

2012 Final Results Presentation

15 February 2013

Agenda

Results Overview

FY12 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

FY12 Highlights

2012 reported net profit up 73% to S\$3.99b. Broad-based income growth across all businesses and key geographies contributed to record core earnings

- Record high net interest income, driven by loan growth which more than offset a narrowing in net interest margin
- Fee income reached a new high, led by strong growth of wealth management and loan-related revenues
- Great Eastern Holdings' contributions increased significantly
- Trading income reported higher year-on-year growth
- Operating expenses were well-managed, growing in line with increased business volumes
- Asset quality remained healthy, NPL ratio at 0.8%
- Current and savings deposits grew strongly, CASA/total deposits ratio increased to 50.6%
- Capital position further strengthened, Tier 1 and total CAR at 16.6% and 18.5% respectively
- Dividend increased to 33 cents per share

Full year core earnings driven by broad-based income growth, up 24% YoY

OCBC Group	FY12 S\$m	FY11 S\$m	YoY +/(-)%
Net interest income	3,748	3,410	10
Non-interest income	2,897	2,212	31
Total income	6,645	5,622	18
Operating expenses	(2,695)	(2,430)	11
Operating profit	3,950	3,192	24
Amortisation of intangibles	(60)	(61)	(2)
Allowances	(271)	(221)	23
Associates & JVs	27	7	271
Tax & NCI	(820)	(637)	29
Core net profit	2,825	2,280	24
Divestment gain, net of tax	1,168 ^{1/}	32 ^{2/}	nm
Net profit	3,993	2,312	73



1/ Gain from divestment of the Group's shareholdings in Fraser and Neave, Limited ("F&N") and Asia Pacific Breweries Limited ("APB") and divestment of property at Bourke Street, Melbourne, Australia
 2/ Gain from divestment of property at Bassein Road, Singapore

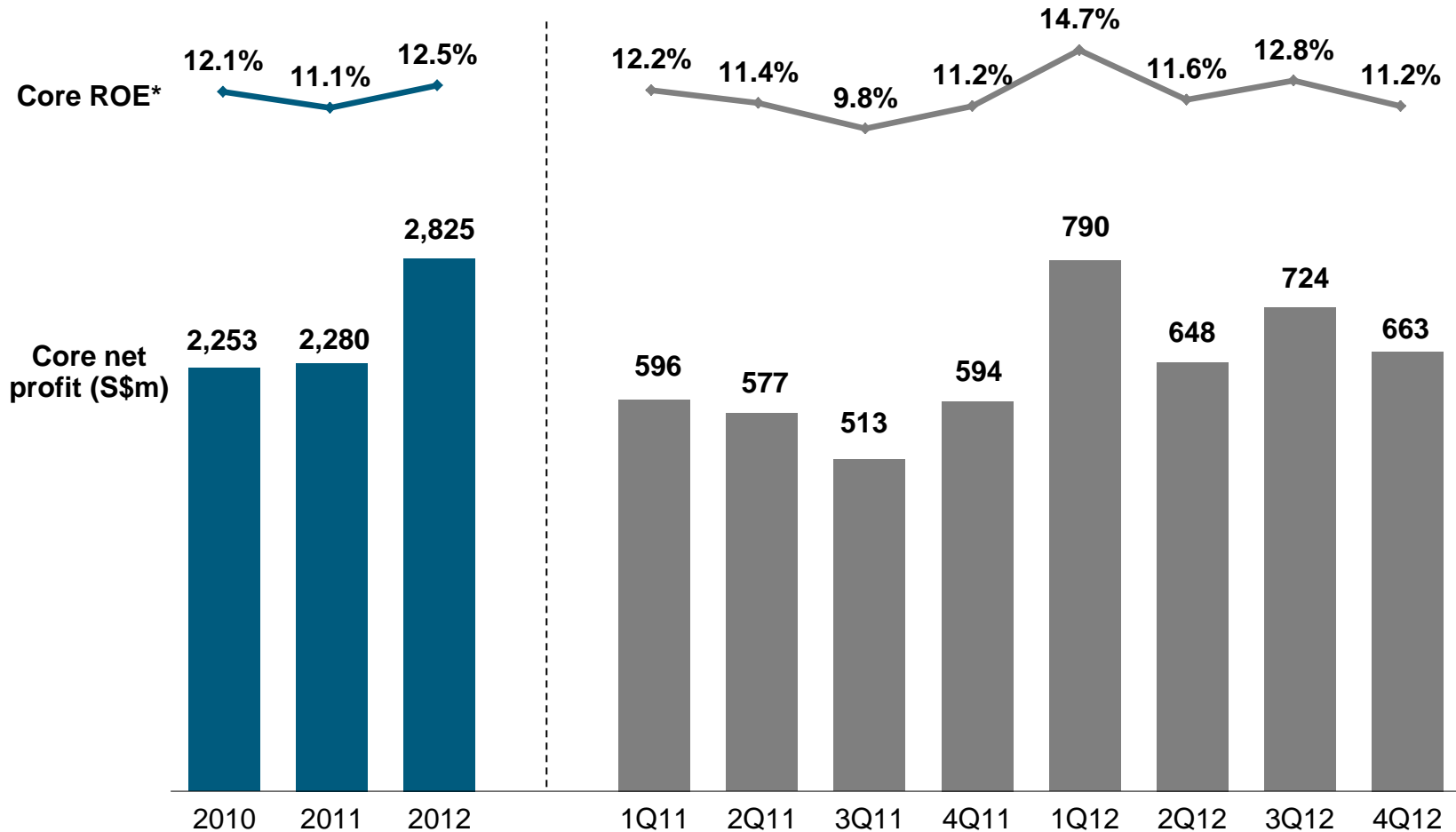
4Q12 core net profit up 12% YoY and 8% lower QoQ

OCBC Group	4Q12 S\$m	4Q11 S\$m	YoY +/(-)%	3Q12 S\$m	QoQ +/(-)%
Net interest income	921	925	-	944	(2)
Non-interest income	757	572	32	754	-
Total income	1,678	1,497	12	1,698	(1)
Operating expenses	(724)	(620)	17	(685)	6
Operating profit	954	877	9	1,013	(6)
Amortisation of intangibles	(15)	(16)	(3)	(15)	-
Allowances	(68)	(78)	(14)	(70)	(3)
Associates & JVs	5	(26)	116	4	7
Tax & non-controlling interests ("NCI")	(213)	(163)	30	(208)	2
Core net profit	663	594	12	724	(8)
Divestment gain, net of tax	-	-	-	1,126 ^{1/}	(100)
Net profit	663	594	12	1,850	(64)

Key ratios

Based on core earnings	FY12 %	FY11 %	4Q12 %	4Q11 %	3Q12 %
Net interest margin	1.77	1.86	1.70	1.85	1.75
Non-interest income / Total income	43.6	39.3	45.1	38.2	44.4
Cost / Income	40.6	43.2	43.1	41.4	40.3
Loans / Deposits	86.2	86.4	86.2	86.4	87.7
NPL Ratio	0.8	0.9	0.8	0.9	0.8
Allowances / NPAs	141.8	106.6	141.8	106.6	128.1
ROE	12.5	11.1	11.2	11.2	12.8
Cash ROE	12.8	11.4	11.5	11.5	13.0

Record full year net profit, with ROE of 12.5%

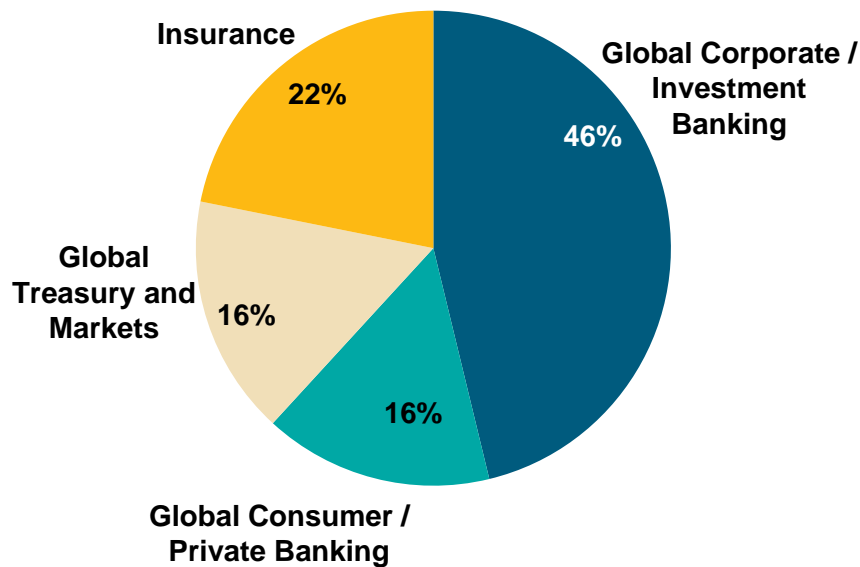


OCBC Bank

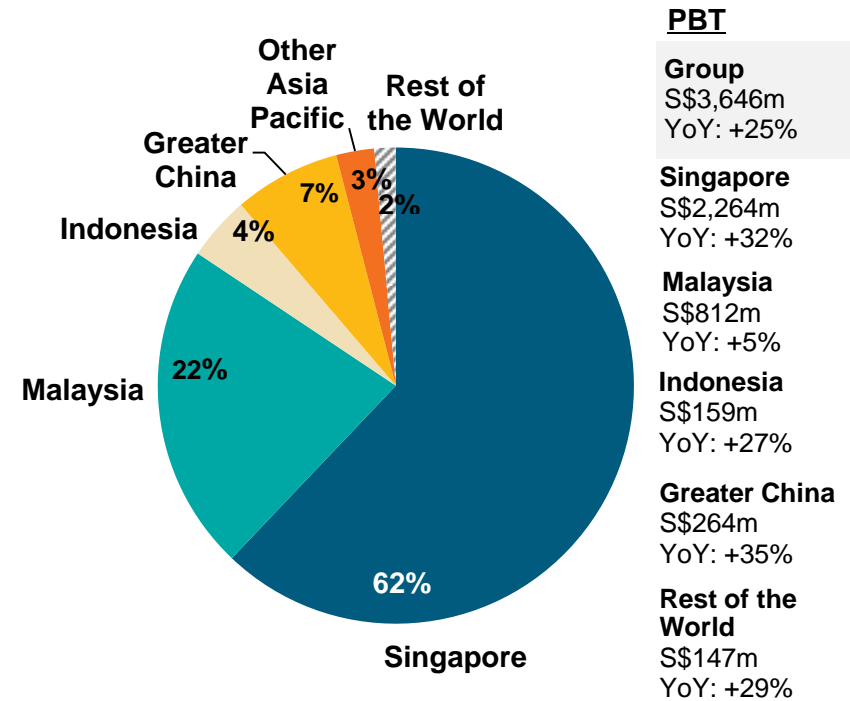
* Quarterly figures annualised

Profit contribution by business and geography

**FY12 PBT
by Business***



**FY12 PBT
by Geography**



PBT	
Group	S\$3,646m YoY: +25%
Singapore	S\$2,264m YoY: +32%
Malaysia	S\$812m YoY: +5%
Indonesia	S\$159m YoY: +27%
Greater China	S\$264m YoY: +35%
Rest of the World	S\$147m YoY: +29%

* 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

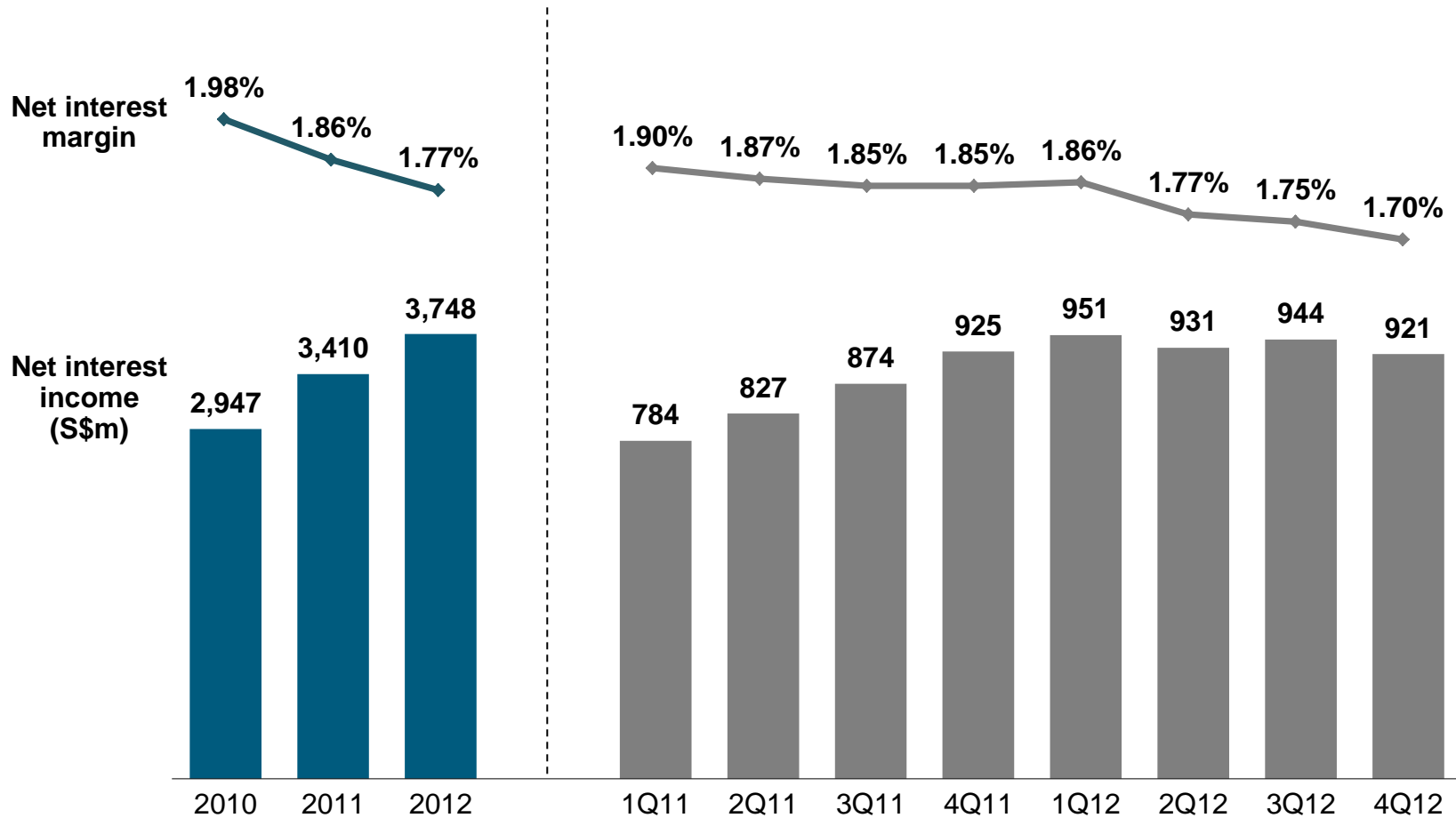
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Results Overview

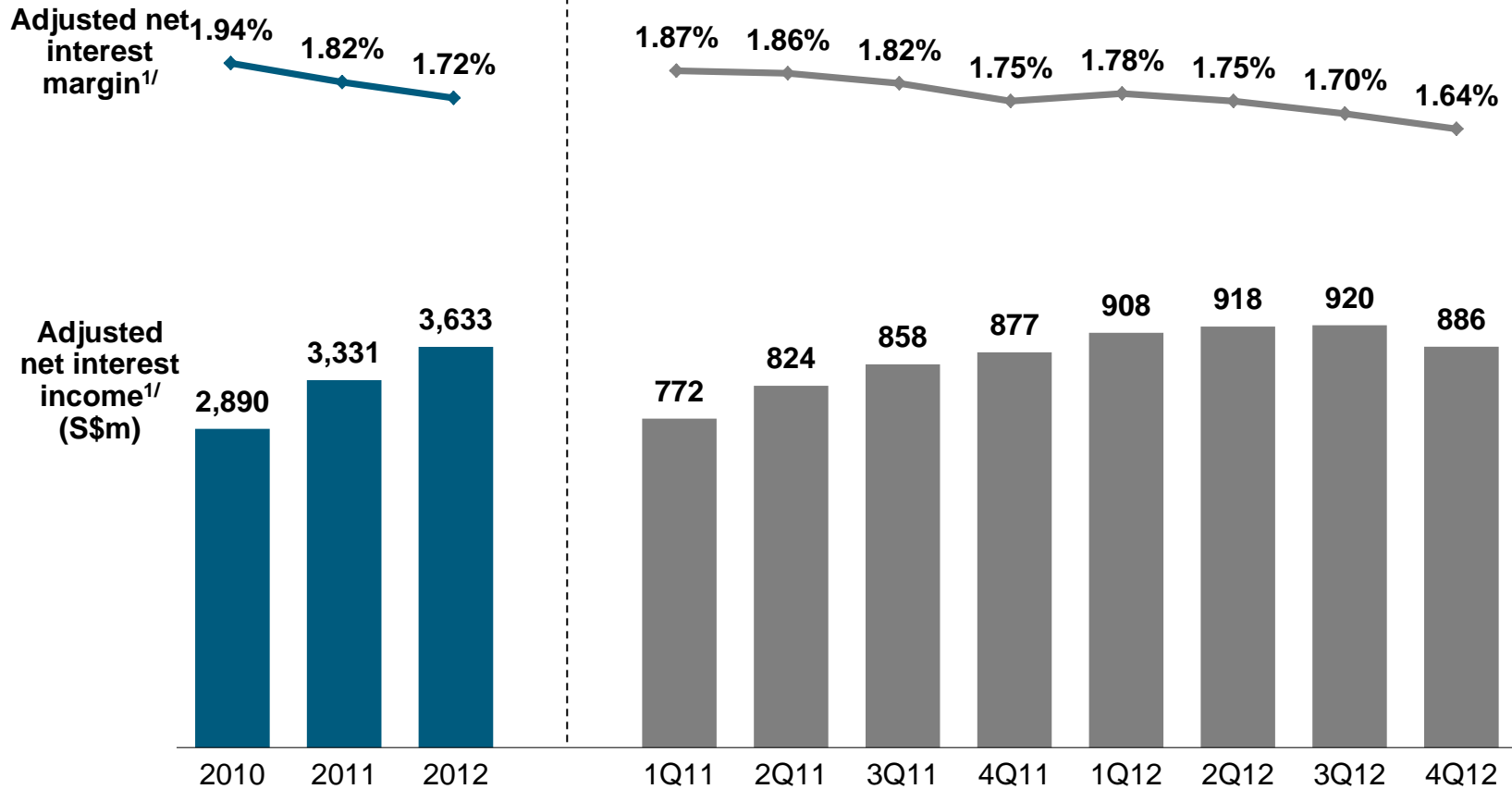
FY12 Performance Trends

Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

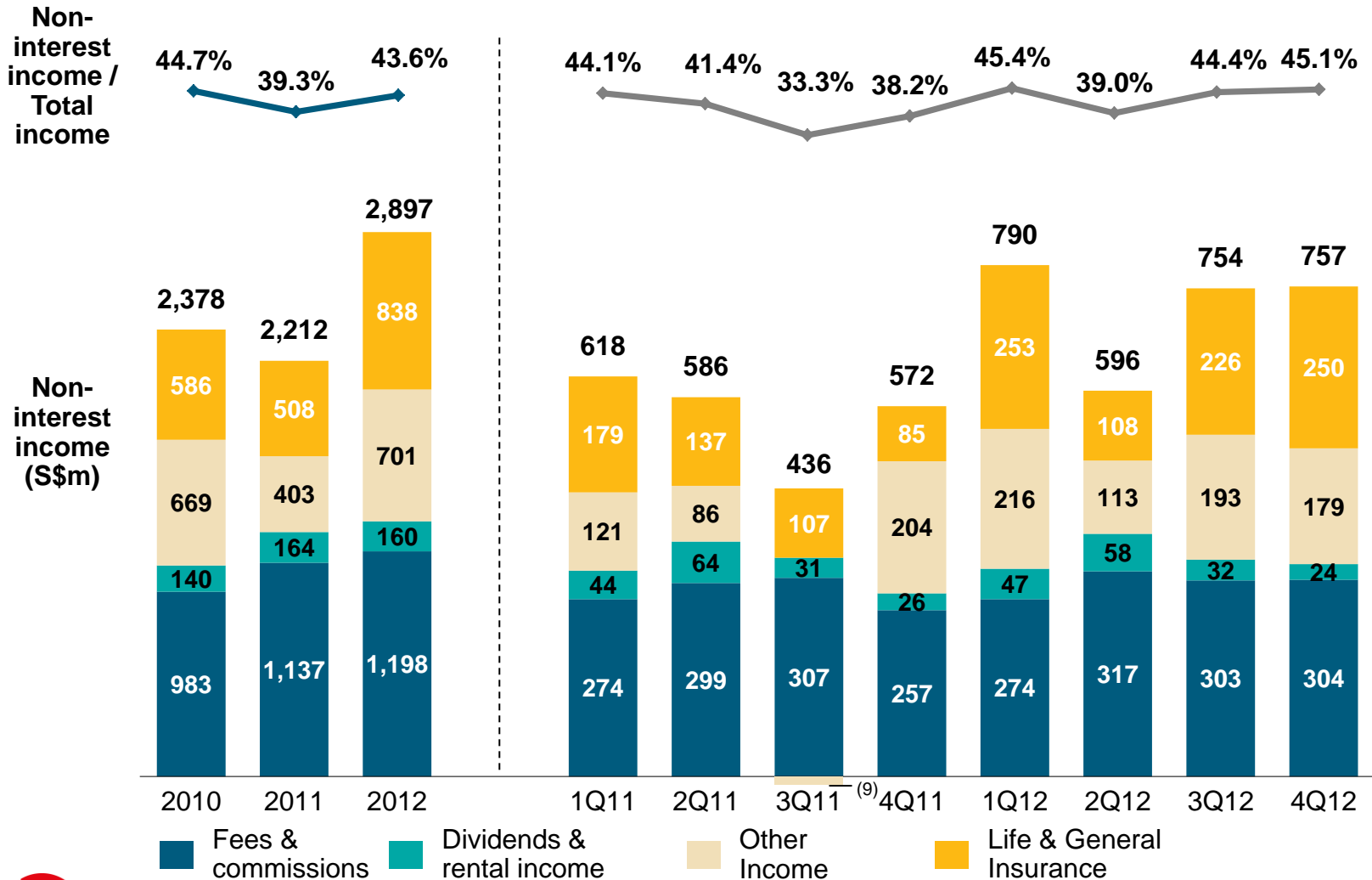
Net interest income up 10% for the year driven by asset growth, moderated by narrower margins



Net interest income less specific allowances up 9% YoY

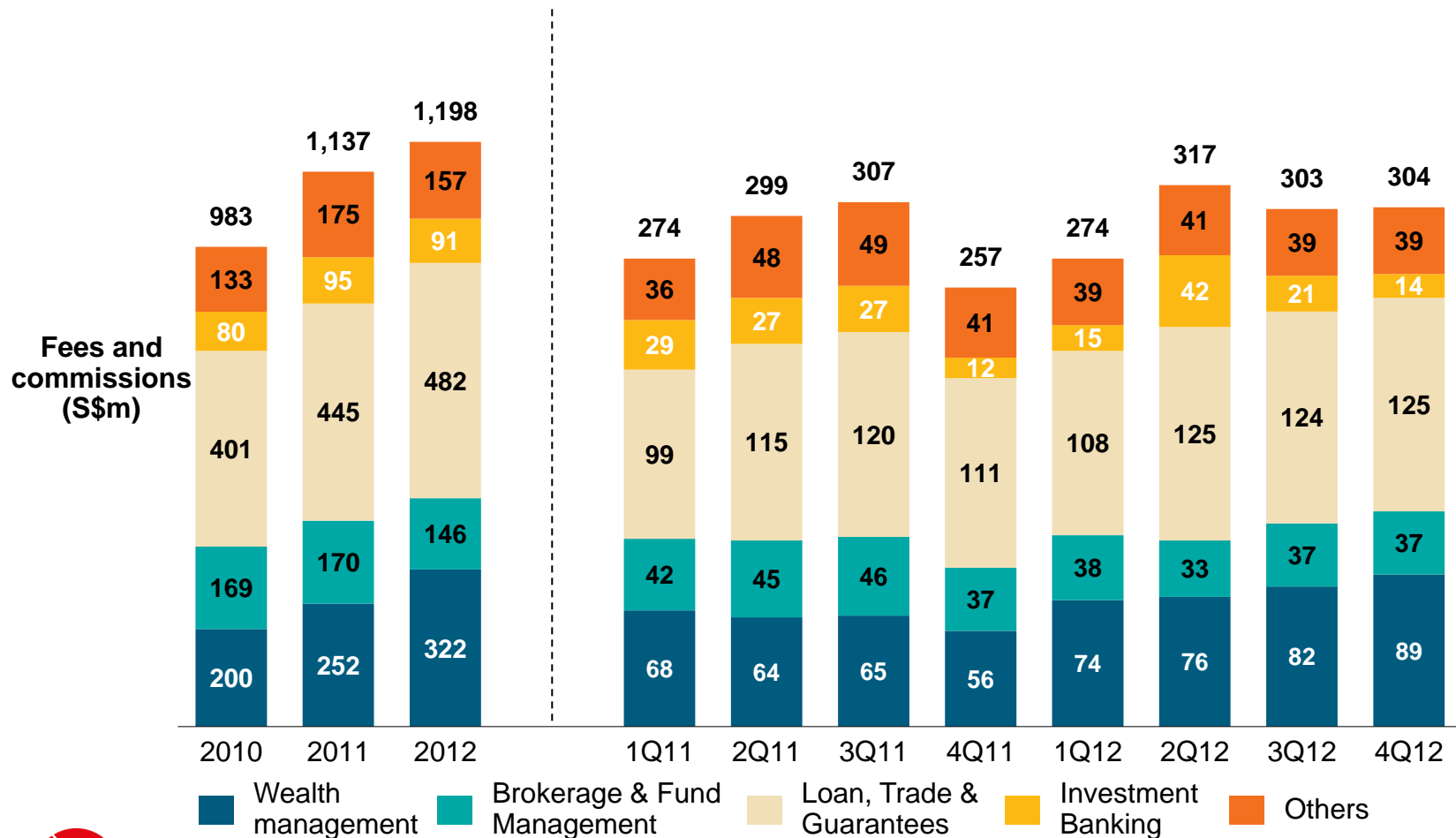


Non-interest income up 31% YoY; driven by growth across all key components

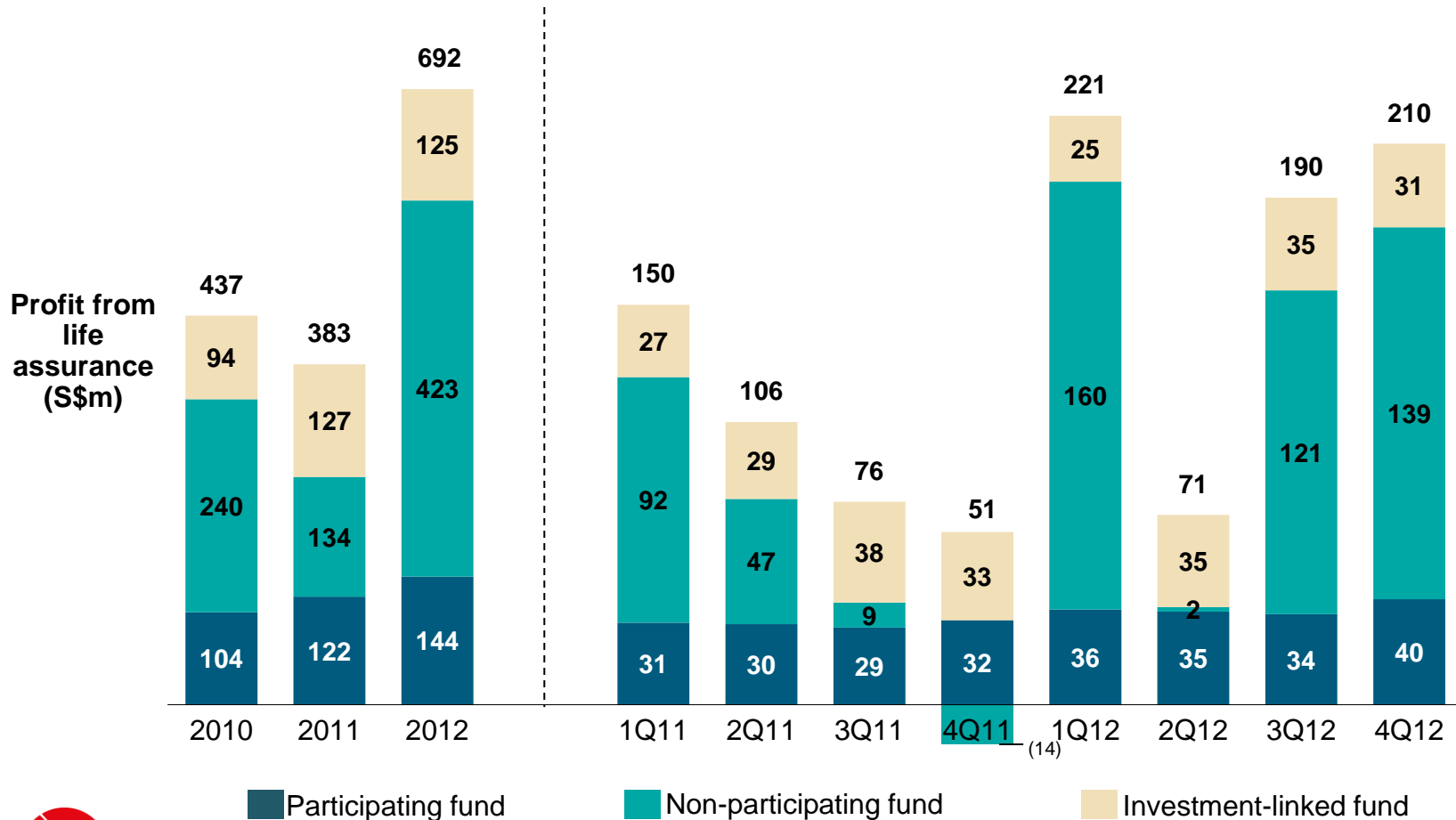


Note: Excludes gains from divestment of non-core assets

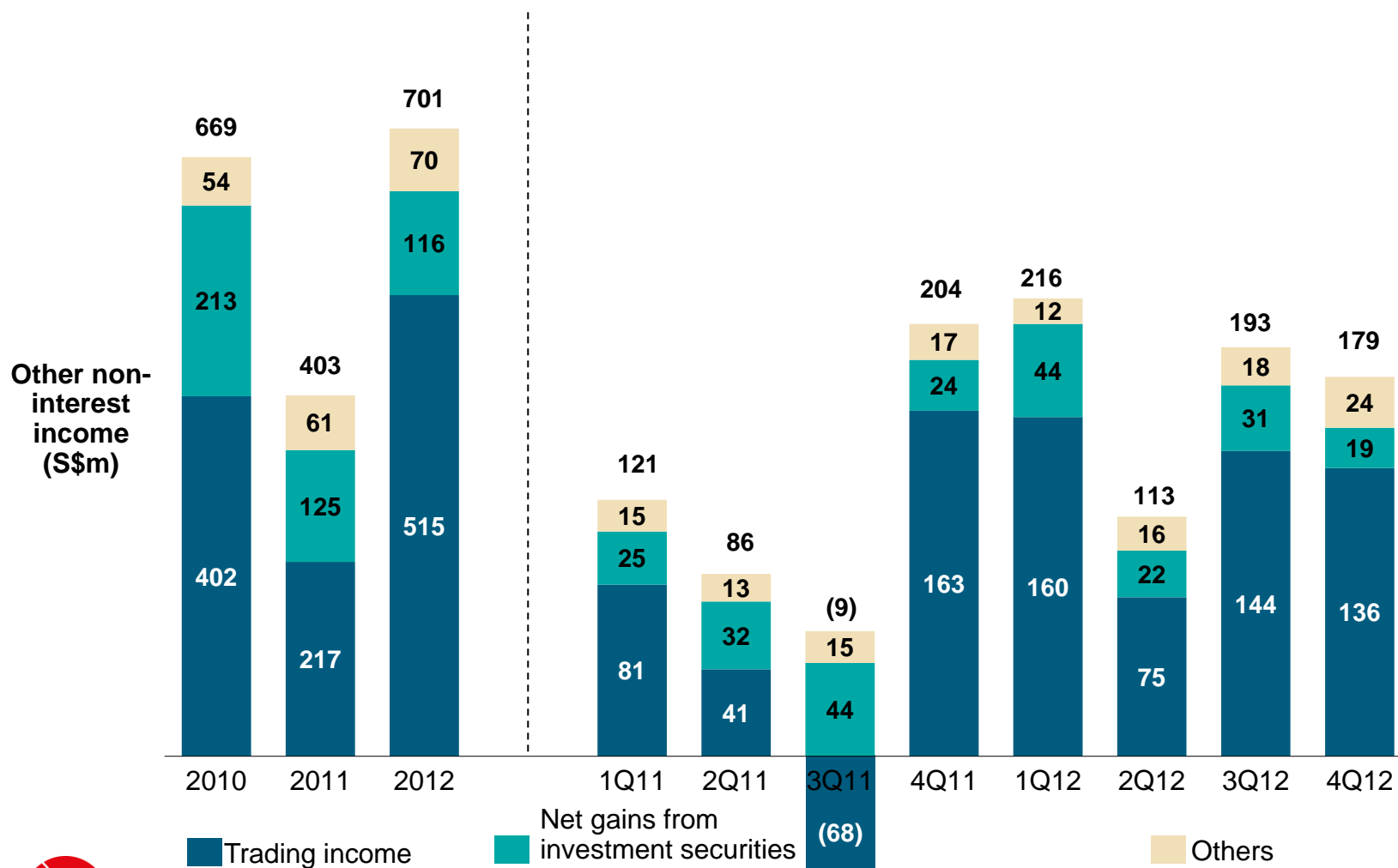
Fee income up 5% YoY to a new record; sustained growth momentum from wealth management fees and higher loan-related income



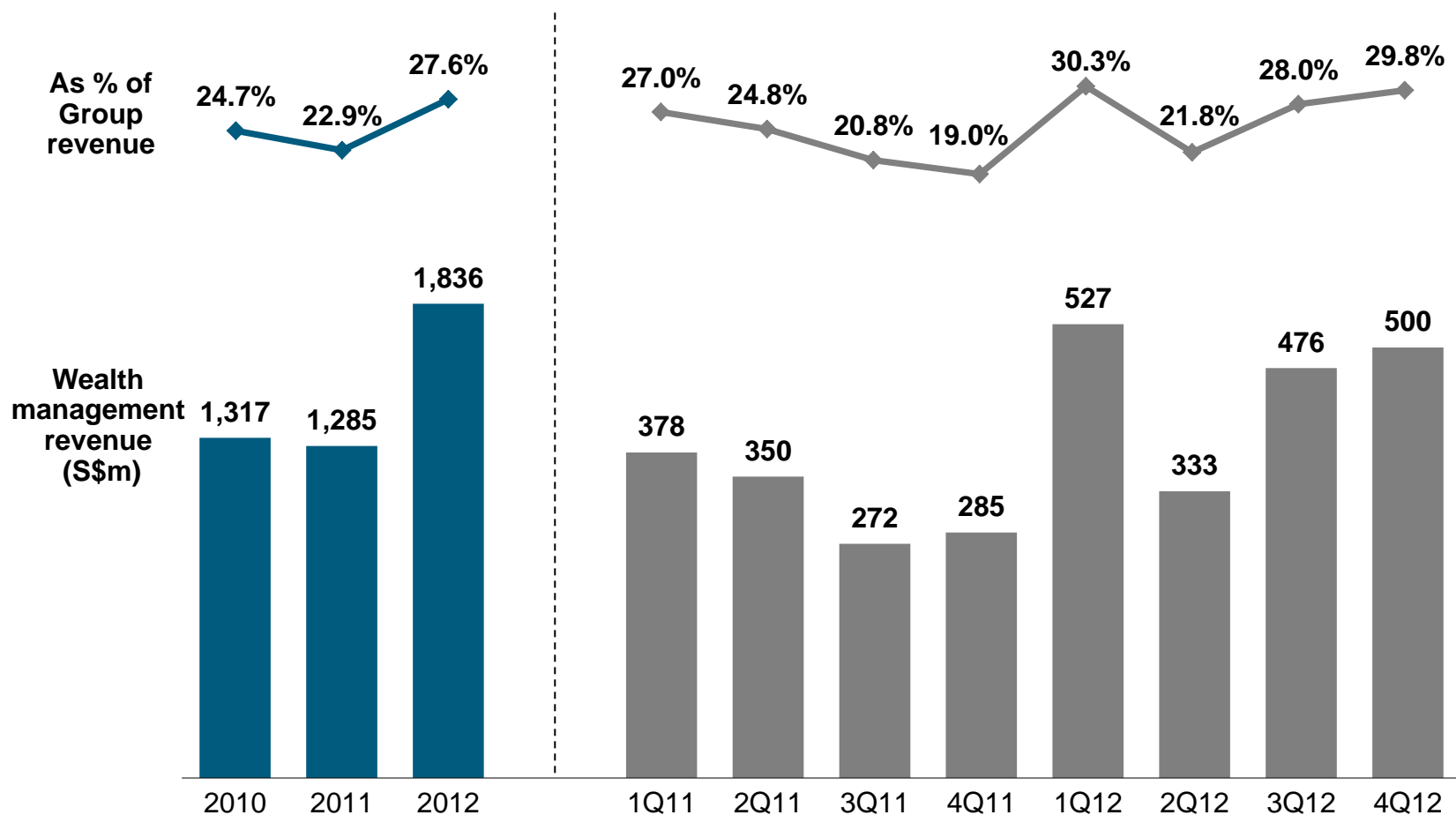
Profit from life assurance rose 81%, as a result of continued underwriting growth and strong investment performance



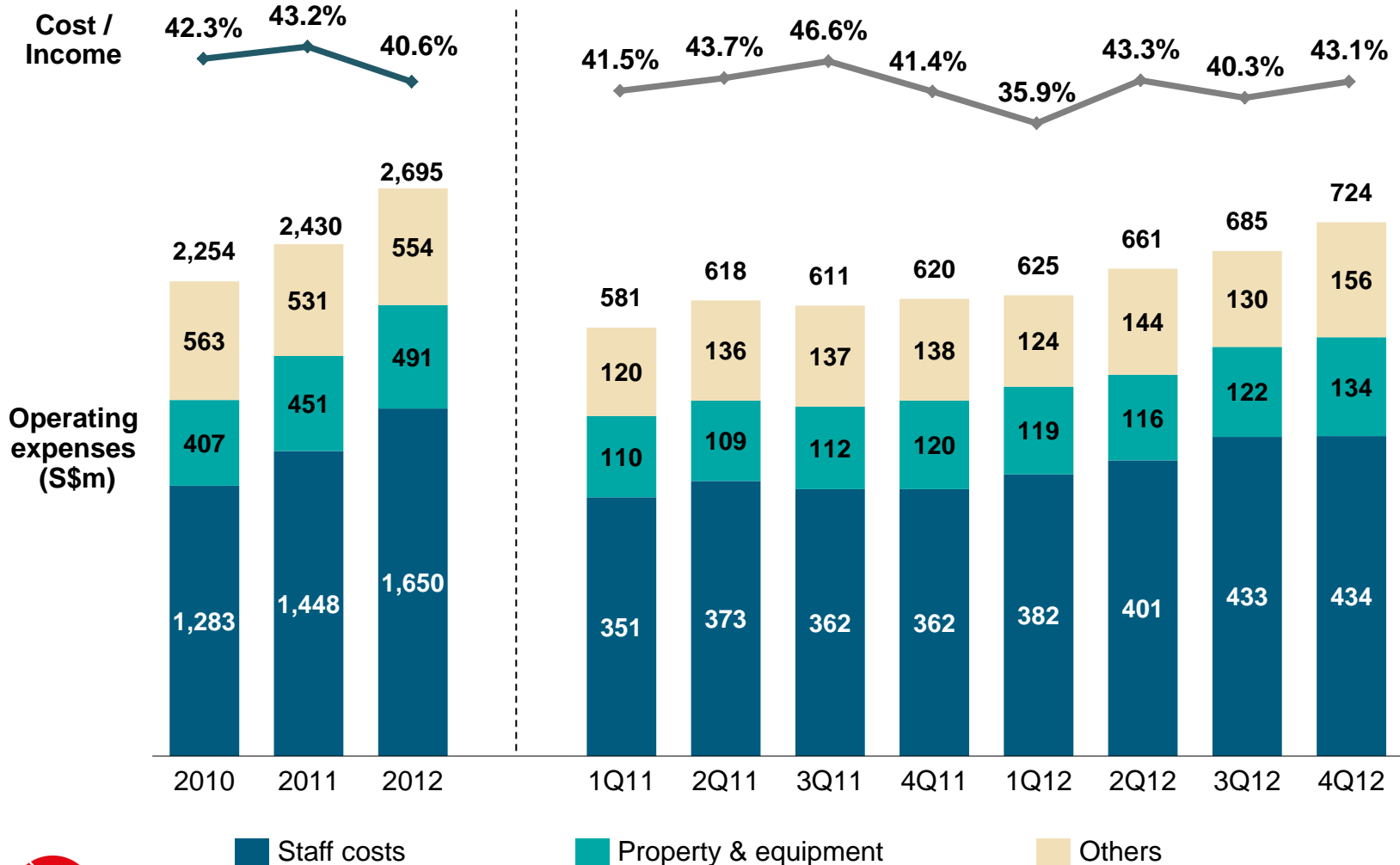
Other non-interest income rose 74% YoY; led by higher trading income



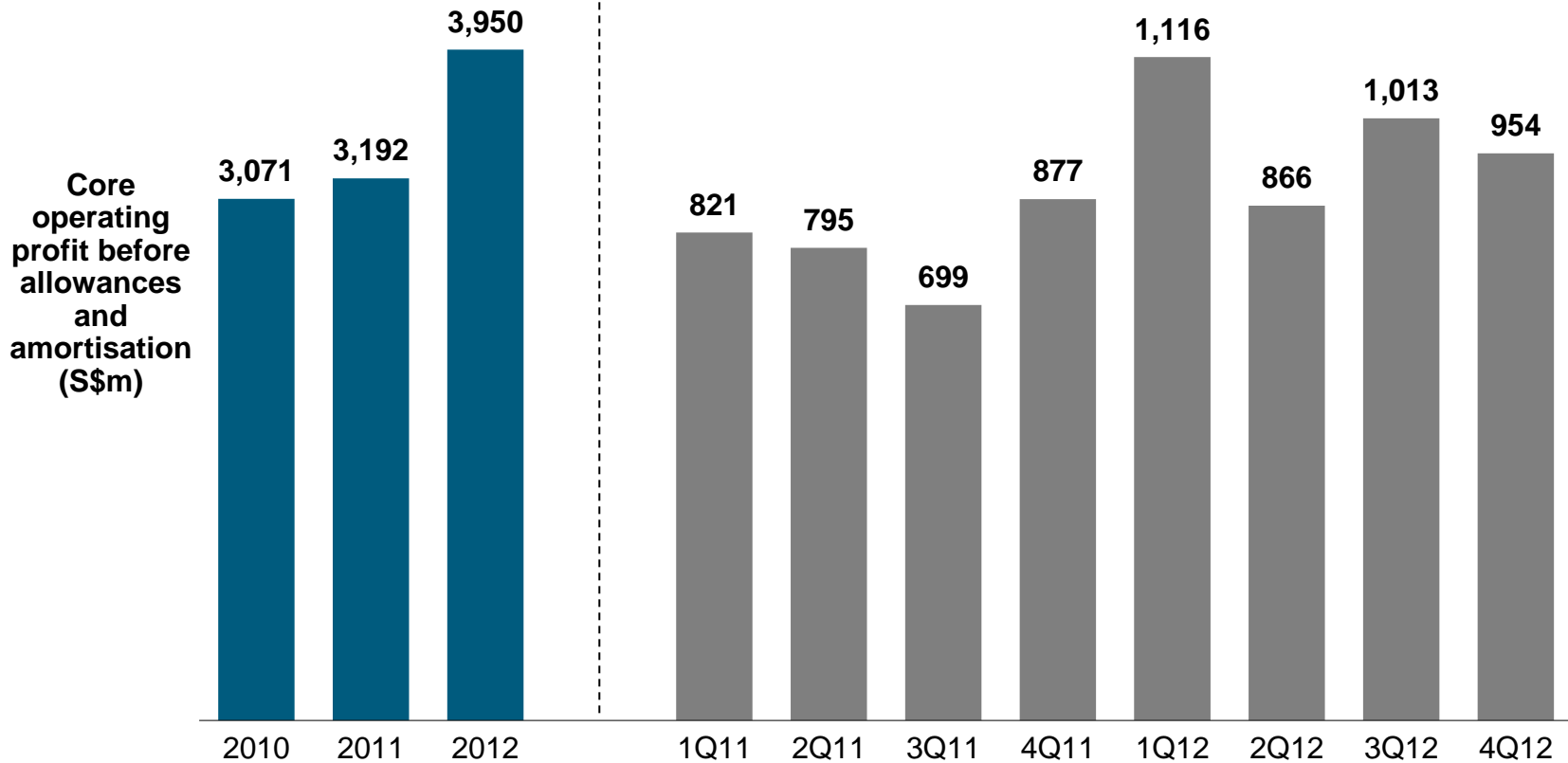
Wealth management revenue up 43% YoY, contributing 28% of total group revenue



Cost remained well-controlled, cost-to-income ratio improved



Core operating profit up 24% YoY, driven by positive operating leverage as income growth outpaced expenses



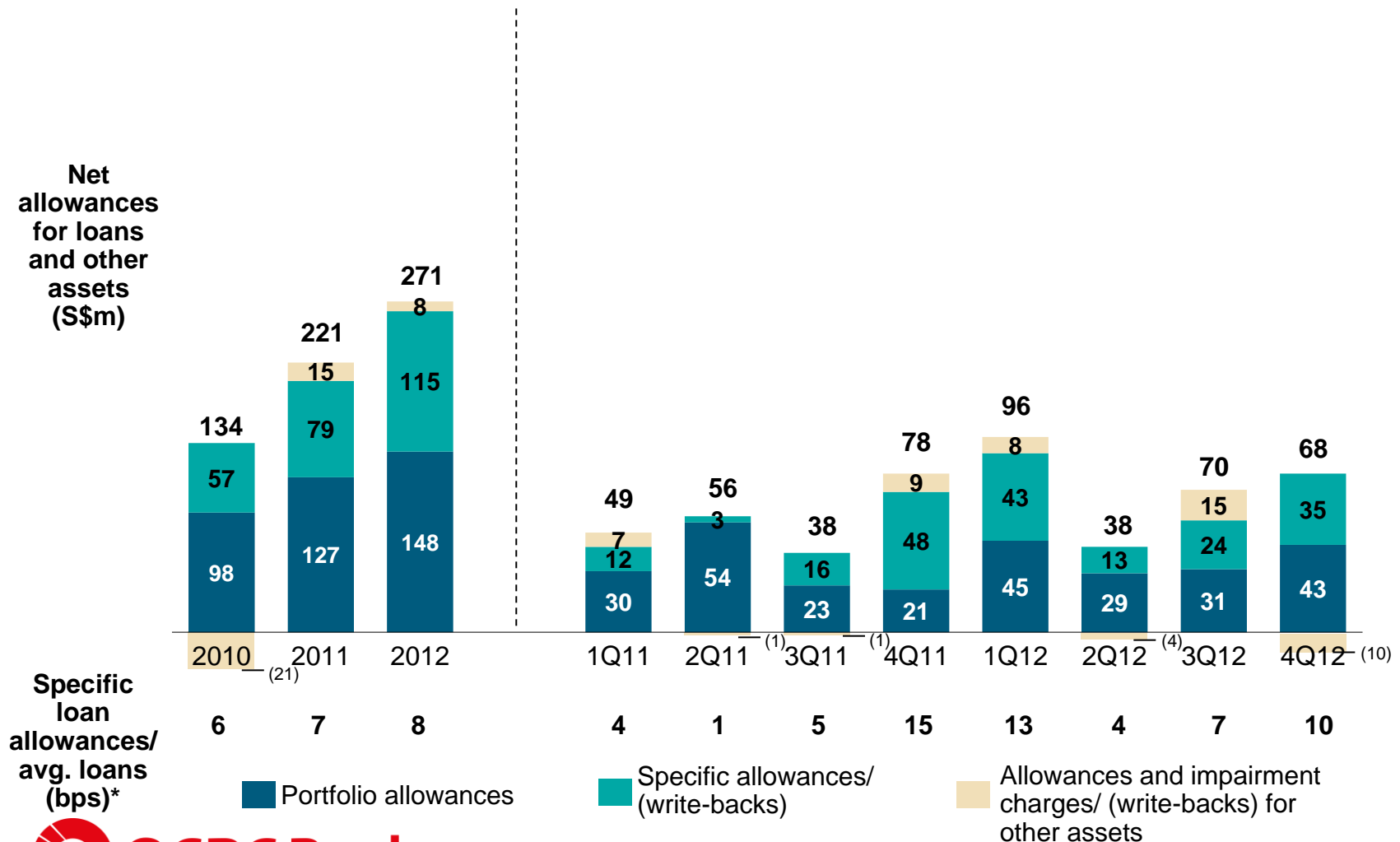
Full year core net profit before GEH contribution up 11% YoY

OCBC Group	FY12 S\$m	FY11 S\$m	YoY +/(-)%
Net interest income	3,684	3,358	10
Non-interest income	1,898	1,592	19
Total income	5,582	4,950	13
Operating expenses	(2,504)	(2,246)	12
Operating profit	3,078	2,704	14
Allowances	(271)	(218)	24
Associates & JVs	38	16	142
Amortisation, tax & NCI	(642)	(519)	24
Core net profit	2,202	1,983	11
Divestment gain, net of tax	827 ^{1/}	32 ^{2/}	nm
Net profit before GEH contribution	3,030	2,015	50
GEH net profit contribution	963	297	224
OCBC Group net profit	3,993	2,312	73

4Q12 core net profit before GEH contribution fell 12% YoY

OCBC Group	4Q12 S\$m	4Q11 S\$m	YoY +/(-)%	3Q12 S\$m	QoQ +/(-)%
Net interest income	903	911	(1)	928	(3)
Non-interest income	477	443	8	496	(4)
Total income	1,379	1,354	2	1,424	(3)
Operating expenses	(679)	(577)	18	(636)	7
Operating profit	700	777	(10)	788	(11)
Allowances	(68)	(75)	(10)	(70)	(3)
Associates & JVs	10	(22)	147	6	72
Amortisation, tax & NCI	(164)	(136)	21	(157)	4
Core net profit	478	544	(12)	567	(16)
Divestment gain, net of tax	-	-	-	786 ^{1/}	(100)
Net profit before GEH contribution	478	544	(12)	1,352	(65)
GEH net profit contribution	185	49	274	498	(63)
OCBC Group net profit	663	594	12	1,850	(64)

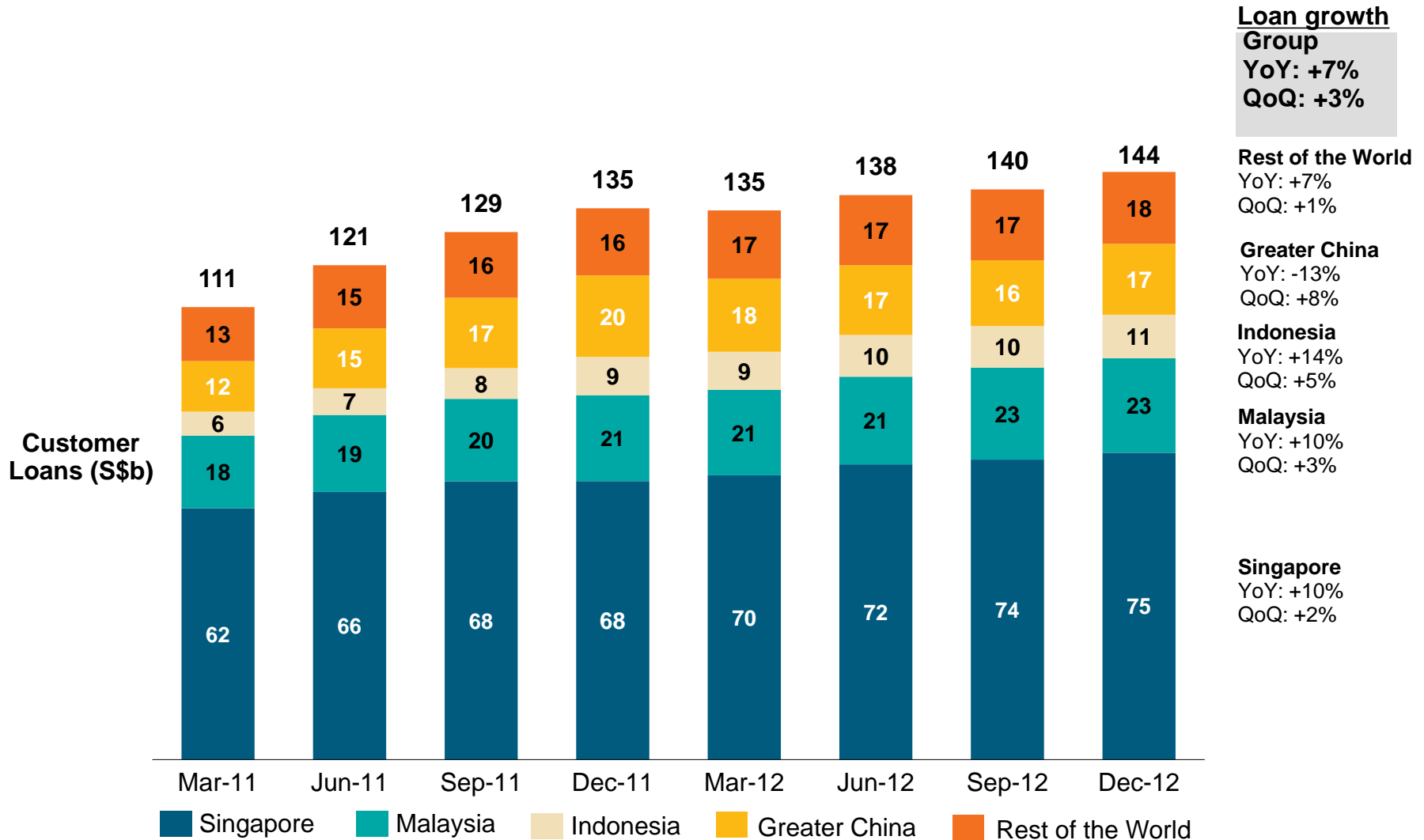
Net allowances higher YoY; credit quality remains strong



Movement in specific allowances for loans

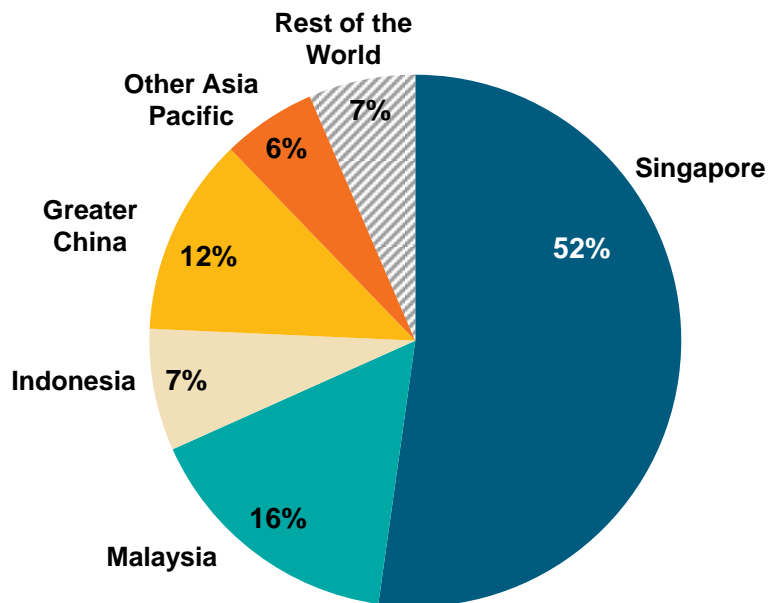
	FY12 S\$m	FY11 S\$m	4Q12 S\$m	4Q11 S\$m	3Q12 S\$m
Allowances for new and existing NPLs	273	231	71	85	57
Write-backs ^{1/}	(117)	(104)	(25)	(27)	(24)
Recoveries ^{2/}	(41)	(48)	(11)	(10)	(9)
Net specific allowances	115	79	35	48	24

Loans increased 7% YoY and 3% QoQ

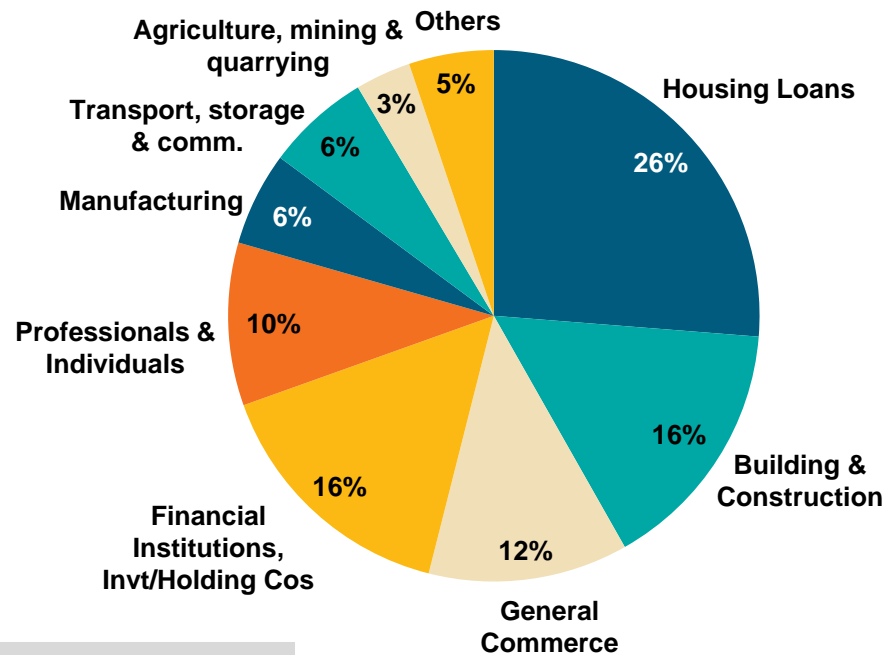


Loan book remained diversified

**Customer Loans by Geography
As of 31 December 2012**

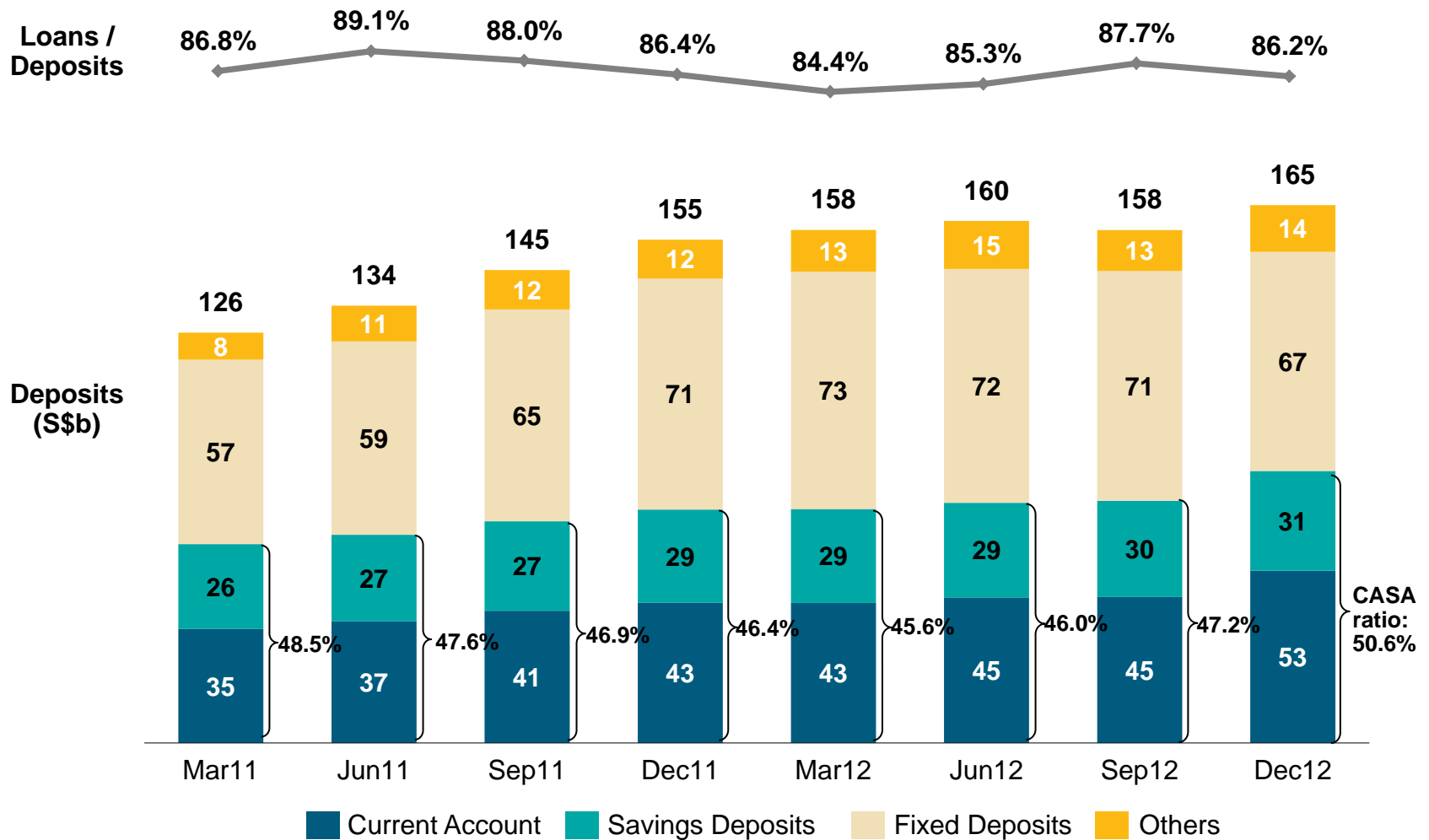


**Customer Loans by Industry
As of 31 December 2012**

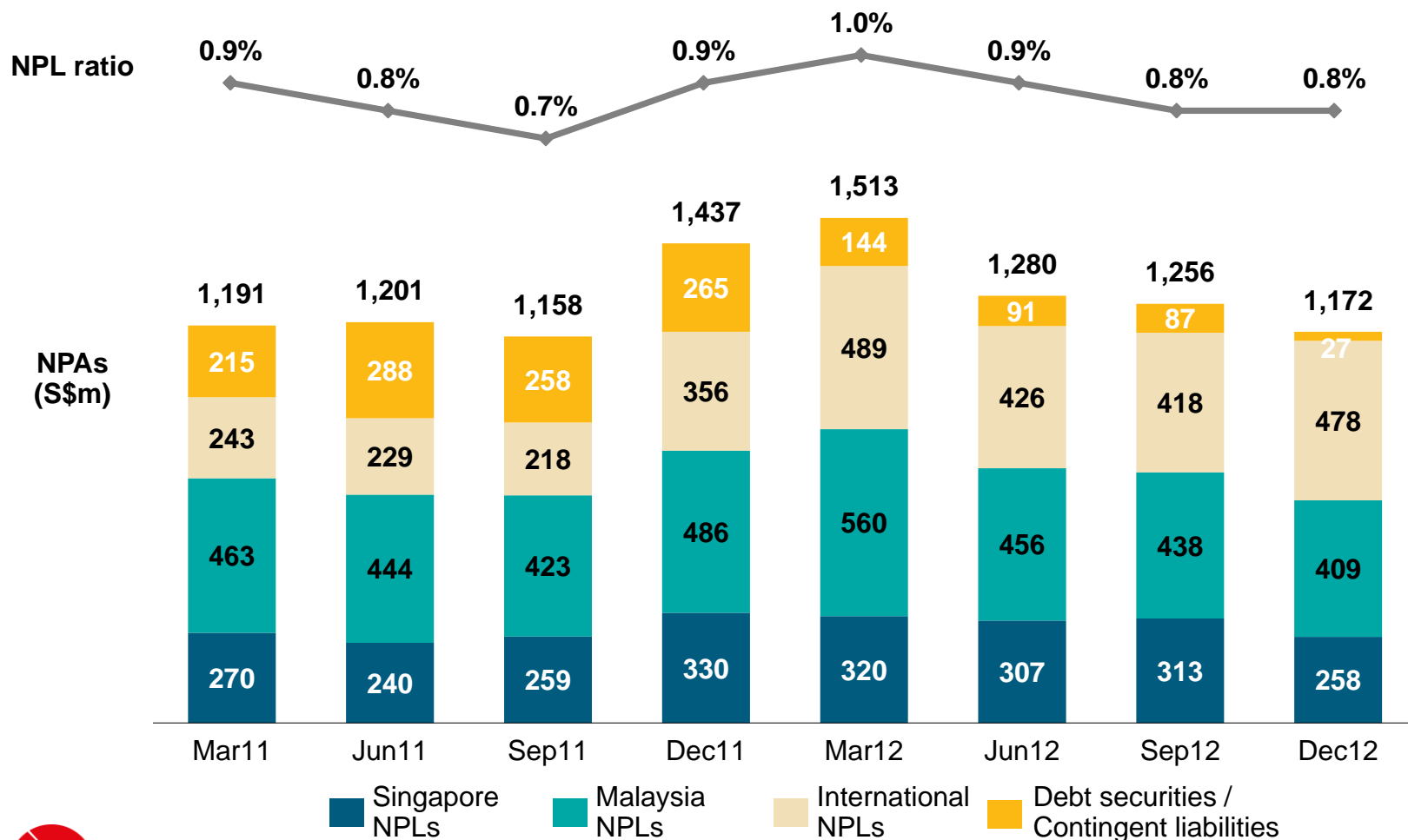


Total: S\$144b

Customer deposits grew 7% YoY, led by current and savings deposits; CASA ratio improved to 50.6%



Total NPAs fell 7% QoQ; NPL ratio remained low at 0.8%

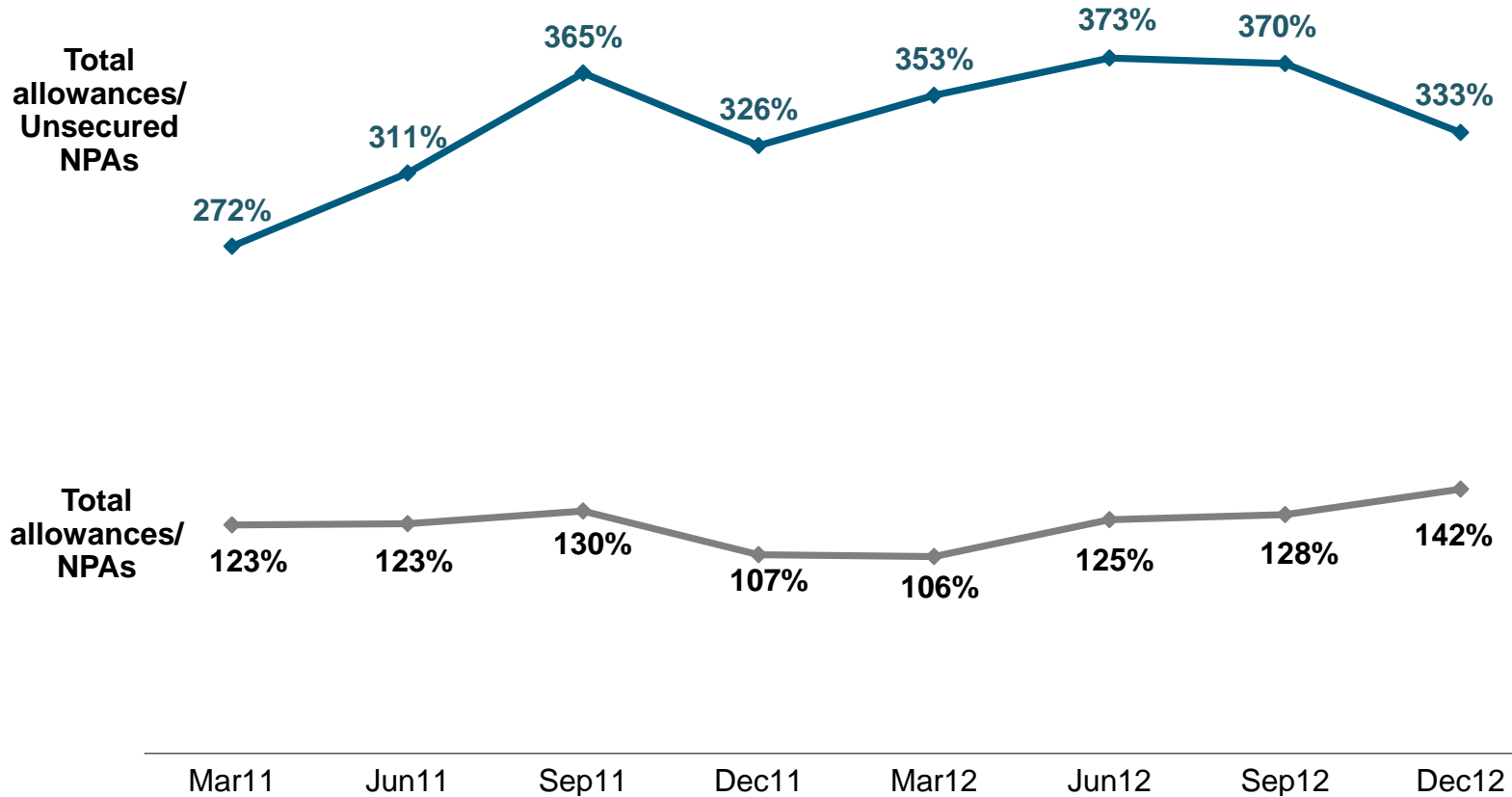


Note: NPAs comprise NPLs and classified debt securities/contingent liabilities

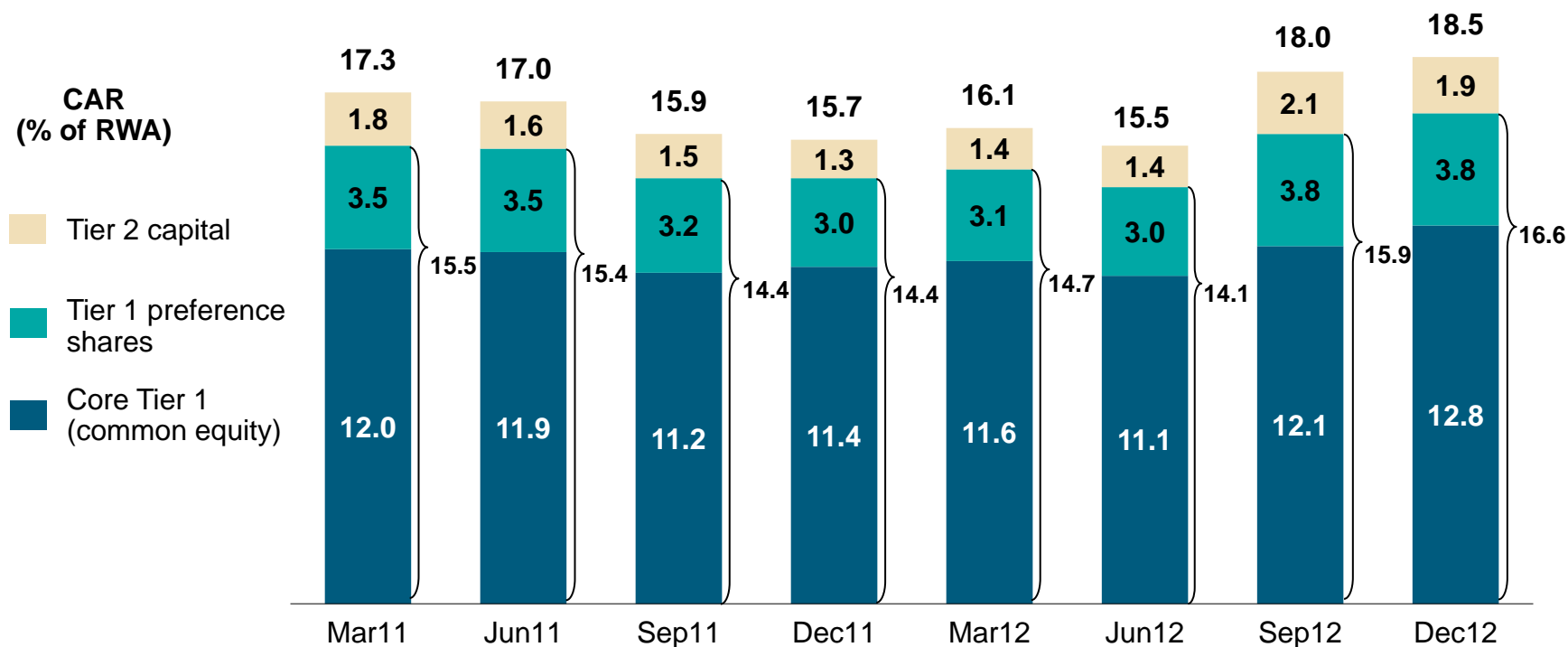
NPAs declined 7% QoQ, driven mainly by higher recoveries and upgrades

	FY12 S\$m	FY11 S\$m	4Q12 S\$m	4Q11 S\$m	3Q12 S\$m
NPAs – Opening balance	1,437	1,208	1,256	1,158	1,280
New NPAs	888	946	289	475	142
New recoveries/upgrades	(1,005)	(564)	(338)	(145)	(116)
Write-offs	(148)	(153)	(35)	(51)	(50)
NPAs – Closing balance	1,172	1,437	1,172	1,437	1,256

Allowance coverage ratios of 142% of total NPAs and 333% of unsecured NPAs



Capital position remained strong: Tier 1 ratio of 16.6% and Core Tier 1 ratio of 12.8%

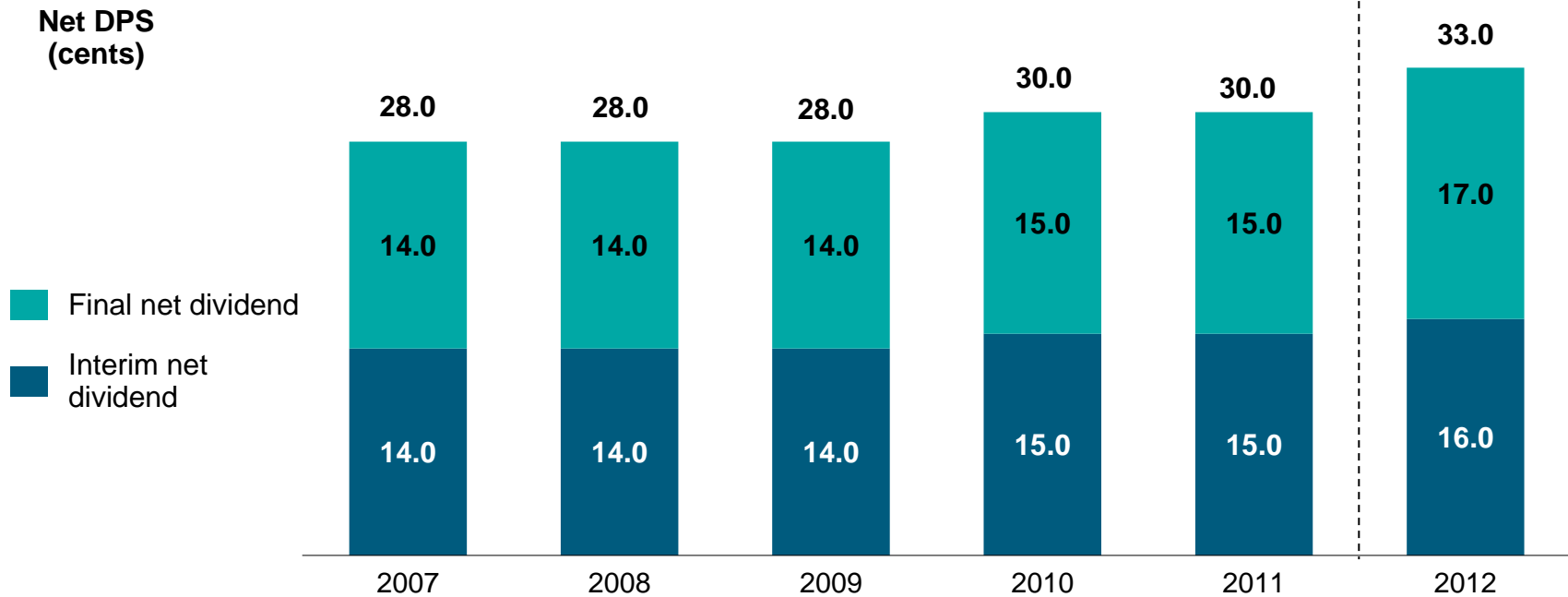


Tier 1 capital (\$m)	17,469	17,764	17,654	18,612	19,024	18,981	20,934	21,591
Tier 1 prefs. (\$m)	3,961	3,957	3,957	3,958	3,958	3,954	4,954	4,954
RWA (\$m)	112,558	115,318	121,997	128,507	129,183	134,467	131,263	129,647



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

Dividend increased to 33 cents per share



Net Dividends (S\$m)	864	868	898	994	1,024	1,133
Core Net Profit (S\$m)	1,878	1,486	1,962	2,253	2,280	2,825
Dividend Payout Ratio	46%	58%	46%	44%	45%	40%

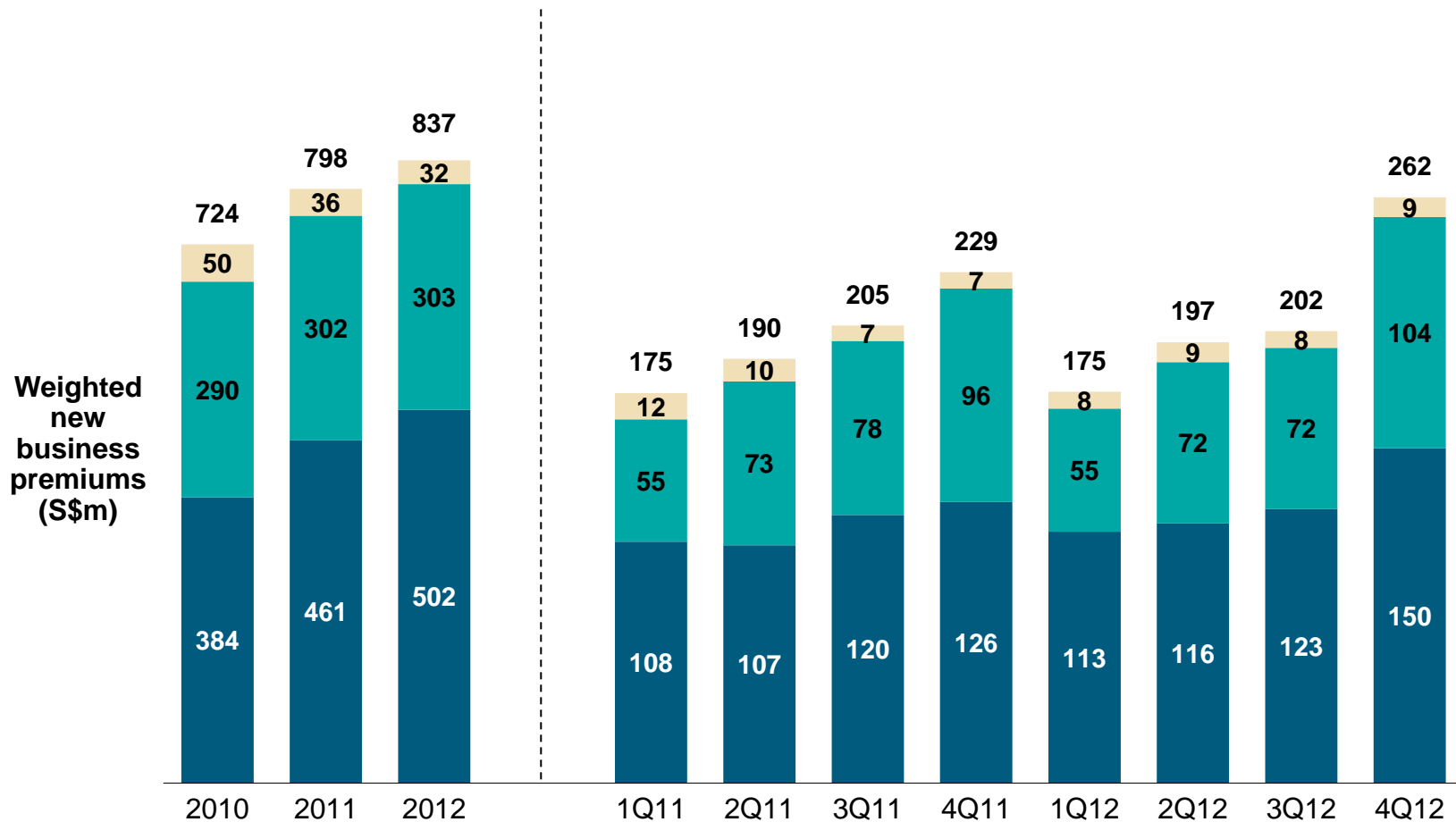
GEH: Full year core net profit up 109% YoY; accounting for 22% of Group core net profit

GEH Contribution	FY12 S\$m	FY11 S\$m	YoY +/(-)%
Total income	1,063	672	58
Operating expenses	(190)	(184)	3
Operating profit	872	488	79
Amortisation of intangibles	(47)	(47)	-
Allowances	(0)	(4)	-
Associates & JVs	(3)	(8)	(62)
Tax & non-controlling interests	(200)	(132)	52
Core net profit contribution	622	297	109
Divestment gain, net of tax	341 ^{1/}	-	-
Net profit contribution	963	297	224

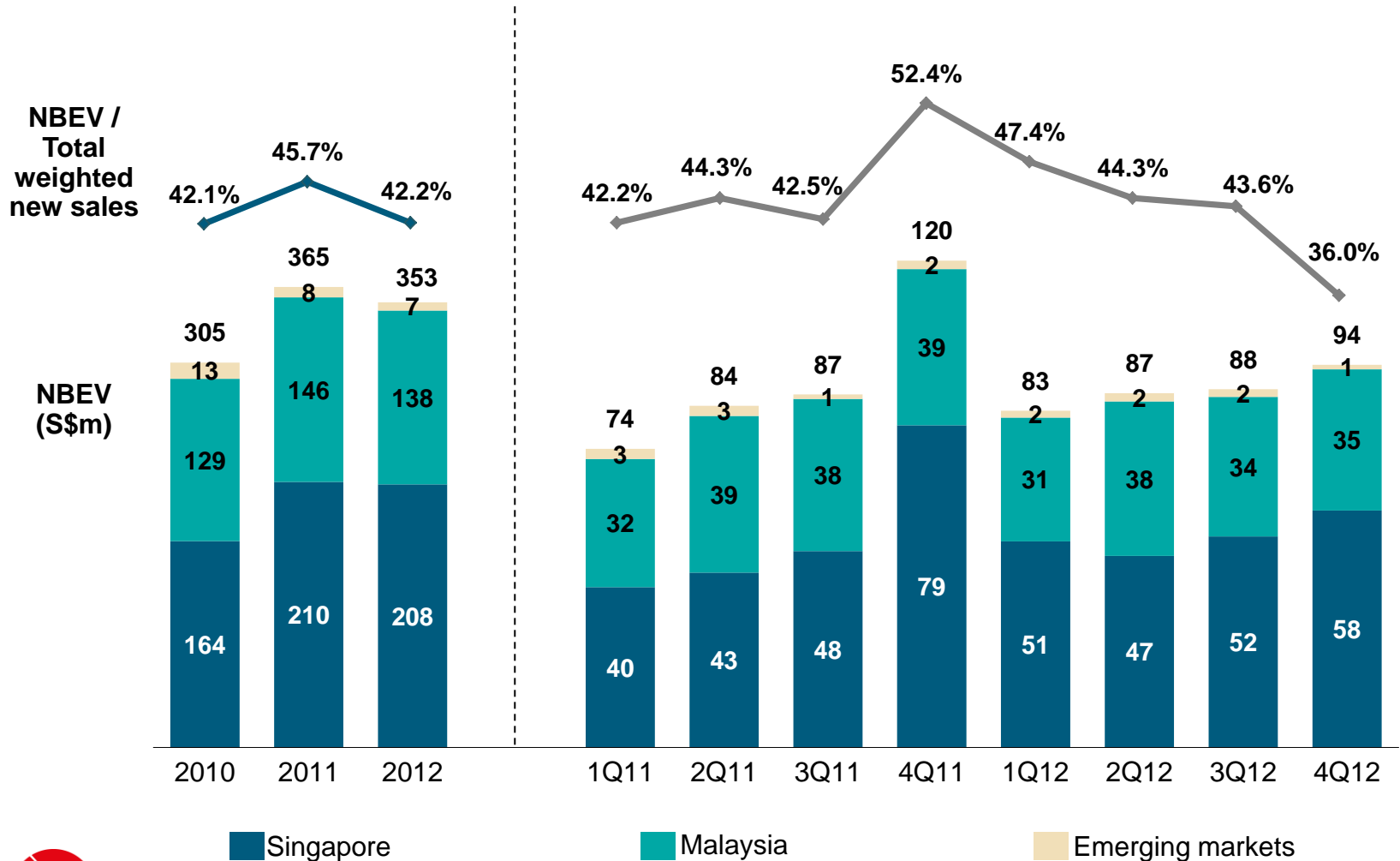
GEH: 4Q12 core earnings contribution driven by strong underwriting and investment performance

GEH Contribution	4Q12 S\$m	4Q11 S\$m	YoY +/(-)%	3Q12 S\$m	QoQ +/(-)%
Total income	299	143	108	275	9
Operating expenses	(44)	(43)	2	(50)	(11)
Operating profit	255	100	154	225	13
Amortisation of intangibles	(12)	(12)	-	(12)	-
Allowances	0	(3)	-	(0)	-
Associates & JVs	(3)	(4)	(22)	(0)	nm
Tax & non-controlling interests	(55)	(32)	74	(56)	(2)
Core net profit contribution	185	49	274	157	18
Divestment gain, net of tax	-	-	-	341 ^{1/}	(100)
Net profit contribution	185	49	274	498	(63)

GEH: Underlying insurance business remained sound; total weighted new sales up 5% YoY



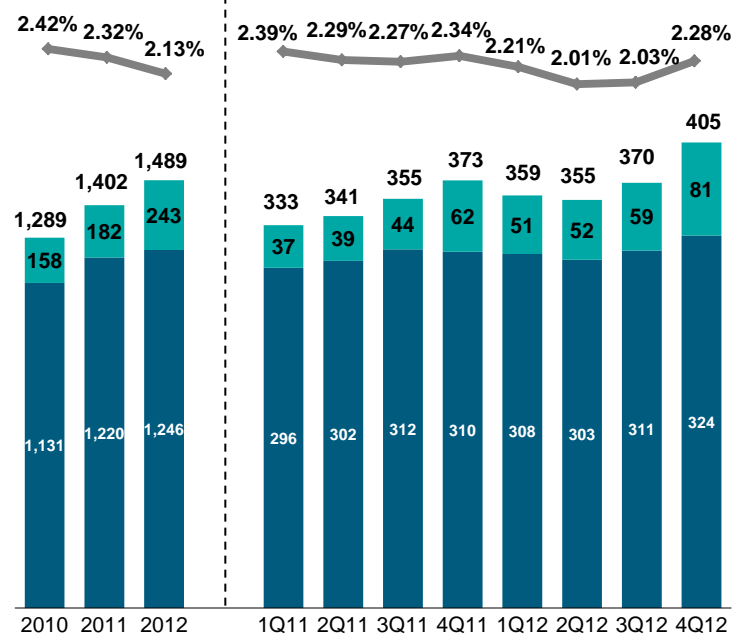
GEH: New business embedded value of S\$353m for the full year



OCBC Malaysia: Total net interest income and Islamic financing income up 6% YoY; non-interest income up 12% YoY

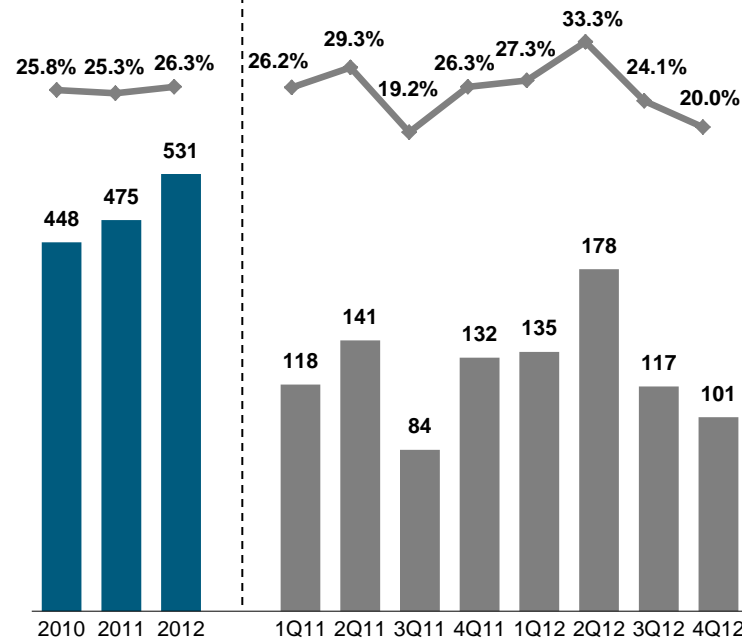
Net interest income and Islamic financing Income (RM m)

Net Interest/financing margin



Non-interest income (RM m)

Non-int. income/Total income

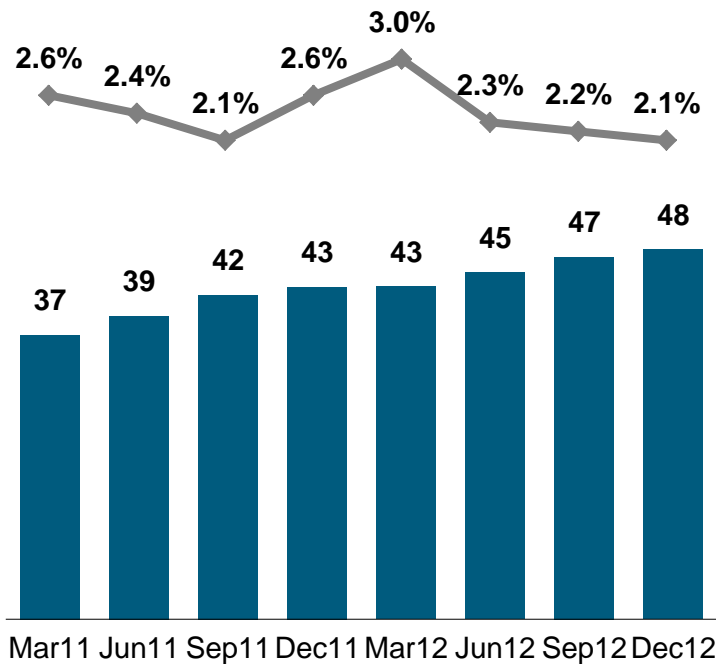


Net interest income Islamic financing income

OCBC Malaysia: Loans grew 12% YoY and 2% QoQ; NPL ratio further improved to 2.1%

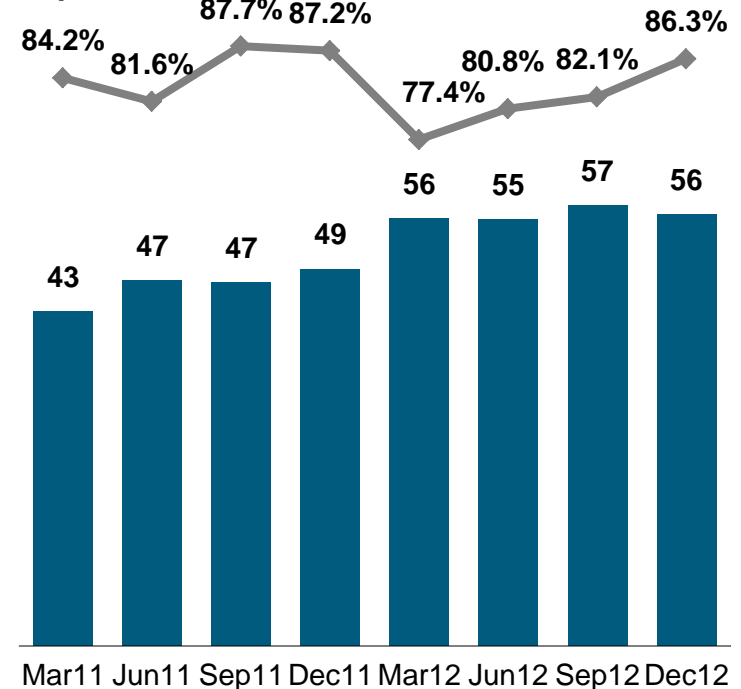
Gross Loans (RM b)

NPL Ratio



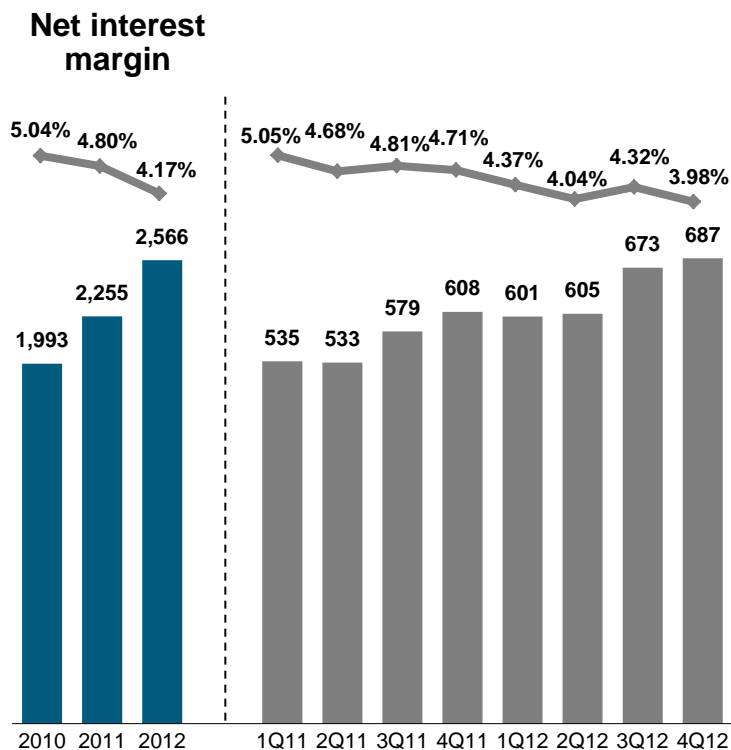
Deposits (RM b)

Loans / Deposits

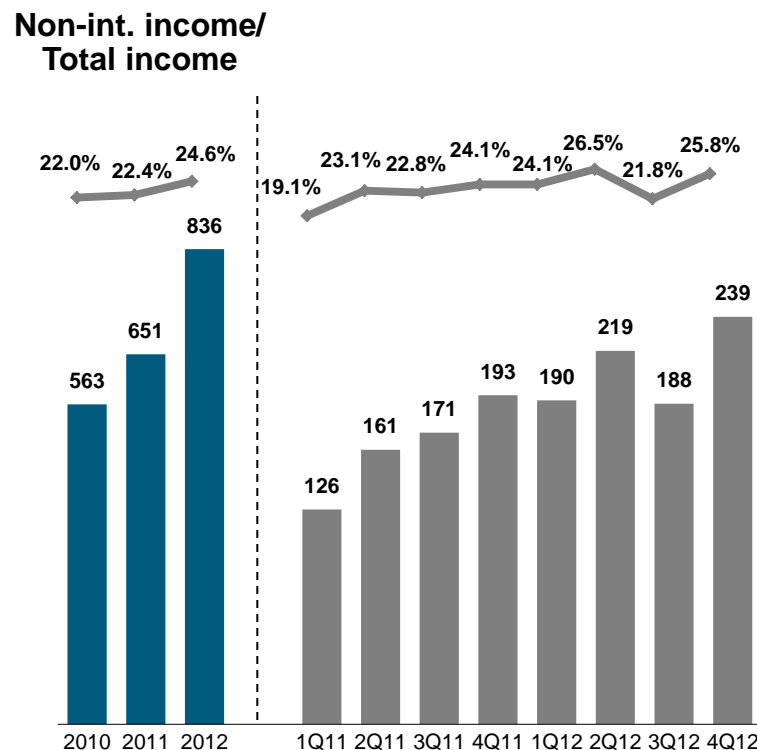


OCBC NISP: Net interest income up 14% YoY; non-interest income up 28% YoY

Net interest income (Rp b)



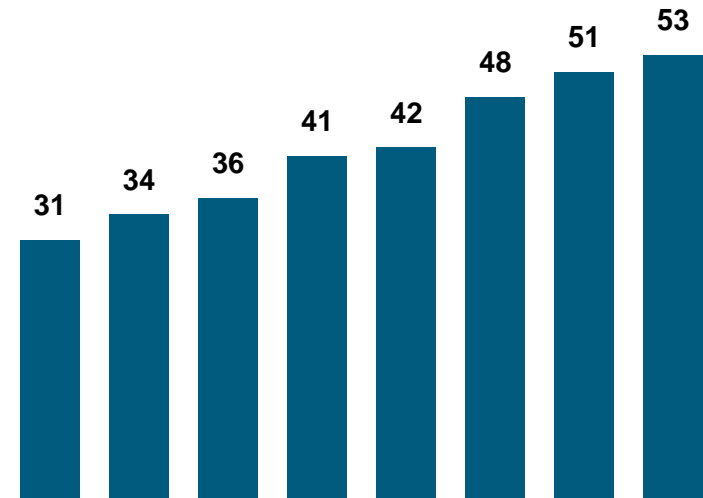
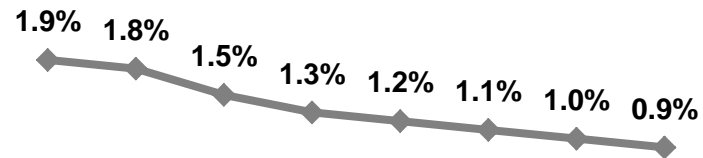
Non-interest income (Rp b)



OCBC NISP: Loans grew 28% YoY and 5% QoQ; NPL ratio lower at 0.9%

Gross Loans (Rp t)

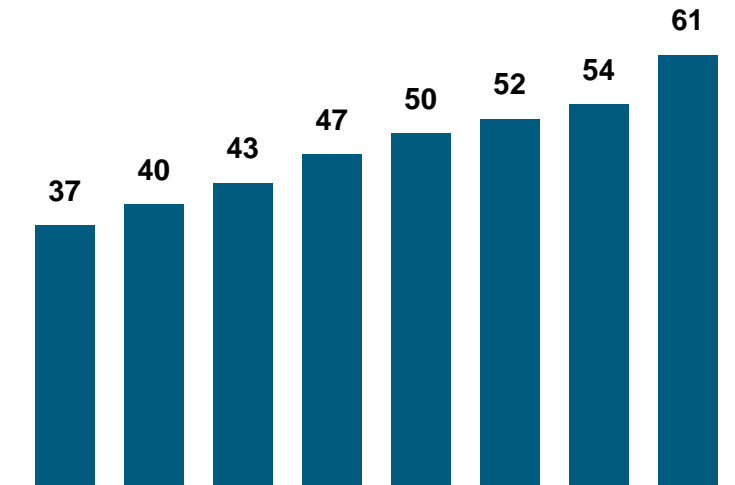
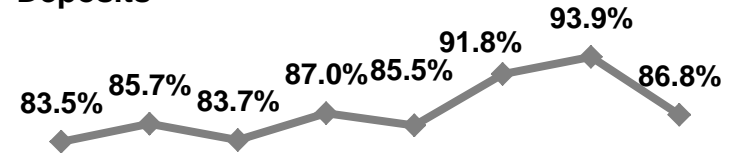
NPL Ratio



Mar11 Jun11 Sep11 Dec11 Mar12 Jun12 Sep12 Dec12

Deposits (Rp t)

Loans / Deposits



Mar11 Jun11 Sep11 Dec11 Mar12 Jun12 Sep12 Dec12

CASA Ratio

60.1% 61.1% 62.7% 60.0% 58.3% 57.3% 50.5% 49.6%

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FY12 Performance Trends

Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

OCBC Malaysia: Full year net profit up 4% YoY

OCBC Malaysia	FY12 RM m	FY11 RM m	YoY +/(-)%
Net interest income	1,246	1,220	2
Islamic Financing Income	243	182	34
Non-interest income	531	475	12
Total income	2,020	1,877	8
Operating expenses	(851)	(746)	14
Operating profit	1,169	1,131	3
Allowances	(84)	(96)	(13)
Tax	(274)	(255)	8
Net profit	811	780	4

Key ratios (%)

Costs / Income	42.1	39.7
ROE	15.4	16.6

OCBC Malaysia: 4Q12 net profit down 16% YoY

OCBC Malaysia	4Q12 RM m	4Q11 RM m	YoY +/(-)%	3Q12 RM m	QoQ +/(-)%
Net interest income	324	310	5	311	4
Islamic Financing Income	81	62	31	59	37
Non-interest income	101	132	(24)	117	(14)
Total income	506	504	0	487	4
Operating expenses	(235)	(201)	17	(222)	6
Operating profit	271	303	(11)	265	2
Allowances	(22)	(9)	144	(25)	(12)
Tax	(63)	(73)	(14)	(61)	3
Net profit	186	221	(16)	179	4

Key ratios (%)

Costs / Income	46.4	39.9		45.6
ROE	16.0	18.0		14.3

OCBC NISP: Full year net profit up 22% YoY

OCBC NISP	FY12 RP b	FY11 RP b	YoY +/(-)%
Net interest income	2,566	2,255	14
Non-interest income	836	651	28
Total income	3,402	2,906	17
Operating expenses	(1,941)	(1,703)	14
Operating profit	1,461	1,203	21
Allowances	(247)	(210)	17
Non Op Income / (Expenses)	8	13	(38)
Tax	(307)	(253)	21
Net profit	915	753	22

Key ratios (%)


Costs / Income	57.1	58.6
ROE	12.2	12.9

OCBC NISP: 4Q12 net profit up 13% YoY

OCBC NISP	4Q12 RP b	4Q11 RP b	YoY +/(-)%	3Q12 RP b	QoQ +/(-)%
Net interest income	687	608	13	673	2
Non-interest income	239	193	24	188	27
Total income	926	801	15	861	7
Operating expenses	(499)	(427)	17	(484)	3
Operating profit	427	374	14	377	13
Allowances	(83)	(64)	29	(44)	88
Non Op Income / (Expenses)	2	(2)	270	0	nm
Tax	(86)	(78)	10	(84)	3
Net profit	259	230	13	249	4

Key ratios (%)

Costs / Income	54.0	53.3		56.2
ROE	12.5	15.4		12.2



2012 Final Results Thank You