



2013 Full Year Results Presentation

14 February 2014



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Agenda

Results Overview

FY13 Performance Trends

Appendix: Financial Highlights of Malaysian and Indonesian Subsidiaries



Note: 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

FY13 Highlights

Core earnings underpinned by strong customer-related business growth
– Net profit from banking operations in 4Q13 rose 22% YoY and 11% QoQ

- Net interest income at a record, driven by robust loan and deposit growth. Net interest margin stable throughout the four quarters of 2013
- Fees and commissions achieved a new record on broad-based growth across all customer segments
- Malaysian and Indonesian banking units reported record full year earnings
- Great Eastern's underlying insurance business up, but earnings impacted by non-operating, unrealised mark-to-market losses in Non-Participating Fund
- Trading income down as compared with the strong 2012 performance
- Operating expenses well-managed at 3% YoY growth
- Asset quality stayed at healthy levels, NPL ratio improved to 0.7%
- Capital position strong with CET1 and Tier 1 at 14.5%, Total CAR at 16.3%
- Final dividend of 17 cents per share proposed, FY13 total dividend at 34 cents

Full year core net profit of S\$2.77b

OCBC Group	FY13 S\$m	FY12 S\$m	YoY +/(-)%
Net interest income	3,883	3,748	4
Non-interest income	2,738	2,897	(5)
Total income	6,621	6,645	-
Operating expenses	(2,784)	(2,695)	3
Operating profit	3,837	3,950	(3)
Amortisation of intangibles	(58)	(60)	(3)
Allowances	(266)	(271)	(2)
Associates & JVs	54	27	103
Tax & non-controlling interests ("NCI")	(799)	(820)	(3)
Core net profit	2,768	2,825	(2)
Divestment gain, net of tax	-	1,168 ^{1/}	(100)
Net profit	2,768	3,993	(31)



^{1/} Gain from divestment of the Group's shareholdings in F&N and APB, and divestment of property at Bourke Street, Melbourne, Australia

Full year core net profit *before GEH* contribution (“banking operations”) higher at S\$2.23b

	FY13 S\$m	FY12 S\$m	YoY +/(-)%
Net interest income	3,818	3,684	4
Non-interest income	1,816	1,898	(4)
Total income	5,634	5,582	1
Operating expenses	(2,604)	(2,504)	4
Operating profit	3,030	3,078	(2)
Allowances	(265)	(271)	(2)
Associates & JVs	71	38	88
Amortisation, tax & NCI	(609)	(642)	(5)
Core net profit	2,226	2,202	1
Divestment gain, net of tax	-	827 ^{1/}	(100)
Net profit from banking operations	2,226	3,030	(27)
GEH net profit contribution	542	963	(44)
OCBC Group net profit	2,768	3,993	(31)



^{1/} Gain from divestment of the Group's shareholdings in F&N and APB, and divestment of property at Bourke Street, Melbourne, Australia

4Q13 core net profit up 8% YoY to S\$715m

OCBC Group	4Q13 S\$m	4Q12 S\$m	YoY +/(-)%	3Q13 S\$m	QoQ +/(-)%
Net interest income	1,031	921	12	978	5
Non-interest income	679	757	(10)	779	(13)
Total income	1,710	1,678	2	1,757	(3)
Operating expenses	(713)	(724)	(1)	(681)	5
Operating profit	997	954	4	1,076	(7)
Amortisation of intangibles	(15)	(15)	(3)	(15)	-
Allowances	(68)	(68)	1	(94)	(28)
Associates & JVs	6	5	27	13	(57)
Tax & NCI	(205)	(213)	(4)	(221)	(7)
Net profit	715	663	8	759	(6)

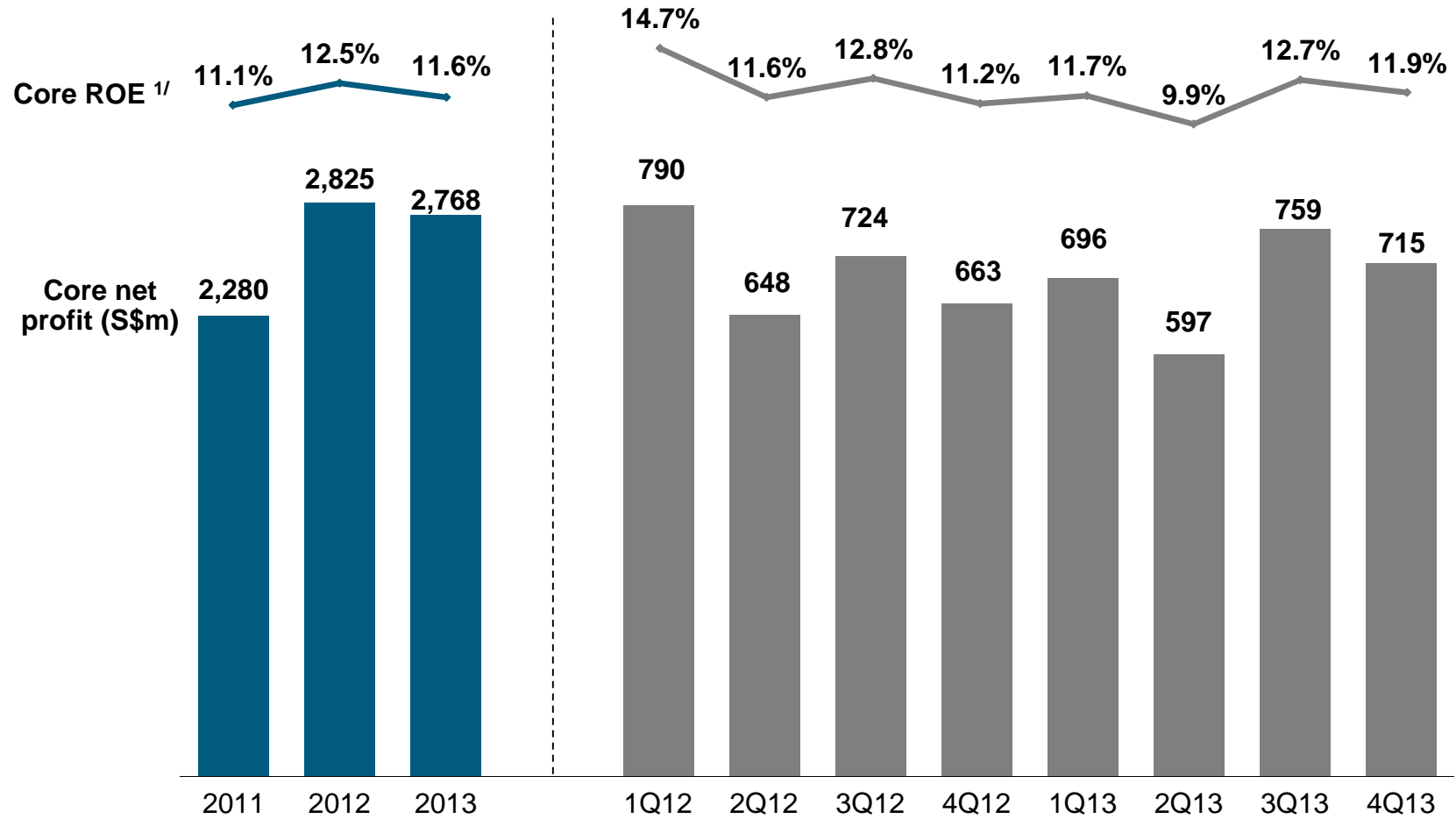
4Q13 core net profit *before GEH* contribution (“banking operations”) grew 22% YoY to S\$582m

	4Q13 S\$m	4Q12 S\$m	YoY +/(-)%	3Q13 S\$m	QoQ +/(-)%
Net interest income	1,017	903	13	962	6
Non-interest income	434	477	(9)	459	(6)
Total income	1,451	1,379	5	1,421	2
Operating expenses	(659)	(679)	(3)	(663)	(1)
Operating profit	792	700	13	758	5
Allowances	(67)	(68)	(1)	(94)	(28)
Associates & JVs	14	10	33	15	(8)
Amortisation, tax & NCI	(156)	(164)	(5)	(154)	1
Net profit from banking operations	582	478	22	524	11
GEH net profit contribution	133	185	(28)	235	(43)
OCBC Group net profit	715	663	8	759	(6)

Key ratios remained healthy

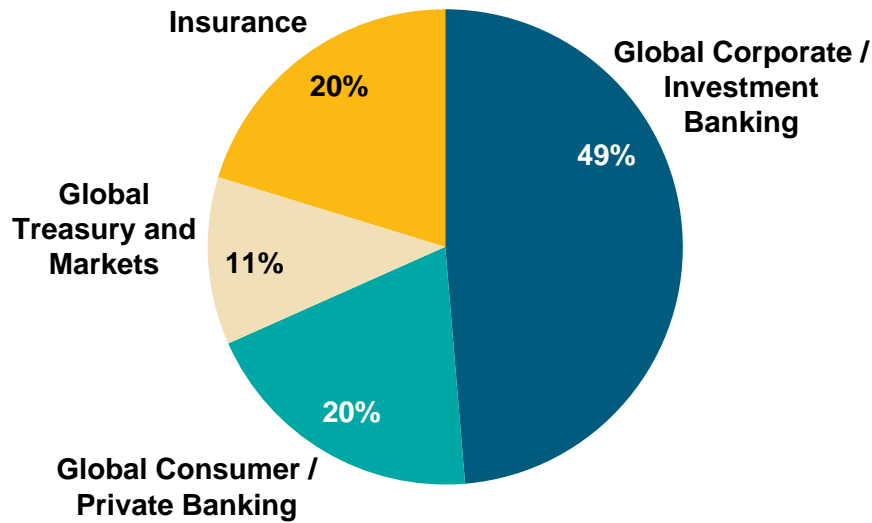
Based on core earnings (%)	FY13	FY12	4Q13	4Q12	3Q13
Net interest margin	1.64	1.77	1.64	1.70	1.63
Non-interest income / Total income	41.4	43.6	39.7	45.1	44.3
Cost / Income	42.0	40.6	41.7	43.1	38.8
Loans / Deposits	85.7	86.2	85.7	86.2	88.4
NPL Ratio	0.7	0.8	0.7	0.8	0.8
Allowances / NPAs	134.2	141.8	134.2	141.8	130.1
ROE	11.6	12.5	11.9	11.2	12.7
Cash ROE	11.8	12.8	12.2	11.5	13.0

FY13 core ROE of 11.6%

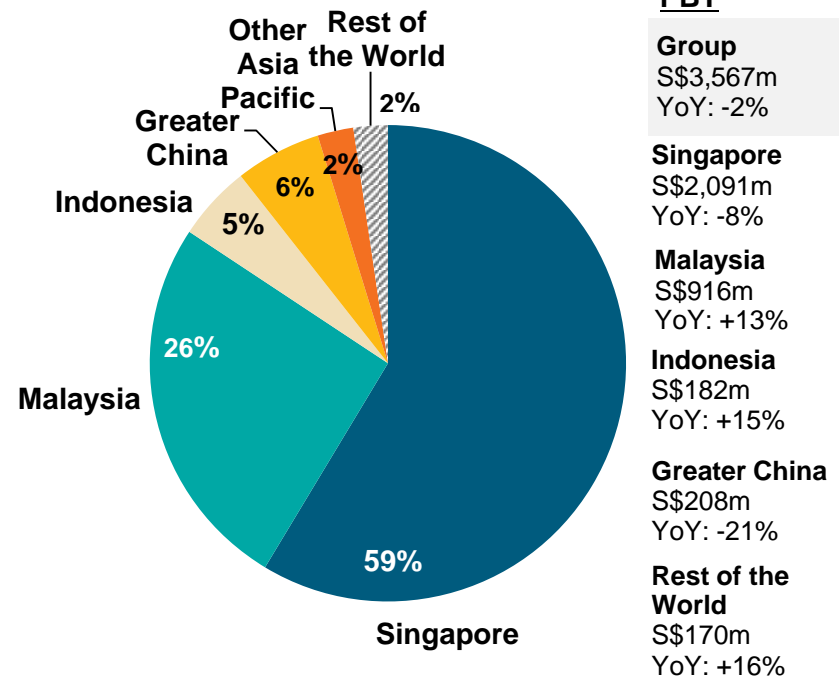


PBT breakdown at a glance

**FY13 PBT
by Business^{1/}**



**FY13 PBT
by Geography**



^{1/} Core operating profit after allowances and amortisation. 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.



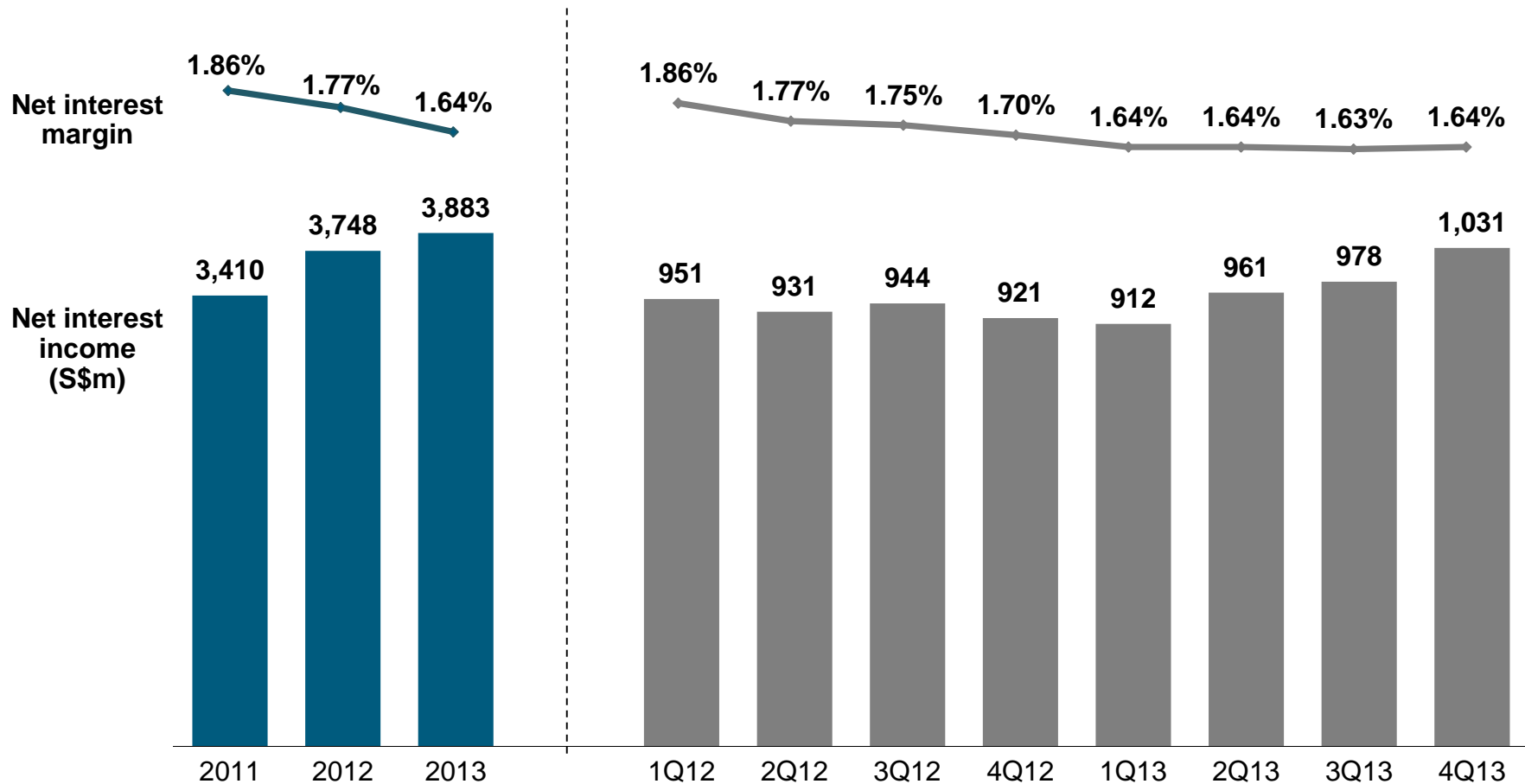
Agenda

Results Overview

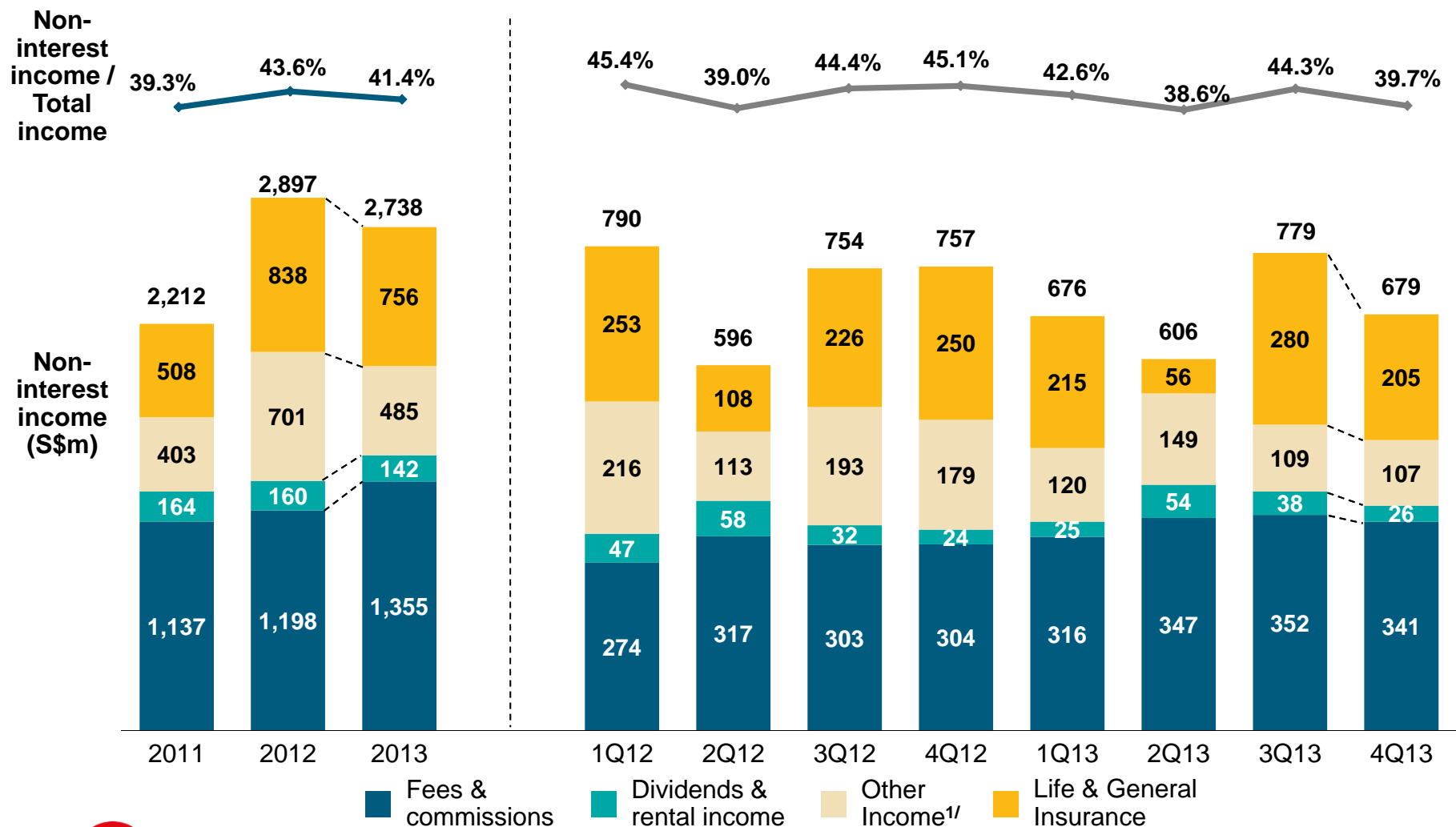
FY13 Performance Trends

Appendix: Financial Highlights of
Malaysian and Indonesian Subsidiaries

Net interest income at new record, up 4% YoY – NIM stable throughout the year

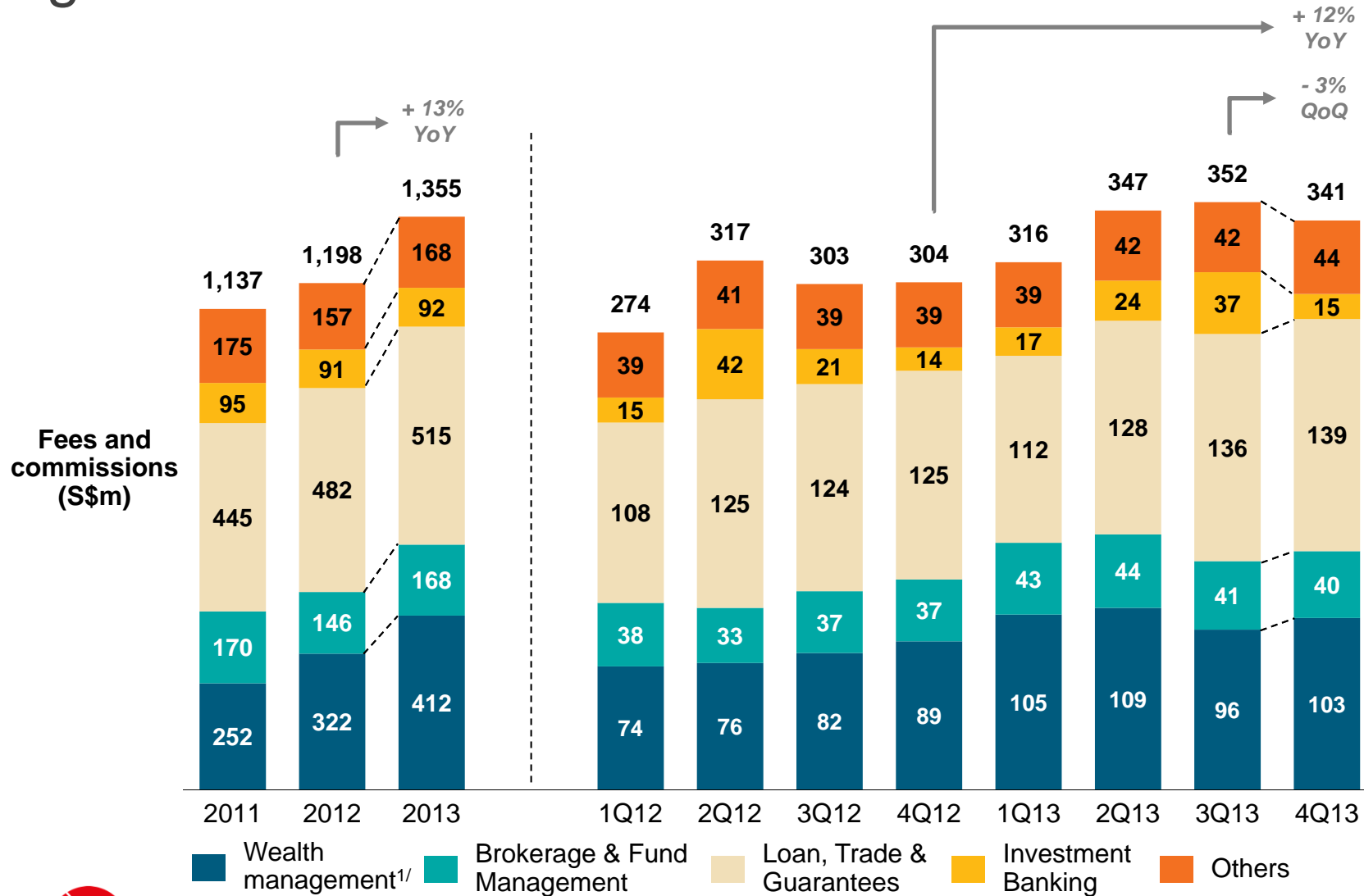


Non-interest income declined 5% YoY from lower trading and insurance income



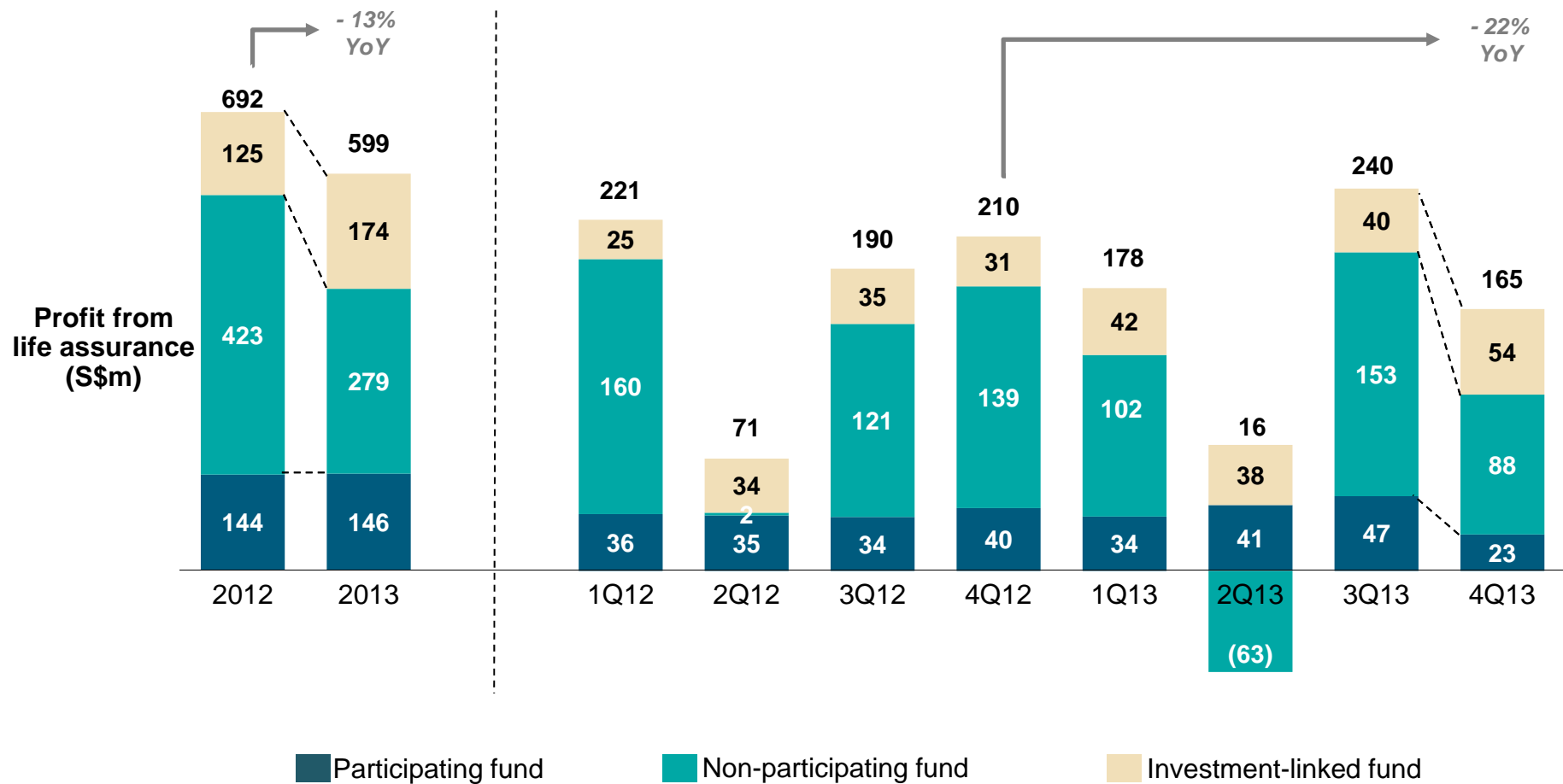
Note: Excludes gains from divestment of non-core assets
 1/ Other Income includes trading income

Fee income achieved new high on broad-based growth

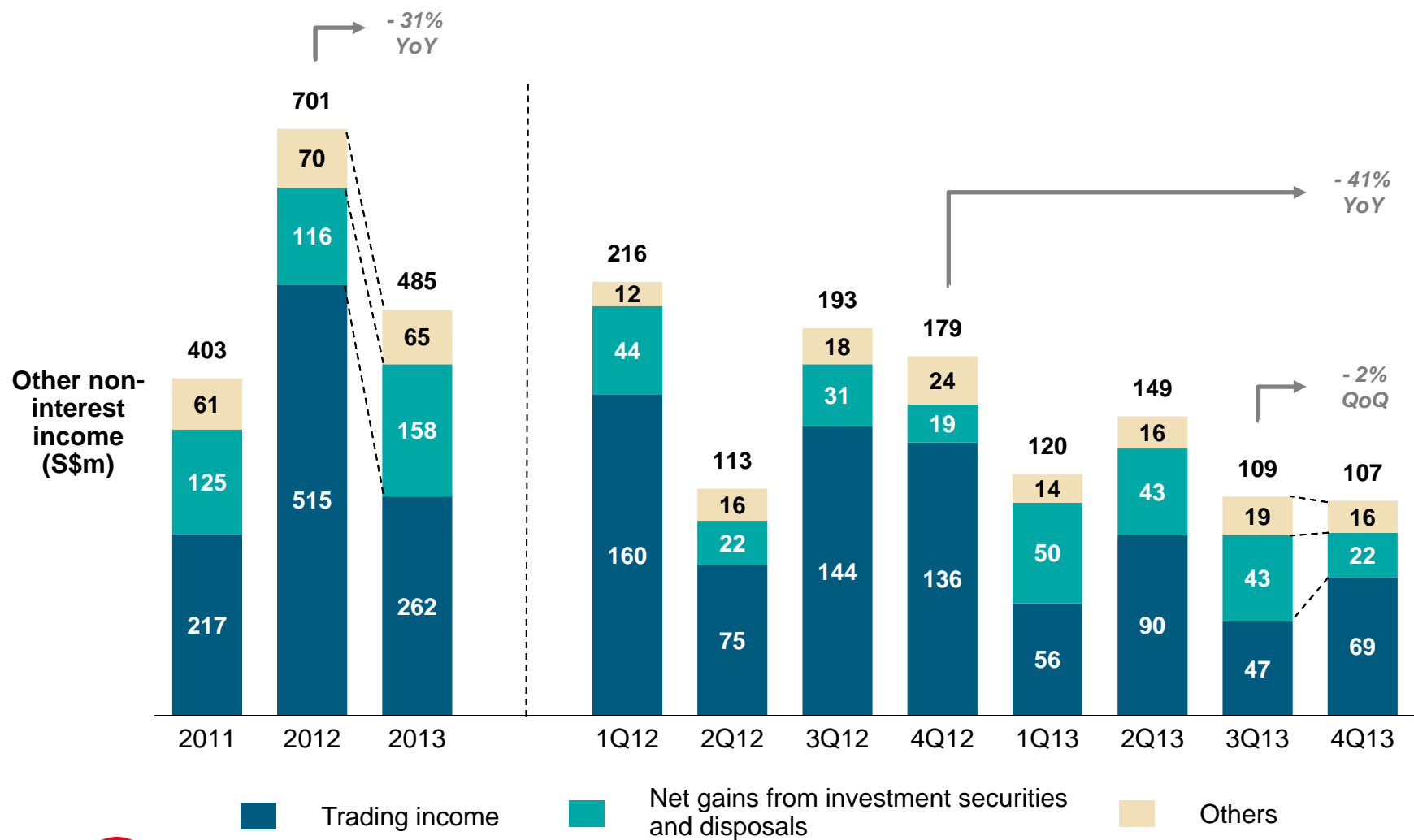


^{1/} Mainly comprising income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers

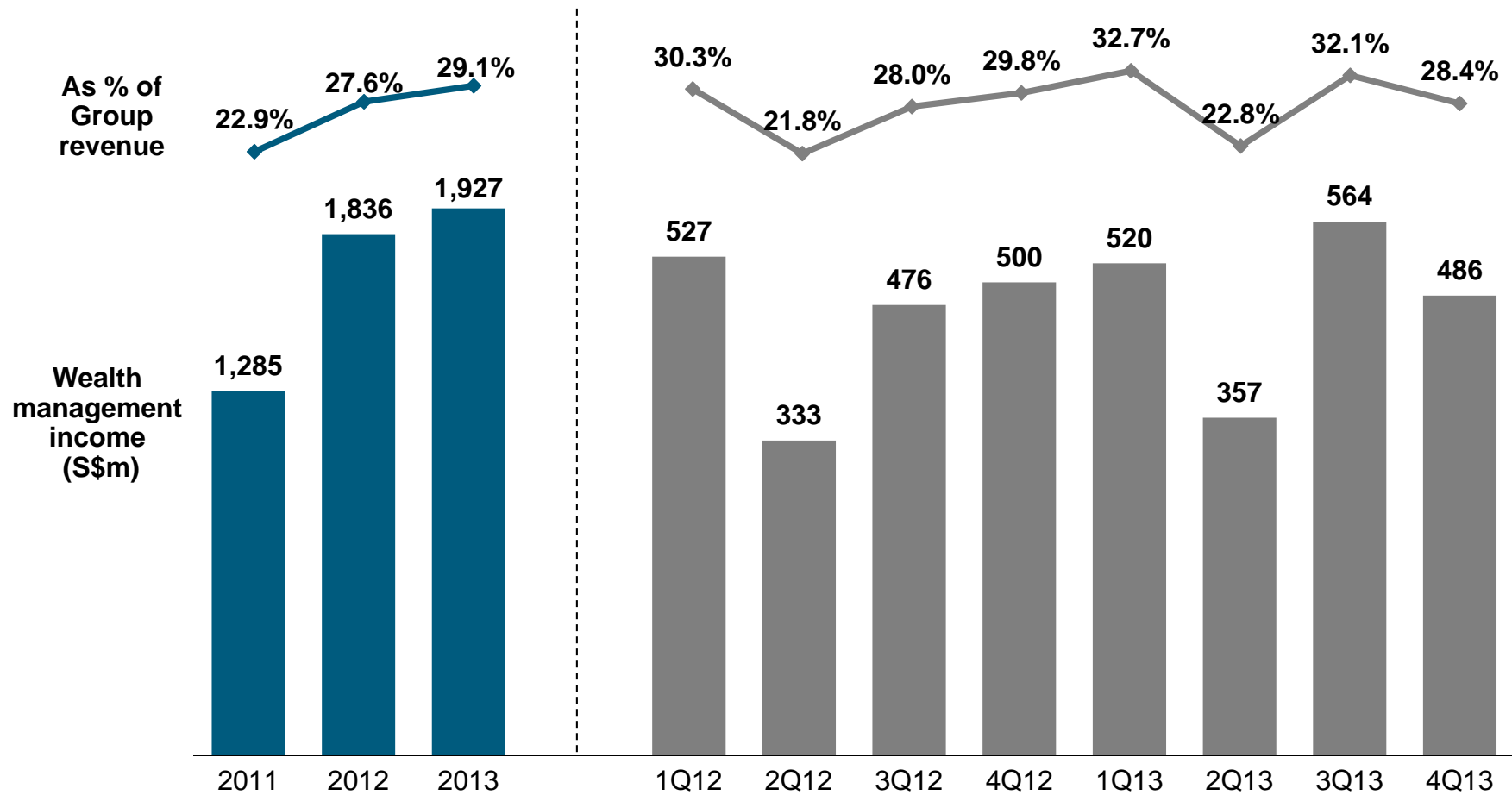
Profit from life assurance lower from unrealised mark-to-market losses despite better operating performance



Other non-interest income down 31% YoY mainly from lower trading income

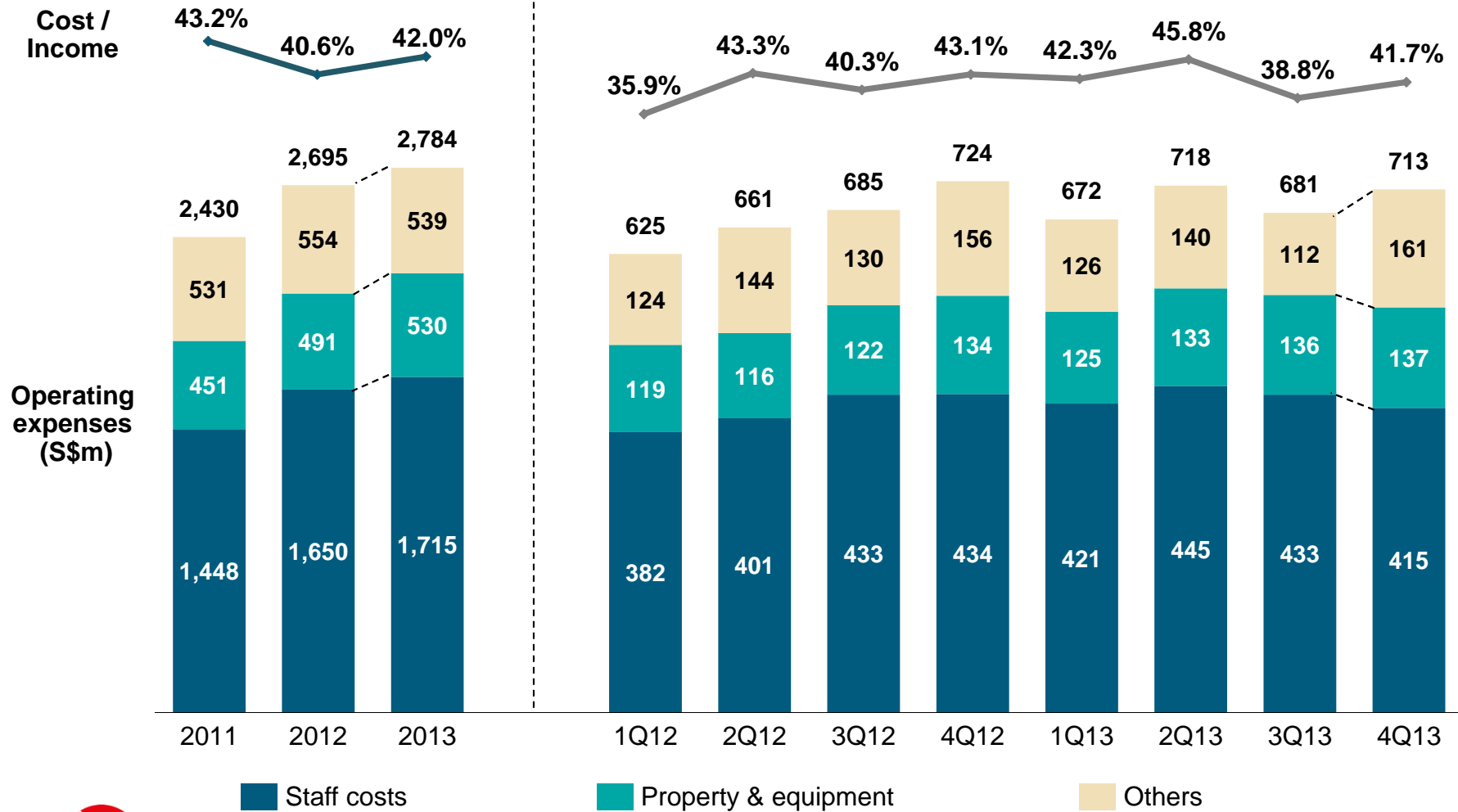


Wealth management income achieved another high, up 5% YoY

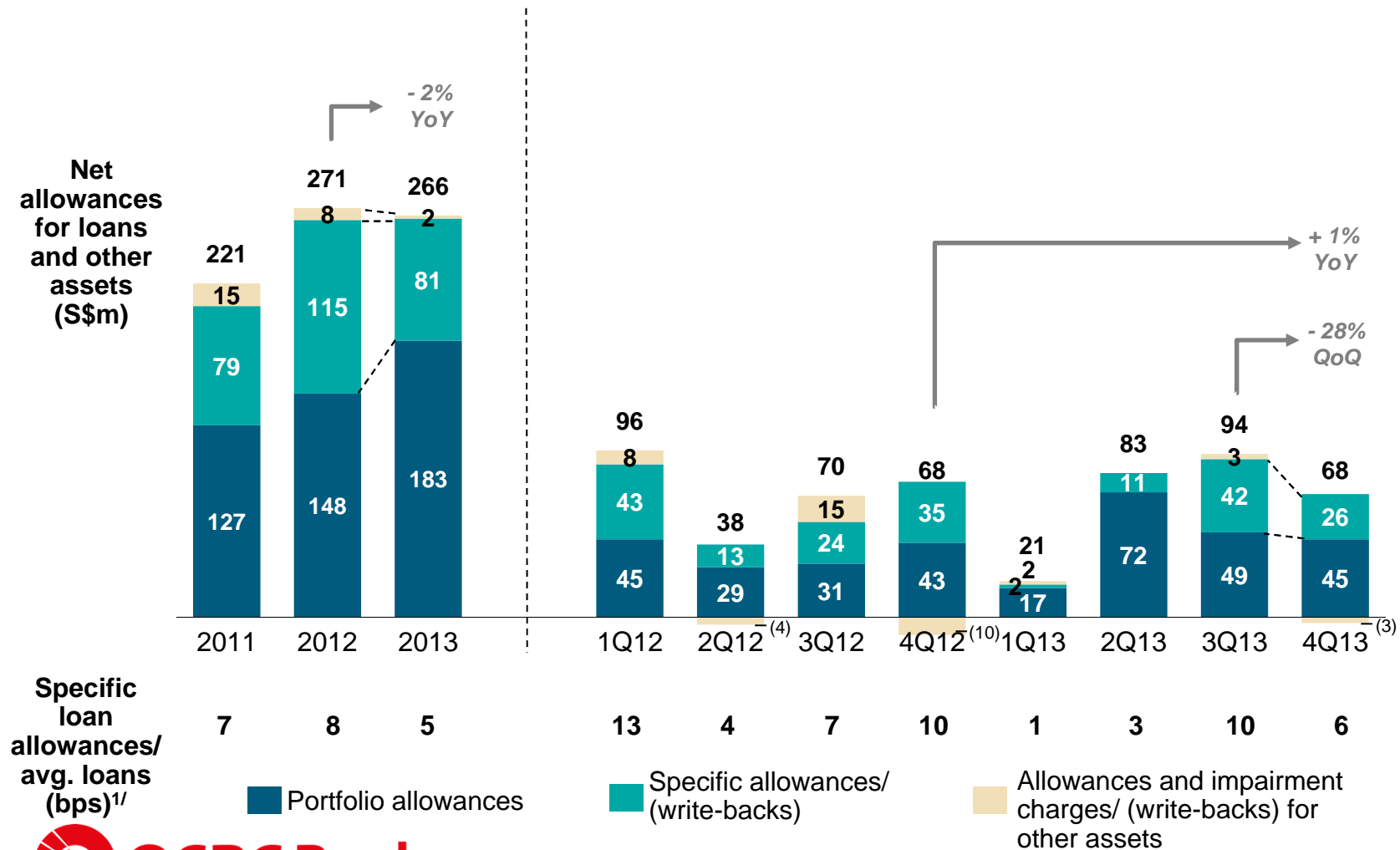


Note: Comprises the consolidated income from insurance, asset management, stockbroking and private banking subsidiaries, plus the Group's income from the sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers

Operating expenses remained well-managed, up 3% YoY



Net allowances lower YoY, credit cost improved to 5 bps of loans



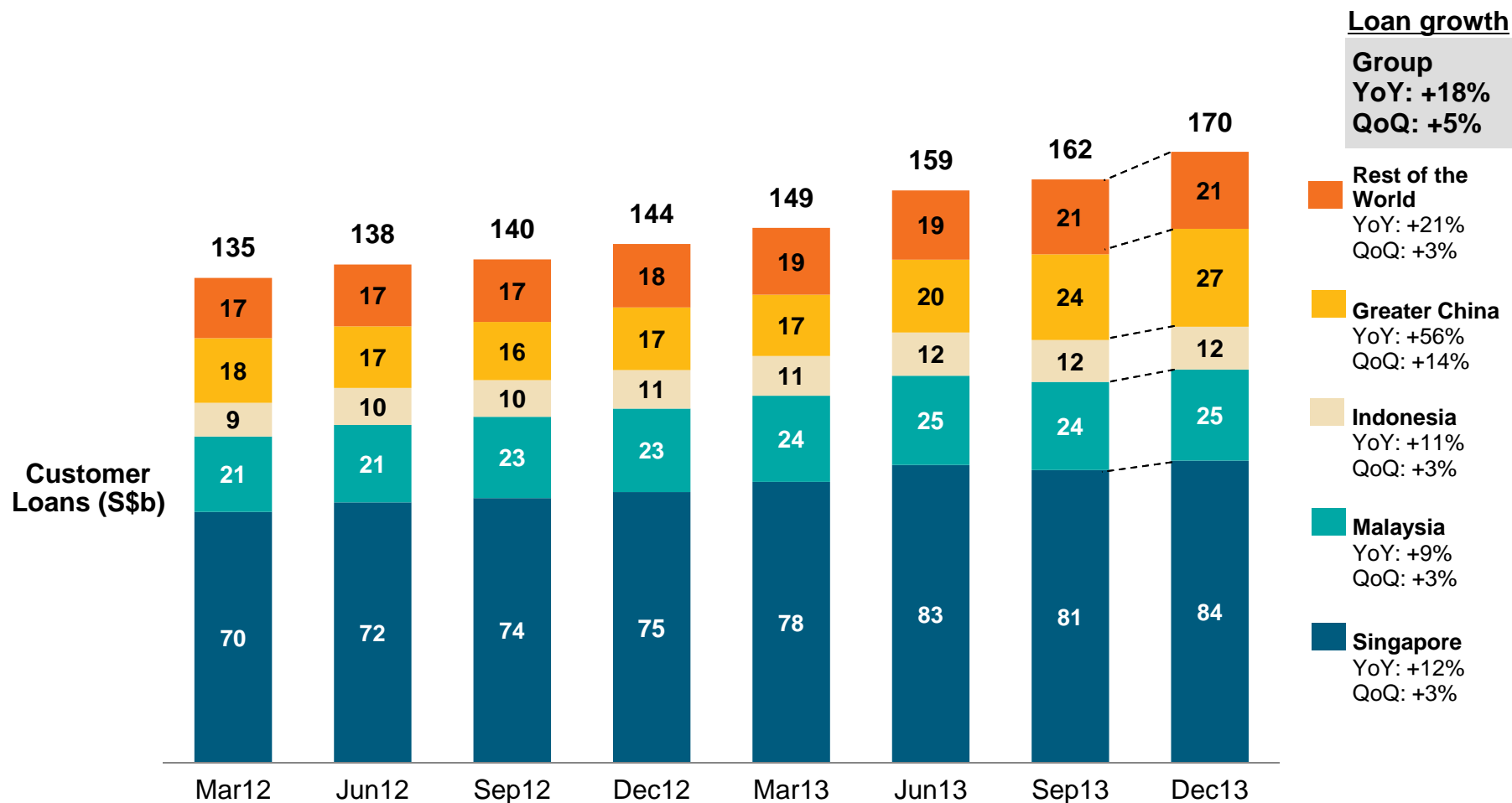
Net specific allowances 29% lower YoY

	FY13 S\$m	FY12 S\$m	4Q13 S\$m	4Q12 S\$m	3Q13 S\$m
Allowances for new and existing NPLs	255	273	83	71	72
Write-backs ^{1/}	(118)	(117)	(45)	(25)	(19)
Recoveries ^{2/}	(56)	(41)	(12)	(11)	(11)
Net specific allowances	81	115	26	35	42



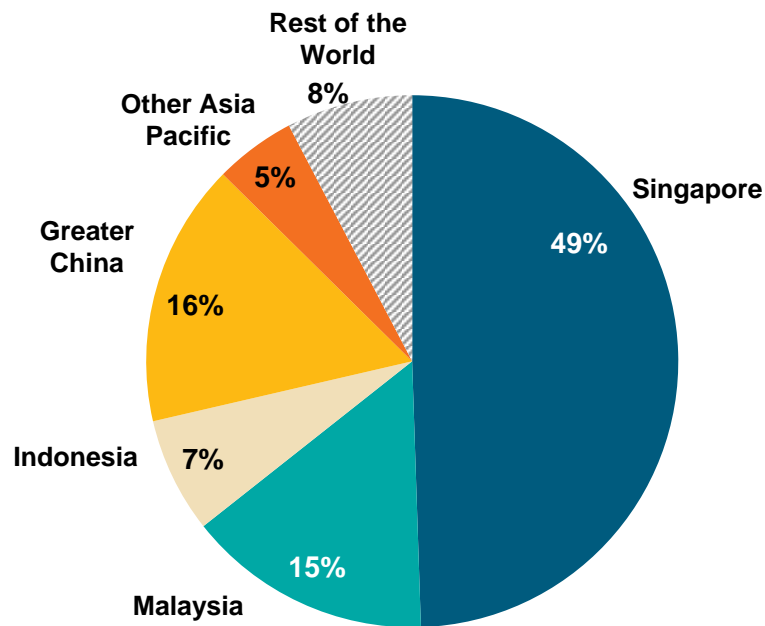
1/ Write-backs of specific allowances for existing NPLs due to settlements and repayments
 2/ Recoveries of allowances for loans that had been written off

Loans up 18% YoY and 5% QoQ

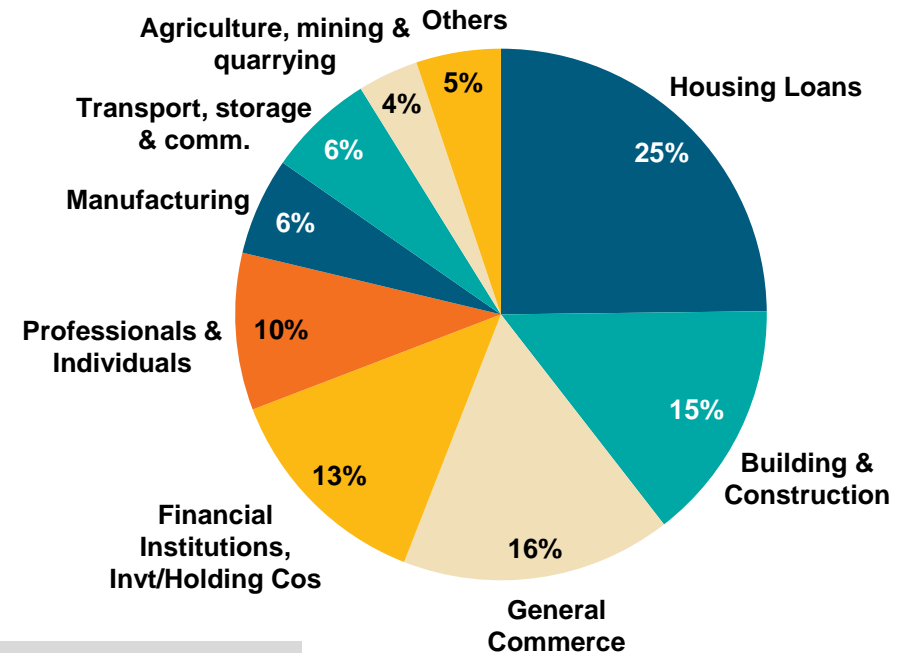


Loan book remained diversified across geographies and sectors

**Customer Loans by Geography
As of 31 December 2013**



**Customer Loans by Industry
As of 31 December 2013**

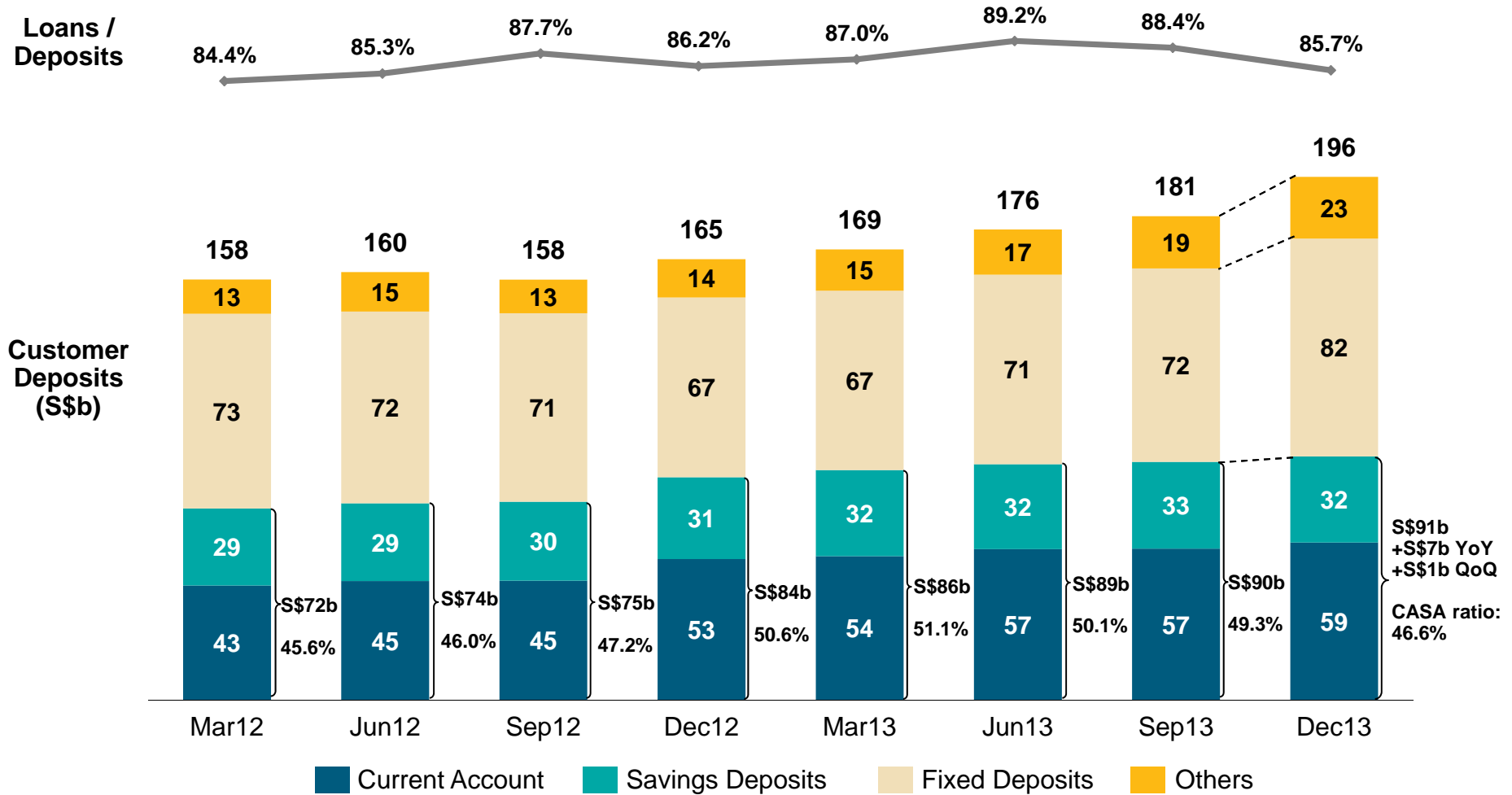


Total: S\$170b



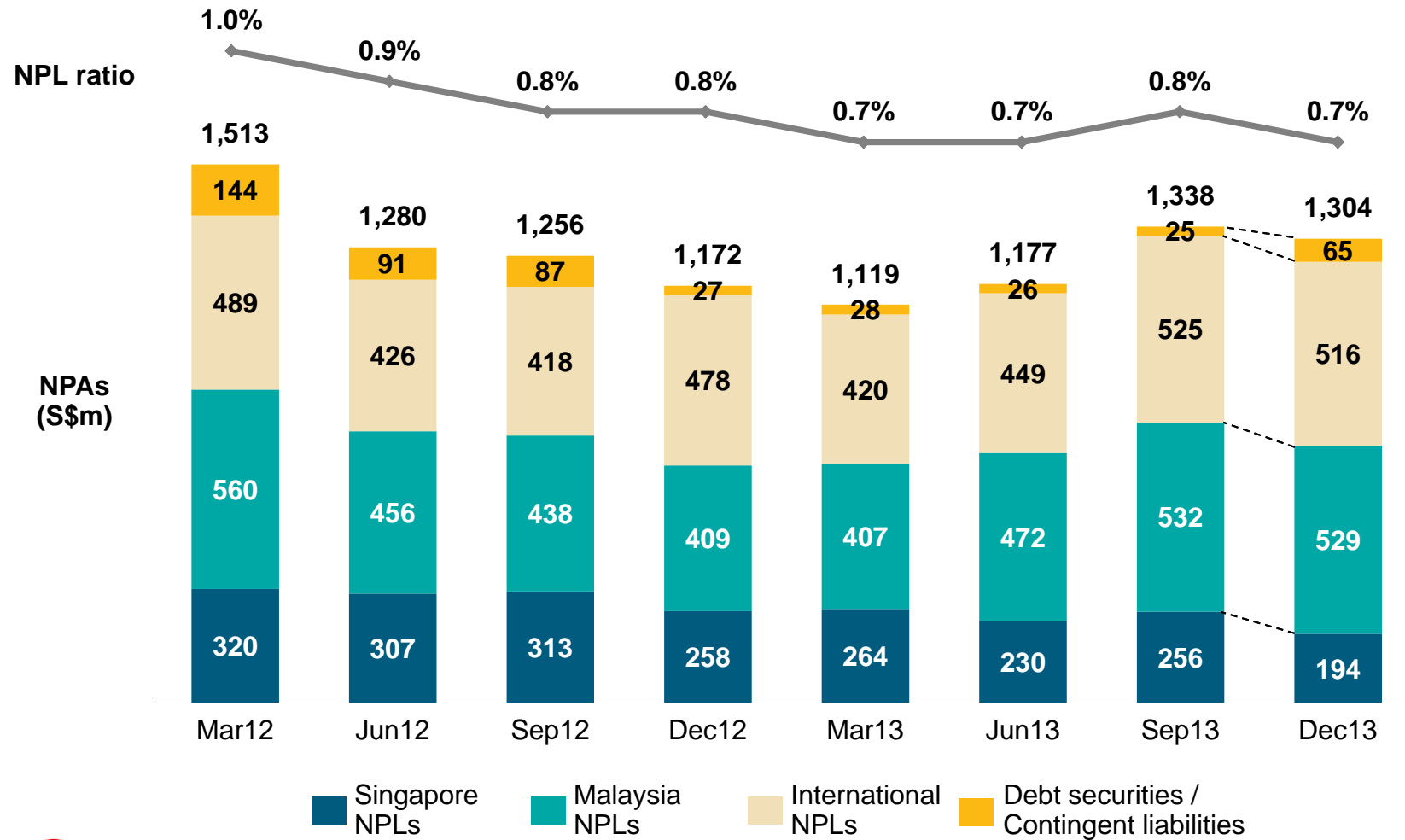
Note: Loans by Geography based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans

Customer deposits up 19% YoY and 8% QoQ – CASA deposits grew 9% YoY



Note: CASA ratio refers to the ratio of current and savings deposits to total customer deposits

NPL ratio improved to 0.7%, NPAs declined 2% QoQ

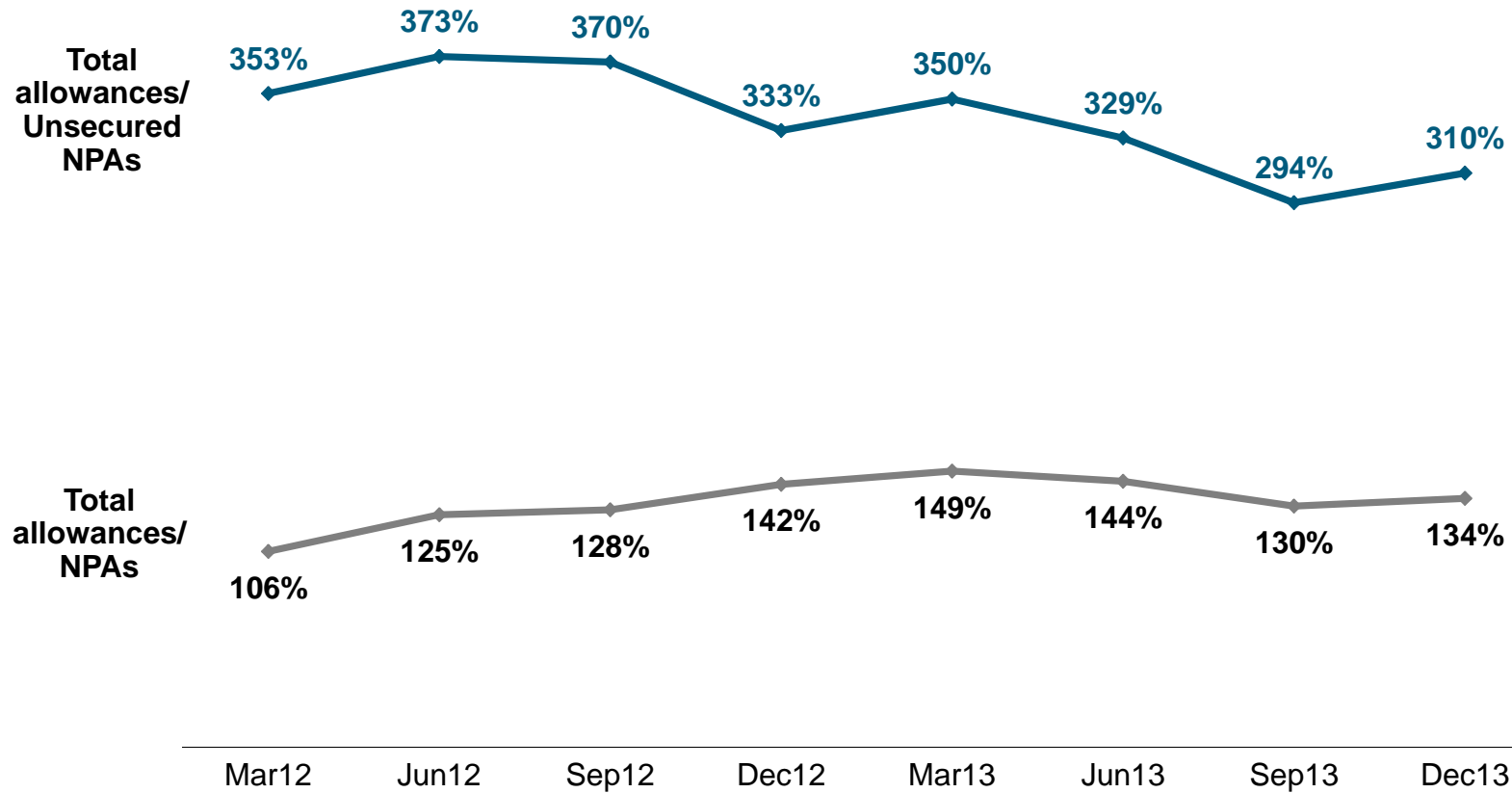


Note: NPAs comprise NPLs and classified debt securities/contingent liabilities

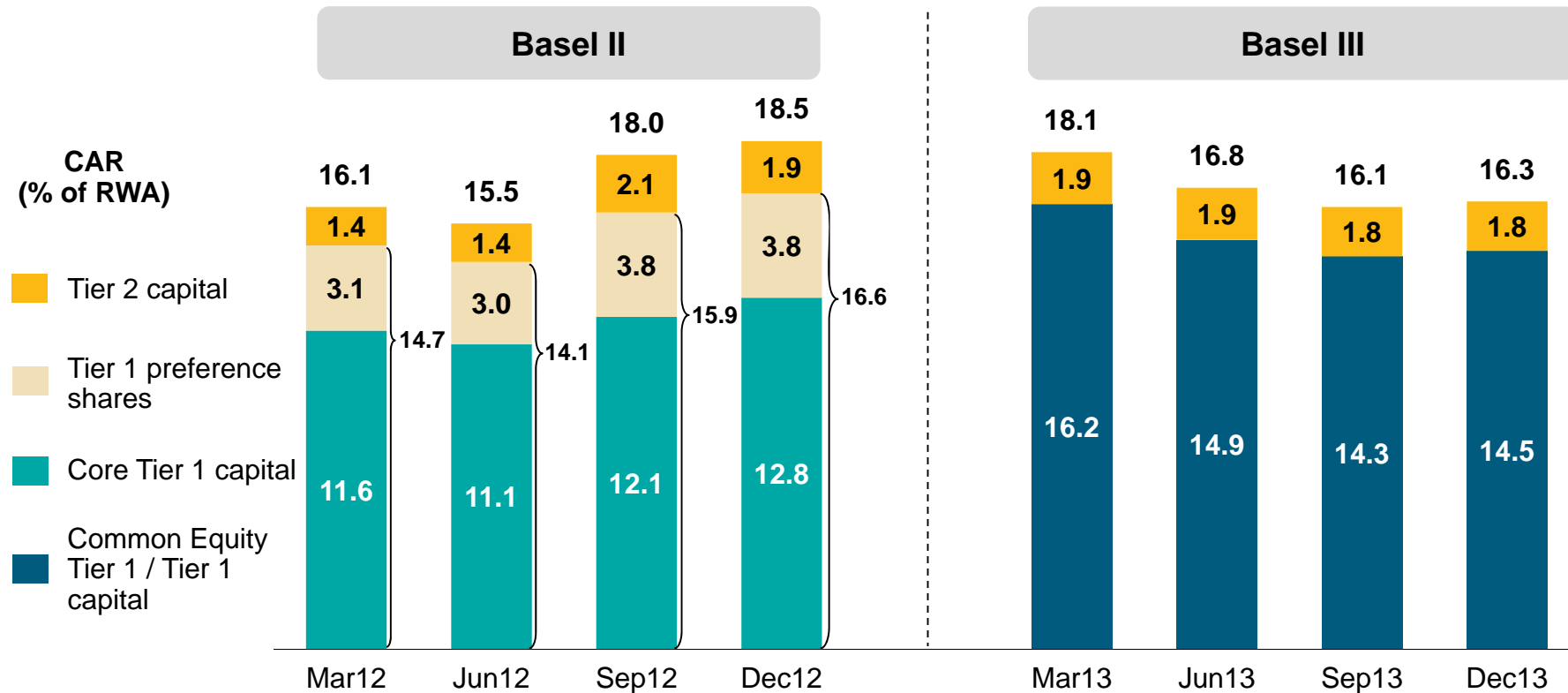
Movement in NPAs, credit quality remained sound

	FY13 S\$m	FY12 S\$m	4Q13 S\$m	4Q12 S\$m	3Q13 S\$m
NPAs – Opening balance	1,172	1,437	1,338	1,256	1,177
New NPAs	896	888	237	289	287
New recoveries/upgrades	(597)	(1,005)	(212)	(338)	(103)
Write-offs	(167)	(148)	(59)	(35)	(23)
NPAs – Closing balance	1,304	1,172	1,304	1,172	1,338

Allowance coverage ratios remained strong



Capital adequacy ratios well above regulatory requirements

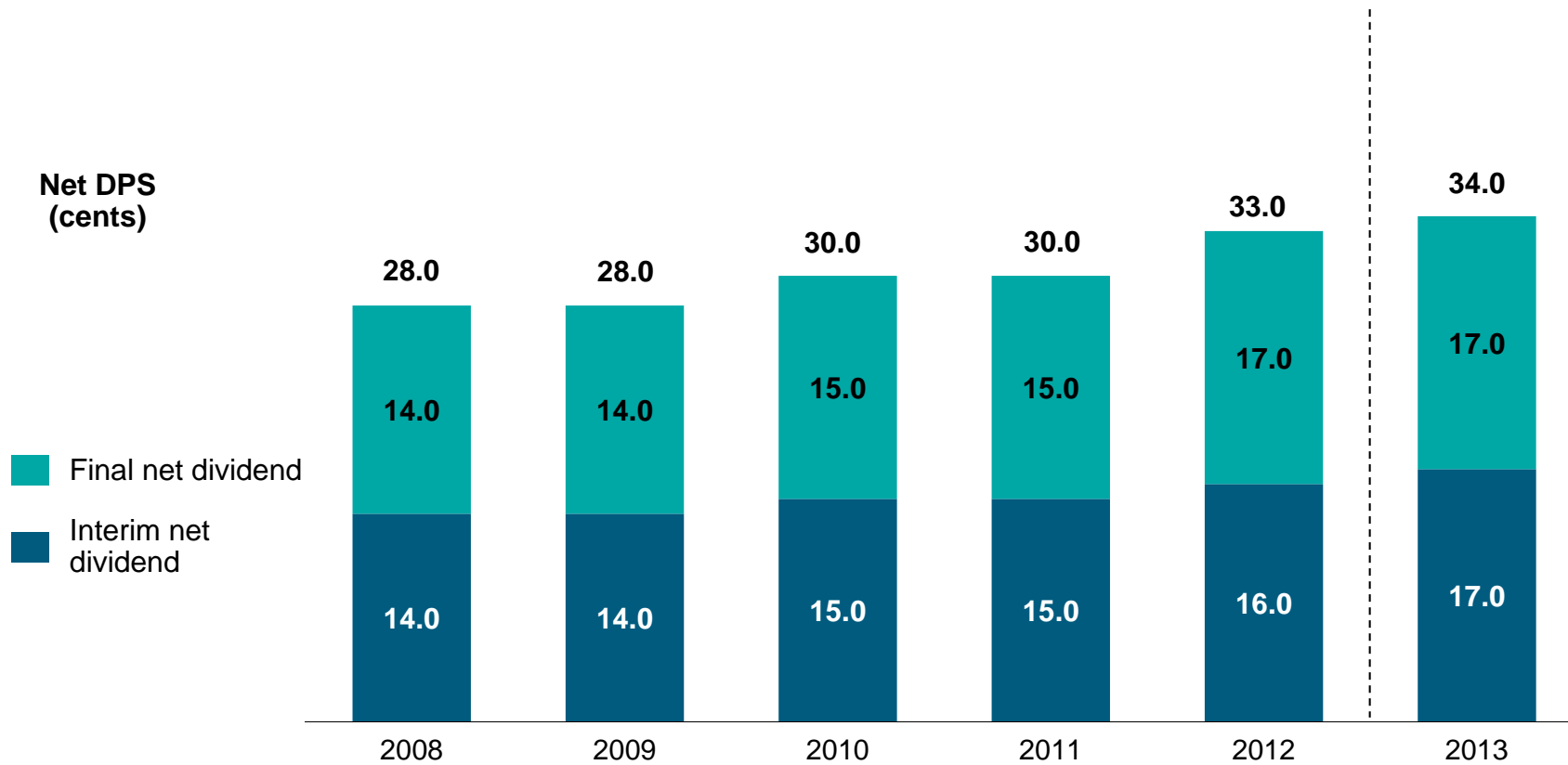


Tier 1 capital (S\$m)	19,024	18,981	20,934	21,591	CET1 capital (S\$m)	22,794	22,146	21,036	21,884
Tier 1 prefs. (S\$m)	3,958	3,954	4,954	4,954	Tier 1 capital (S\$m)	22,794	22,146	21,036	21,884
RWA (S\$m)	129,183	134,467	131,263	129,647	RWA (S\$m)	140,395	148,131	146,957	150,325



Note: Capital ratios for 2013 are computed based on MAS' transitional Basel III framework; capital ratios for 2012 are computed based on Basel II framework

Dividend increased to 34 cents per share



Net Dividends (S\$m)	868	898	994	1,024	1,133	1,167
Core Net Profit (S\$m)	1,486	1,962	2,253	2,280	2,825	2,768
Dividend Payout Ratio	58%	46%	44%	45%	40%	42%

GEH: Full year core earnings contribution of S\$542m

GEH Contribution	FY13 S\$m	FY12 S\$m	YoY +/(-)%
Profit from insurance business	633	731	(13)
- Operating profit ^{1/}	560	501	12
- Non-operating profit/(loss) ^{2/}	(11)	161	(107)
- Others ^{3/}	84	69	22
Profit from Shareholders' Fund	175	141	25
Sub-total	808	872	(7)
Amortisation of intangibles	(47)	(47)	-
Allowances	(1)	(0)	-
Associates & JVs	(8)	(3)	-
Tax & non-controlling interests	(211)	(200)	5
Core net profit contribution	542	622	(13)
Divestment gain, net of tax	-	341 ^{4/}	(100)
Net profit contribution	542	963	(44)

1/ Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).

2/ Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items

3/ Mainly tax

4/ Gain from divestment of the Group's shareholdings in F&N and APB

GEH: 4Q13 core earnings contribution of S\$133m

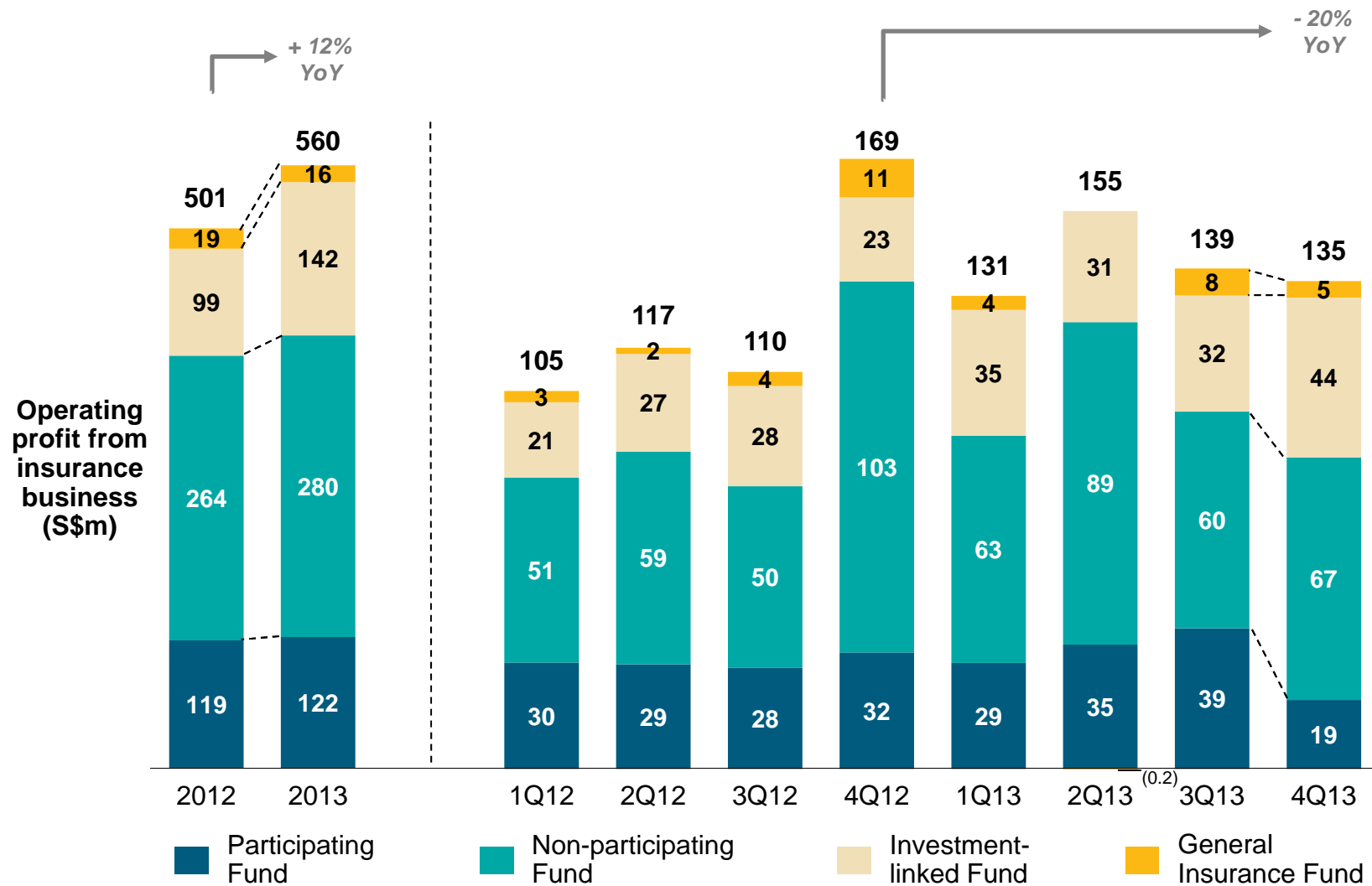
GEH Contribution	4Q13 S\$m	4Q12 S\$m	YoY +/(-)%	3Q13 S\$m	QoQ +/(-)%
Profit from insurance business	175	227	(23)	253	(31)
- Operating profit ^{1/}	135	169	(20)	139	(2)
- Non-operating profit/(loss) ^{2/}	15	39	(60)	91	(83)
- Others ^{3/}	24	20	25	24	3
Profit from Shareholders' Fund	29	27	7	65	(55)
Sub-total	204	255	(20)	318	(36)
Amortisation of intangibles	(12)	(12)	-	(12)	-
Allowances	(1)	0	-	(0)	-
Associates & JVs	(6)	(3)	-	(0)	-
Tax & non-controlling interests	(54)	(55)	(2)	(71)	(25)
Net profit contribution	133	185	(28)	235	(43)

1/ Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).

2/ Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items

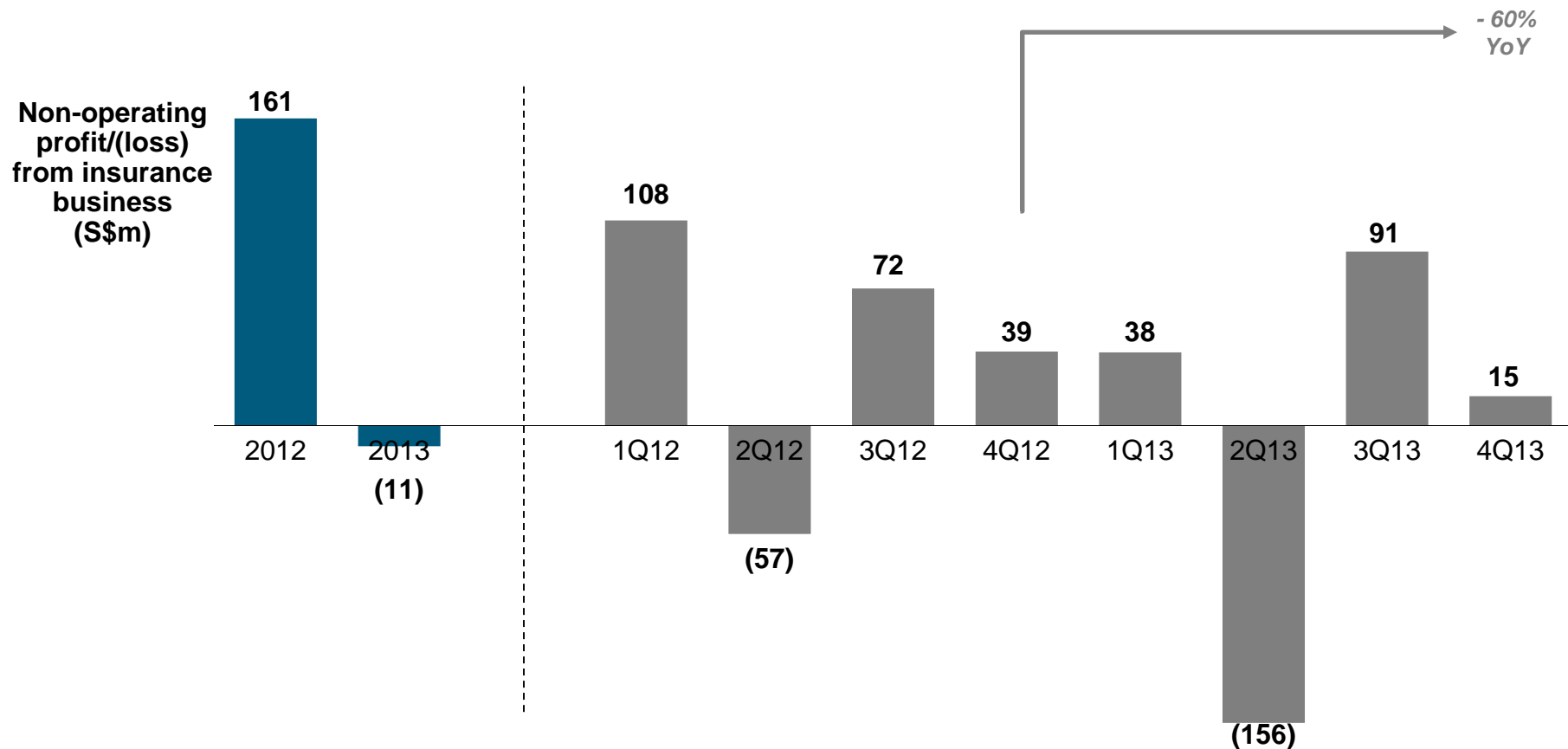
3/ Mainly tax

GEH: Operating profit from insurance business up 12% YoY on growth across all life assurance funds

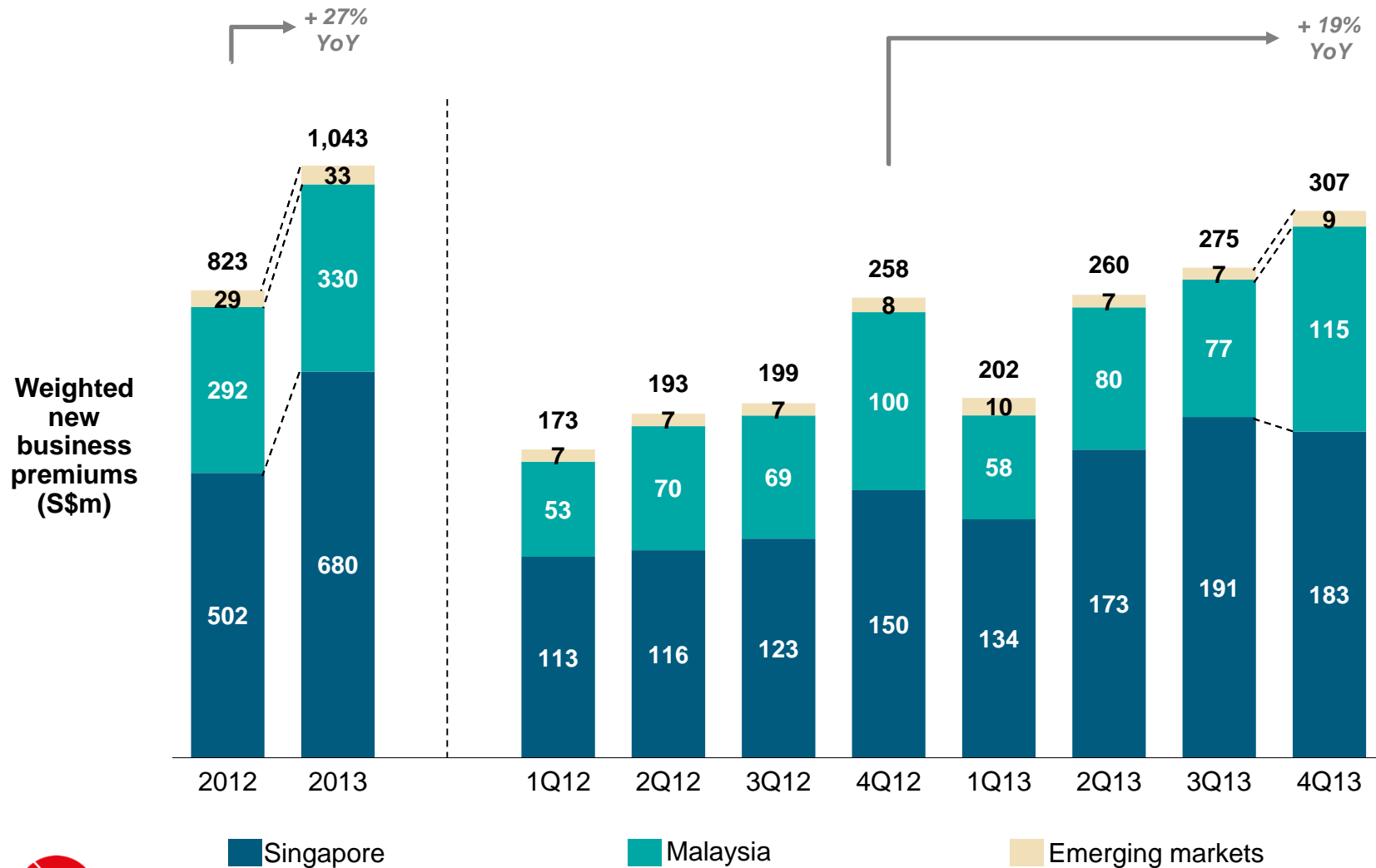


Note: Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).

GEH: *Non-operating loss* mainly due to unrealised mark-to-market losses from Singapore Non-Participating Fund in 2Q13

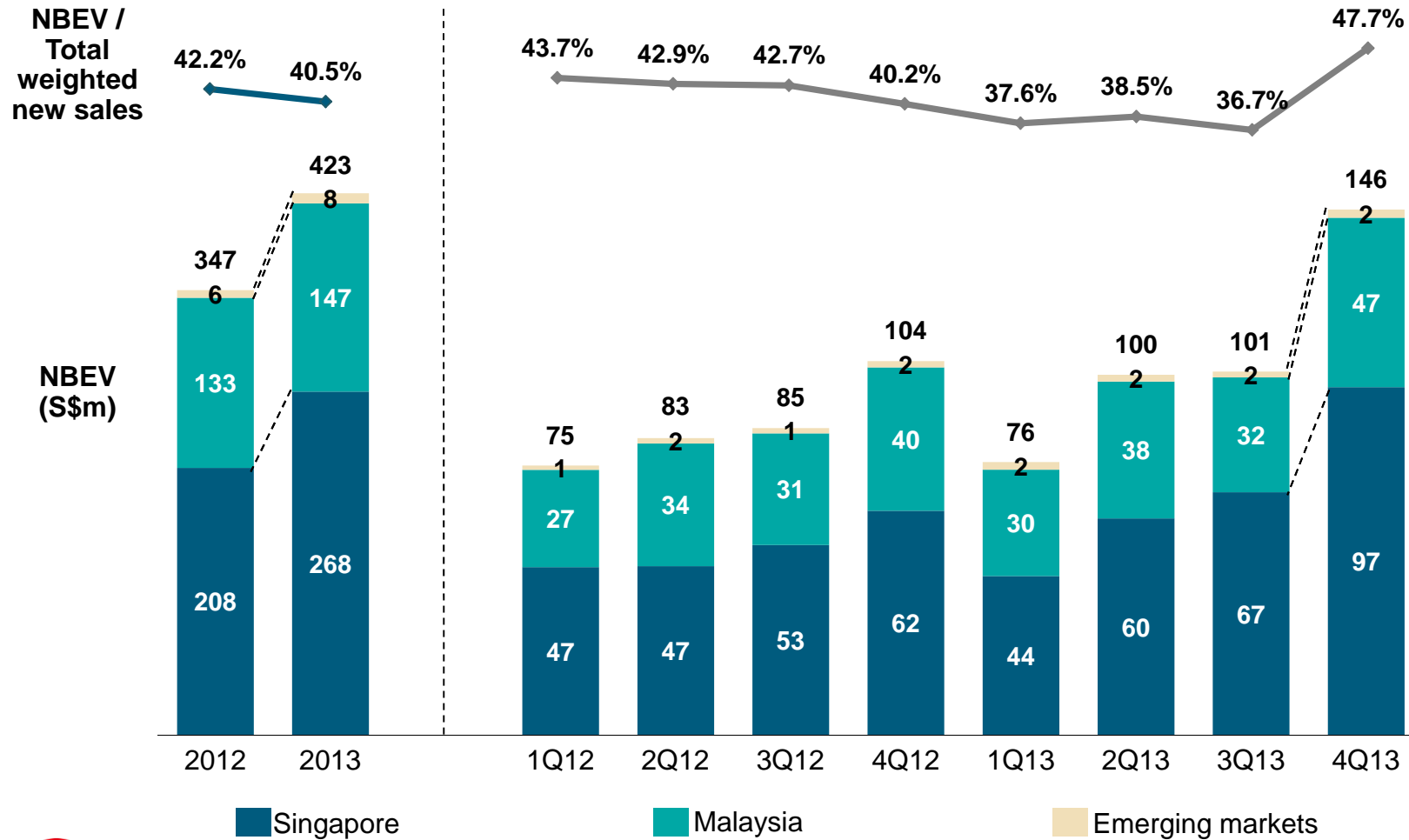


GEH: Sustained sales momentum in Singapore and Malaysia, *total weighted new sales rose 27% YoY*



Note: QoQ comparison not relevant given seasonality of insurance sales. For comparative reasons, total weighted new sales figures for periods prior to 4Q13 have been restated using exchange rates as at 31 December 2013

GEH: *New business embedded value up 22% YoY*

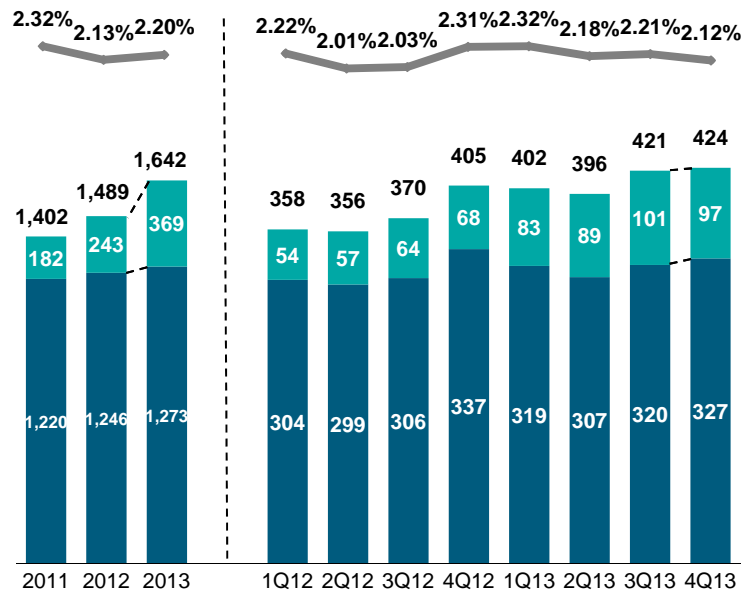


Note: For comparative reasons, NBEV figures for periods prior to 4Q13 have been restated using exchange rates as at 31 December 2013. NBEV figures for periods prior to 4Q12 have been restated to take into account revised investment and actuarial assumptions implemented in 4Q12

OCBC Malaysia: Total net interest income and Islamic financing income up 10% YoY, non-interest income increased 2% YoY

Net interest income and Islamic financing income (RM m)

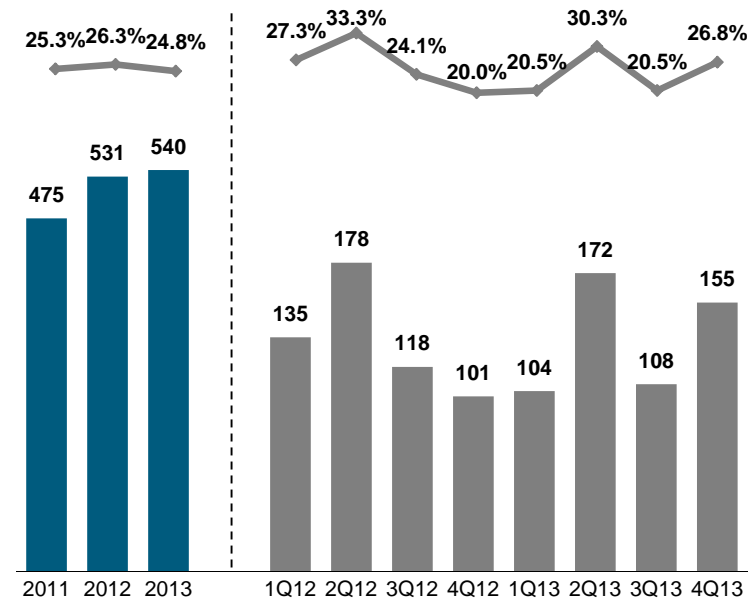
Net Interest/financing margin



■ Net interest income ■ Islamic financing income

Non-interest income (RM m)

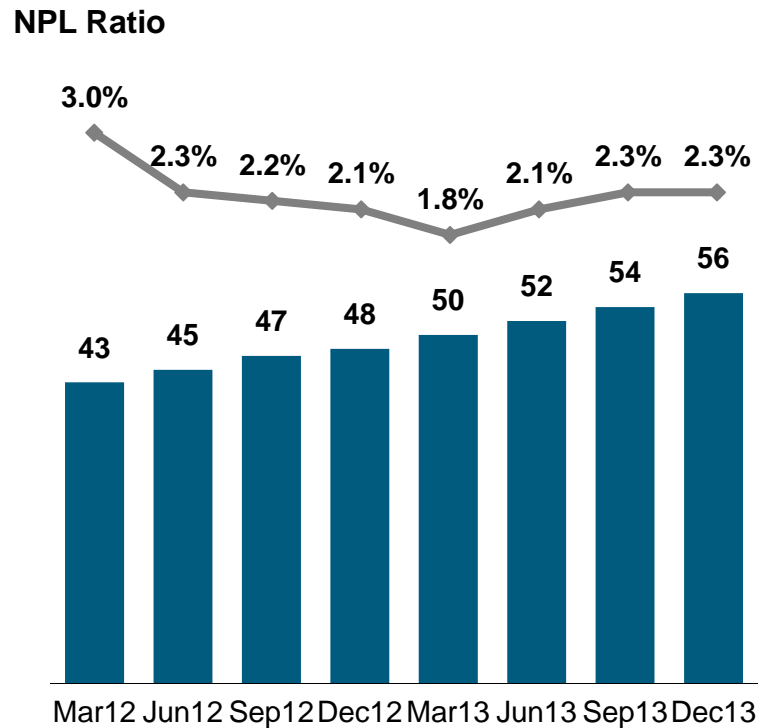
Non-int. income/Total income



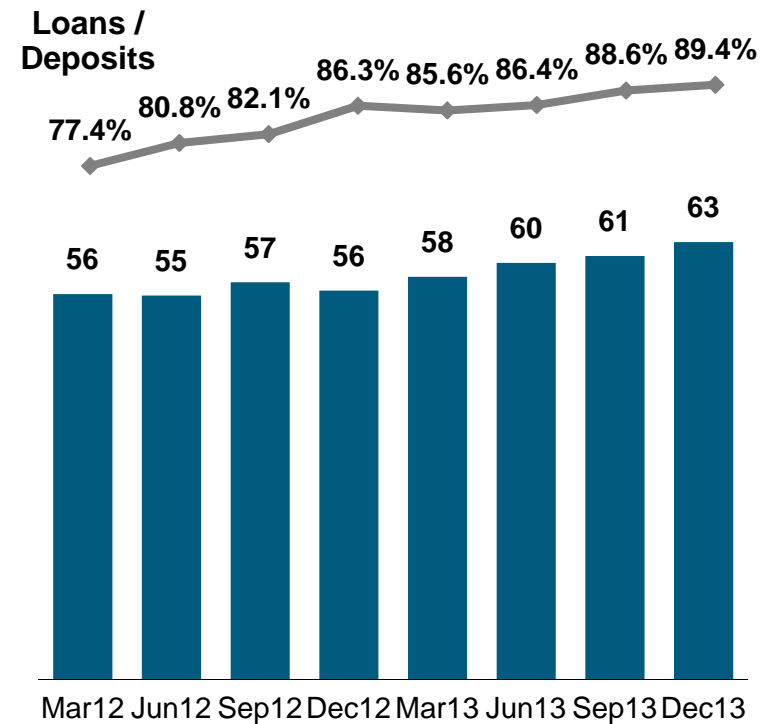
Note: Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards

OCBC Malaysia: Loans grew 17% YoY and 4% QoQ, NPL ratio at 2.3%

Gross Loans (RM b)



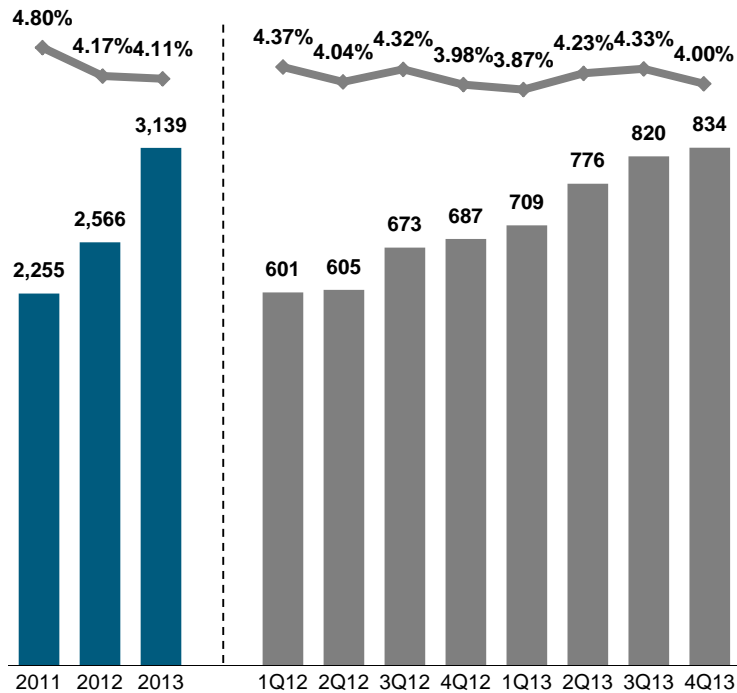
Deposits (RM b)



OCBC NISP: Net interest income up 22% YoY, non-interest income up 5% YoY

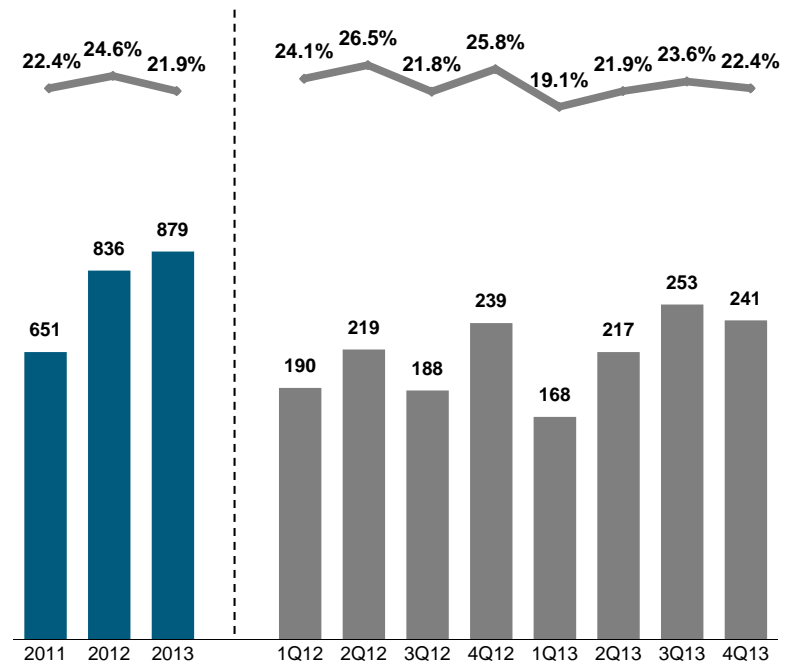
Net interest income (Rp b)

Net interest margin



Non-interest income (Rp b)

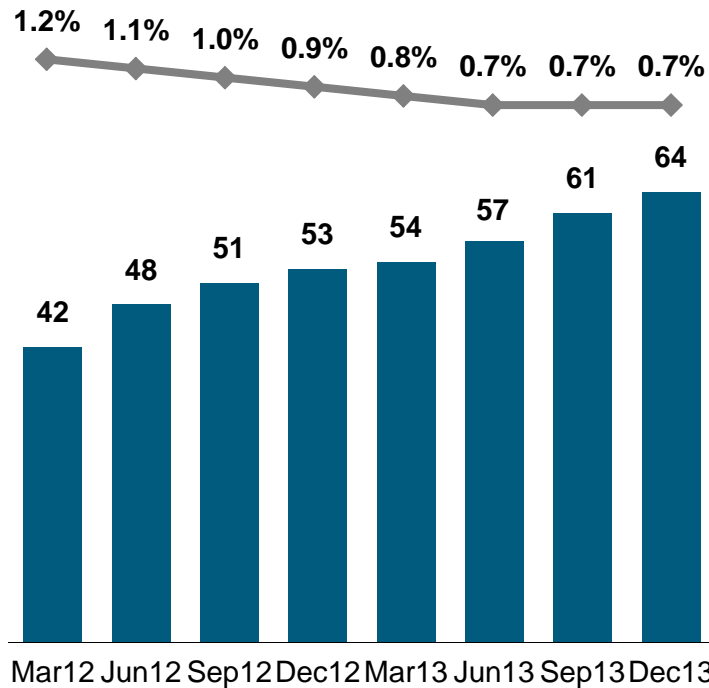
Non-int. income/ Total income



OCBC NISP: Loans grew 21% YoY and 5% QoQ, NPL ratio improved to 0.7%

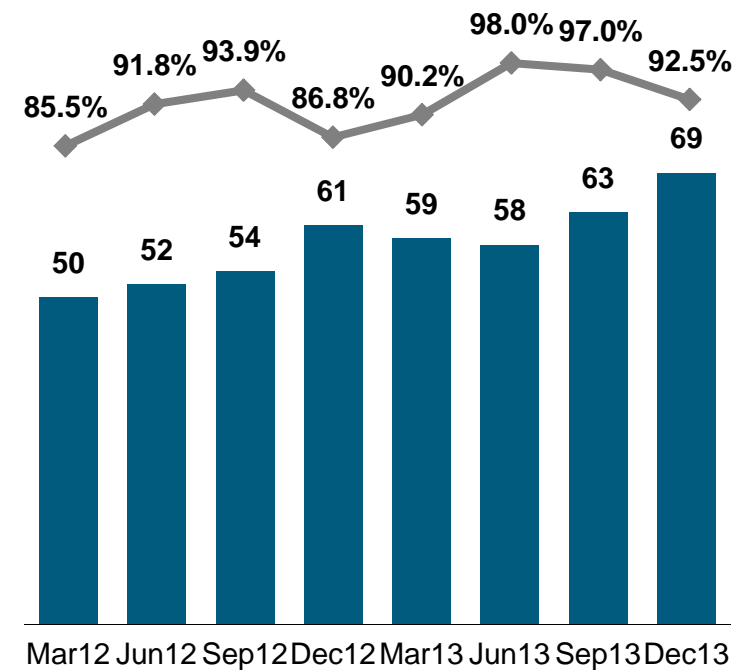
Gross Loans (Rp t)

NPL Ratio



Deposits (Rp t)

Loans / Deposits



CASA Ratio

58.3% 57.3% 50.5% 49.6% 47.3% 44.8% 44.8% 38.9%



Note: NPL ratio and LDR calculation based on Bank Indonesia's guidelines



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Results Overview

FY13 Performance Trends

Appendix: Financial Highlights of
Malaysian and Indonesian Subsidiaries

OCBC Malaysia: Record full year net profit grew 17% YoY

OCBC Malaysia	FY13 RM m	FY12 RM m	YoY +/(-)%
Net interest income	1,273	1,246	2
Islamic Financing Income	369	243	52
Non-interest income	540	531	2
Total income	2,182	2,020	8
Operating expenses	(872)	(851)	3
Operating profit	1,310	1,169	12
Allowances	(60)	(84)	(29)
Tax	(304)	(274)	11
Net profit	946	811	17

Key ratios (%)

Cost / Income	40.0	42.1
ROE	17.3	15.4
CAR		
- Common Equity Tier 1	12.7	na
- Tier 1	14.6	14.4
- Total CAR	17.7	17.8



Note: Capital ratios for OCBC Malaysia Group are computed in accordance with the Capital Adequacy Framework issued by Bank Negara Malaysia.
"na" denotes not applicable

OCBC Malaysia: 4Q13 net profit rose 37% YoY

OCBC Malaysia	4Q13	4Q12	YoY	3Q13	QoQ
	RM m	RM m	+/(-)%	RM m	+/(-)%
Net interest income	327	337	(3)	320	2
Islamic Financing Income	97	68	43	101	(4)
Non-interest income	155	101	53	108	44
Total income	579	506	14	529	10
Operating expenses	(230)	(235)	(2)	(223)	3
Operating profit	349	271	29	306	14
Allowances	(17)	(22)	(23)	(20)	(15)
Tax	(77)	(63)	22	(70)	10
Net profit	255	186	37	216	18

Key ratios (%)

Cost / Income	39.6	46.4		42.2
ROE	18.4	14.9		16.2
CAR				
- Common Equity Tier 1	12.7	na		11.8
- Tier 1	14.6	14.4		13.7
- Total CAR	17.7	17.8		16.8



Note: Capital ratios for OCBC Malaysia Group are computed in accordance with the Capital Adequacy Framework issued by Bank Negara Malaysia.
"na" denotes not applicable

OCBC NISP: Full year net profit up 25% YoY, a record high

OCBC NISP	FY13 RP b	FY12 RP b	YoY +/(-)%
Net interest income	3,139	2,566	22
Non-interest income	879	836	5
Total income	4,018	3,402	18
Operating expenses	(2,215)	(1,942)	14
Operating profit	1,803	1,460	23
Allowances	(259)	(247)	5
Non Op Income / (Expenses)	(14)	9	(263)
Tax	(387)	(307)	26
Net profit	1,143	915	25

Key ratios (%)

Cost / Income	55.1	57.1
ROE	11.9	12.2
CAR		
- Common Equity Tier 1	17.4	13.9
- Tier 1	17.4	13.9
- Total CAR	19.3	16.5



Note: Capital ratios are computed based on the standardised approach under the Basel II framework

OCBC NISP: 4Q13 net profit increased 17% YoY


OCBC NISP	4Q13	4Q12	YoY	3Q13	QoQ
	RP b	RP b	+/(-)%	RP b	+/(-)%
Net interest income	834	687	22	820	2
Non-interest income	241	239	1	253	(5)
Total income	1,075	926	16	1,073	-
Operating expenses	(577)	(500)	16	(570)	1
Operating profit	498	426	17	503	(1)
Allowances	(73)	(83)	(12)	(100)	(27)
Non Op Income / (Expenses)	(13)	3	(675)	0	nm
Tax	(107)	(87)	24	(101)	6
Net profit	305	259	17	302	1

Key ratios (%)

Cost / Income	53.7	54.0	53.1
ROE	10.5	12.5	13.3
CAR			
- Common Equity Tier 1	17.4	13.9	12.9
- Tier 1	17.4	13.9	12.9
- Total CAR	19.3	16.5	14.9



Note: Capital ratios are computed based on the standardised approach under the Basel II framework



2013 Full Year Results

Thank You

