379	355	7	795	(52)

Note: 2Q06 included net divestment gains of S\$482m.

Results at a Glance – Year to Date



	9M06	9M05	YoY
	S\$m	S\$m	+/(-)%
Net Interest Income	1,303	1,183	10
Non-Interest Income	1,550	925	68
- <i>Fee Income</i>	437	379	15
Total Income	2,854	2,108	35
Operating Expenses	(989)	(832)	19
Operating Profit	1,865	1,276	46
Amortisation of Intangibles	(32)	(30)	8
Allowances	9	0	n.m.
Associates	9	13	(32)
Tax & Minority Interest	(358)	(303)	18
Net Profit	1,493	957	56

Note: 9M06 included net divestment gains of S\$482m.

Results Adjusted to Exclude Divestment Gains

	9M06*	9M05	YoY
<u>Nine Months</u>	S\$m	S\$m	+/(-)%
Total Income	2,338	2,108	11
<i>of which: Non-Interest Income</i>	1,035	925	12
Operating Profit	1,349	1,276	6
Net Profit	1,011	957	6

	3Q06	2Q06*	QoQ
<u>Quarterly</u>	S\$m	S\$m	+/(-)%
Total Income	831	764	9
<i>of which: Non-Interest Income</i>	357	329	9
Operating Profit	498	416	20
Net Profit	379	314	21

* Adjusted to exclude gross divestment gains of S\$516m (S\$482m net) in 2Q06

Key Financial Ratios

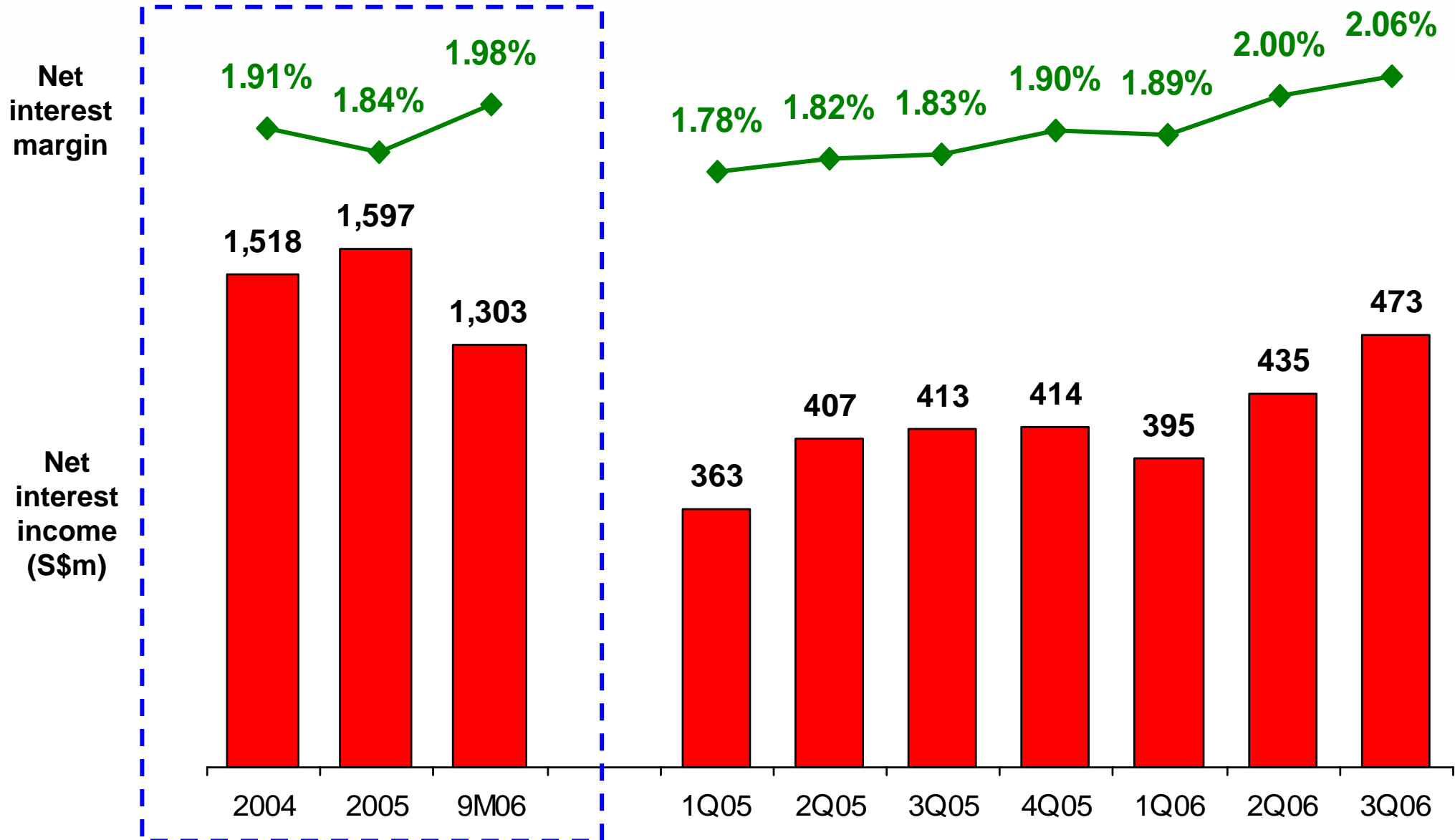
– Excluding Divestment Gains



	9M06	9M05	3Q06	2Q06	3Q05
	%	%	%	%	%
Net Interest Margin	1.98	1.81	2.06	2.00	1.83
Non-Interest Income/ Total Income	44.3	43.9	43.0	43.1	43.7
Cost-to-Income Ratio	42.3	39.5	40.0	45.6	40.5
Loans-to-Deposits Ratio	82.6	87.4	82.6	81.7	87.4
NPL Ratio	3.3	4.2	3.3	3.6	4.2
Allowances/NPLs	97.1	86.9	97.1	94.0	86.9
ROE	11.2	11.3	12.3	10.4	12.1
Cash ROE	11.5	11.7	12.7	10.7	12.5

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Net Interest Income and Margins Improving Steadily

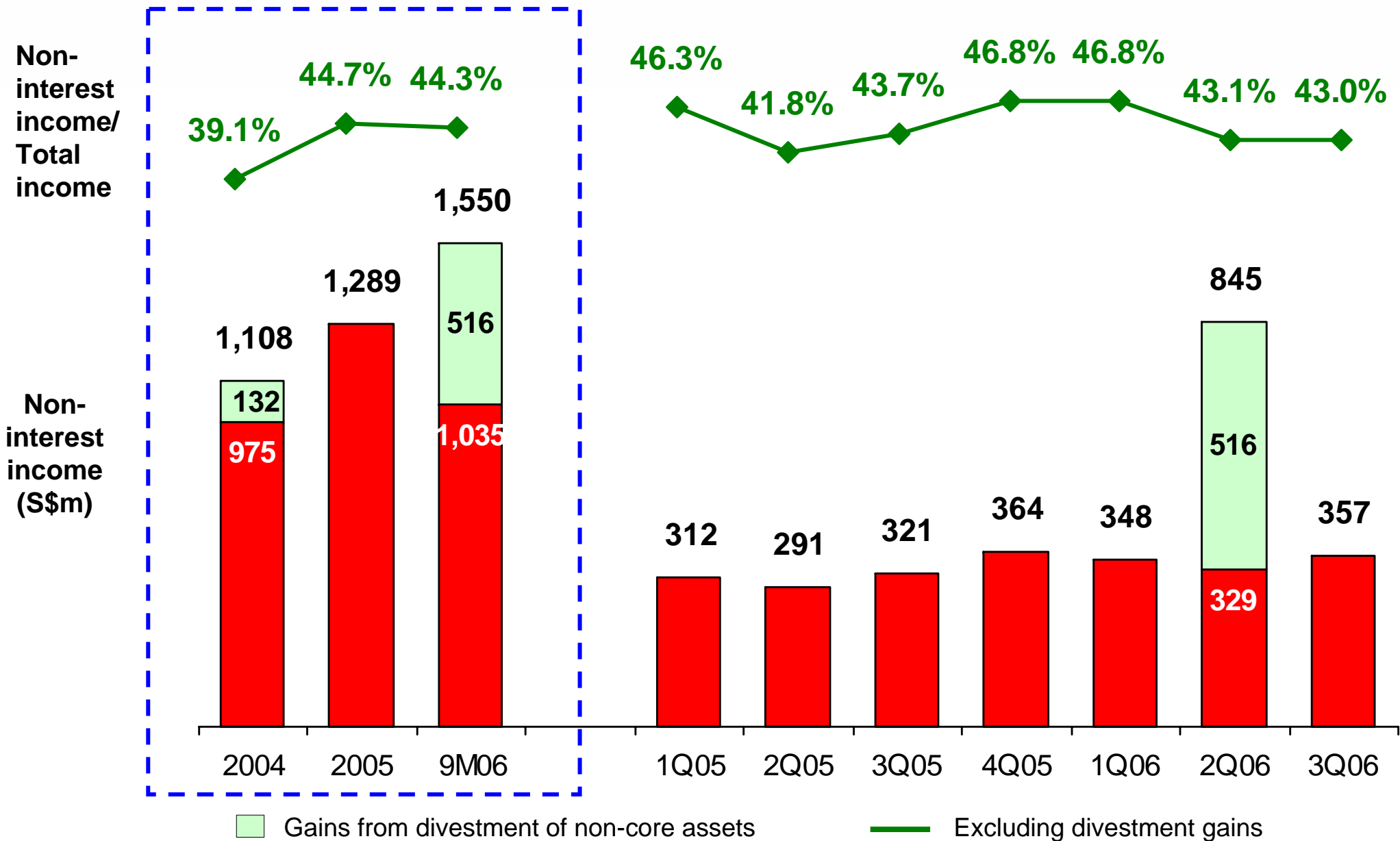


Average Yield and Cost of Funds Analysis

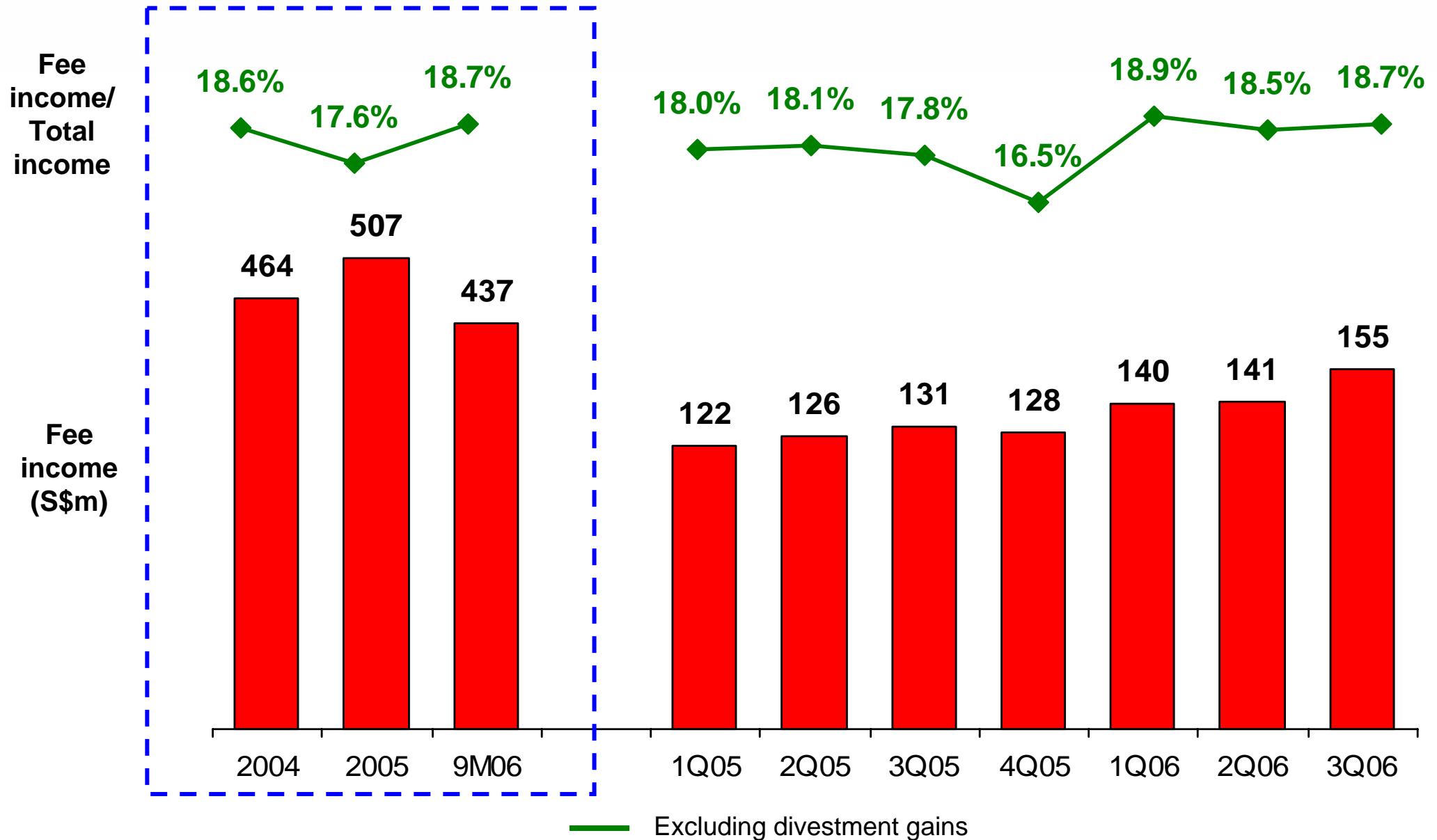


<u>Third Quarter 2006</u>	Ave Bal	Interest Inc / Exp	Interest Rate		
			Ave Rate	YoY	QoQ
	S\$bn	S\$m	%	bps	bps
Customer loans	56.5	821	5.76	+117	+22
Placements with Banks	18.3	200	4.34	+139	-15
Securities/ Others	16.4	173	4.20	+65	+28
Interest Earning Assets	91.1	1,194	5.20	+114	+15
Customer Deposits	68.7	514	2.97	+92	+8
Bank Deposits	11.0	131	4.75	+179	+38
Other Borrowings	5.8	75	5.10	+133	+6
Interest Bearing Liabilities	85.5	721	3.34	+100	+11
Net Interest Income		473			
Net Interest Margin			2.06	+23	+6

Higher Insurance and Fee Income Boost 3Q Non-Interest Income

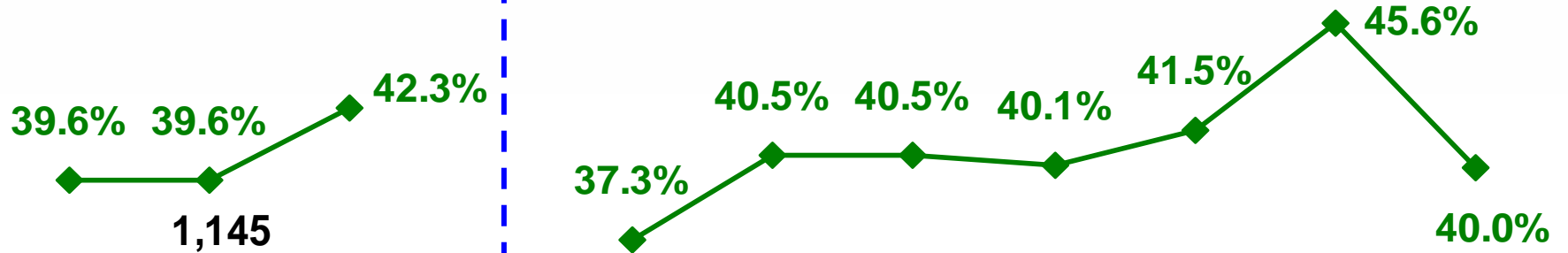


Quarterly Record in Fee Income

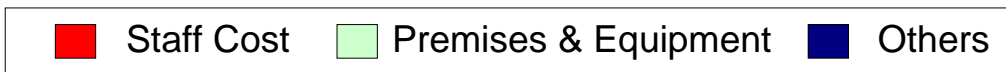
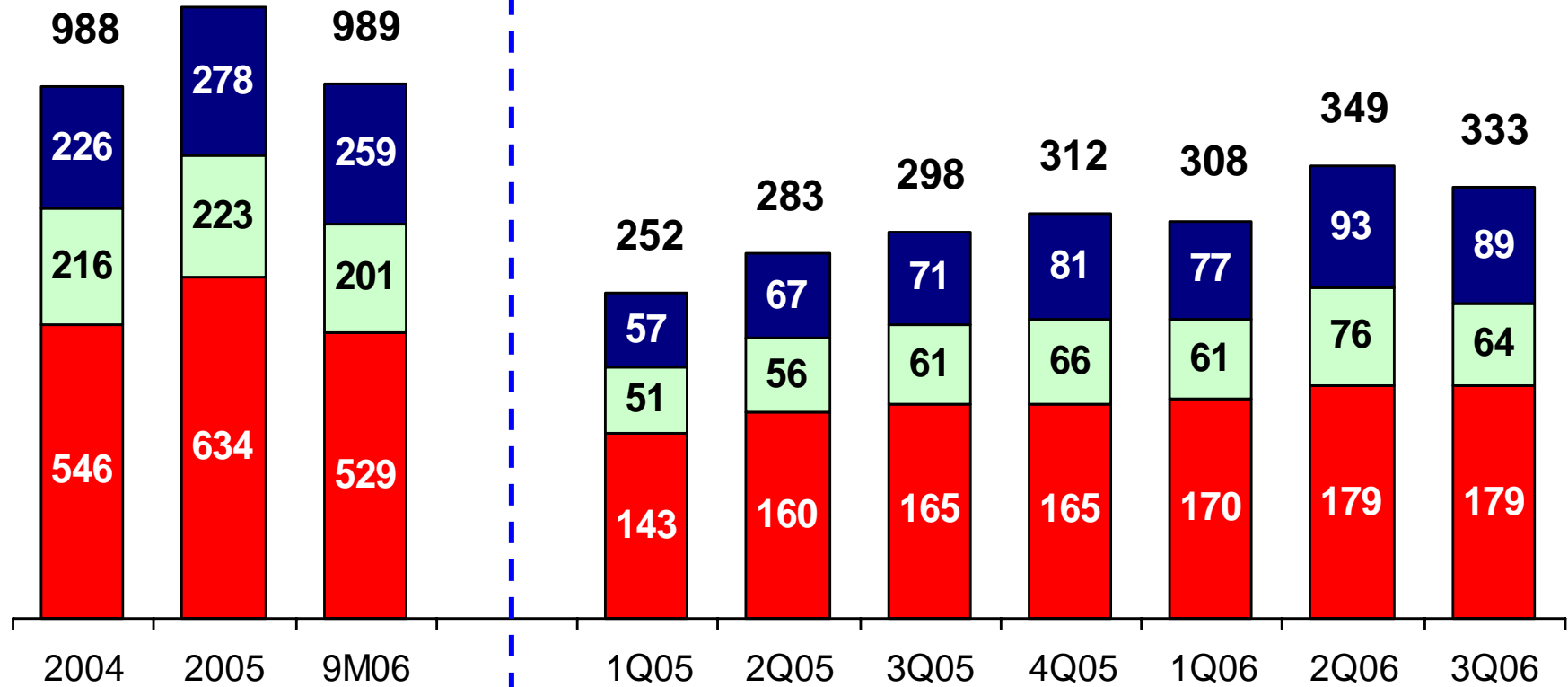


Expenses up 12% YoY in 3Q06

Cost-to-
Income
Ratio

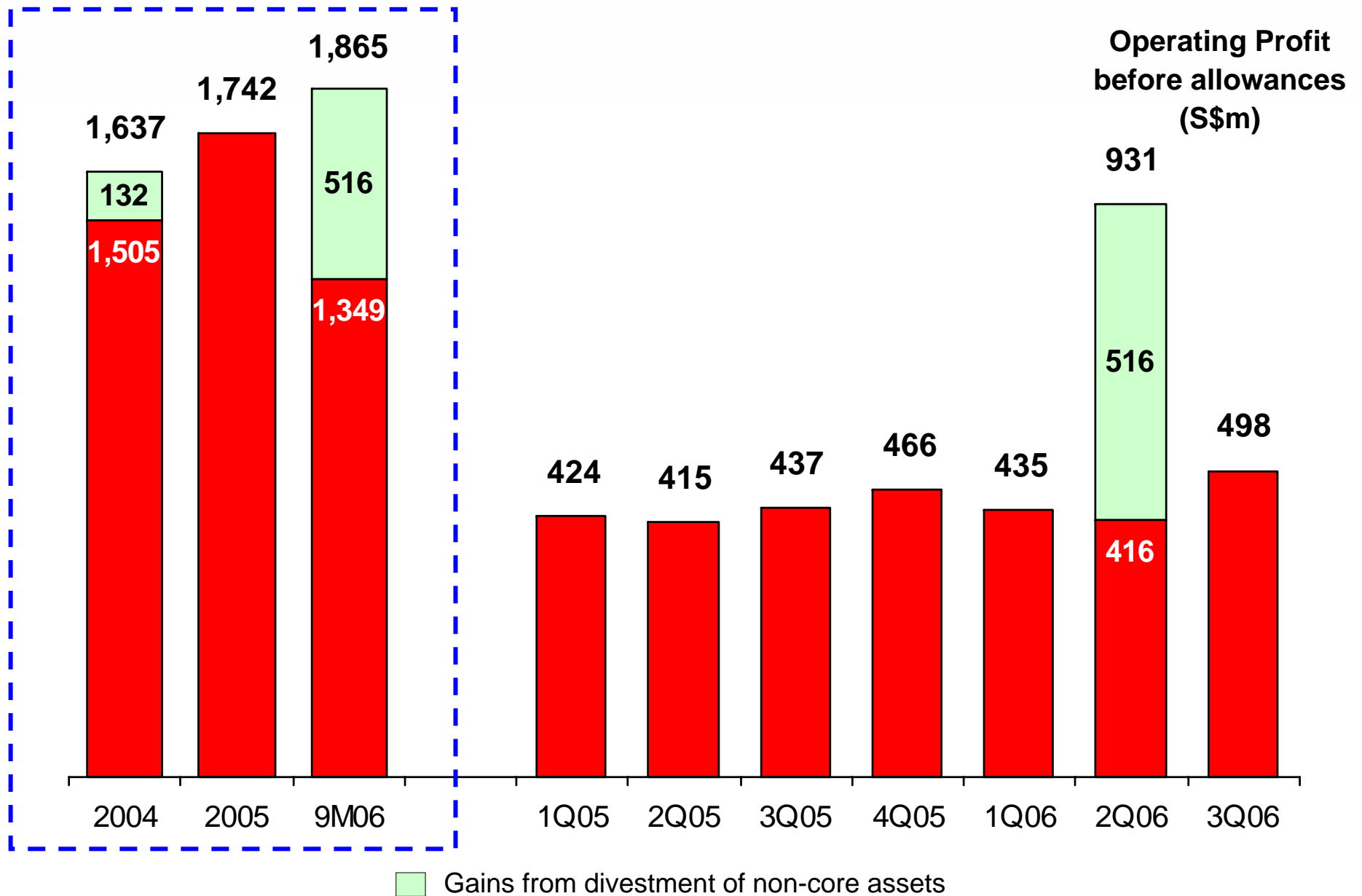


Operating
Expenses
(S\$m)

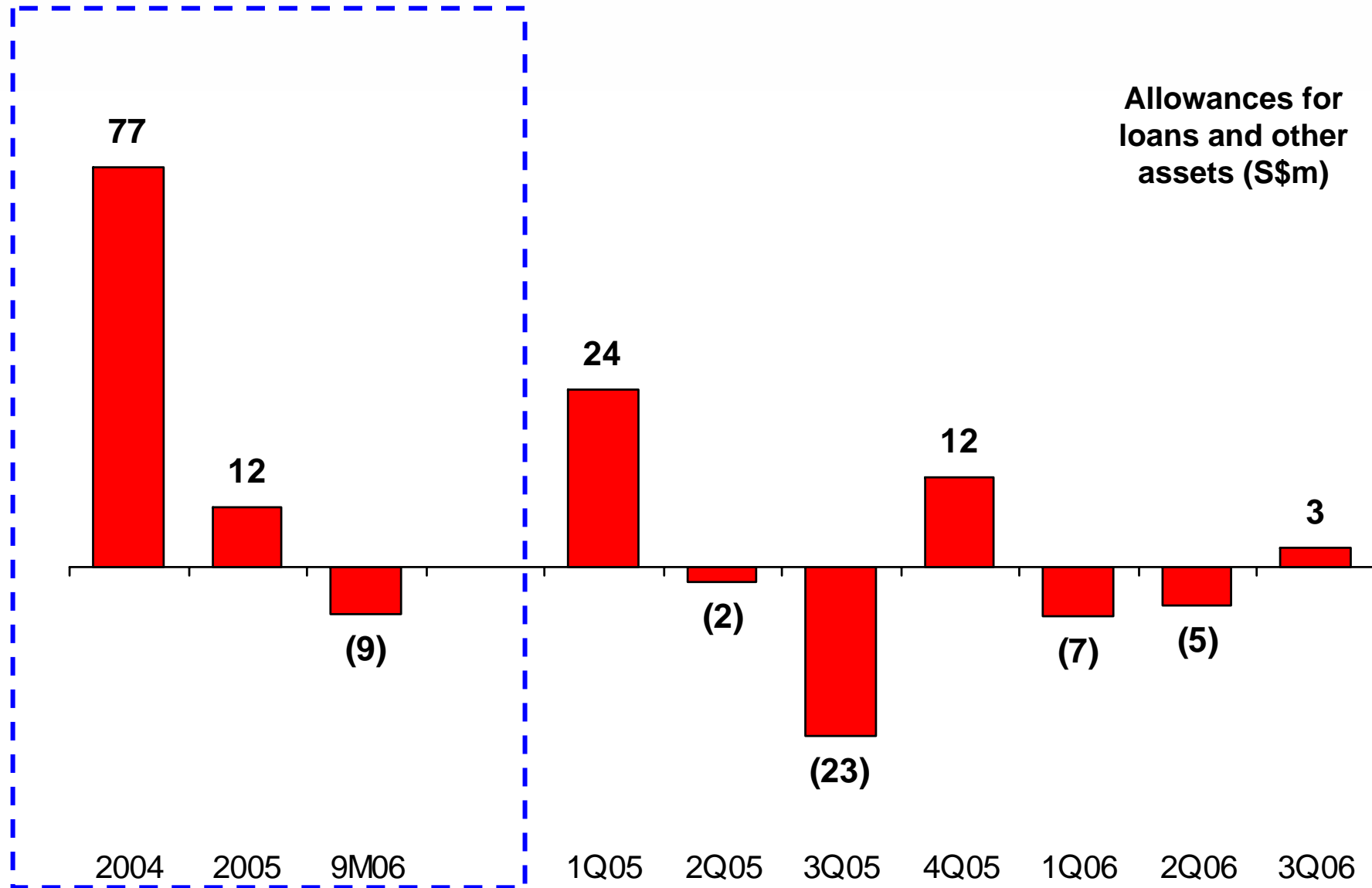


— Excluding divestment gains

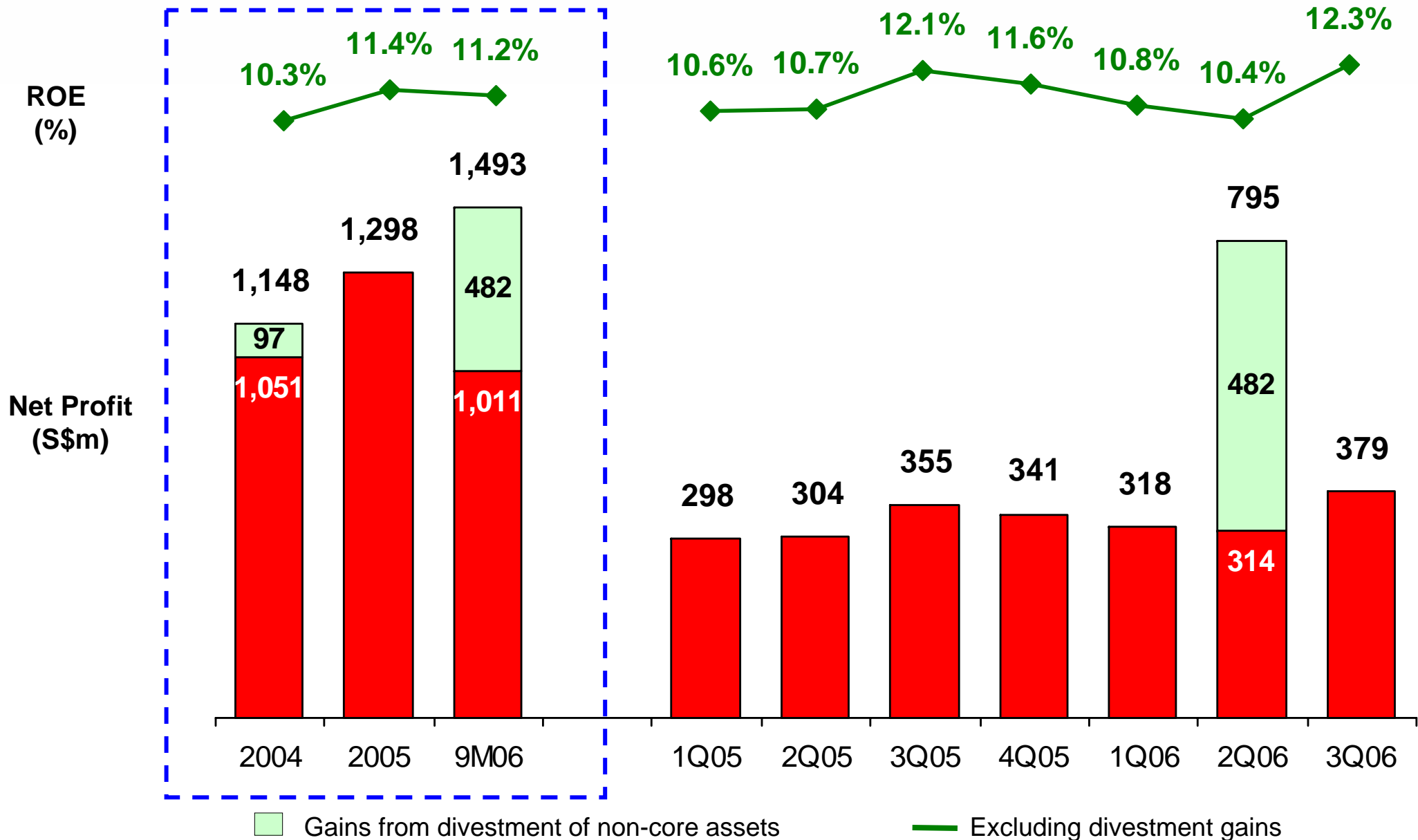
Core Operating Profit at a Quarterly High



Allowances Remain Low as Loan Recoveries Continue

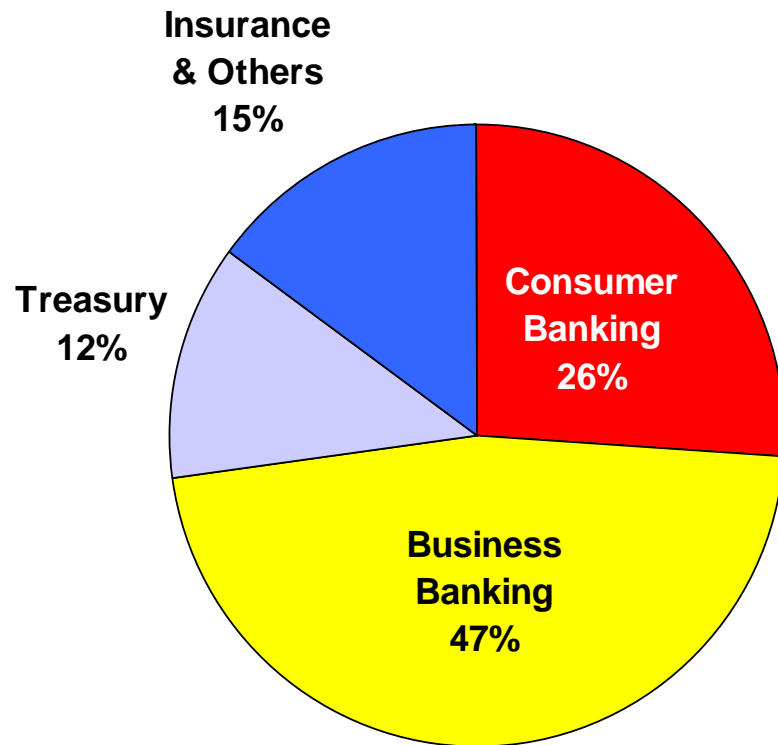


Core Net Profit Up 21% QoQ



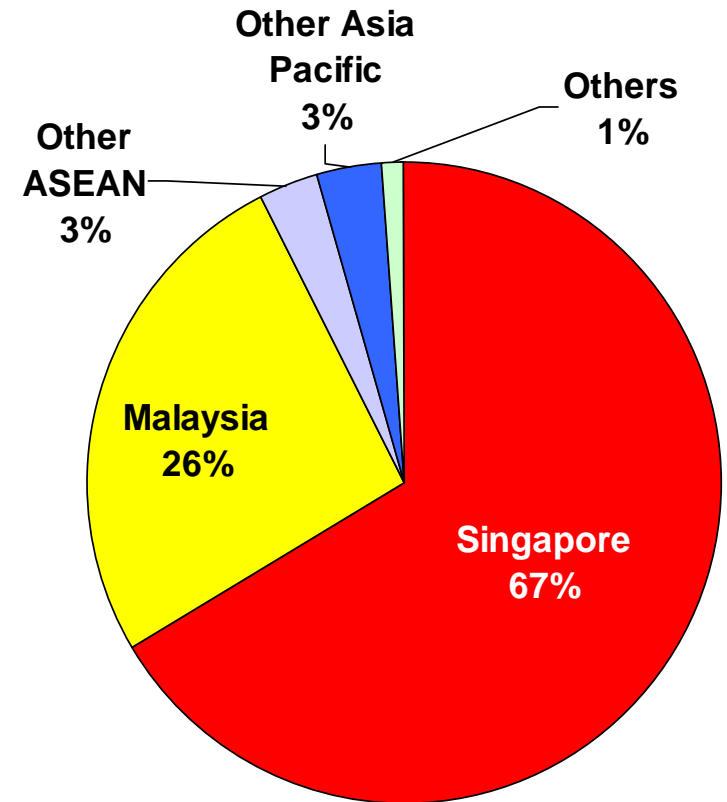
Earnings Contribution by Segments

Net Profit by Business Segment



9M06 Net Profit After Tax: S\$1,011m
(excluding divestment gains)

PBT by Geography

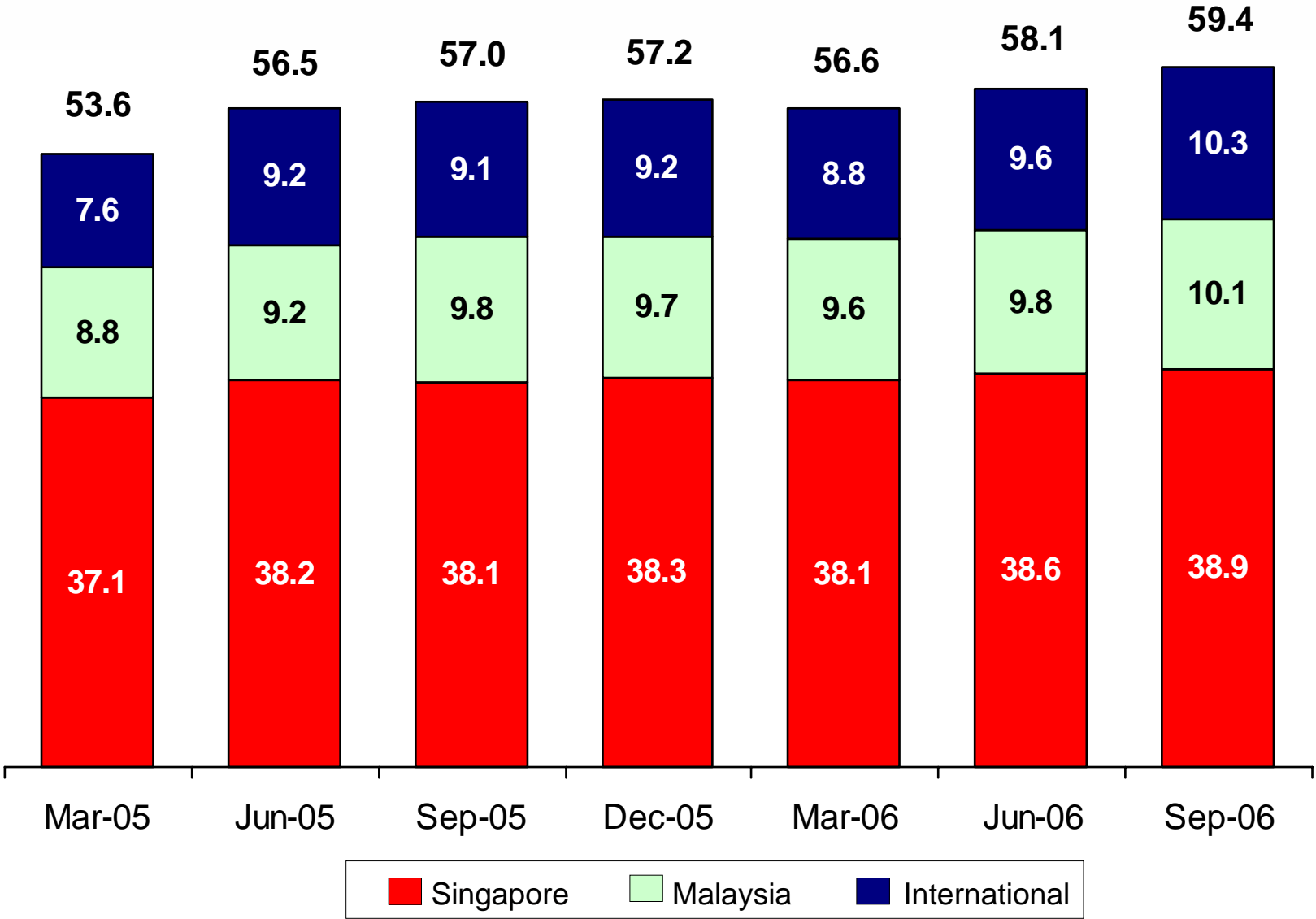


9M06 Profit before Tax: S\$1,335m
(excluding divestment gains)

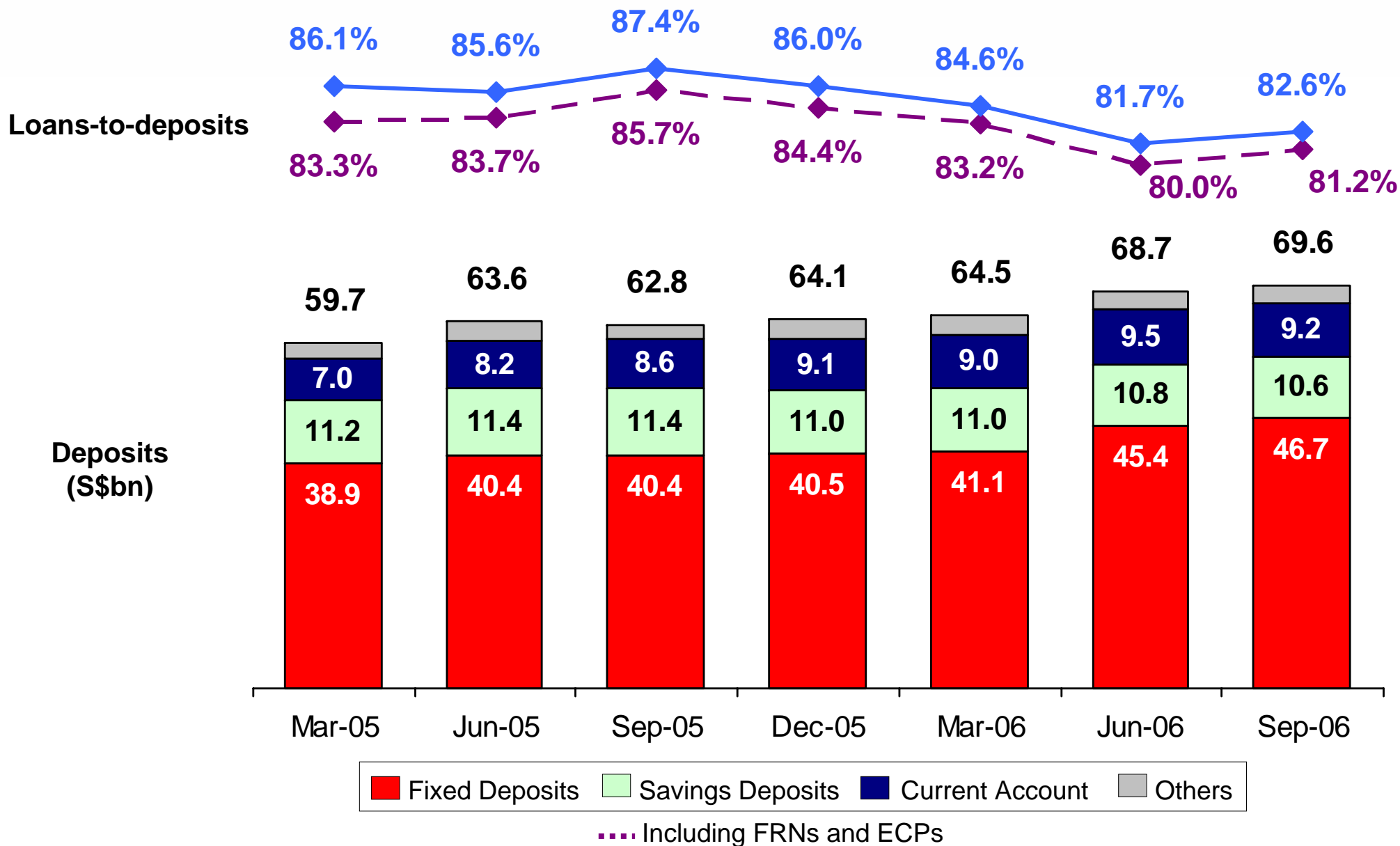
Loans Growth of 4% YoY, 2% QoQ



Loans
(S\$bn)

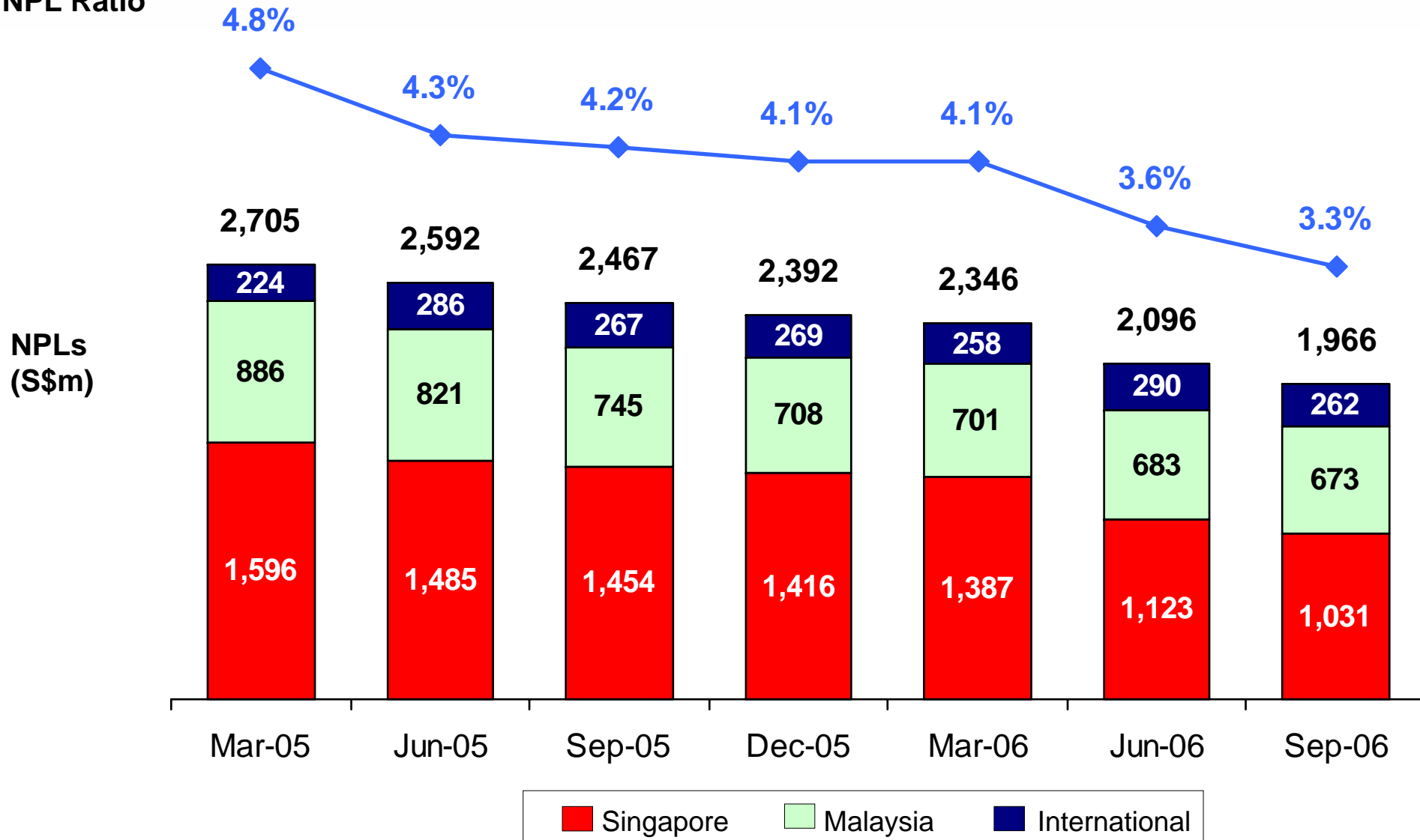


Loans-to-Deposits Ratio

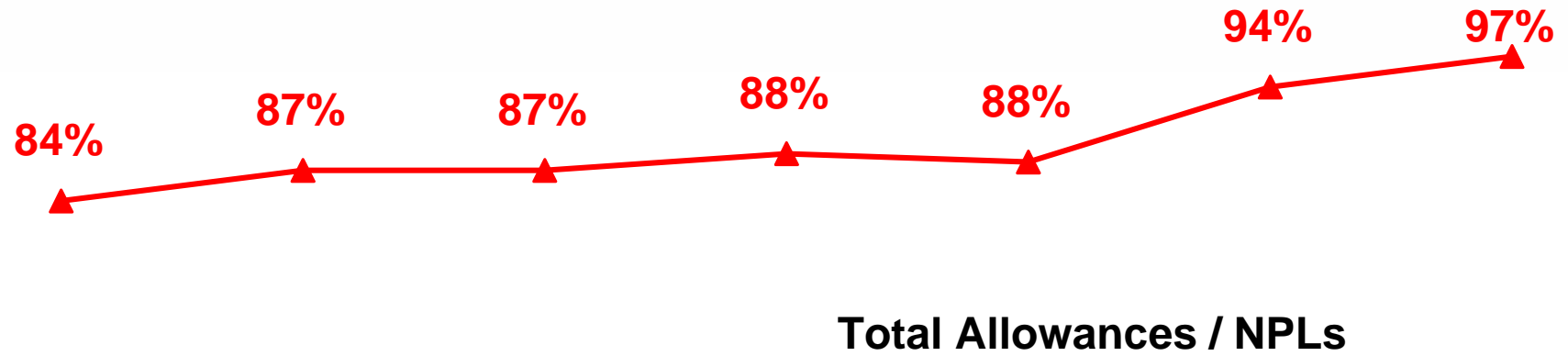


NPL Ratio Improved Further to 3.3%

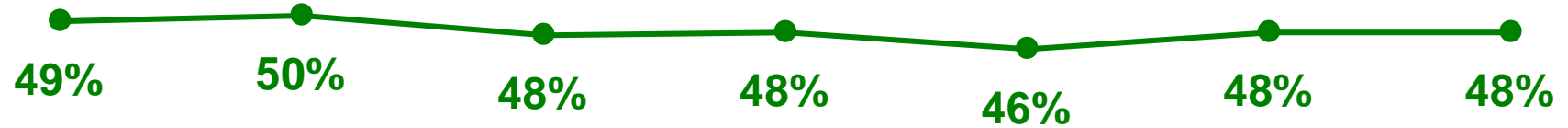
NPL Ratio



97% Allowances Coverage



Specific Allowances / NPLs



Mar-05

Jun-05

Sep-05

Dec-05

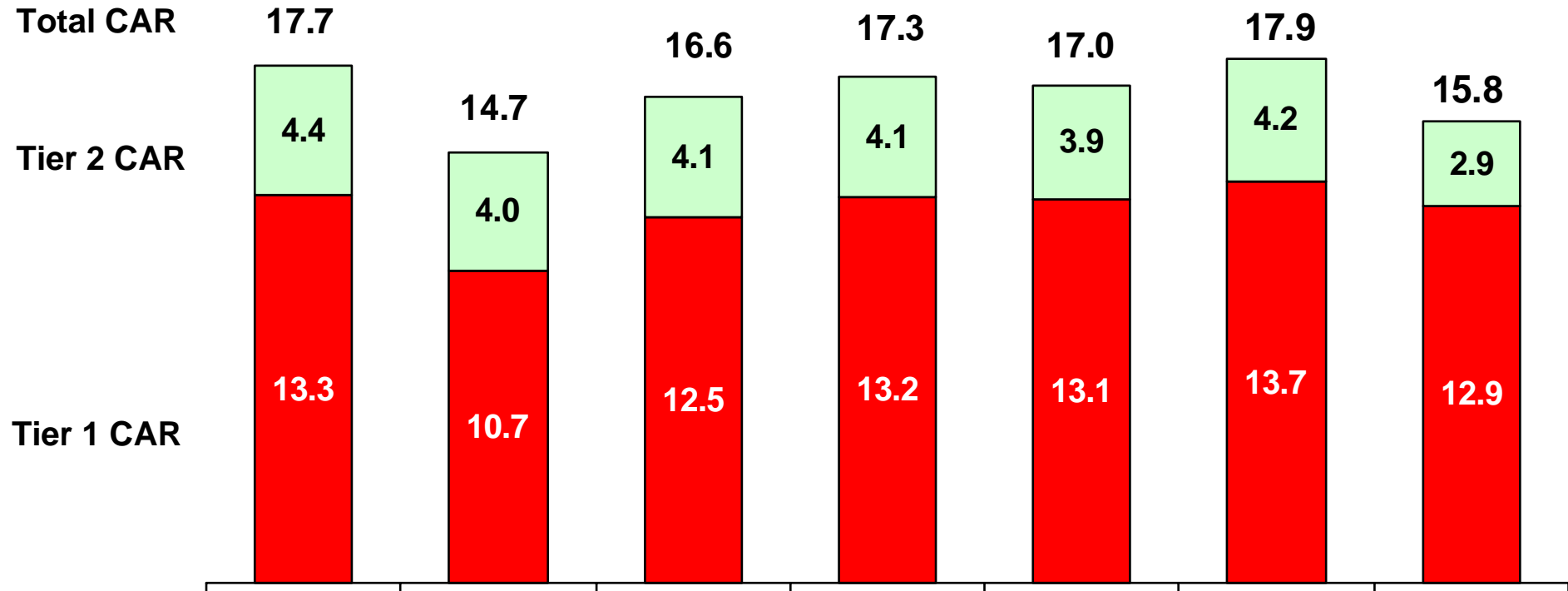
Mar-06

Jun-06

Sep-06

Capital Position Remains Strong

(%)



(S\$m)

	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06
Tier-1 capital	9,138	7,853	9,008	9,302	9,268	9,881	9,575
Risk Weighted Assets	68,546	73,547	71,679	70,708	70,545	72,136	74,024

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OCBC Malaysia: Quarterly Results



	3Q06	3Q05	YoY	2Q06	QoQ
<u>Unaudited Results*</u>	RM m	RM m	+/(-)%	RM m	+/(-)%
Net Interest Income	198	159	25	186	6
Islamic Banking Income	12	10	23	13	(7)
Non Interest Income	63	73	(14)	65	(4)
Total Income	273	241	13	264	3
Operating Expenses	(113)	(99)	14	(99)	14
Operating Profit	160	142	12	165	(3)
Allowances	(16)	(5)	222	(33)	(51)
Tax	(41)	(38)	9	(38)	8
Net Profit	103	100	4	95	9

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

OCBC Malaysia: Year to Date Results



	9M06	9M05	YoY
<u>Unaudited Results*</u>	RM m	RM m	+/(-)%
Net Interest Income	551	457	20
Islamic Banking Income	37	30	23
Non Interest Income	201	192	5
Total Income	789	680	16
Operating Expenses	(303)	(270)	12
Operating Profit	486	410	19
Allowances	(42)	-	>100
Tax	(127)	(120)	6
Net Profit	317	289	10

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

OCBC Malaysia: Financial Ratios



	9M06	9M05	3Q06	2Q06	3Q05
<u>Unaudited Results*</u>	%	%	%	%	%
Net Interest Margin	2.60	2.32	2.67	2.60	2.35
Non-Interest Income / Total Income	25.5	28.3	23.1	24.6	30.2
Cost-to-Income Ratio	38.4	39.7	41.4	37.5	41.0
RM Loans-to-Deposits Ratio	84	92	84	83	92
Gross NPL Ratio	5.8	6.4	5.8	6.0	6.4
Loans Growth (YTD)	8.3	7.6	8.3	5.2	7.6
ROE	20.6	21.5	20.1	18.7	22.1

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

GEH Contributed 20% of Group Net Profit *



<u>GEH's Contribution to</u>	9M06 [^]	9M05	3Q06	2Q06 [^]	3Q05
<u>OCBC's Results</u>	S\$m	S\$m	S\$m	S\$m	S\$m
Total Income	450	384	160	149	127
Operating Expenses	(84)	(64)	(26)	(31)	(24)
Operating Profit	367	320	134	118	103
Amortisation of Intangibles	(32)	(30)	(11)	(11)	(10)
Tax	(63)	(46)	(18)	(26)	(16)
Minority Interests	(47)	(60)	(15)	(16)	(17)
Net Profit contribution of GEH	223	184	90	65	59

* Excluding divestment gains

[^] 2Q06 and 9M06 include S\$24m (S\$16m net of tax) gains from divestment of stakes in Straits Trading and Robinson & Co

Bank NISP's Nine Months Profit Doubled on Higher Revenues



	9M06	9M05	3Q06	2Q06	3Q05
<u>Unaudited Results*</u>	RP bn	RP bn	RP bn	RP bn	RP bn
Net Interest Income	638	528	228	210	175
Non-Interest Income	132	20	58	37	(41)
Expenses	(499)	(400)	(179)	(162)	(139)
Operating Profit	271	148	108	85	(5)
Allowances	(26)	(24)	(14)	(15)	(6)
Net Profit	171	84	68	50	(11)
Gross Loans	14,154	12,612	14,154	12,810	12,612
NPL Ratio (%)	3.31	2.26	3.31	3.77	2.26
Net Interest Margin (%)	4.63	4.25	4.71	4.69	4.03
ROE (%)	10.7	8.4	12.5	9.3	(3.2)

* Bank NISP's contribution to Group net profit was S\$5m in 2Q06, S\$8m in 3Q06 and S\$15m in 9M06.

- **Operating trends improved steadily through the first nine months in all key geographical markets**
- **Net interest income and fee income hit new highs in the third quarter; net interest margin at its highest in four years**
- **Asset quality continues to strengthen, allowances remain low**
- **Our focus is in investing for growth, while keeping expenses under control**

Third Quarter 2006 Results

Thank You

