

Third Quarter 2012 Results Presentation

9 November 2012



Agenda

Results Overview

3Q12 Performance Trends

Appendix: Financial Highlights of Malaysia and Indonesia Subsidiaries



Notes: Amounts less than S\$0.5 million are shown as "0";
"nm" denotes not meaningful;
Figures may not sum to stated totals because of rounding

3Q12 Highlights

Reported net profit of S\$1.85b, boosted by divestment gains.

Core earnings grew 41% to S\$724m; increased contributions across all key markets.

- Higher net interest income driven by loan growth despite NIM compression; QoQ NIM compression slowed;
- Robust growth in wealth management fee income;
- Better trading performance and increased profit from life assurance;
- Operating expenses rose in line with business activities;
- Asset quality remained healthy, NPL ratio improved to 0.8% QoQ;
- Strong capital position, Tier 1 and total CAR at 15.9% and 18.0% respectively.

3Q12 core net profit up 41% YoY and 12% QoQ

OCBC Group	3Q12 S\$m	3Q11 S\$m	YoY +/(-)%	2Q12 S\$m	QoQ +/(-)%
Net interest income	944	874	8	931	1
Non-interest income	754	436	73	596	27
Total income	1,698	1,310	30	1,527	11
Operating expenses	(685)	(611)	12	(661)	4
Operating profit	1,013	699	45	866	17
Amortisation of intangibles	(15)	(15)	(2)	(15)	-
Allowances	(70)	(38)	86	(38)	88
Associates & JVs	4	3	50	12	(66)
Tax & non-controlling interests ("NCI")	(208)	(136)	53	(177)	18
Core net profit	724	513	41	648	12
Divestment gain, net of tax	1,126 ^{1/}	-	-	-	-
Net profit	1,850	513	260	648	186



^{1/} Gain from divestment of the Group's shareholdings in Fraser and Neave, Limited ("F&N") and Asia Pacific Breweries Limited ("APB")

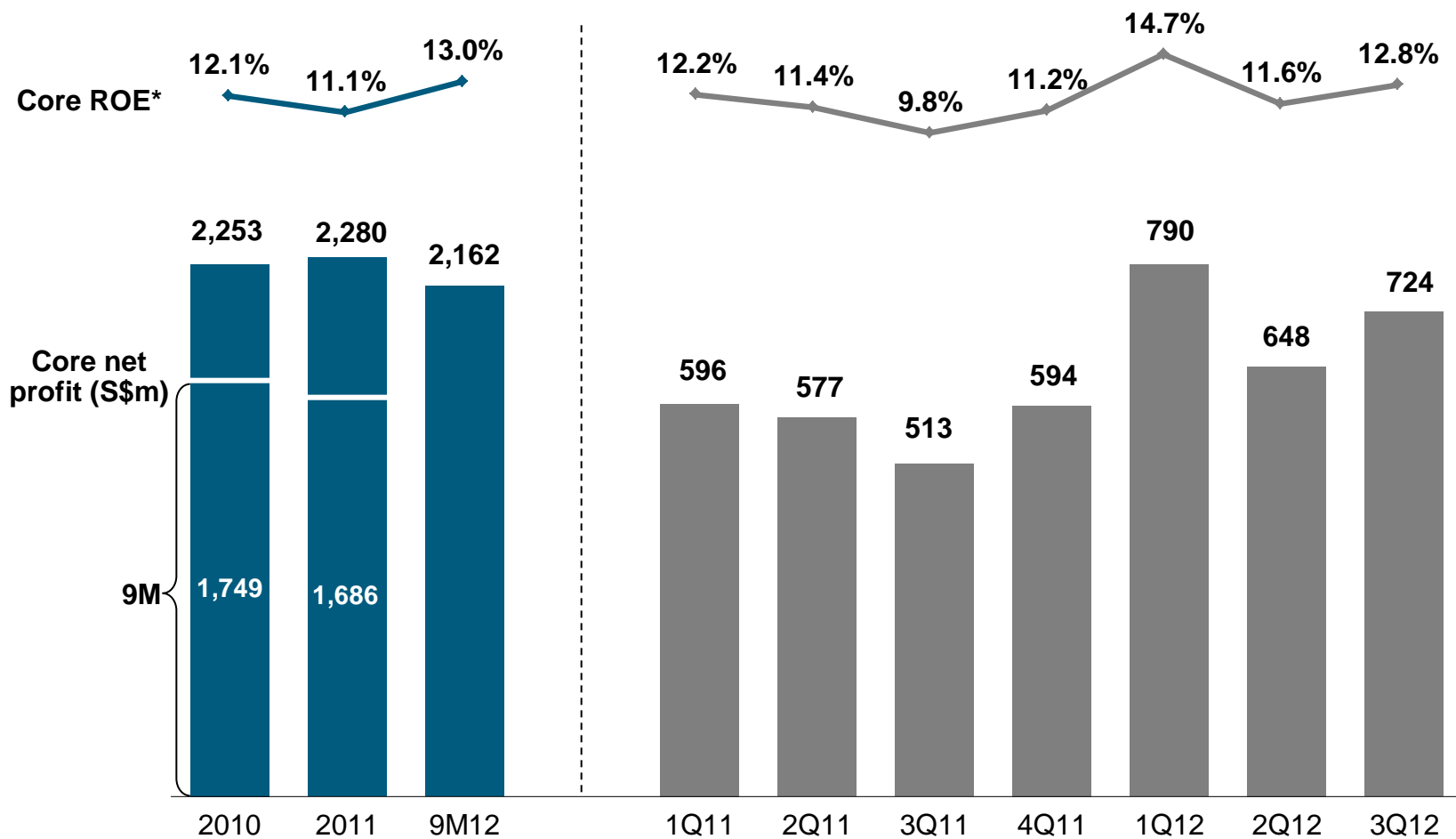
9M12 core earnings driven by broad-based revenue growth, up 28% YoY

OCBC Group	9M12 S\$m	9M11 S\$m	YoY +/(-)%
Net interest income	2,827	2,486	14
Non-interest income	2,140	1,639	31
Total income	4,967	4,125	20
Operating expenses	(1,971)	(1,810)	9
Operating profit	2,996	2,315	29
Amortisation of intangibles	(45)	(46)	(2)
Allowances	(204)	(143)	42
Associates & JVs	22	33	(33)
Tax & NCI	(607)	(473)	28
Core net profit	2,162	1,686	28
Divestment gain, net of tax	1,168 ^{1/}	32 ^{2/}	nm
Net profit	3,330	1,718	94

Key ratios

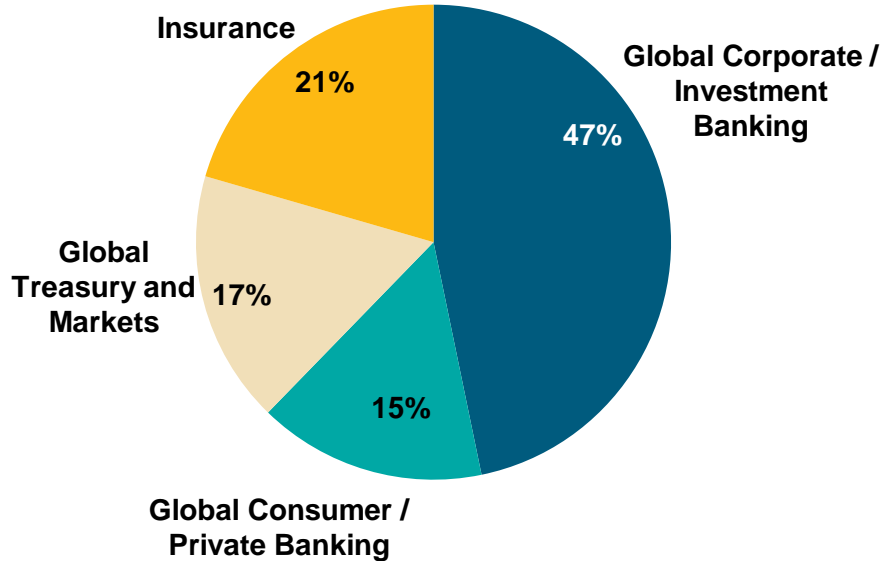
Based on core earnings	3Q12 %	3Q11 %	2Q12 %	9M12 %	9M11 %
Net interest margin	1.75	1.85	1.77	1.79	1.87
Non-interest income / Total income	44.4	33.3	39.0	43.1	39.7
Costs / Income	40.3	46.6	43.3	39.7	43.9
Loans / Deposits	87.7	88.0	85.3	87.7	88.0
NPL Ratio	0.8	0.7	0.9	0.8	0.7
Allowances / NPAs	128.1	129.8	125.4	128.1	129.8
ROE	12.8	9.8	11.6	13.0	11.1
Cash ROE	13.0	10.1	11.9	13.2	11.4

ROE of 13.0% for 9M12

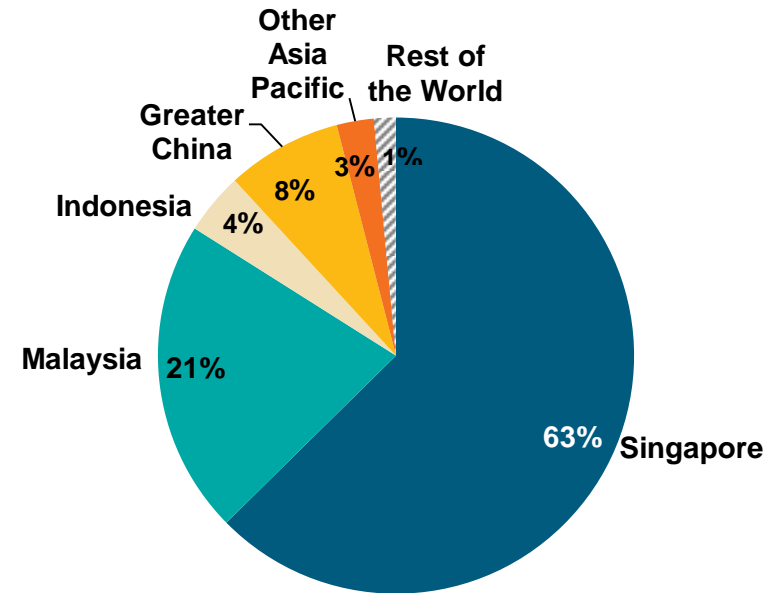


Profit contribution by business and geography

**9M12 PBT
by Business***



**9M12 PBT
by Geography**



* Core operating profit after allowances and amortisation. Segmental information has been revised in 2012. Global Consumer/Private Banking includes consumer banking, private banking and retail brokerage services; Global Corporate/Investment Banking includes corporate banking, corporate finance and capital markets solutions; Global Treasury and Markets reflects the management of the Group's asset and liability positions as well as trading activities. Excludes the Others segment, which comprises mainly property holding, investment holding, items not attributable to the business segments described above, and portfolio allowances not attributed to specific business segments

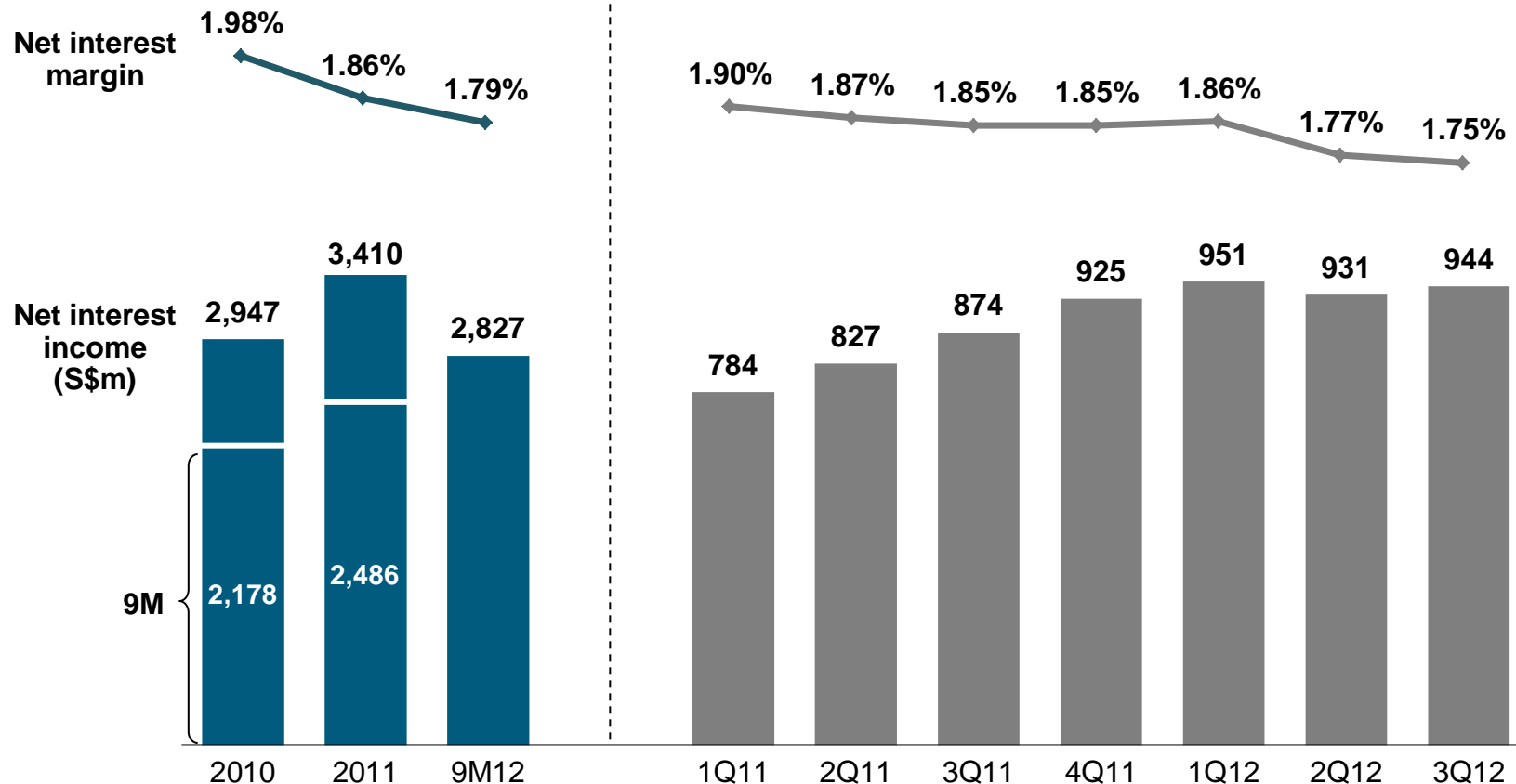
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3Q12 Performance Trends

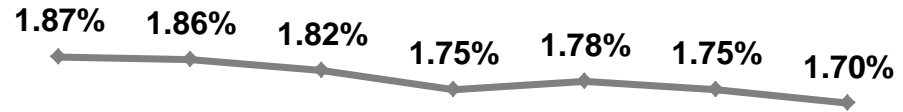
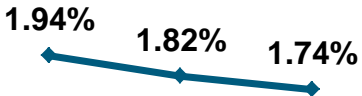
Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

Net interest income up 8% YoY driven by asset growth; QoQ margin compression slowed

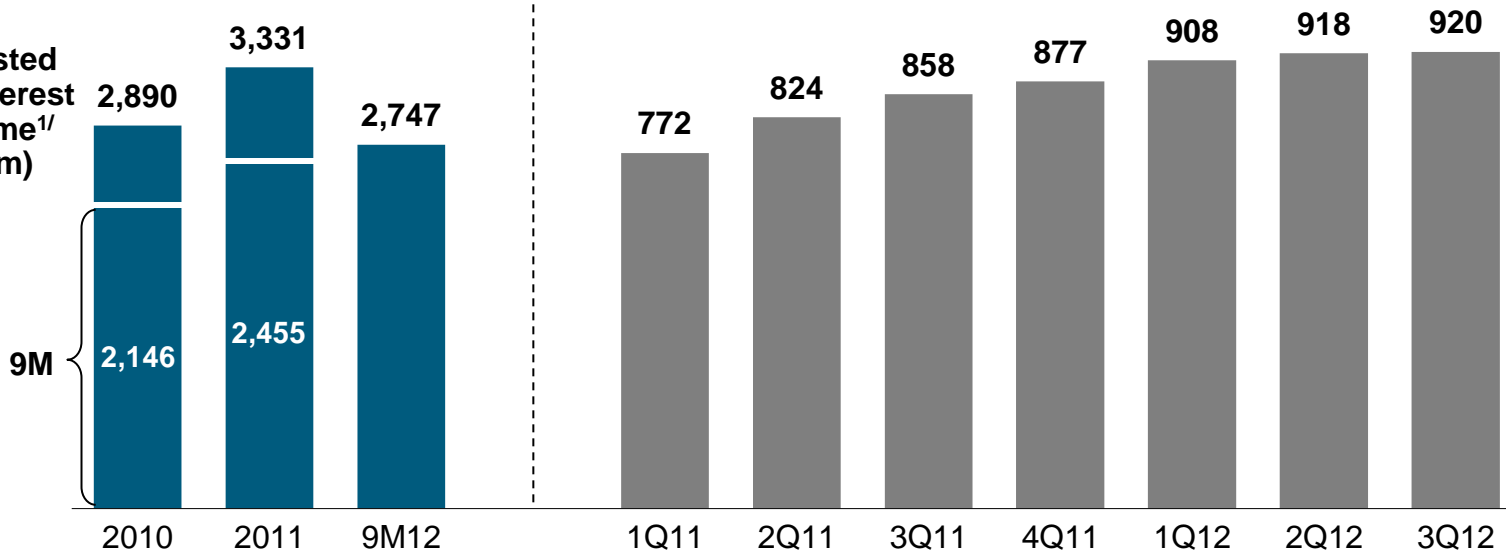


Net interest income less specific allowances up 7% YoY; reflecting effective credit risk management

Adjusted net interest margin^{1/}



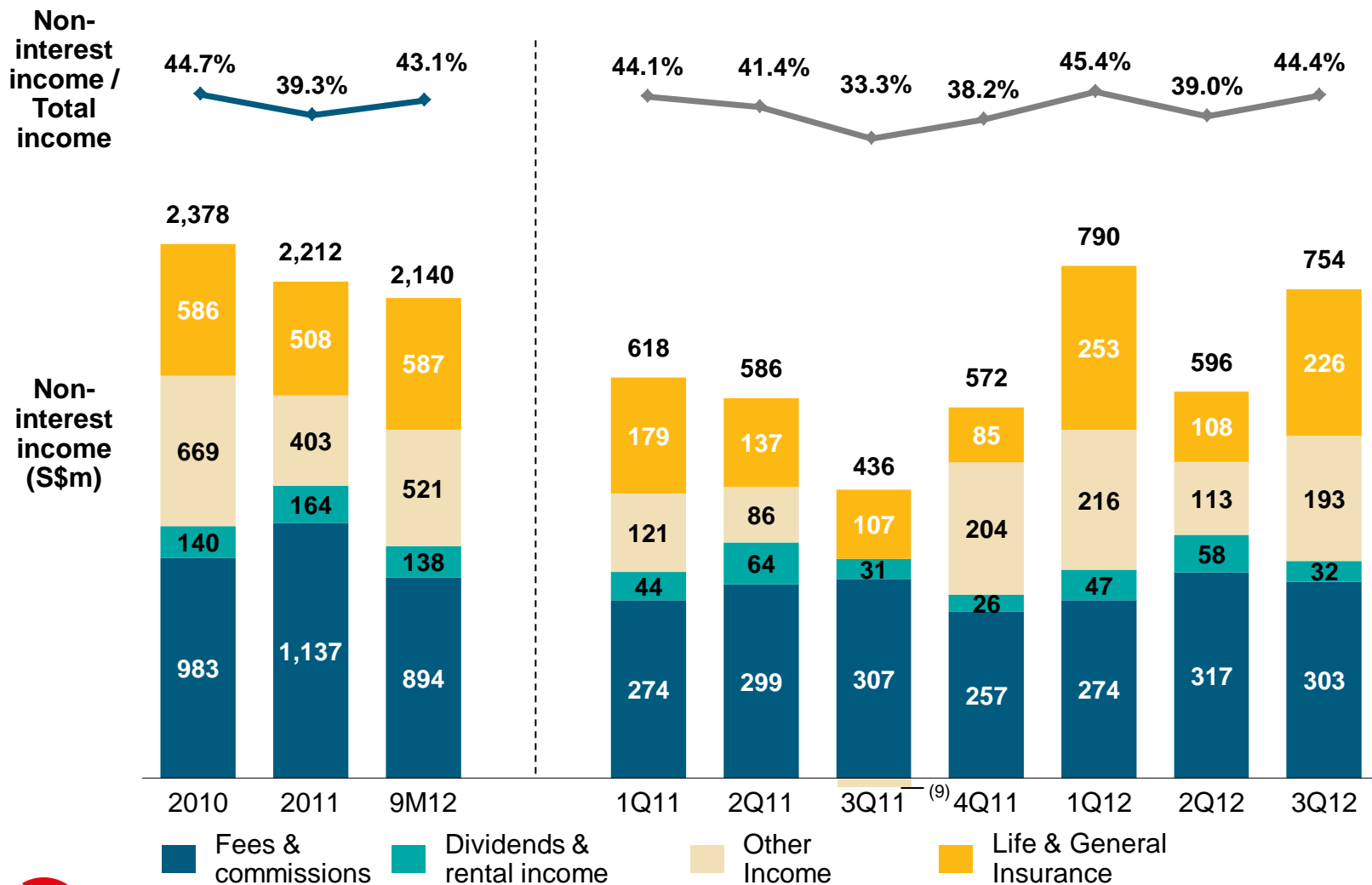
Adjusted net interest income^{1/} (S\$m)



OCBC Bank

^{1/} Net interest income adjusted for specific allowances for loans

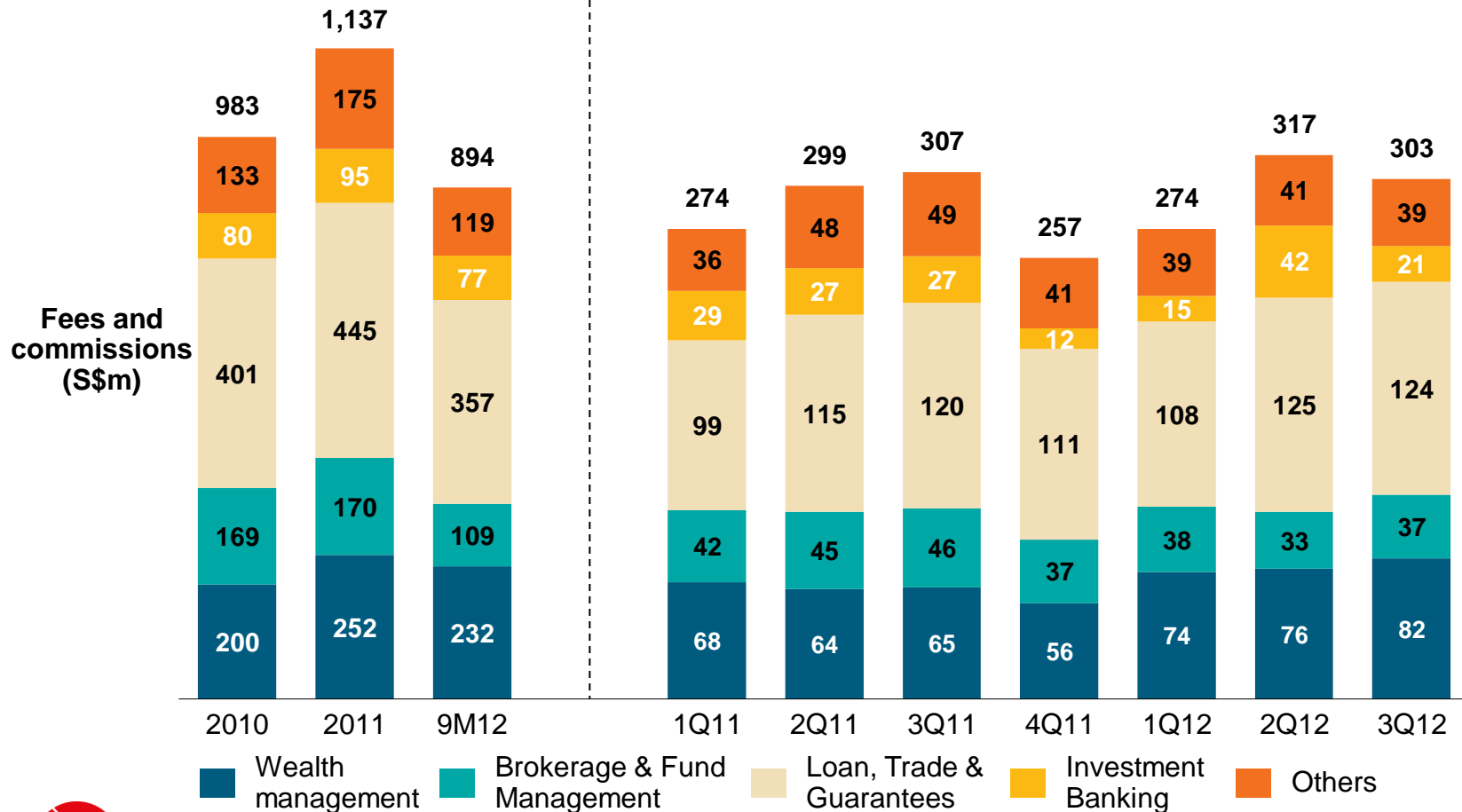
Non-interest income up 73% YoY



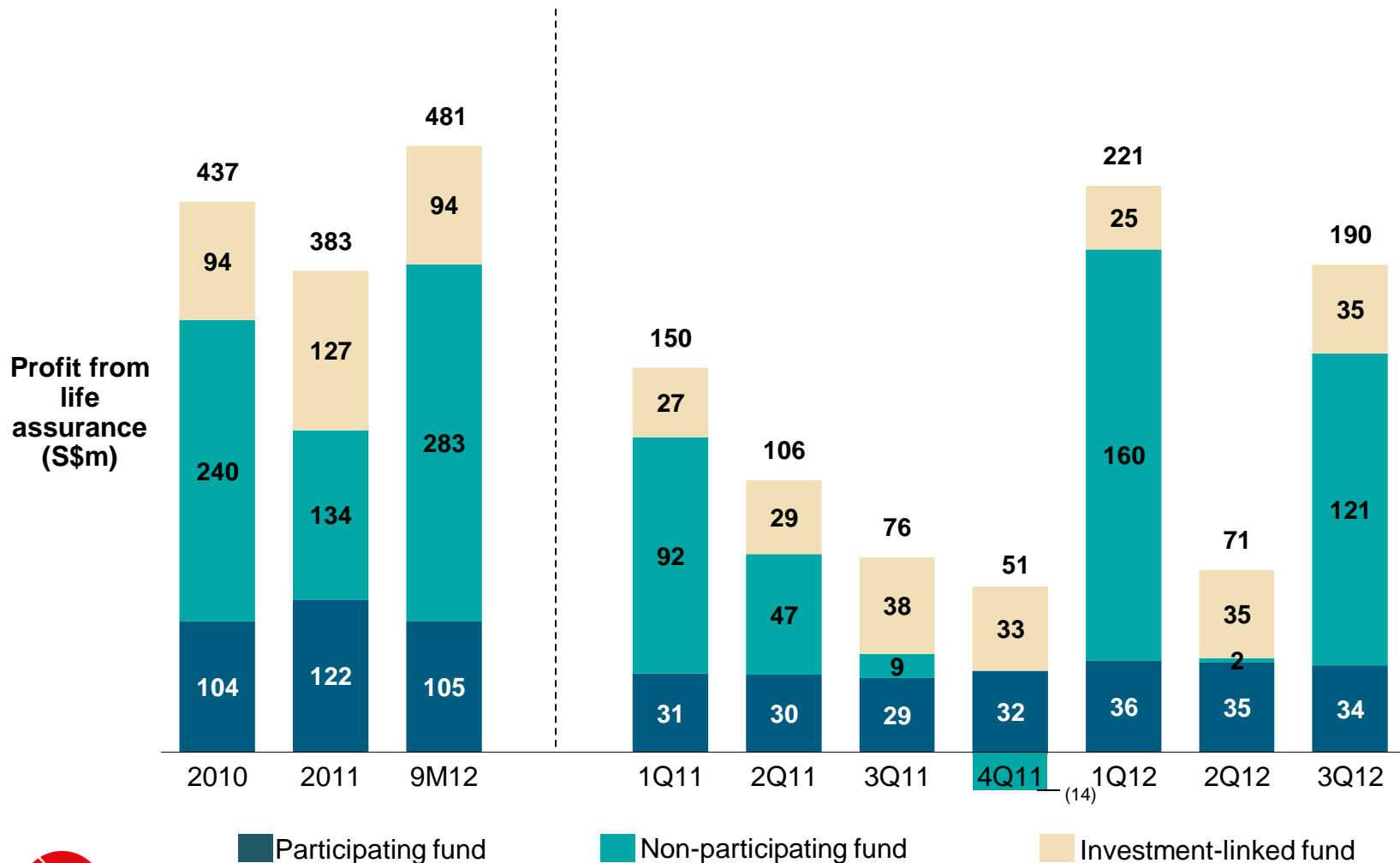
OCBC Bank

Note: Excludes gains from divestment of non-core assets

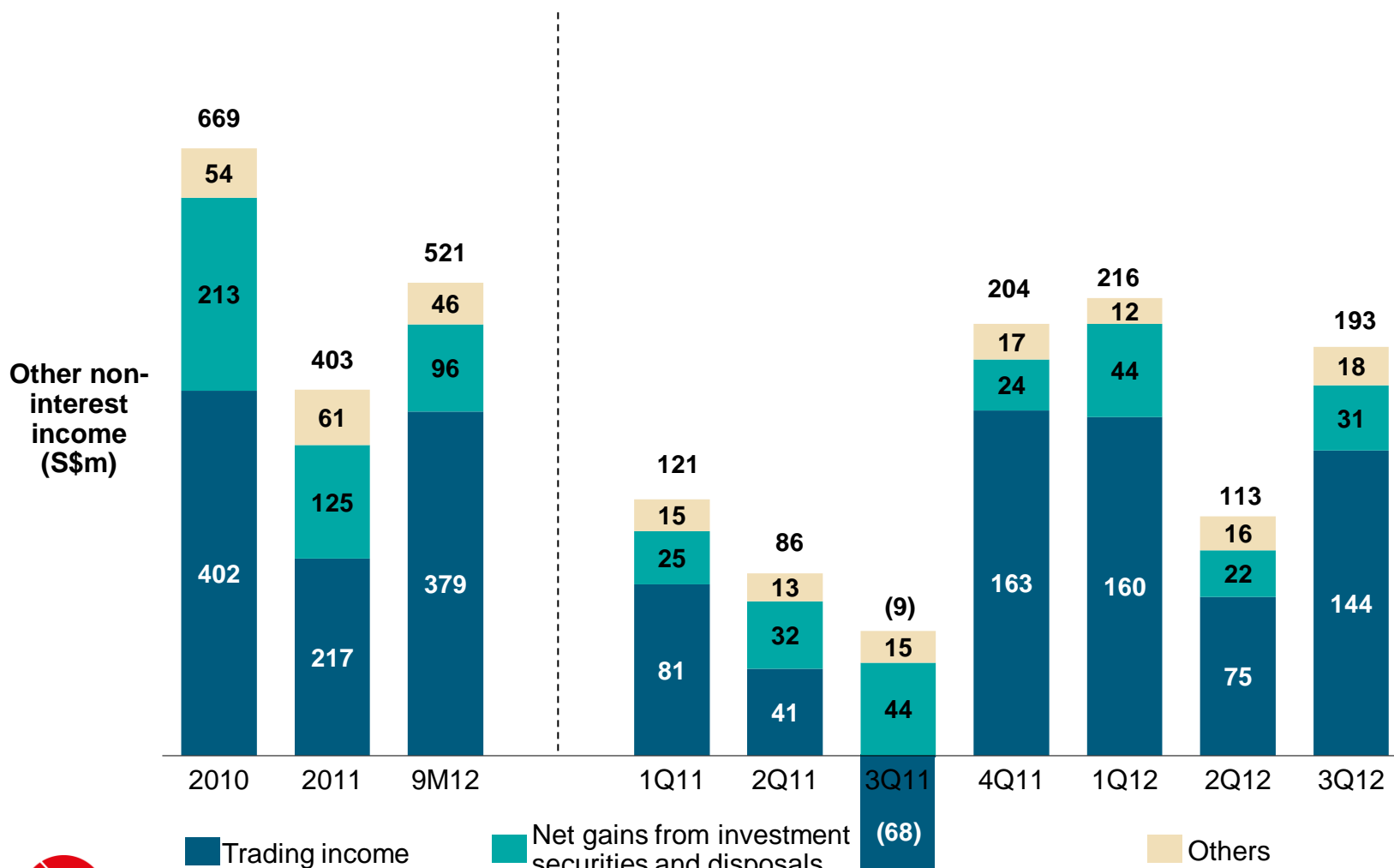
Fee income flat YoY; steady growth from wealth management activities



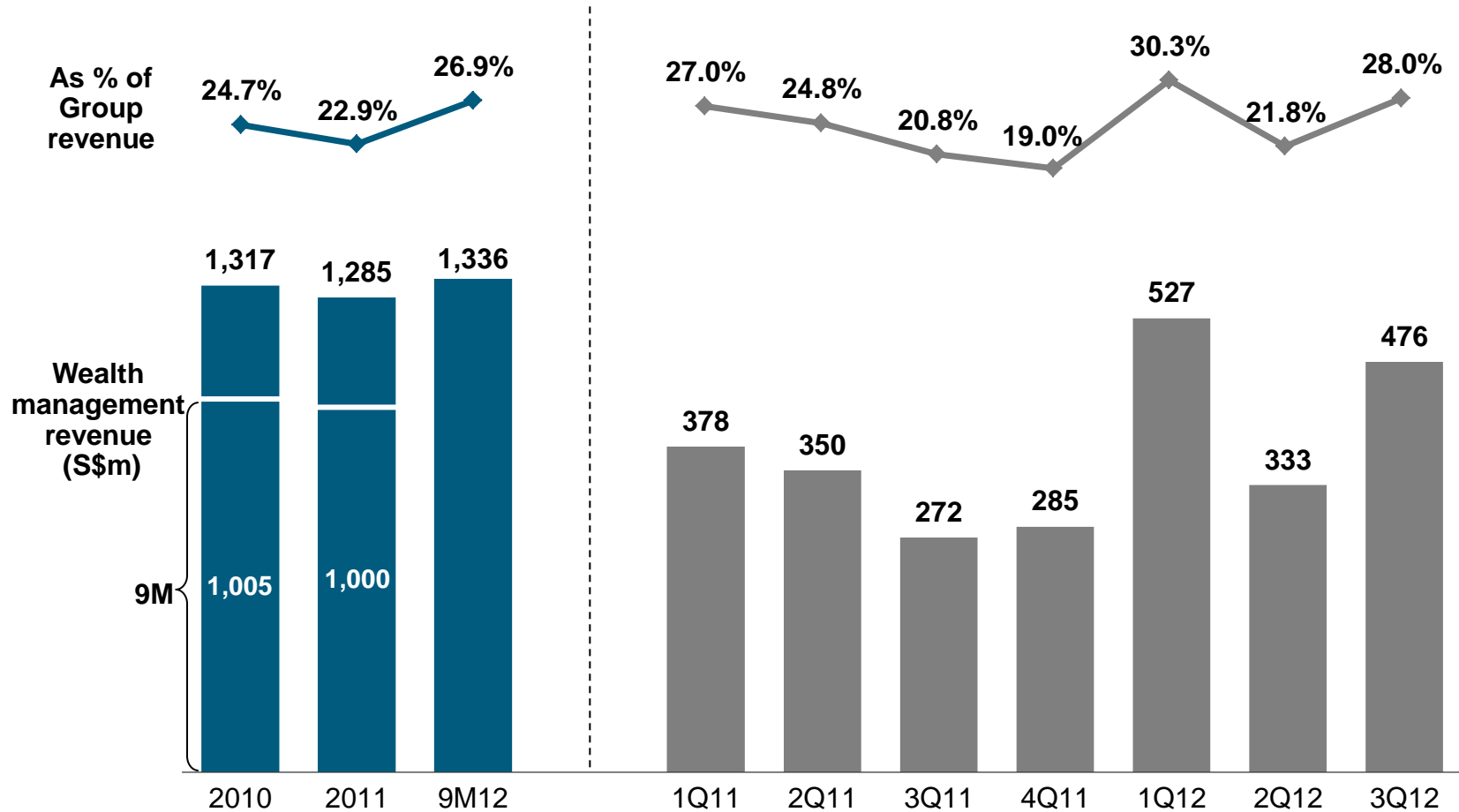
Profit from life assurance rose 150%, as a result of stronger investment and underwriting performance



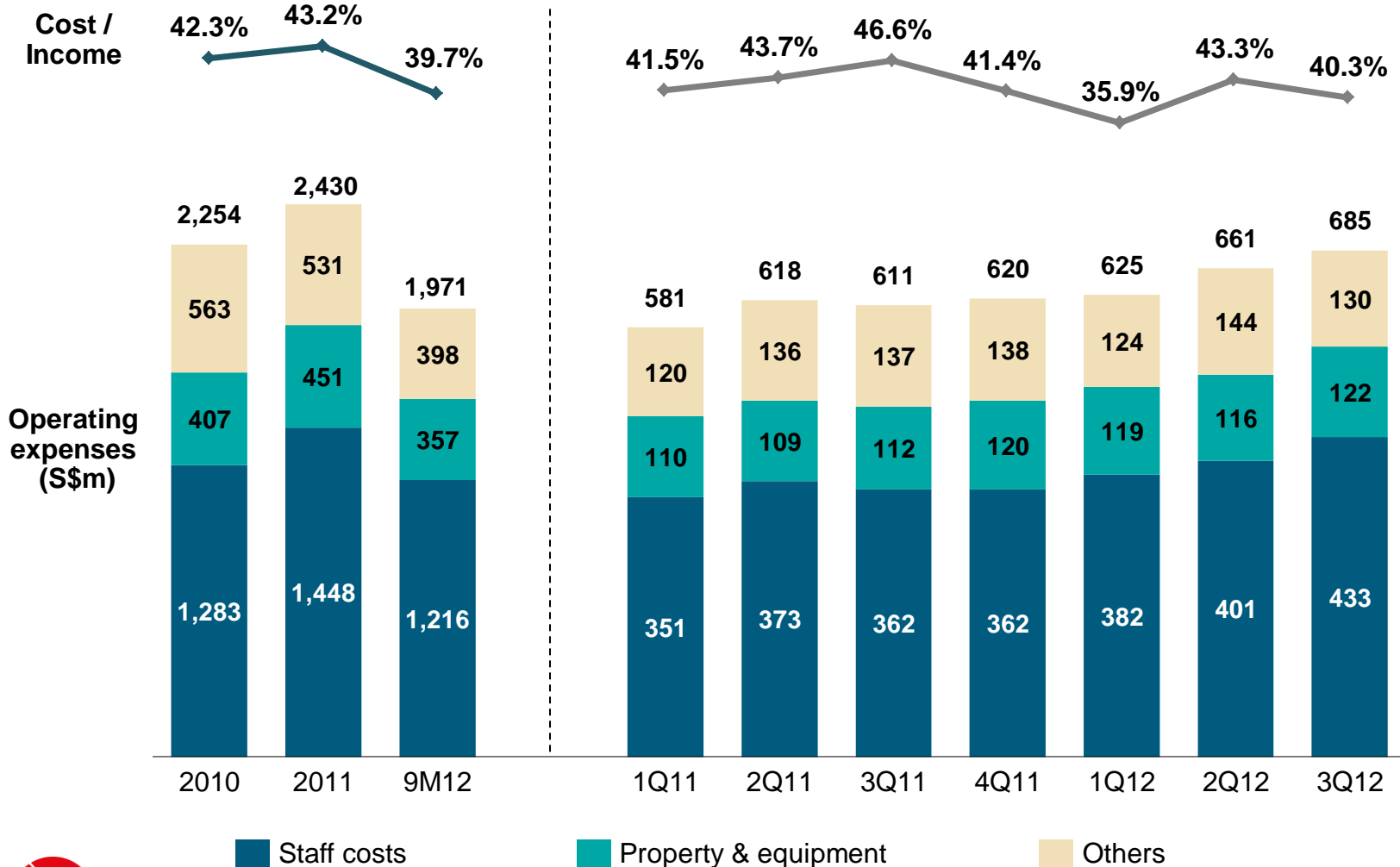
Other non-interest income rebounded YoY; driven by better trading performance



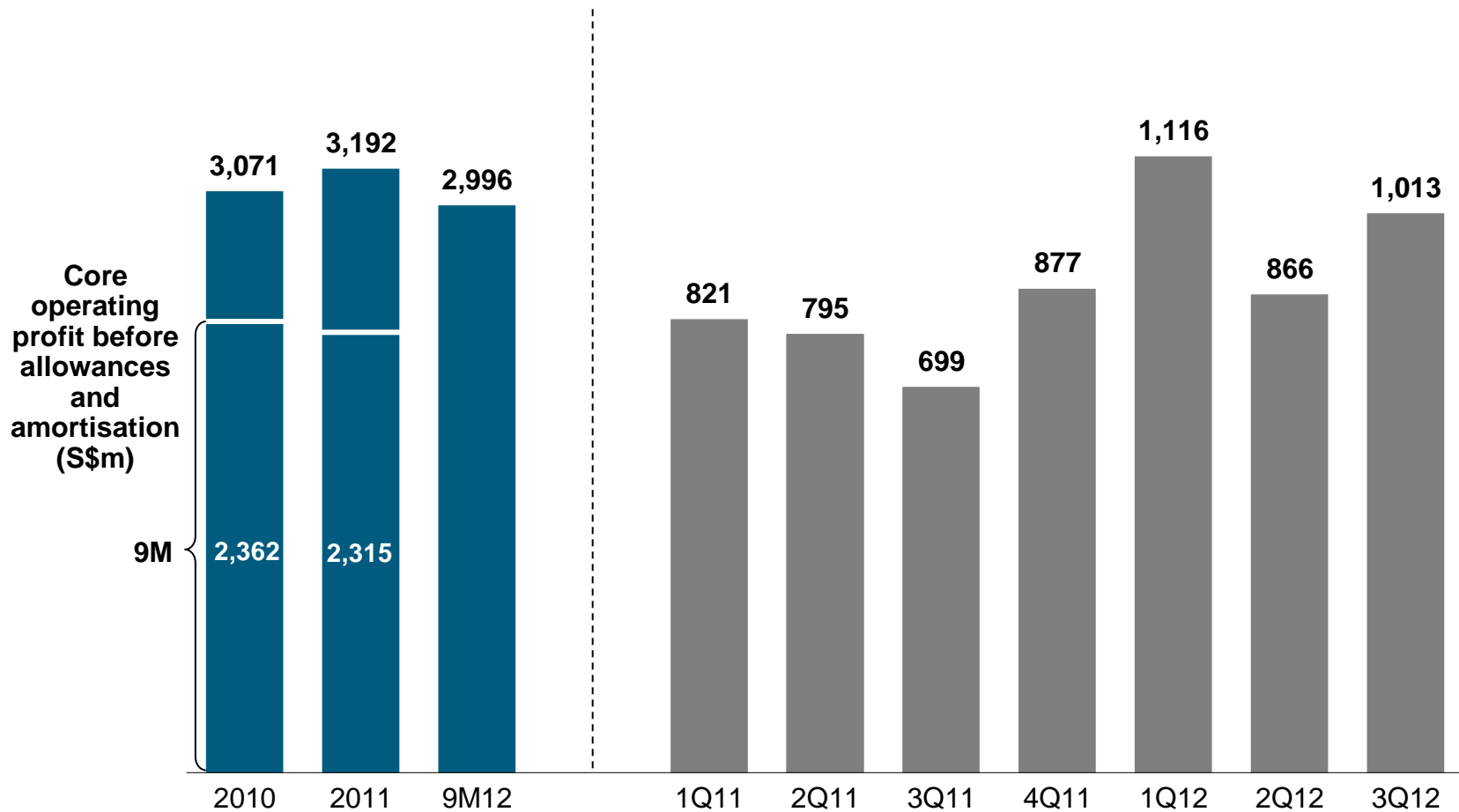
Wealth management revenue up 75% YoY



Cost remained well managed, resulting in better cost-to-income ratio



Core operating profit up 45% YoY



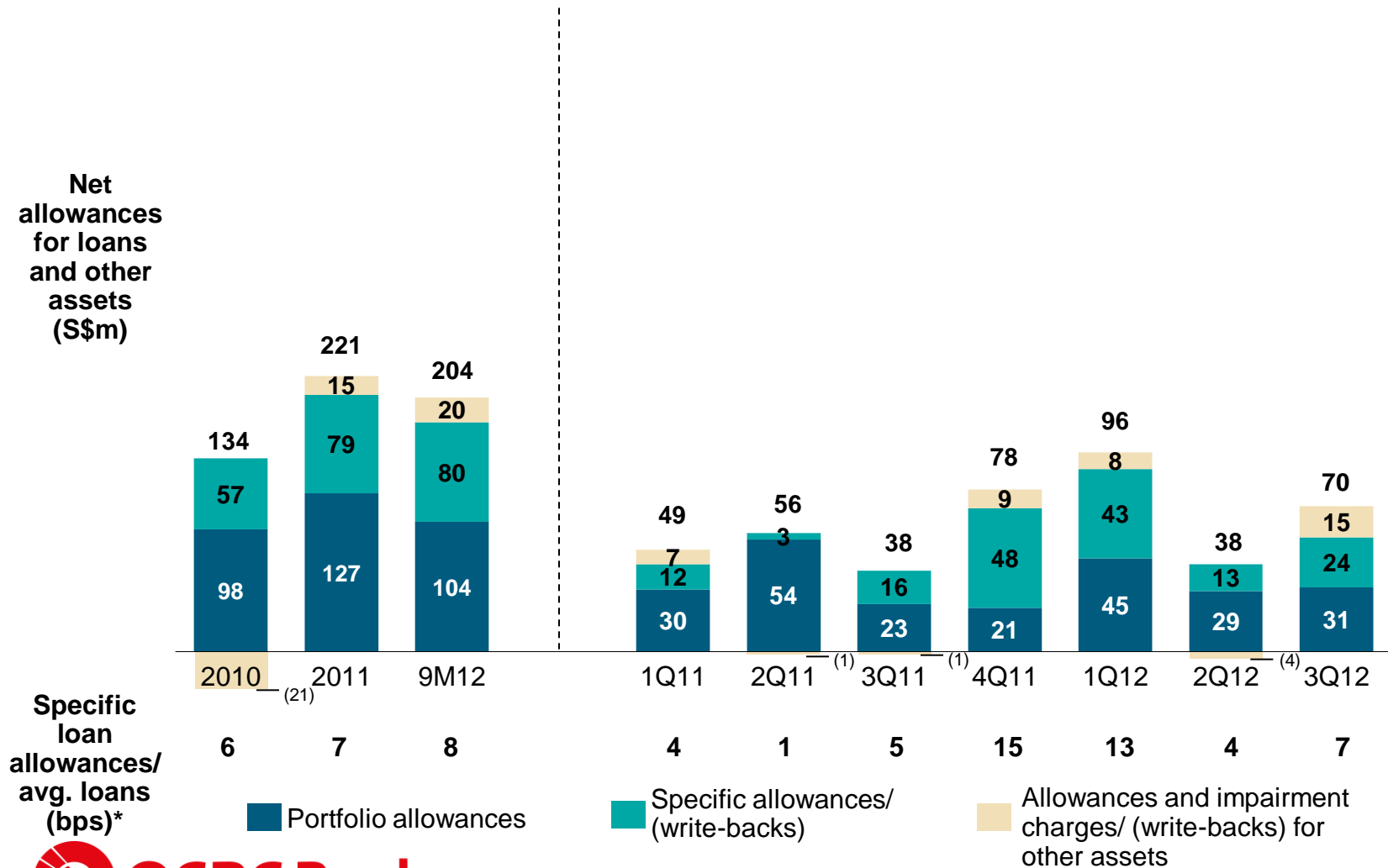
3Q12 net profit before GEH contribution up 16% YoY

OCBC Group	3Q12 S\$m	3Q11 S\$m	YoY +/(-)%	2Q12 S\$m	QoQ +/(-)%
Net interest income	928	860	8	918	1
Non-interest income	496	336	47	455	9
Total income	1,424	1,196	19	1,373	4
Operating expenses	(636)	(561)	13	(608)	5
Operating profit	788	635	24	765	3
Allowances	(70)	(37)	88	(37)	87
Associates & JVs	6	6	(5)	13	(53)
Amortisation, tax & NCI	(157)	(115)	37	(153)	3
Core net profit	567	489	16	587	(3)
Divestment gain, net of tax	786 ^{1/}	-	-	-	-
Net profit before GEH contribution	1,352	489	177	587	130
GEH net profit contribution	498	25	nm	61	719
OCBC Group net profit	1,850	513	260	648	186

9M12 net profit before GEH contribution up 20% YoY

OCBC Group	9M12 S\$m	9M11 S\$m	YoY +/(-)%
Net interest income	2,781	2,447	14
Non-interest income	1,421	1,149	24
Total income	4,203	3,596	17
Operating expenses	(1,825)	(1,669)	9
Operating profit	2,378	1,927	23
Allowances	(203)	(142)	43
Associates & JVs	27	37	(26)
Amortisation, tax & NCI	(477)	(383)	25
Core net profit	1,724	1,439	20
Divestment gain, net of tax	827 ^{1/}	32 ^{2/}	nm
Net profit before GEH contribution	2,552	1,471	73
GEH net profit contribution	778	248	214
OCBC Group net profit	3,330	1,718	94

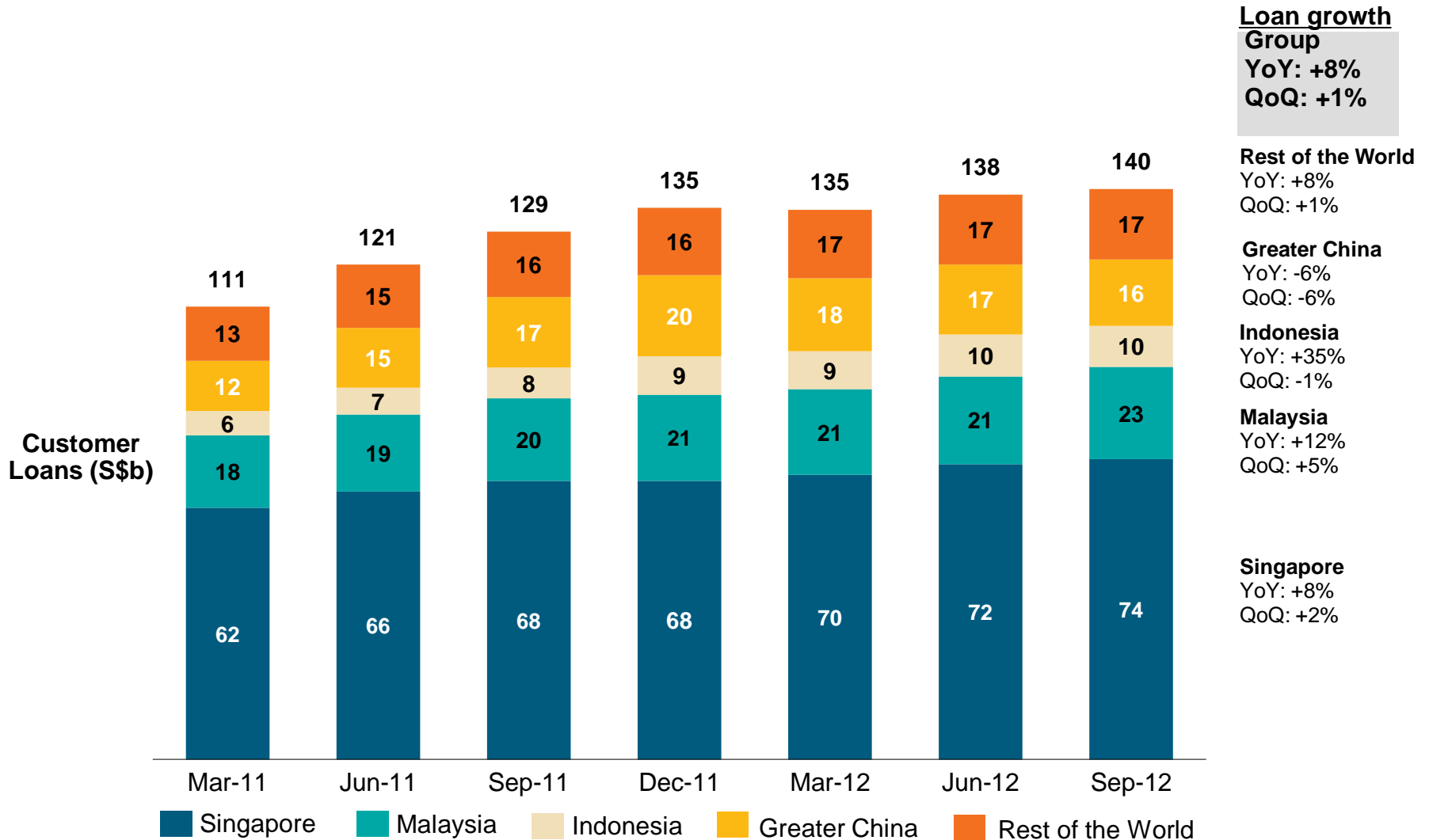
Net allowances higher YoY; credit quality remains strong



Movement in specific allowances for loans

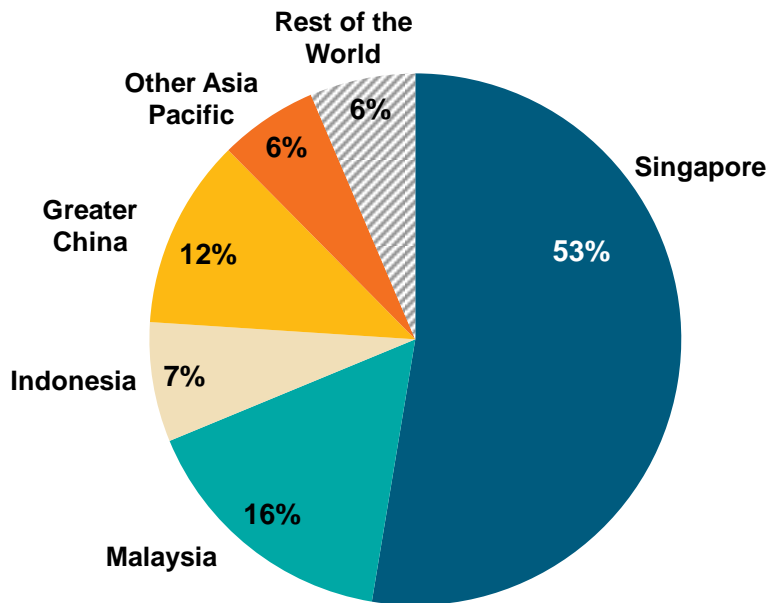
	3Q12 S\$m	3Q11 S\$m	2Q12 S\$m	9M12 S\$m	9M11 S\$m
Allowances for new and existing NPLs	57	48	67	203	144
Write-backs ^{1/}	(24)	(22)	(44)	(92)	(76)
Recoveries ^{2/}	(9)	(10)	(11)	(31)	(37)
Net specific allowances	24	16	13	80	31

Loans grew 8% YoY and 1% QoQ

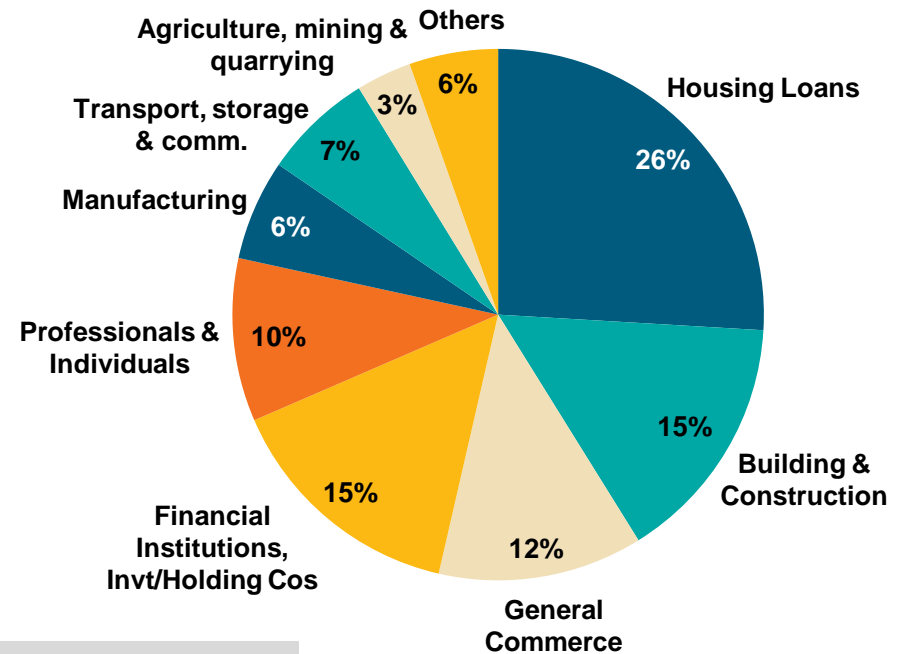


Loan book remained diversified across geographies and sectors

**Customer Loans by Geography
As of 30 September 2012**

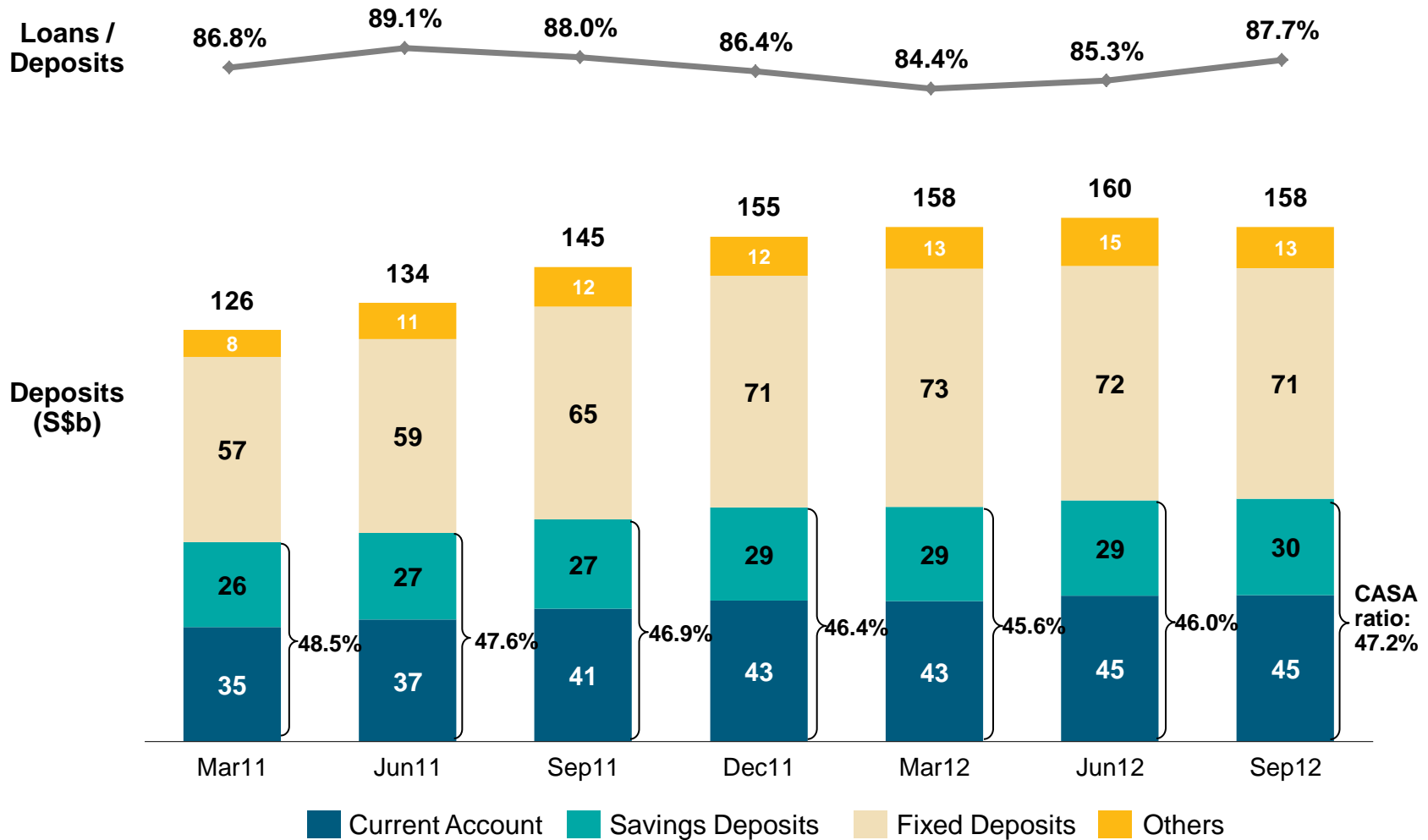


**Customer Loans by Industry
As of 30 September 2012**

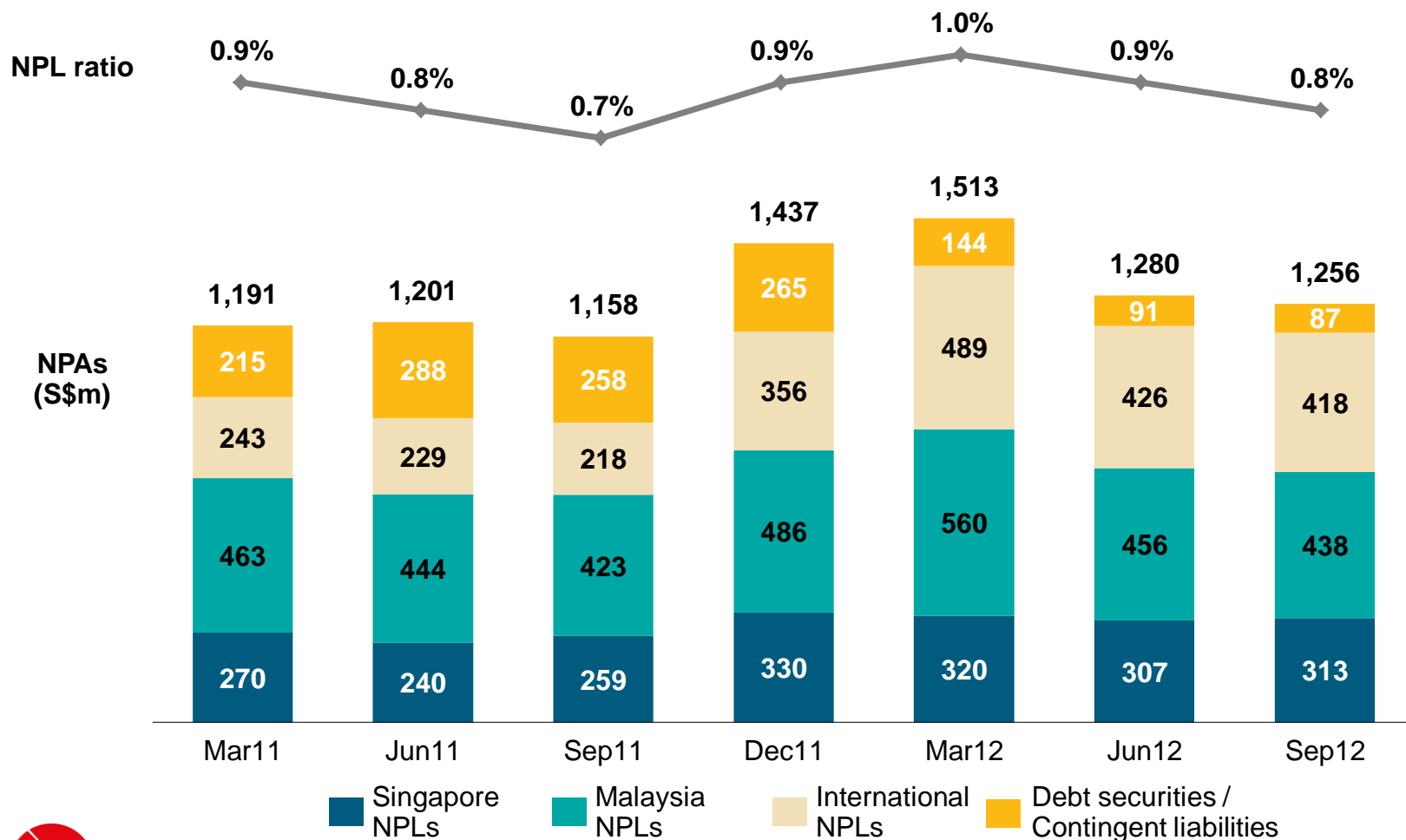


Total: S\$140b

Customer deposits up 8% YoY; CASA ratio improved to 47.2%



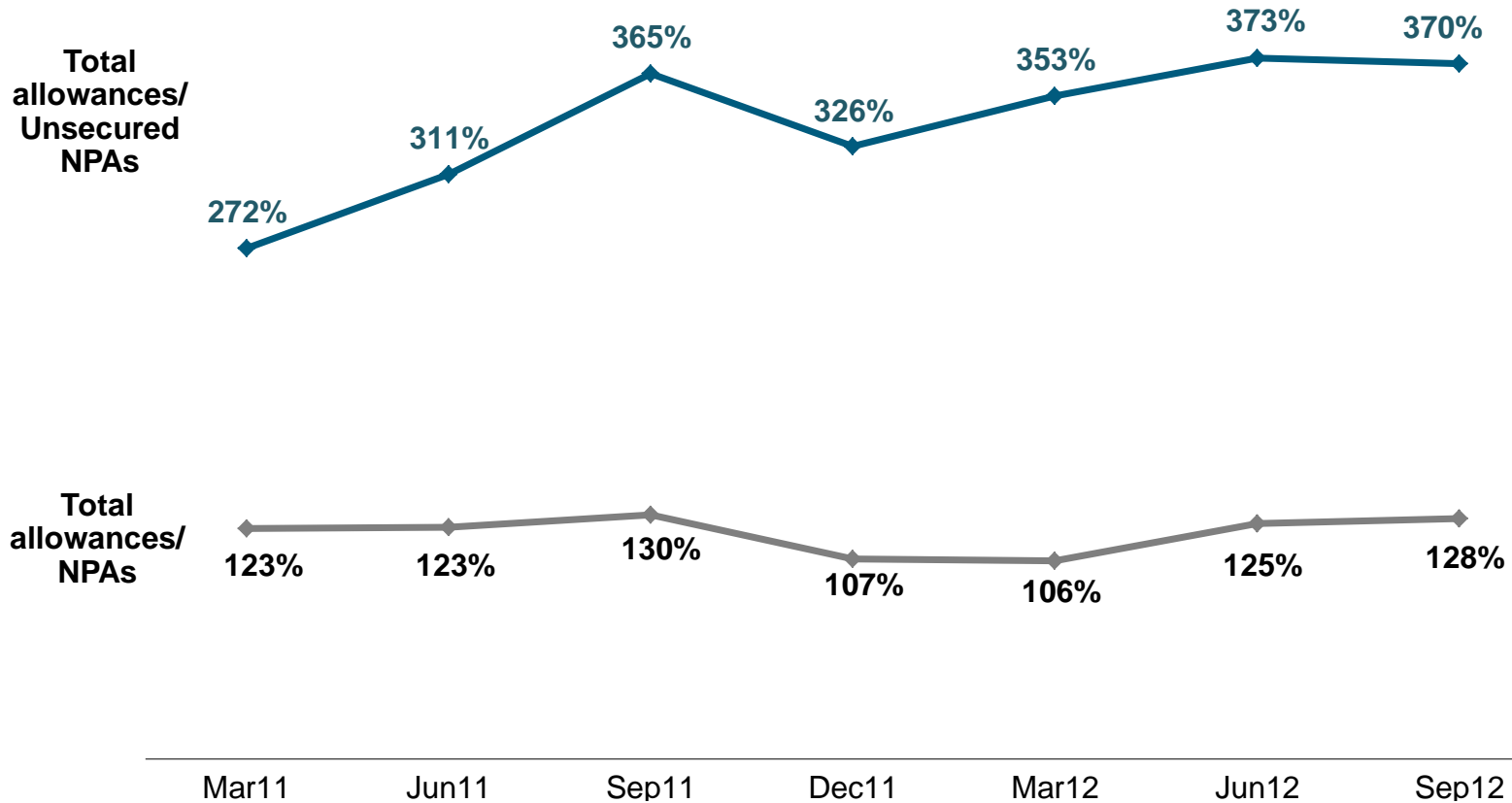
Total NPAs declined 2% QoQ; NPL ratio further improved to 0.8%



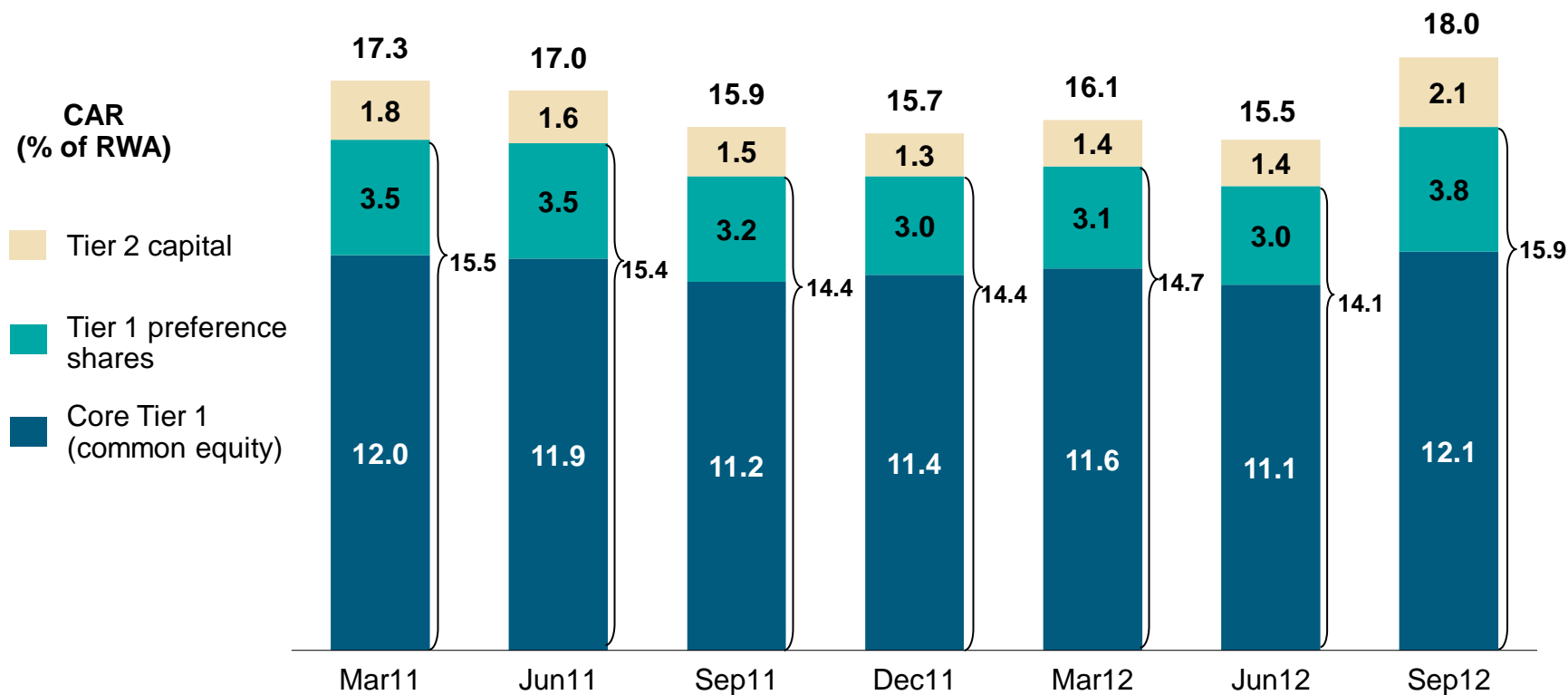
NPAs declined 2% QoQ, driven by lower new NPAs

	3Q12 S\$m	3Q11 S\$m	2Q12 S\$m	9M12 S\$m	9M11 S\$m
NPAs – Opening balance	1,280	1,201	1,513	1,437	1,208
New NPAs	142	116	156	601	474
New recoveries/upgrades	(116)	(122)	(349)	(669)	(422)
Write-offs	(50)	(37)	(40)	(113)	(102)
NPAs – Closing balance	1,256	1,158	1,280	1,256	1,158

Allowance coverage ratios of 128% of total NPAs and 370% of unsecured NPAs



Capital position remained strong: Tier 1 ratio of 15.9% and Core Tier 1 ratio of 12.1%



Tier 1 capital (S\$m)	17,469	17,764	17,654	18,612	19,024	18,981	20,934
Tier 1 prefs. (S\$m)	3,961	3,957	3,957	3,958	3,958	3,954	4,954
RWA (S\$m)	112,558	115,318	121,997	128,507	129,183	134,467	131,263



Note: Capital ratios are computed based on Basel II framework and in accordance with revised MAS Notice 637

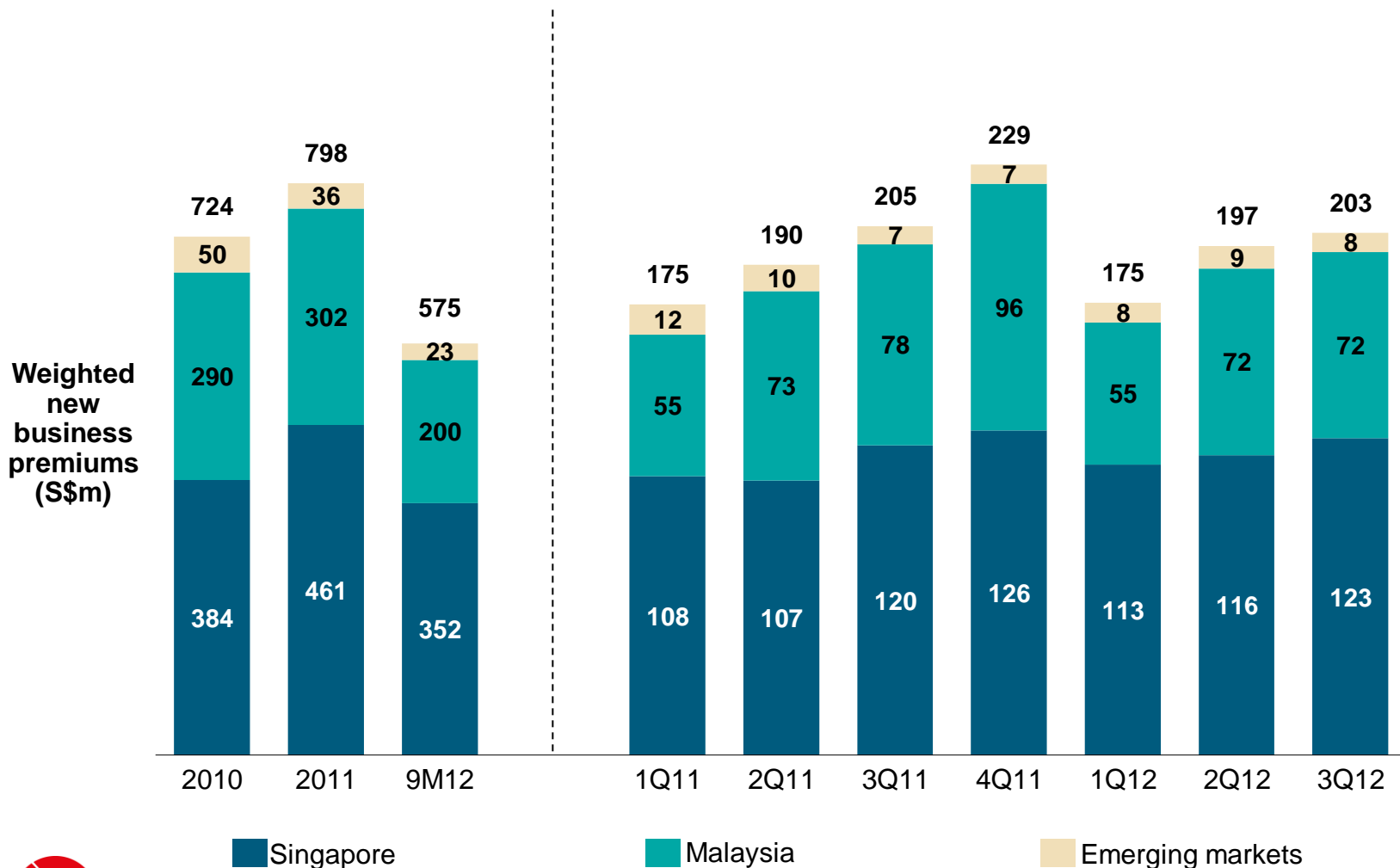
GEH: Third quarter core earnings contribution driven by strong investment and underwriting performance

GEH Contribution	3Q12 S\$m	3Q11 S\$m	YoY +/(-)%	2Q12 S\$m	QoQ +/(-)%
Total income	275	113	142	154	78
Operating expenses	(50)	(49)	-	(53)	(6)
Operating profit	225	64	252	101	122
Amortisation of intangibles	(12)	(12)	-	(12)	-
Allowances	(0)	(0)	-	0	-
Associates & JVs	(0)	(4)	(96)	(1)	(82)
Tax & non-controlling interests	(56)	(23)	139	(28)	97
Core net profit contribution	157	25	531	61	159
Divestment gain, net of tax	341 ^{1/}	-	-	-	-
Net profit contribution	498	25	nm	61	719

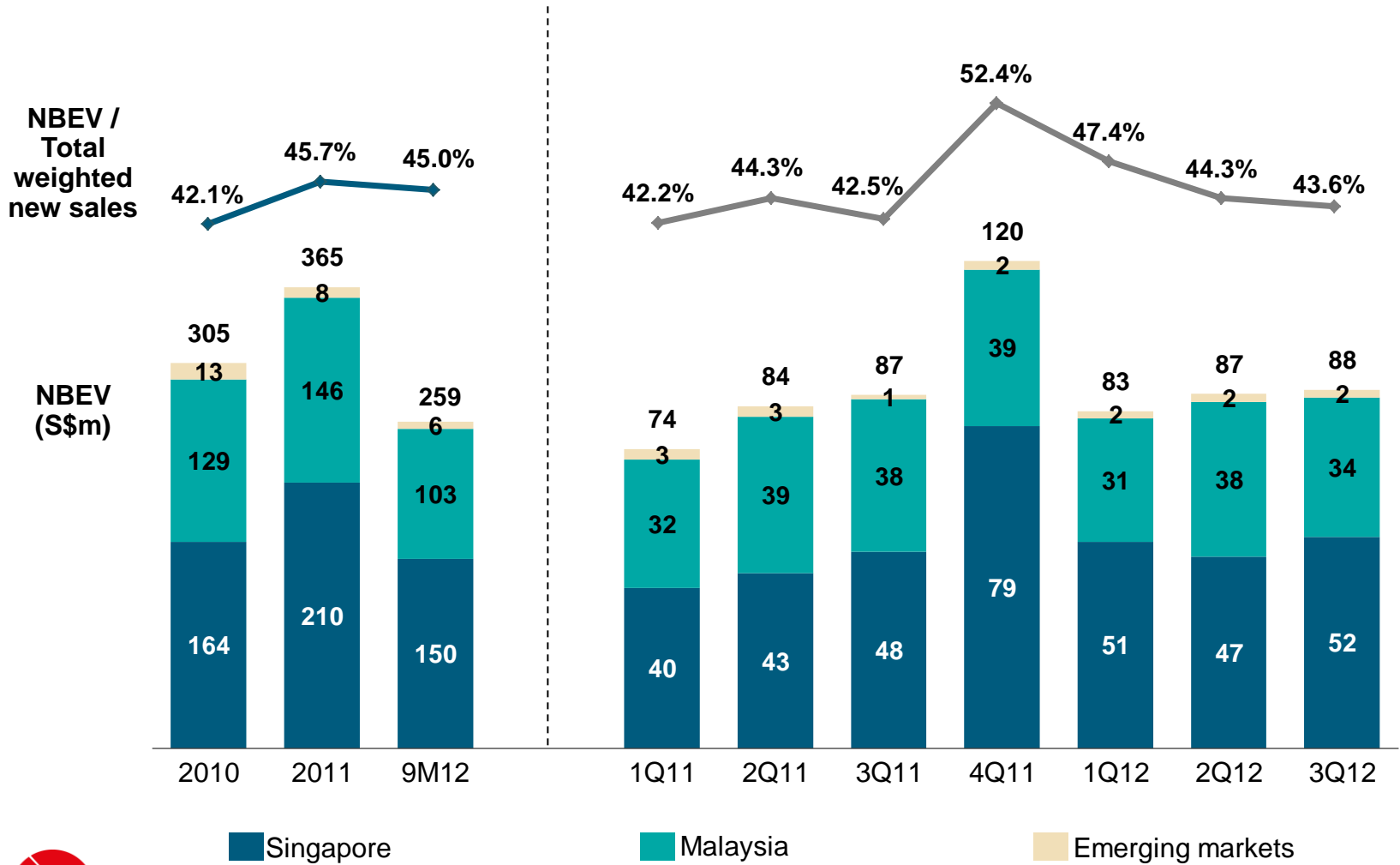
GEH: 9M12 core net profit up 77% YoY; accounting for 20% of Group core net profit

GEH Contribution	9M12 S\$m	9M11 S\$m	YoY +/(-)%
Total income	764	529	44
Operating expenses	(146)	(141)	4
Operating profit	618	388	59
Amortisation of intangibles	(35)	(35)	-
Allowances	(1)	(1)	(26)
Associates & JVs	0	(4)	107
Tax & non-controlling interests	(145)	(101)	44
Core net profit contribution	437	248	77
Divestment gain, net of tax	341 ^{1/}	-	-
Net profit contribution	778	248	214

GEH: Underlying insurance business remained healthy; total weighted new sales stable YoY



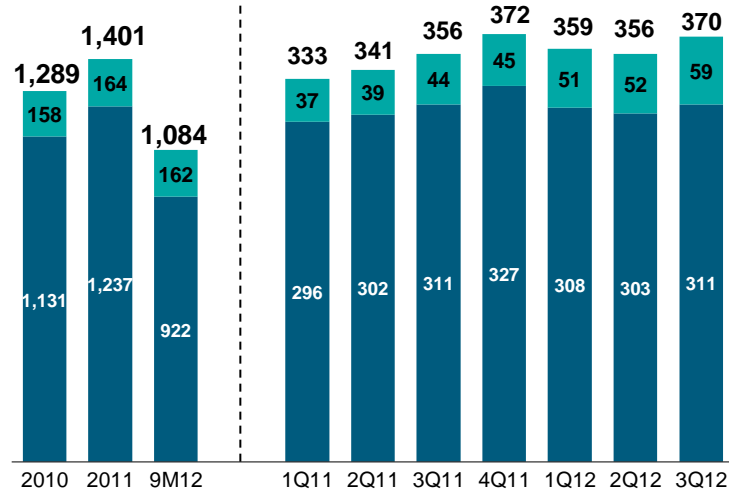
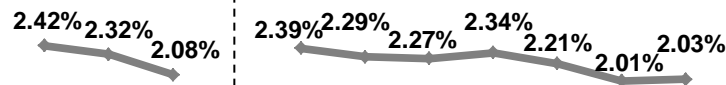
GEH: 3Q12 new business embedded value up 1% YoY; and grew 6% YoY in 9M12



OCBC Malaysia: Total net interest income and Islamic financing income up 4% YoY; non-interest income up 41% YoY

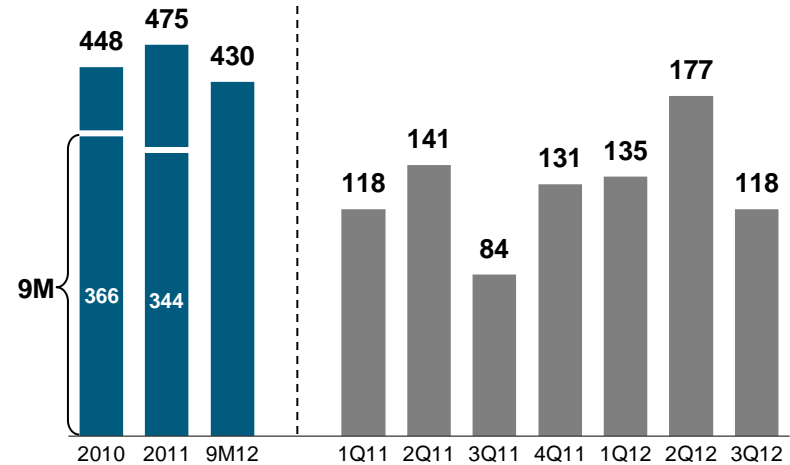
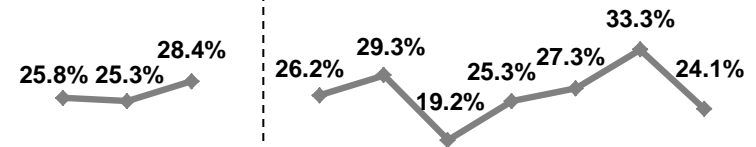
Net interest income and Islamic financing Income (RM m)

Net Interest/financing margin



Non-interest income (RM m)

Non-int. income/Total income



Net interest income Islamic financing income

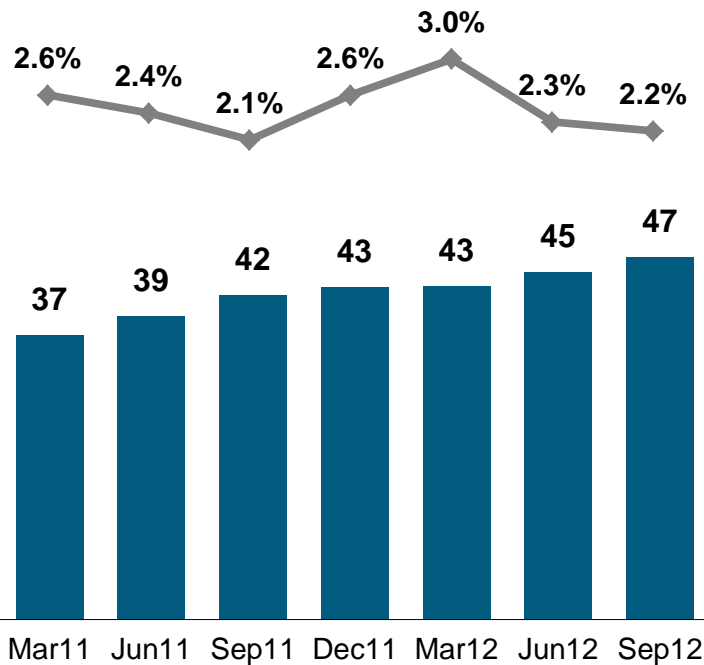


Note: Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards

OCBC Malaysia: Loans grew 12% YoY and 5% QoQ; NPL ratio further improved

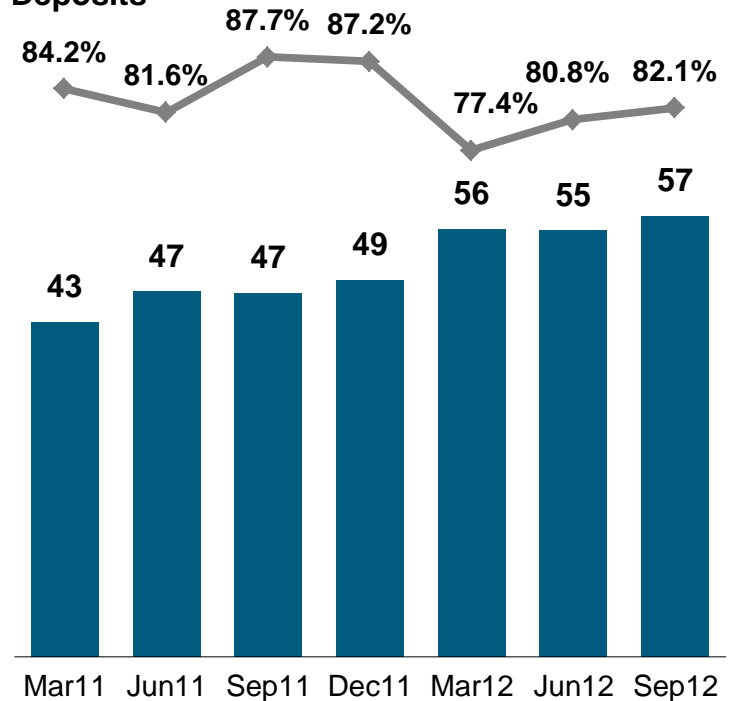
Gross Loans (RM b)

NPL Ratio



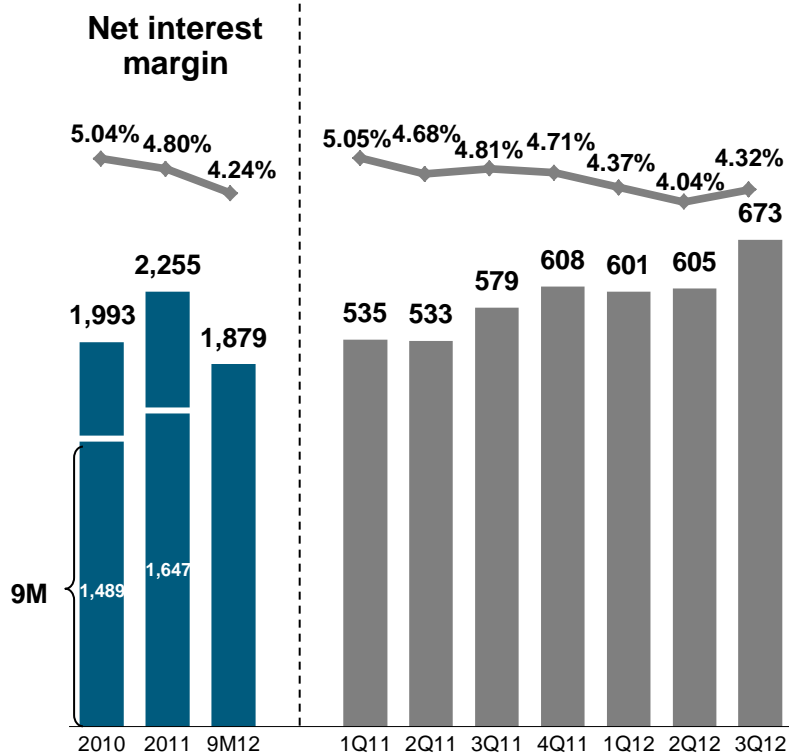
Deposits (RM b)

Loans / Deposits

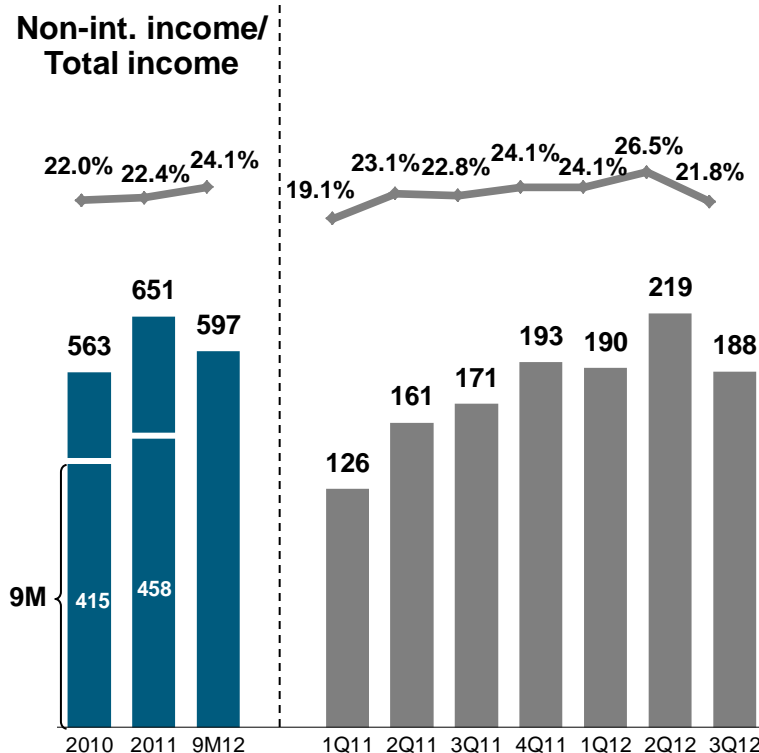


OCBC NISP: Net interest income up 16% YoY; non-interest income up 10% YoY

Net interest income (Rp b)

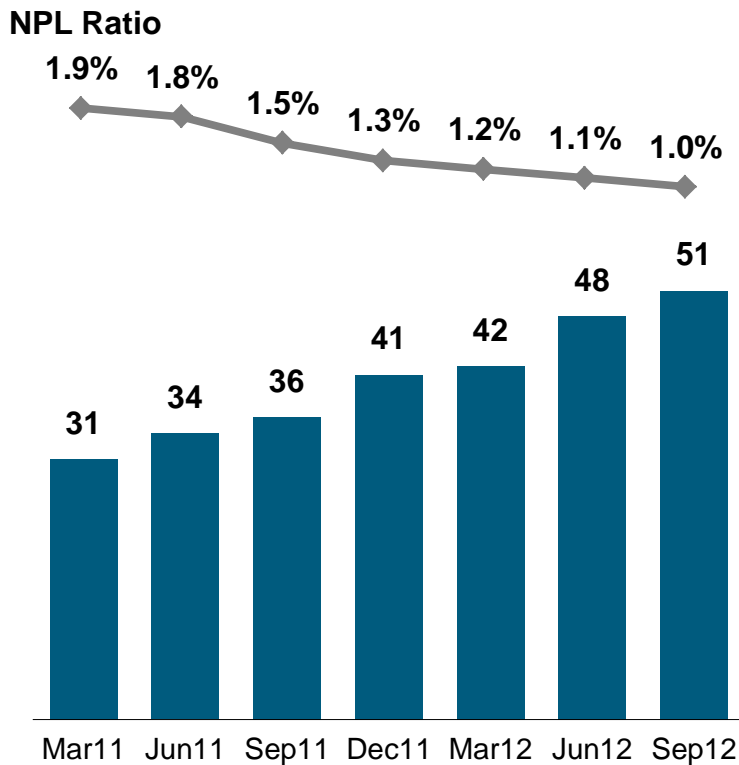


Non-interest income (Rp b)

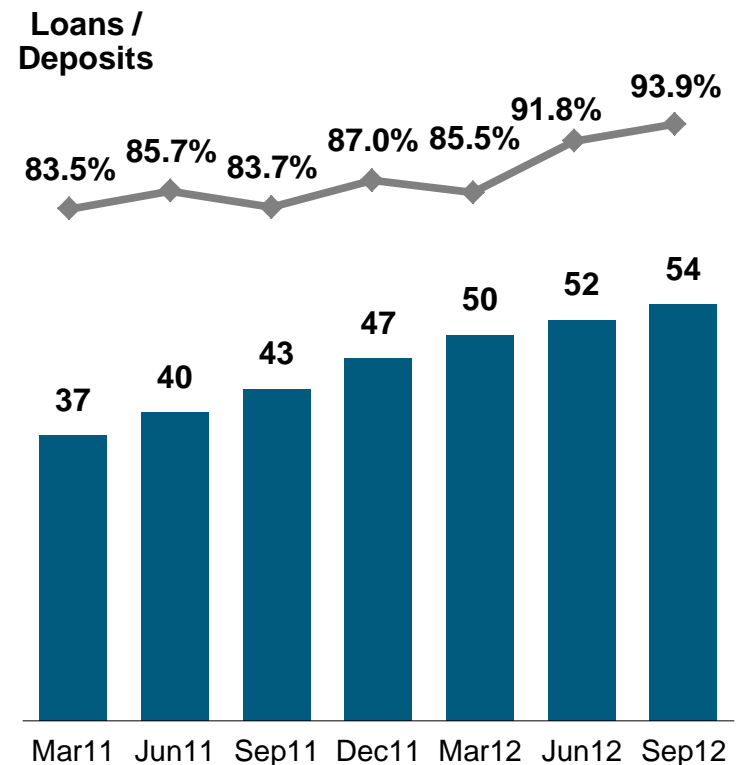


OCBC NISP: Loans grew 40% YoY and 6% QoQ; NPL ratio lower at 1.0%

Gross Loans (Rp t)



Deposits (Rp t)



CASA Ratio

60.1% 61.1% 62.7% 60.0% 58.3% 57.3% 50.5%

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Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

OCBC Malaysia: 3Q12 net profit up 13% YoY

OCBC Malaysia	3Q12 RM m	3Q11 RM m	YoY +/(-)%	2Q12 RM m	QoQ +/(-)%
Net interest income	311	311	-	303	2
Islamic Financing Income	59	44	34	52	13
Non-interest income	118	84	41	177	(34)
Total income	488	439	11	533	(9)
Operating expenses	(222)	(198)	12	(202)	10
Operating profit	265	241	10	331	(20)
Allowances	(25)	(29)	(15)	(34)	(25)
Tax	(61)	(53)	15	(74)	(18)
Net profit	179	159	13	223	(20)

Key ratios (%)

Costs / Income	45.6	45.1		37.9
ROE	14.3	13.1		17.8

OCBC Malaysia: 9M12 net profit up 12% YoY

OCBC Malaysia	9M12 RM m	9M11 RM m	YoY +/(-)%
Net interest income	922	910	1
Islamic Financing Income	162	120	35
Non-interest income	430	344	25
Total income	1,514	1,373	10
Operating expenses	(616)	(545)	13
Operating profit	898	828	8
Allowances	(62)	(87)	(28)
Tax	(210)	(182)	15
Net profit	625	559	12

Key ratios (%)

Costs / Income	40.7	39.7
ROE	16.8	16.2

OCBC NISP: 3Q12 net profit up 19% YoY

OCBC NISP	3Q12 RP b	3Q11 RP b	YoY +/(-)%	2Q12 RP b	QoQ +/(-)%
Net interest income	673	579	16	605	11
Non-interest income	188	171	10	219	(14)
Total income	861	750	15	824	4
Operating expenses	(484)	(432)	12	(487)	(1)
Operating profit	377	318	19	337	12
Allowances	(44)	(37)	19	(61)	(28)
Non Op Income / (Expenses)	0	2	(65)	(1)	170
Tax	(84)	(73)	15	(69)	22
Net profit	249	210	19	206	21

Key ratios (%)


Costs / Income	56.2	57.6		59.1
ROE	12.2	14.3		11.7

OCBC NISP: 9M12 net profit up 26% YoY

OCBC NISP	9M12 RP b	9M11 RP b	YoY +/(-)%
Net interest income	1,879	1,647	14
Non-interest income	597	458	30
Total income	2,476	2,105	18
Operating expenses	(1,442)	(1,276)	13
Operating profit	1,034	829	25
Allowances	(164)	(147)	12
Non Op Income / (Expenses)	6	15	(57)
Tax	(220)	(175)	26
Net profit	656	522	26

Key ratios (%)

Costs / Income	58.2	60.6
ROE	12.1	12.1



Third Quarter 2012 Results

Thank You