

Second Quarter 2012 Results Presentation

2 August 2012



Agenda

Results Overview

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

2Q12 Highlights

- Strong YoY growth, led by robust customer-related earnings
 - Net interest income growth driven by broad-based loan growth
 - Fee income growth led by increased wealth management income and loan-related activities
 - Insurance new sales and new business embedded value growth remained healthy
- Operating expenses remained well-managed
- Asset quality remained healthy, total NPAs and NPL ratio both declined QoQ

2Q12 core net profit of S\$648m, up 12% YoY

OCBC Group	2Q12 S\$m	2Q11 S\$m	YoY +/(-)%	1Q12 S\$m	QoQ +/(-)%
Net interest income	931	827	13	951	(2)
Non-interest income	596	586	2	790	(25)
Total income	1,527	1,413	8	1,741	(12)
Operating expenses	(661)	(618)	7	(625)	6
Operating profit	866	795	9	1,116	(22)
Amortisation of intangibles	(15)	(16)	(2)	(15)	-
Allowances	(38)	(56)	(34)	(96)	(61)
Associates & JVs	12	19	(36)	6	87
Tax & non-controlling interests ("NCI")	(177)	(165)	7	(221)	(20)
Core net profit	648	577	12	790	(18)
Divestment gain, net of tax	-	-	-	42 ^{1/}	(100)
Net profit	648	577	12	832	(22)



^{1/} Gain from divestment of property at Bourke Street, Melbourne, Australia

1H12 core net profit of S\$1,438m, up 23% YoY

OCBC Group	1H12 S\$m	1H11 S\$m	YoY +/(-)%	2H11 S\$m	HoH +/(-)%
Net interest income	1,882	1,611	17	1,799	5
Non-interest income	1,386	1,204	15	1,008	38
Total income	3,268	2,815	16	2,807	16
Operating expenses	(1,286)	(1,199)	7	(1,231)	5
Operating profit	1,982	1,616	23	1,576	26
Amortisation of intangibles	(30)	(31)	(2)	(30)	(2)
Allowances	(134)	(105)	27	(116)	16
Associates & JVs	18	31	(40)	(24)	177
Tax & NCI	(398)	(338)	18	(299)	33
Core net profit	1,438	1,173	23	1,107	30
Divestment gain, net of tax	42 ^{1/}	32 ^{2/}	30	-	-
Net profit	1,480	1,205	23	1,107	34

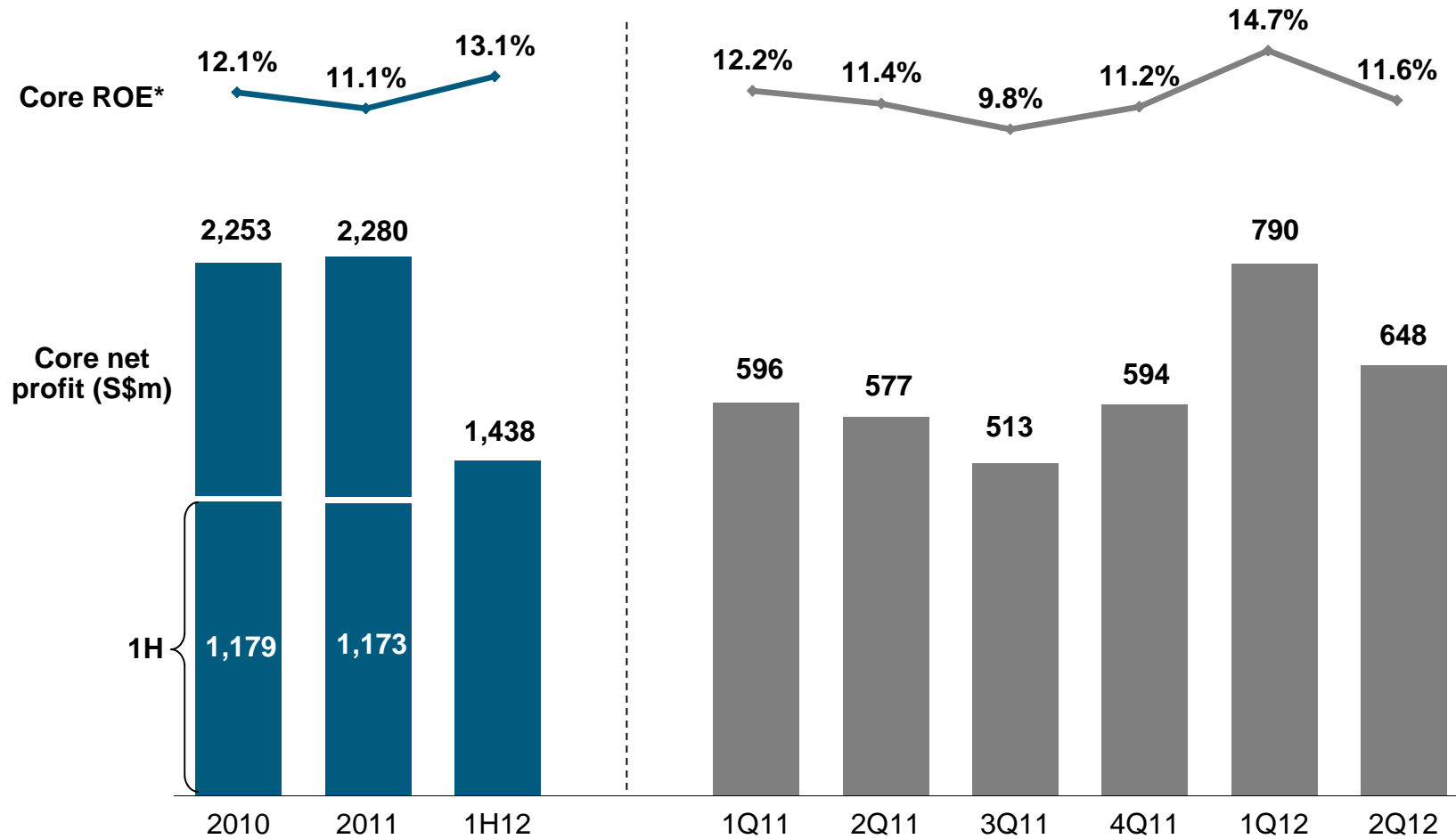


1/ Gain from divestment of property at Bourke Street, Melbourne, Australia
 2/ Gain from divestment of property at Bassein Road, Singapore

Key ratios

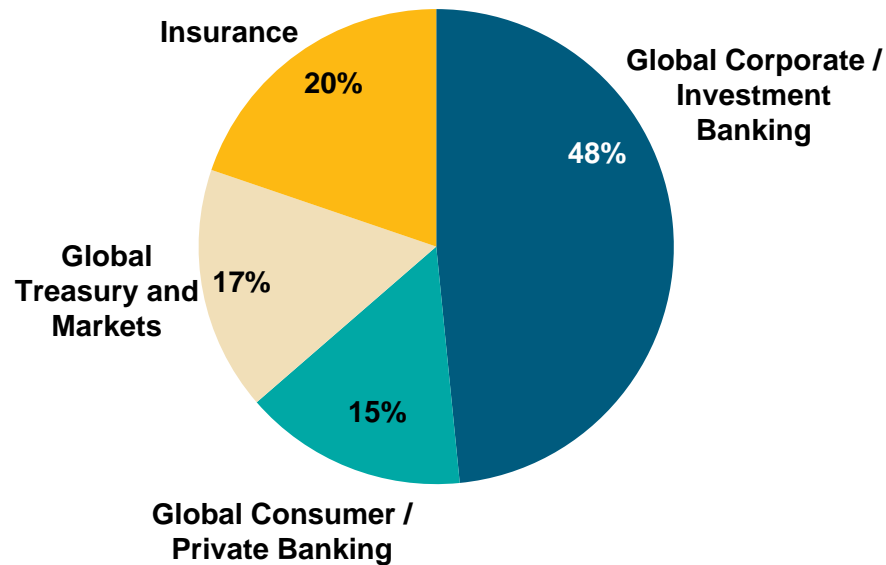
Based on core earnings	2Q12 %	2Q11 %	1Q12 %	1H12 %	1H11 %
Net interest margin	1.77	1.87	1.86	1.82	1.88
Non-interest income / Total income	39.0	41.4	45.4	42.4	42.8
Costs / Income	43.3	43.7	35.9	39.4	42.6
Loans / Deposits	85.3	89.1	84.4	85.3	89.1
NPL Ratio	0.9	0.8	1.0	0.9	0.8
Allowances / NPAs	125.4	123.2	106.0	125.4	123.2
ROE	11.6	11.4	14.7	13.1	11.8
Cash ROE	11.9	11.7	15.0	13.4	12.1

ROE of 13.1% for 1H12

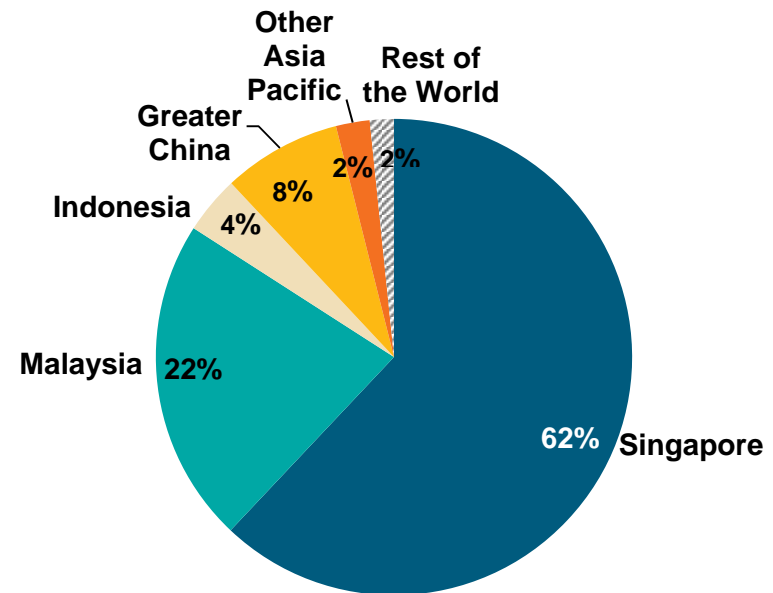


Profit contribution by business and geography

**1H12 PBT
by Business***



**1H12 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



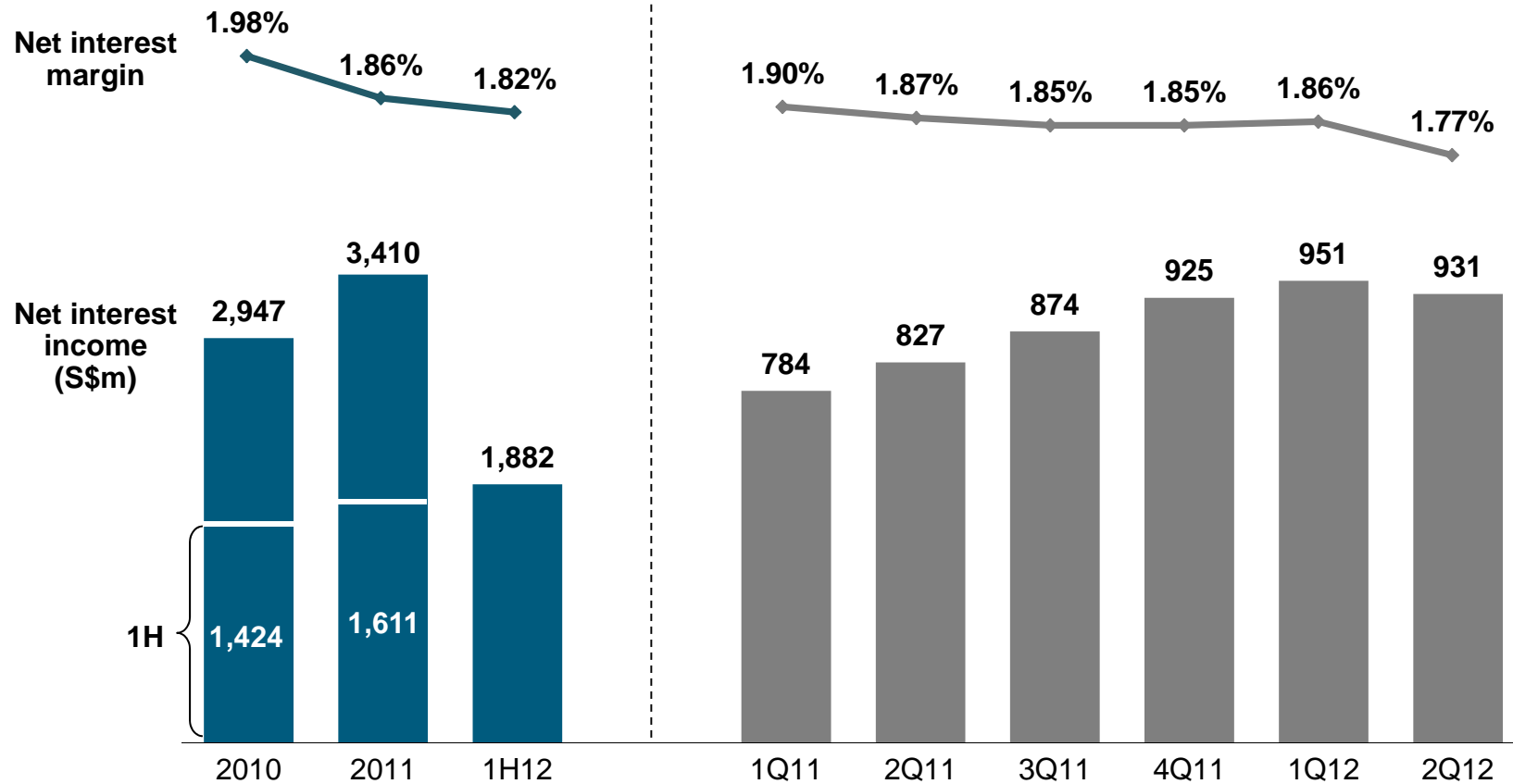
Agenda

Results Overview

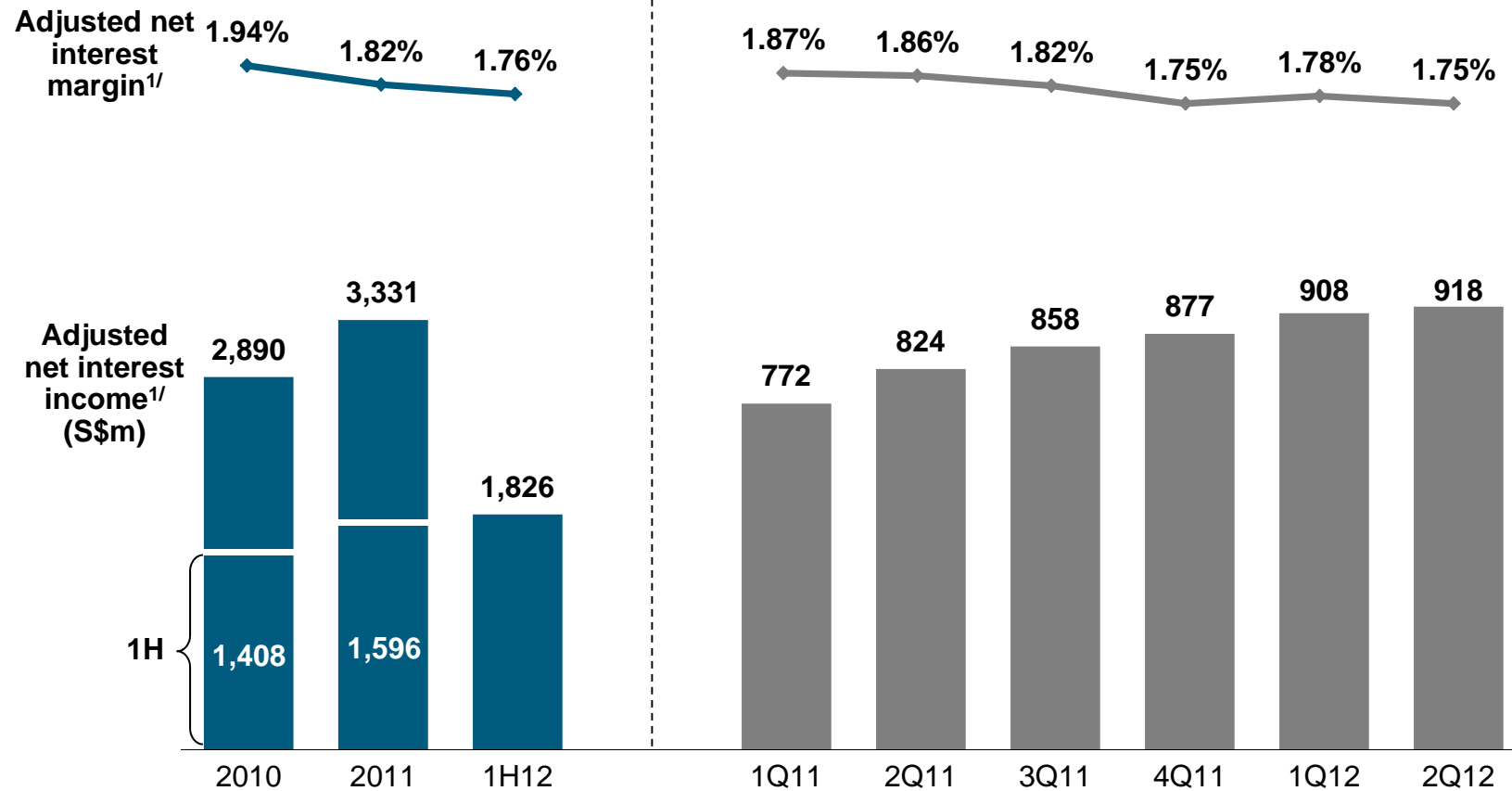
Performance Trends

Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

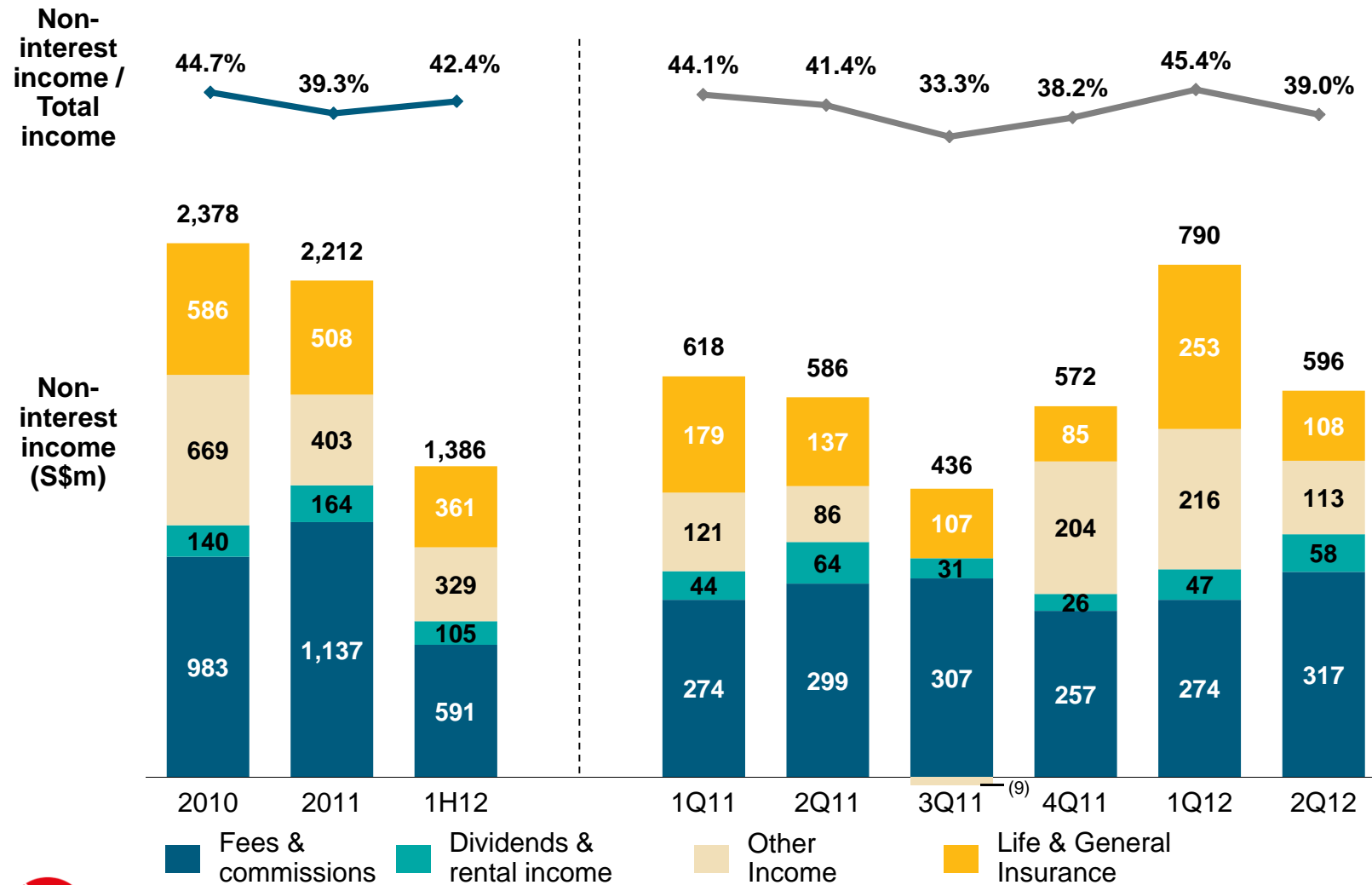
Net interest income up 13% YoY; asset growth partially offset by margin compression



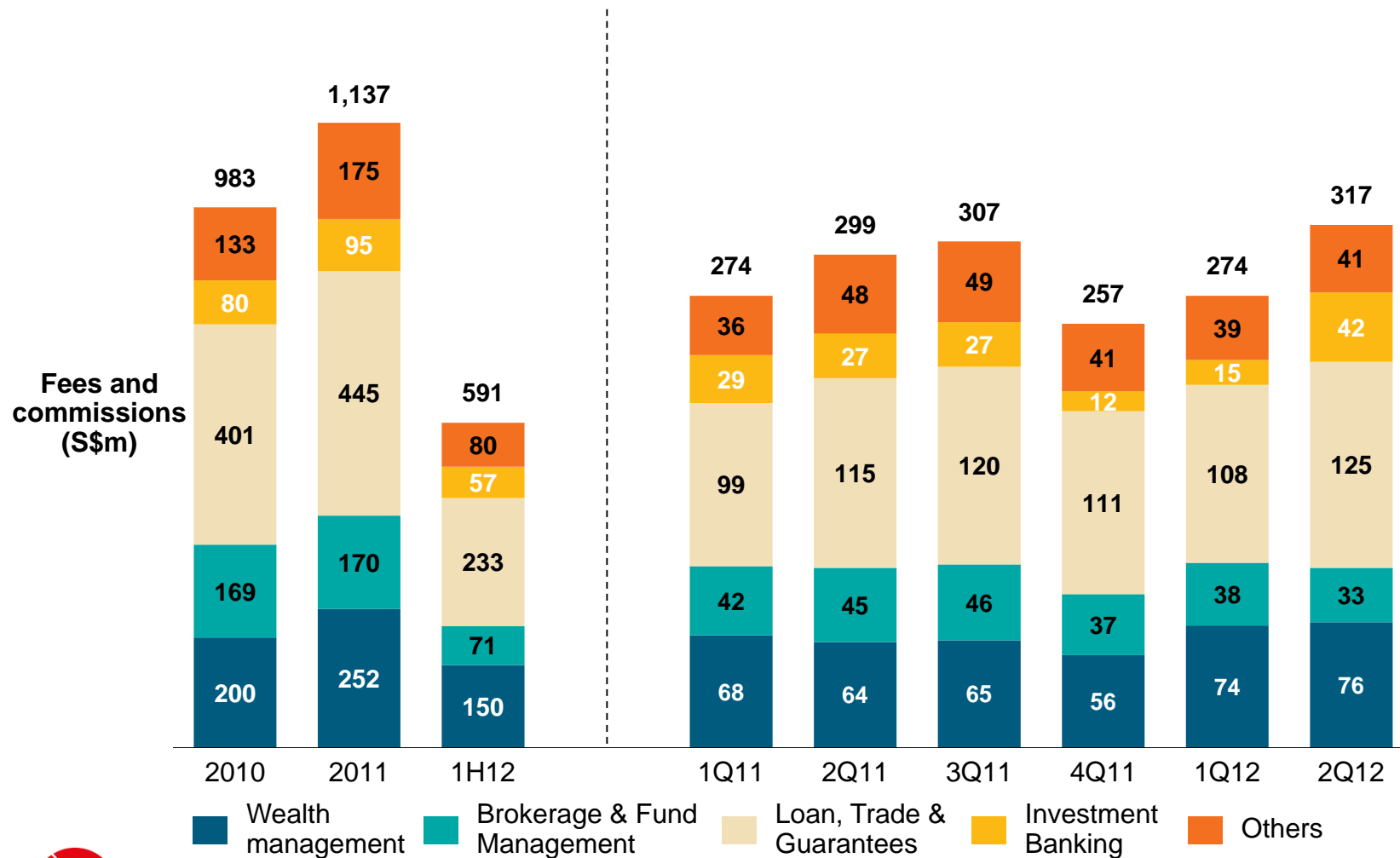
Net interest income less specific allowances up 11% YoY



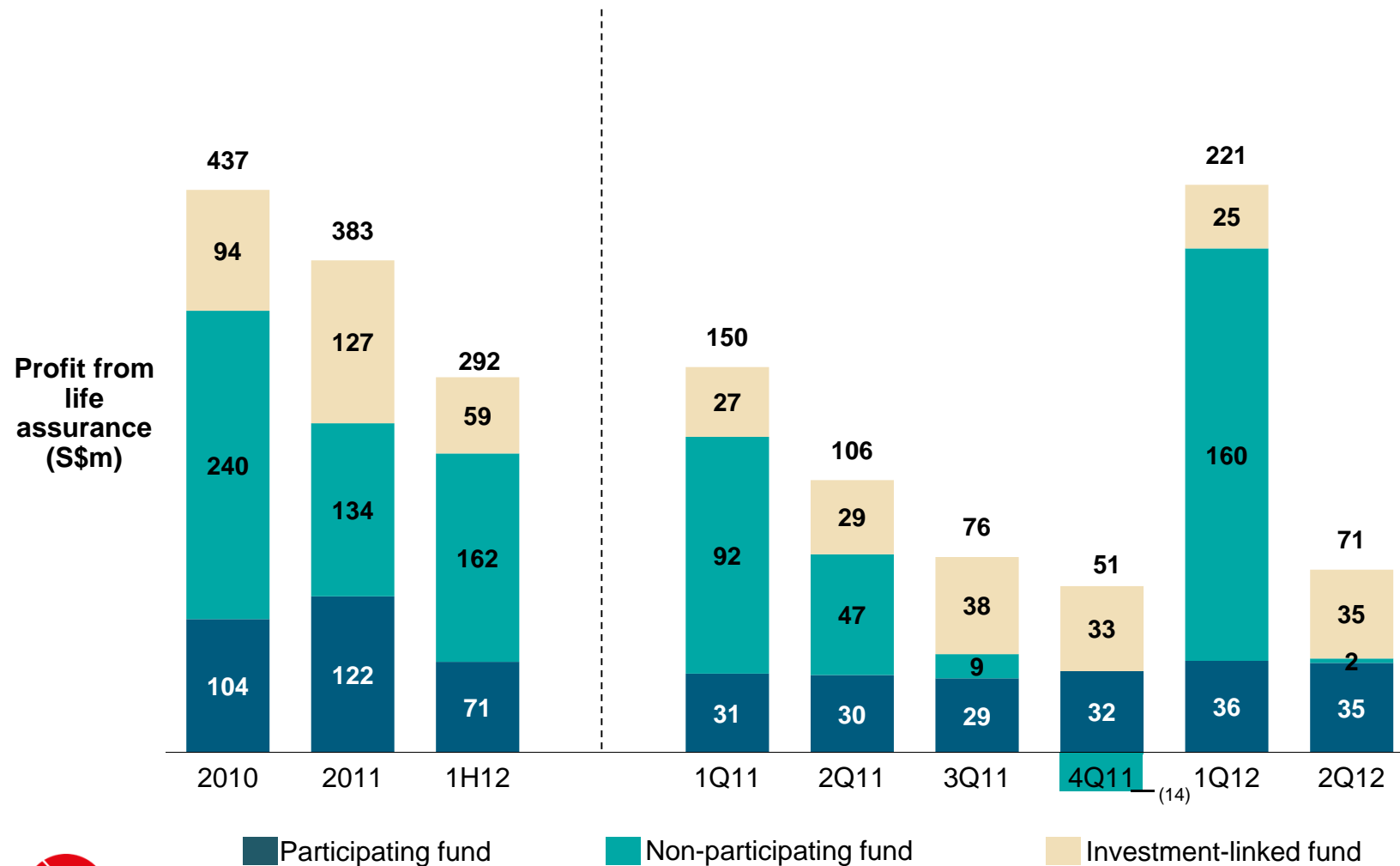
Non-interest income up 2% YoY, driven by increases in fees and trading income



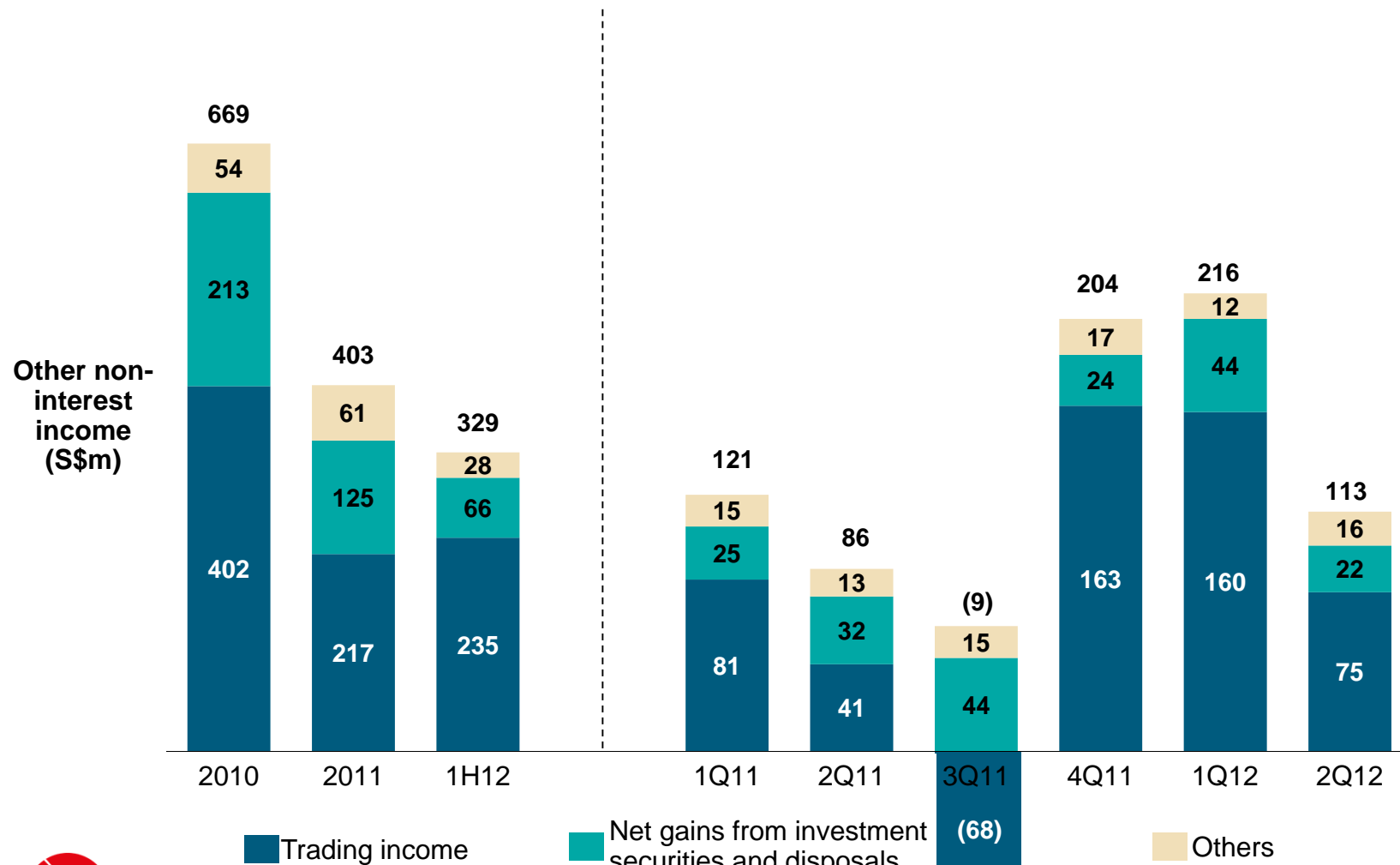
Fee income up 6% YoY and 16% QoQ, led by growth in wealth management and loan-related fees



Profit from life assurance declined 33% YoY as a result of weaker investment performance

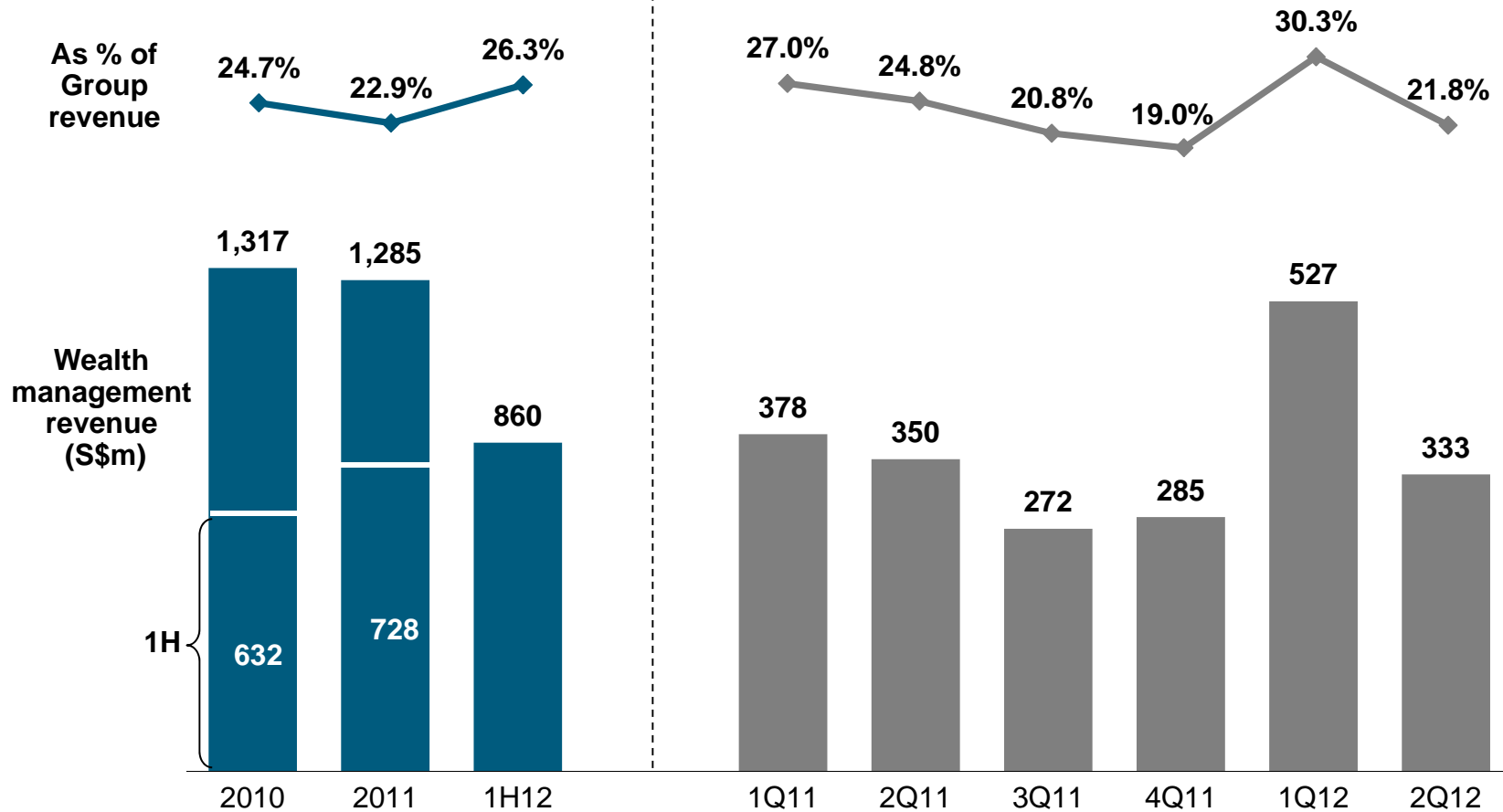


Other non-interest income up 30% YoY, driven by higher trading income



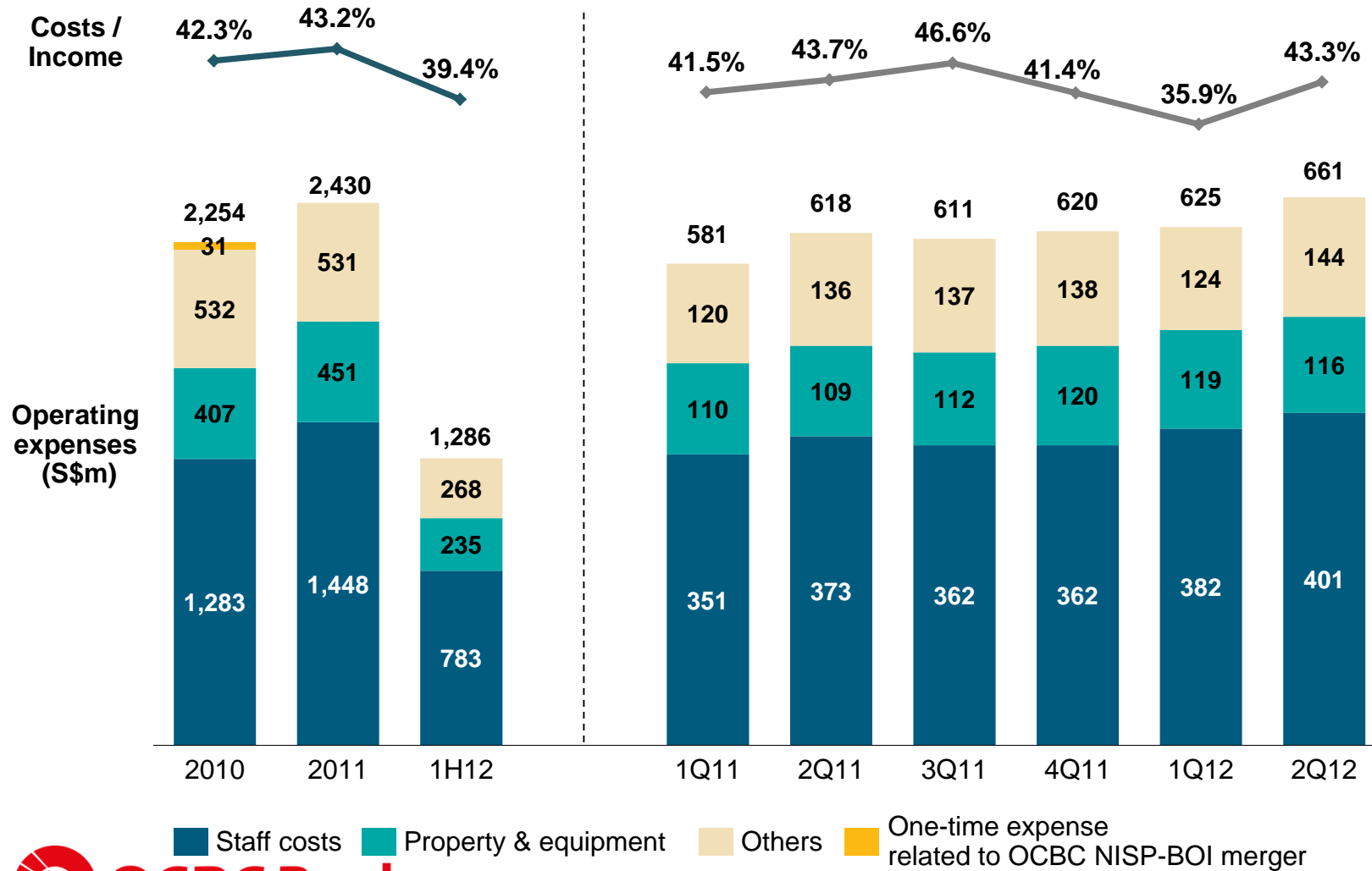
Note: Excludes gains from divestment of non-core assets

Wealth management revenue down 5% YoY, as lower insurance income offset growth in other areas

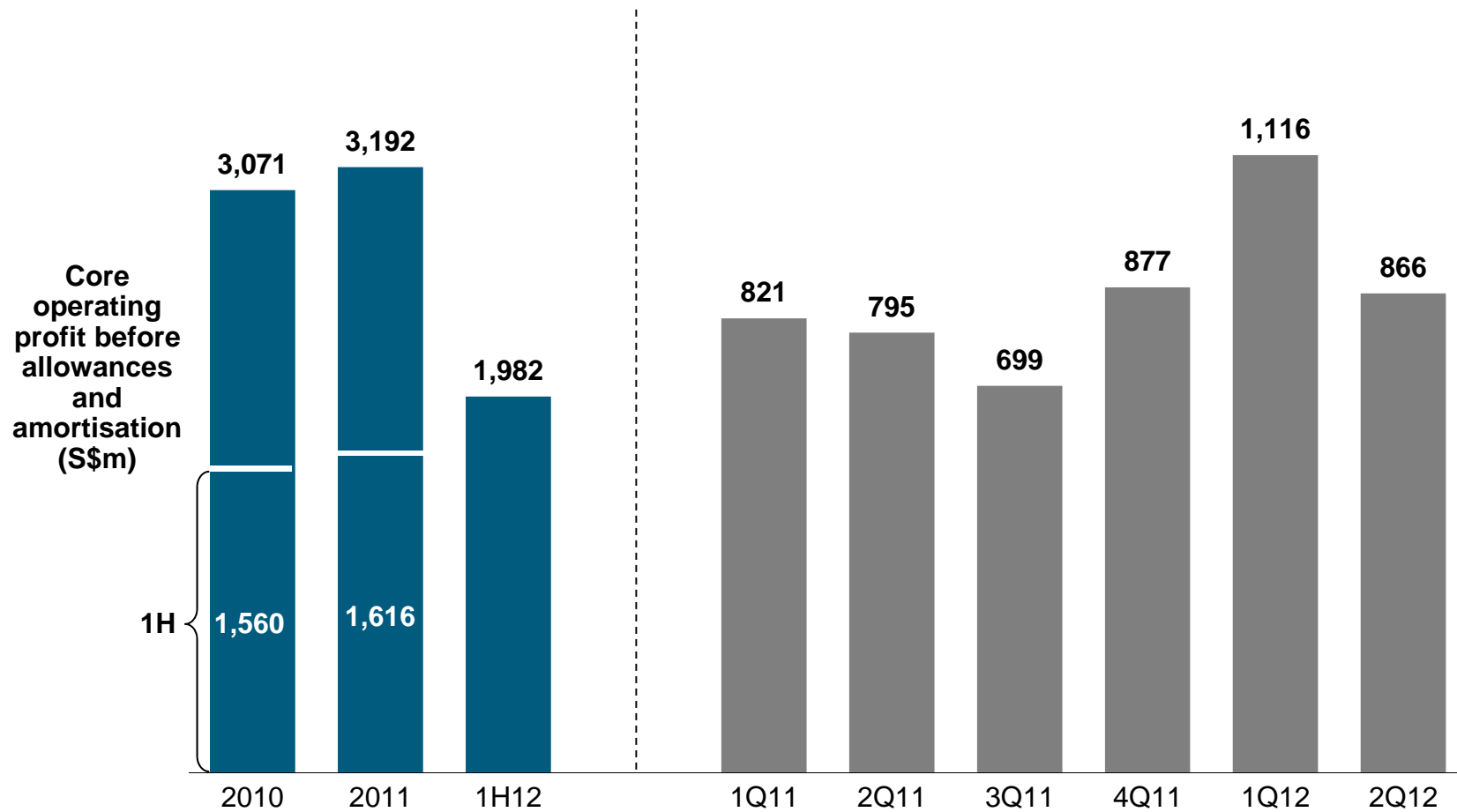


Note: Comprises the consolidated revenue from insurance, asset management, stockbroking and private banking subsidiaries, plus the Group's revenue from the sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers

Expenses rose modestly by 7% YoY



Core operating profit up 9% YoY



2Q12 net profit before GEH contribution up 21% YoY

OCBC Group	2Q12 S\$m	2Q11 S\$m	YoY +/(-)%	1Q12 S\$m	QoQ +/(-)%
Net interest income	918	815	13	936	(2)
Non-interest income	455	403	13	470	(3)
Total income	1,373	1,218	13	1,406	(2)
Operating expenses	(608)	(567)	7	(581)	5
Operating profit	765	652	17	825	(7)
Allowances	(37)	(57)	(34)	(96)	(61)
Associates & JVs	13	20	(36)	5	141
Amortisation, tax & NCI	(153)	(131)	16	(163)	(6)
Core net profit	587	484	21	571	3
Divestment gain, net of tax	-	-	-	42 ^{1/}	(100)
Net profit before GEH contribution	587	484	21	613	(4)
GEH net profit contribution	61	93	(35)	219	(72)
OCBC Group net profit	648	577	12	832	(22)

1H12 net profit before GEH contribution up 22% YoY

OCBC Group	1H12 S\$m	1H11 S\$m	YoY +/(-)%	2H11 S\$m	HoH +/(-)%
Net interest income	1,854	1,587	17	1,771	5
Non-interest income	925	812	14	780	19
Total income	2,779	2,400	16	2,550	9
Operating expenses	(1,189)	(1,107)	7	(1,139)	4
Operating profit	1,589	1,293	23	1,411	13
Allowances	(133)	(105)	27	(113)	19
Associates & JVs	18	31	(42)	(15)	216
Amortisation, tax & NCI	(316)	(268)	18	(252)	27
Core net profit	1,158	950	22	1,033	12
Divestment gain, net of tax	42 ^{1/}	32 ^{2/}	30	-	-
Net profit before GEH contribution	1,200	982	22	1,033	16
GEH net profit contribution	280	223	26	74	278
OCBC Group net profit	1,480	1,205	23	1,107	34

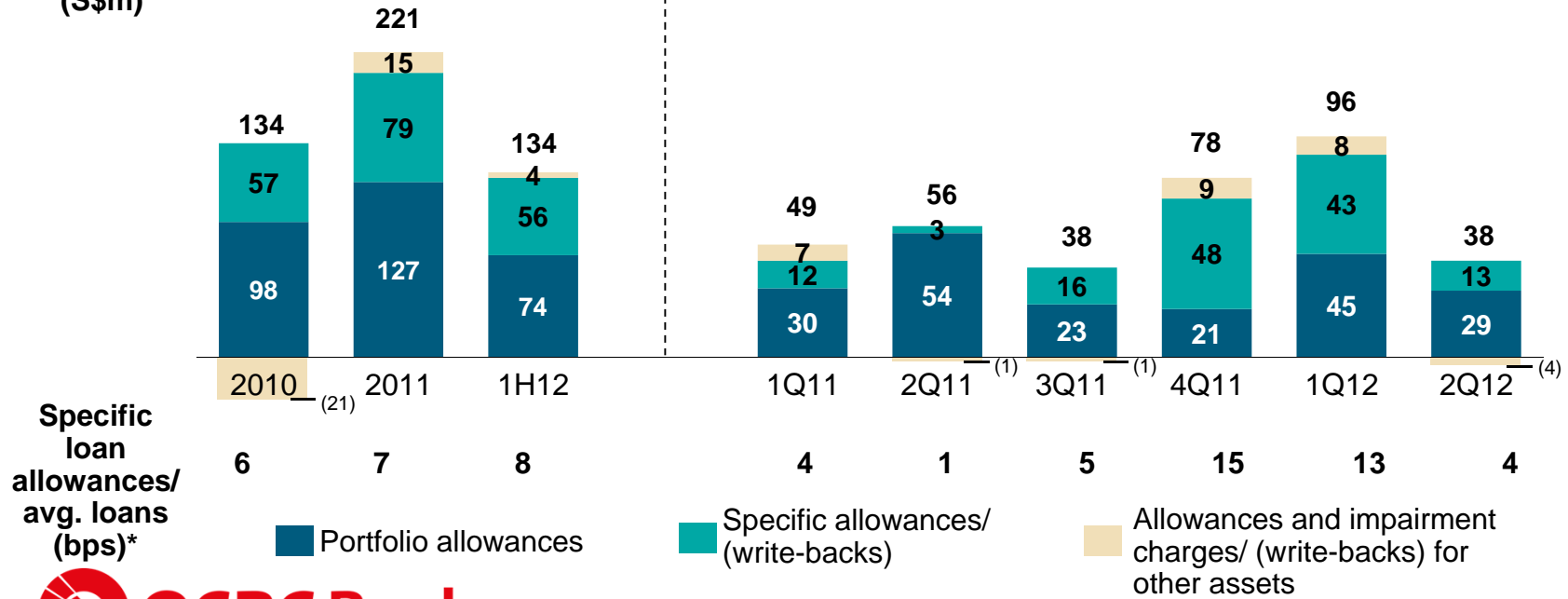


1/ Gain from divestment of property at Bourke Street, Melbourne, Australia

2/ Gain from divestment of property at Bassein Road, Singapore

Net allowances declined 61% QoQ

Net allowances for loans and other assets (\$m)



Specific loan allowances/avg. loans (bps)*

6

7

8

4

1

5

15

13

4

Portfolio allowances

Specific allowances/ (write-backs)

Allowances and impairment charges/ (write-backs) for other assets



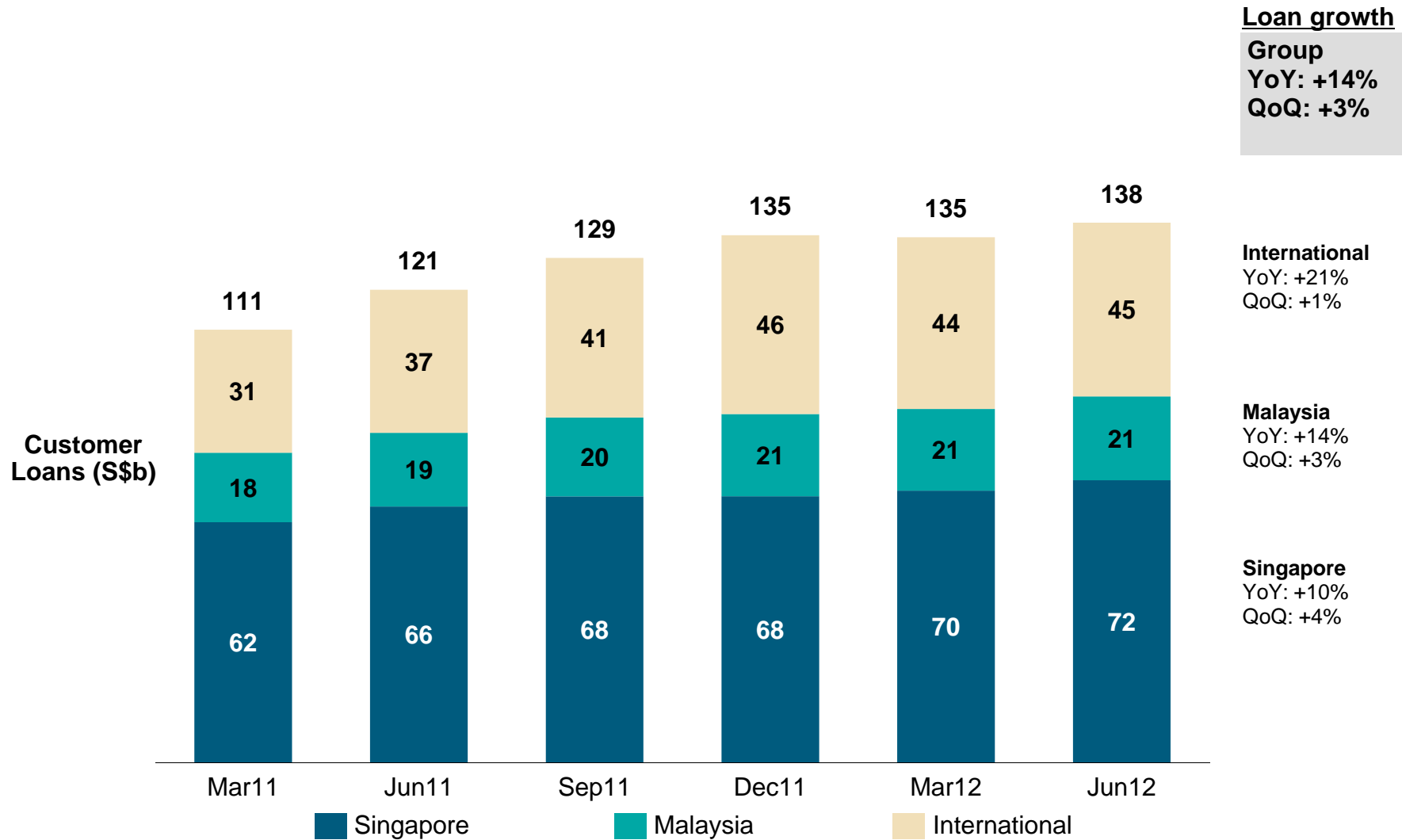
OCBC Bank

* Quarterly figures annualised

Net specific allowances declined 70% QoQ

	2Q12 S\$m	2Q11 S\$m	1Q12 S\$m	1H12 S\$m	1H11 S\$m
Allowances for new and existing NPLs	67	41	79	146	95
Write-backs ^{1/}	(44)	(26)	(25)	(69)	(54)
Recoveries ^{2/}	(11)	(12)	(11)	(21)	(26)
Net specific allowances	13	3	43	56	15

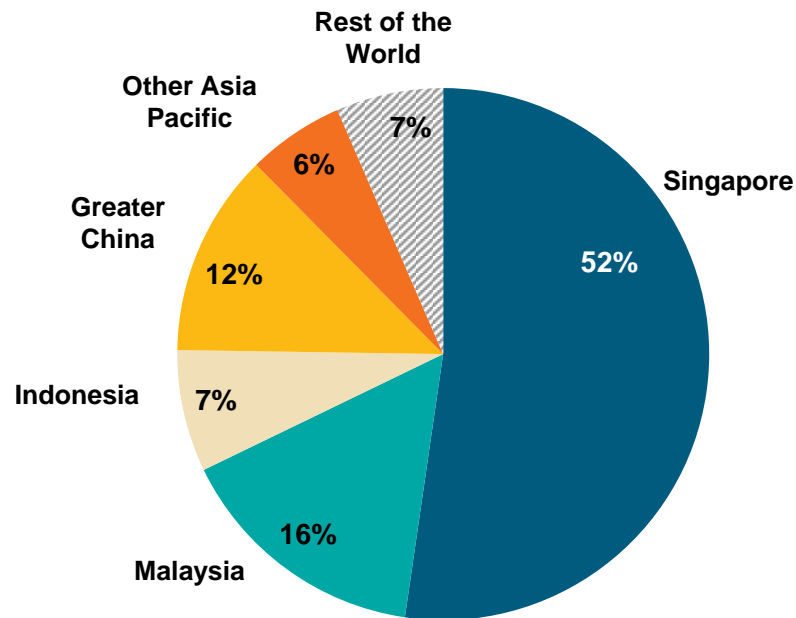
Loans grew 14% YoY and 3% QoQ



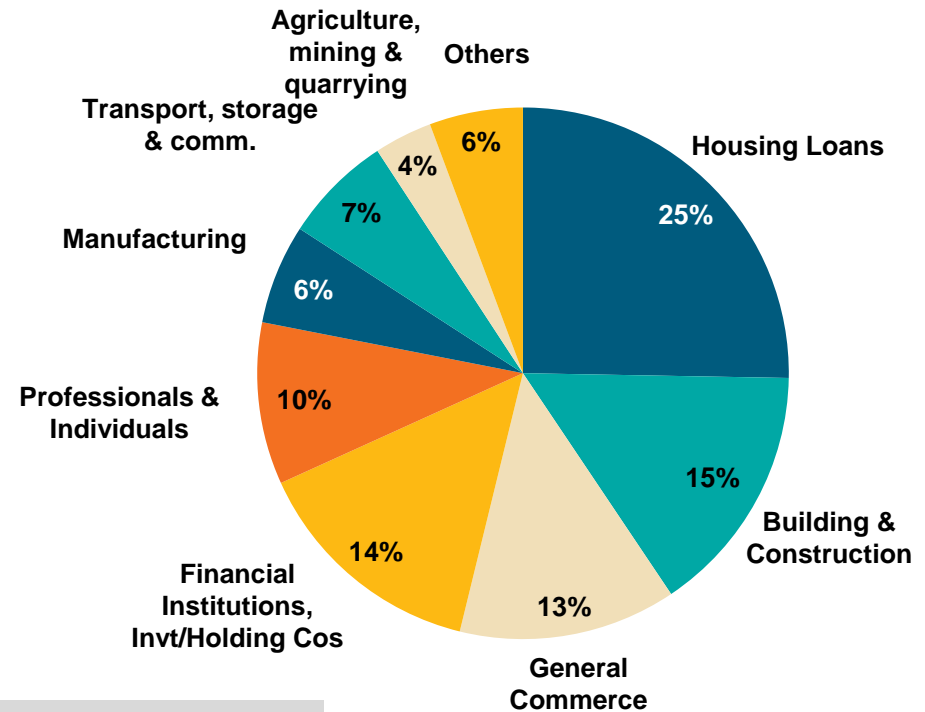
Note: Loans by Geography based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans

Loan book remained diversified across geographies and sectors

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



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

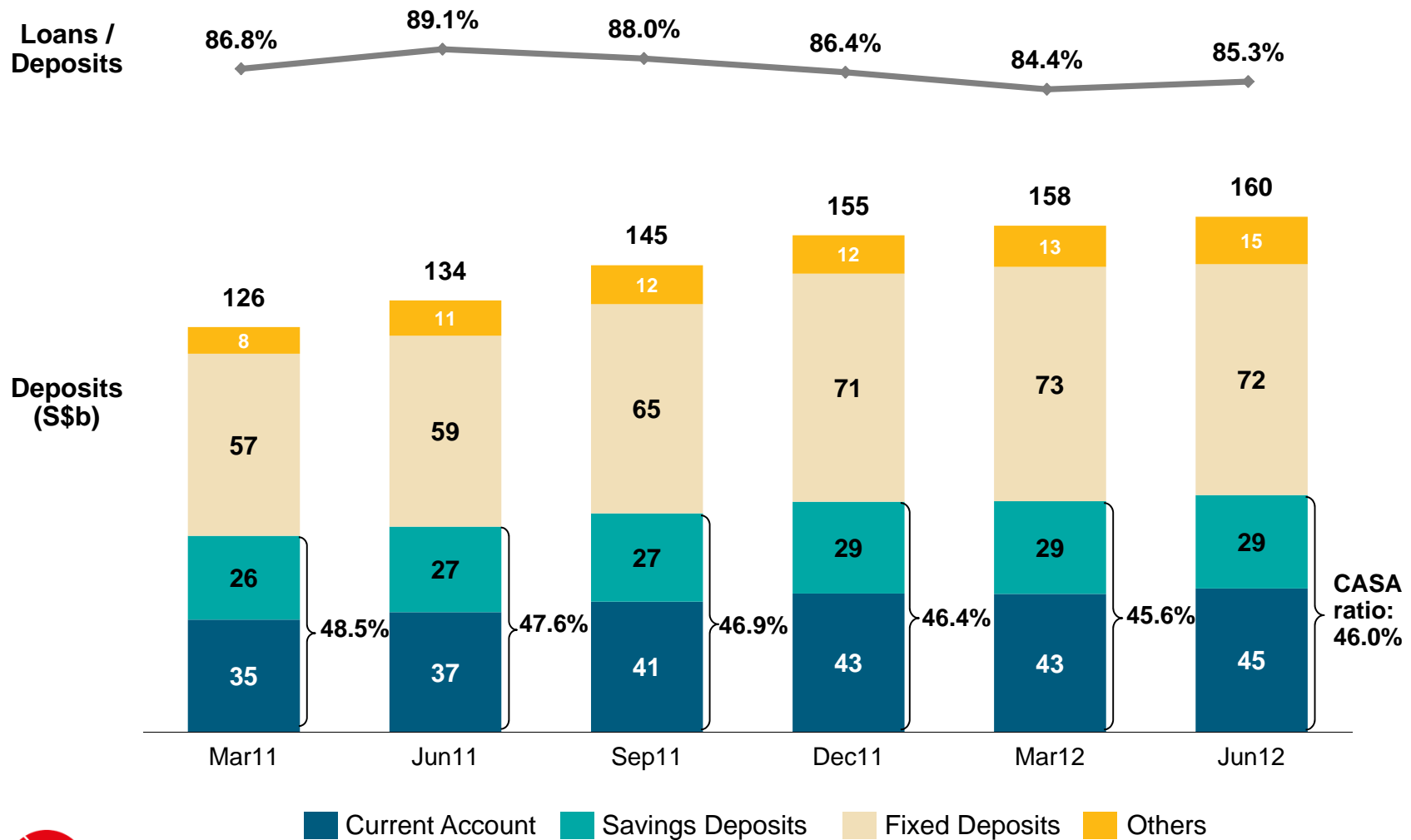


Total: S\$138b



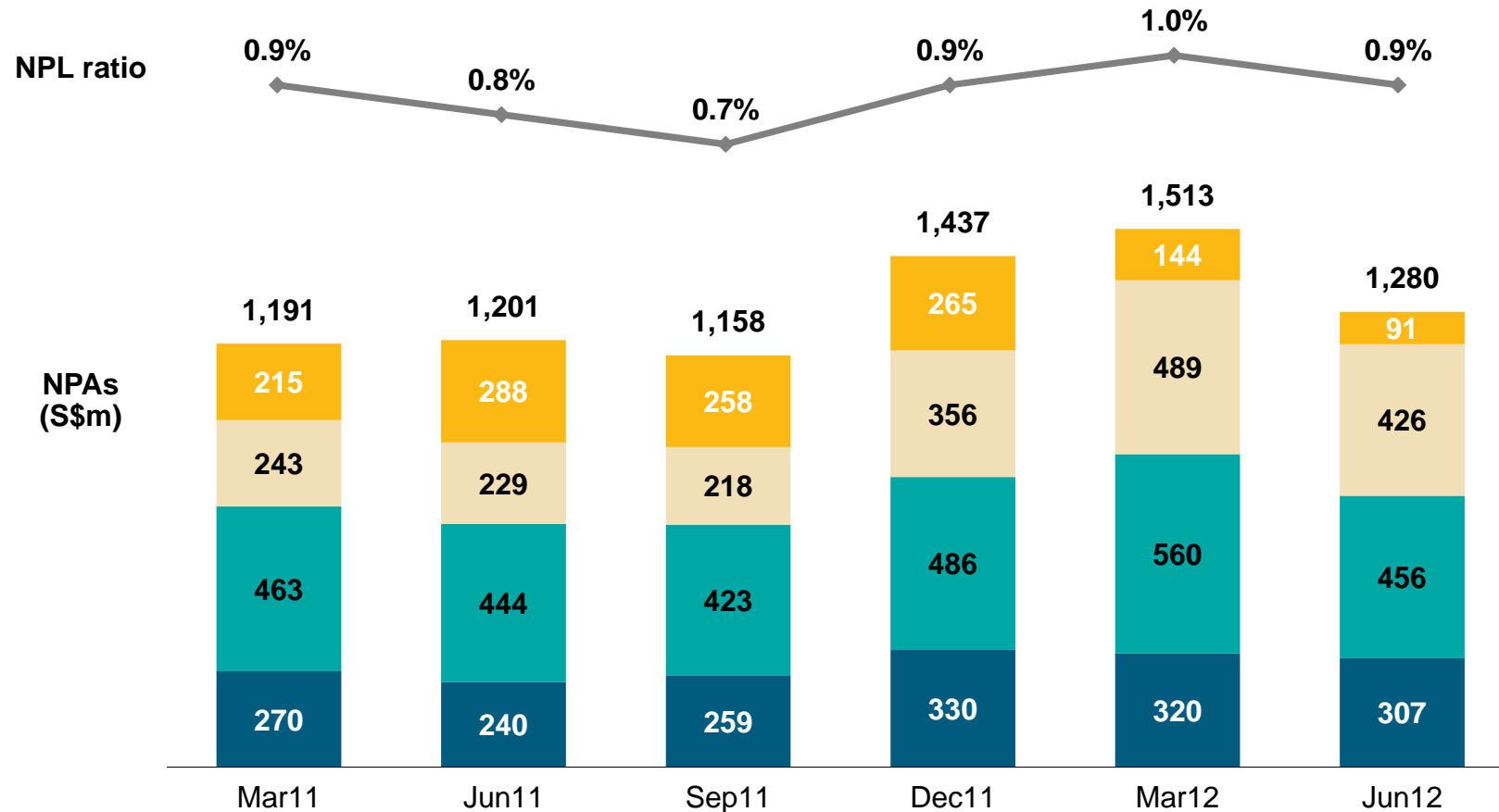
Note: Loans by Geography based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans

Deposits grew 19% YoY and 2% QoQ



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

Total NPAs declined 15% QoQ; NPL ratio improved to 0.9%



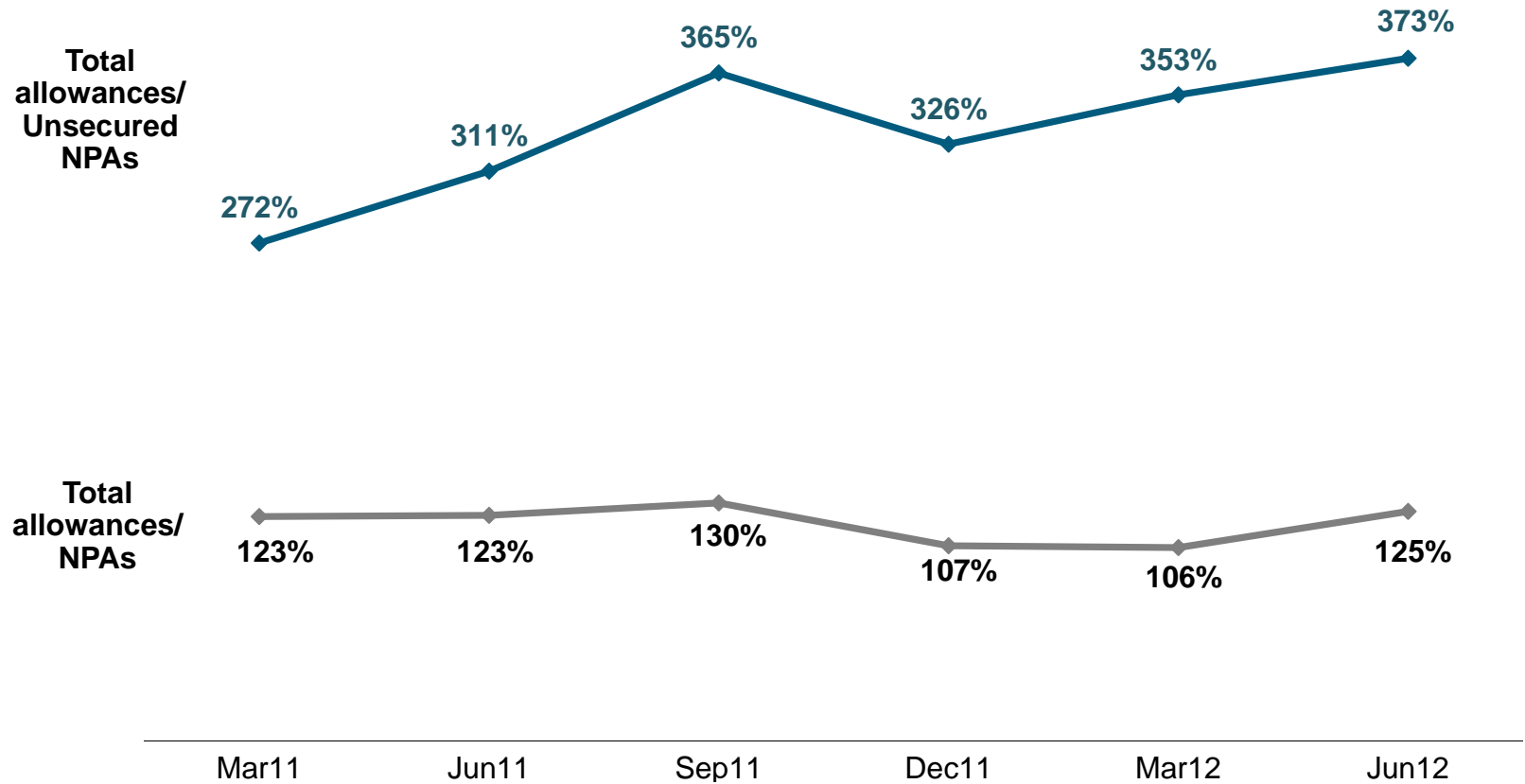
■ Singapore NPLs
 ■ Malaysia NPLs
 ■ International NPLs
 ■ Debt securities / Contingent liabilities

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

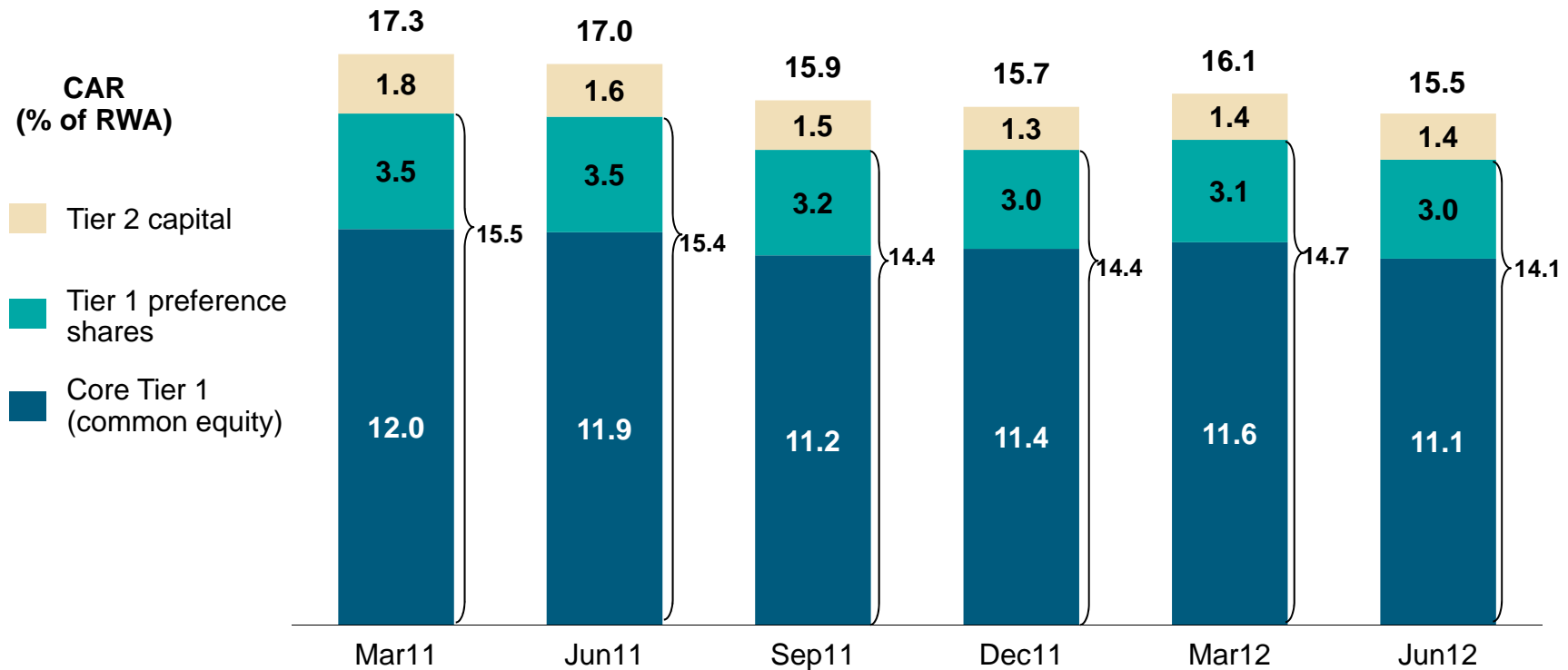
NPAs declined 15% QoQ, largely driven by lower new NPAs

	2Q12 S\$m	2Q11 S\$m	1Q12 S\$m	1H12 S\$m	1H11 S\$m
NPAs – Opening balance	1,513	1,191	1,437	1,437	1,208
New NPAs	156	222	303	459	357
New recoveries/upgrades	(349)	(170)	(203)	(552)	(299)
Write-offs	(40)	(42)	(24)	(64)	(65)
NPAs – Closing balance	1,280	1,201	1,513	1,280	1,201

Allowance coverage ratios increased to 125% of total NPAs and 373% of unsecured NPAs



Capital adequacy ratios remained strong: Tier 1 ratio of 14.1% and Core Tier 1 of 11.1%

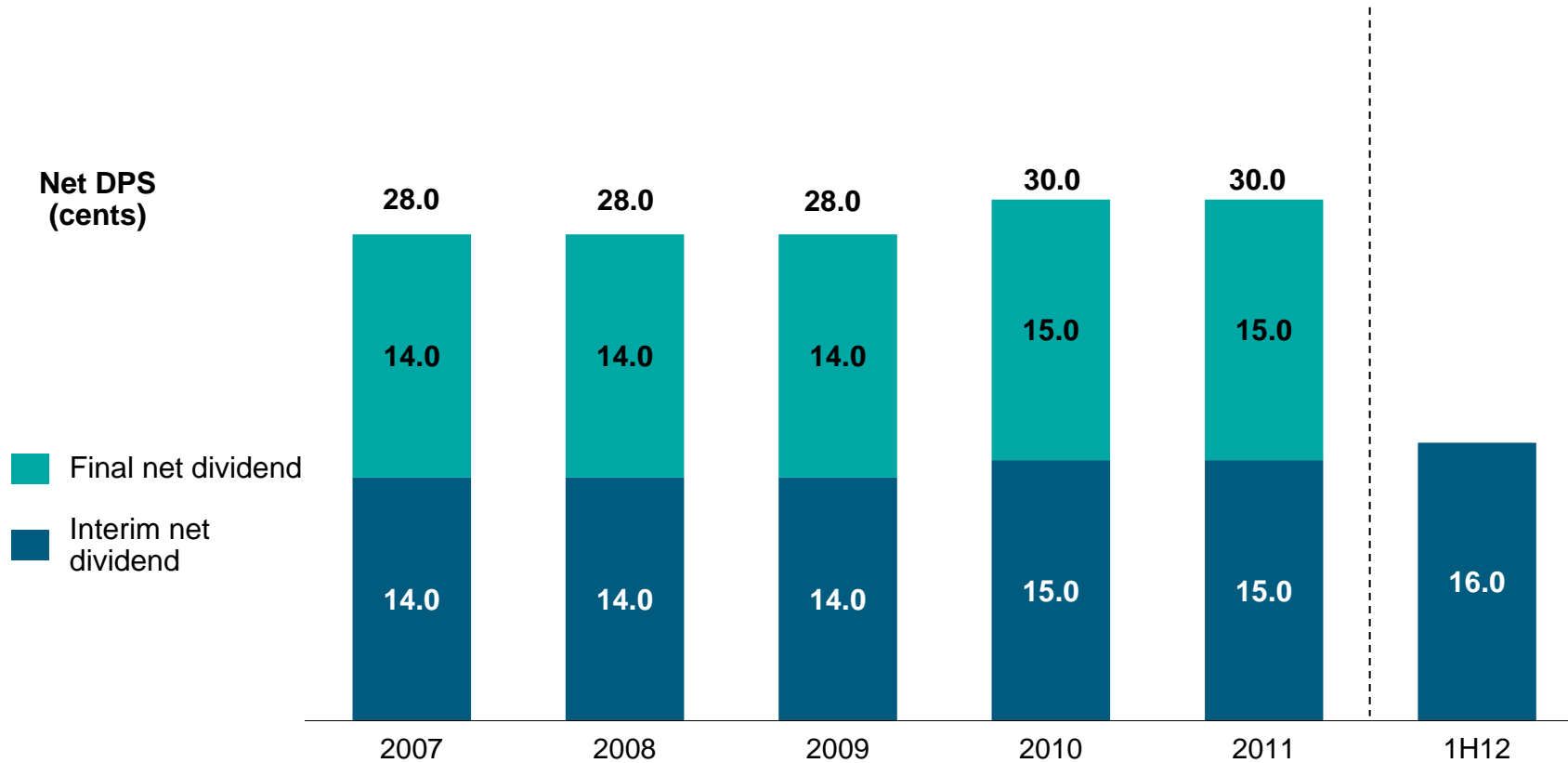


Tier 1 capital (S\$m)	17,469	17,764	17,654	18,612	19,024	18,981
Tier 1 prefs. (S\$m)	3,961	3,957	3,957	3,958	3,958	3,954
RWA (S\$m)	112,558	115,318	121,997	128,507	129,183	134,467



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

Interim dividend increased to 16 cents per share



Net Dividends (S\$m)	864	868	898	994	1,024	550
Core Net Profit (S\$m)	1,878	1,486	1,962	2,253	2,280	1,438
Dividend Payout Ratio	46%	58%	46%	44%	45%	38%

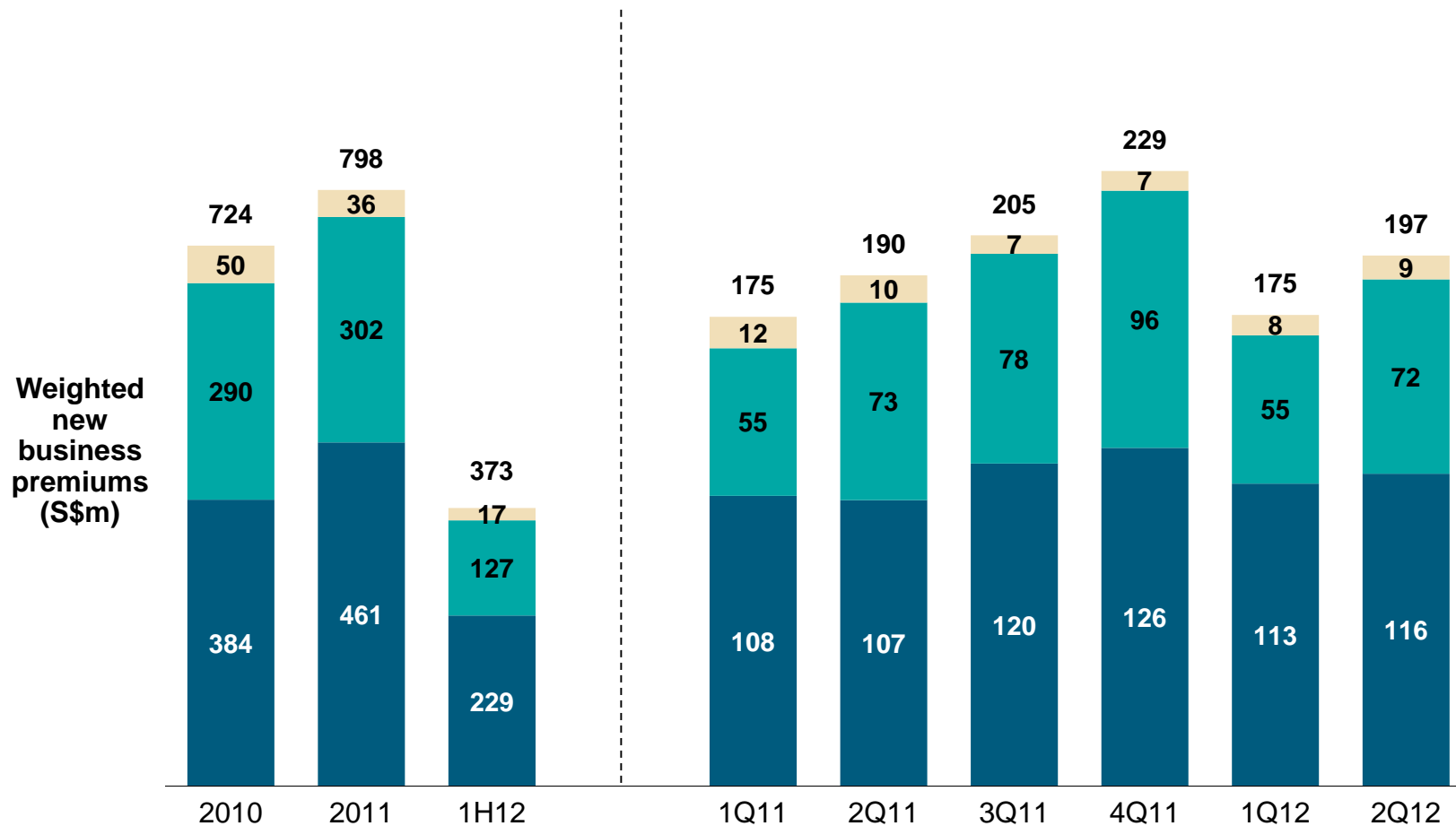
GEH: 2Q12 net profit contribution declined 35% YoY

GEH Contribution	2Q12 S\$m	2Q11 S\$m	YoY +/(-)%	1Q12 S\$m	QoQ +/(-)%
Total income	154	194	(21)	335	(54)
Operating expenses	(53)	(51)	3	(44)	21
Operating profit	101	144	(29)	291	(65)
Amortisation of intangibles	(12)	(12)	-	(12)	-
Allowances	0	(0)	-	(1)	(121)
Associates & JVs	(1)	(1)	(33)	1	(165)
Tax & non-controlling interests	(28)	(37)	(24)	(61)	(54)
Net profit contribution	61	93	(35)	219	(72)

GEH: 1H12 net profit contribution up 26% YoY

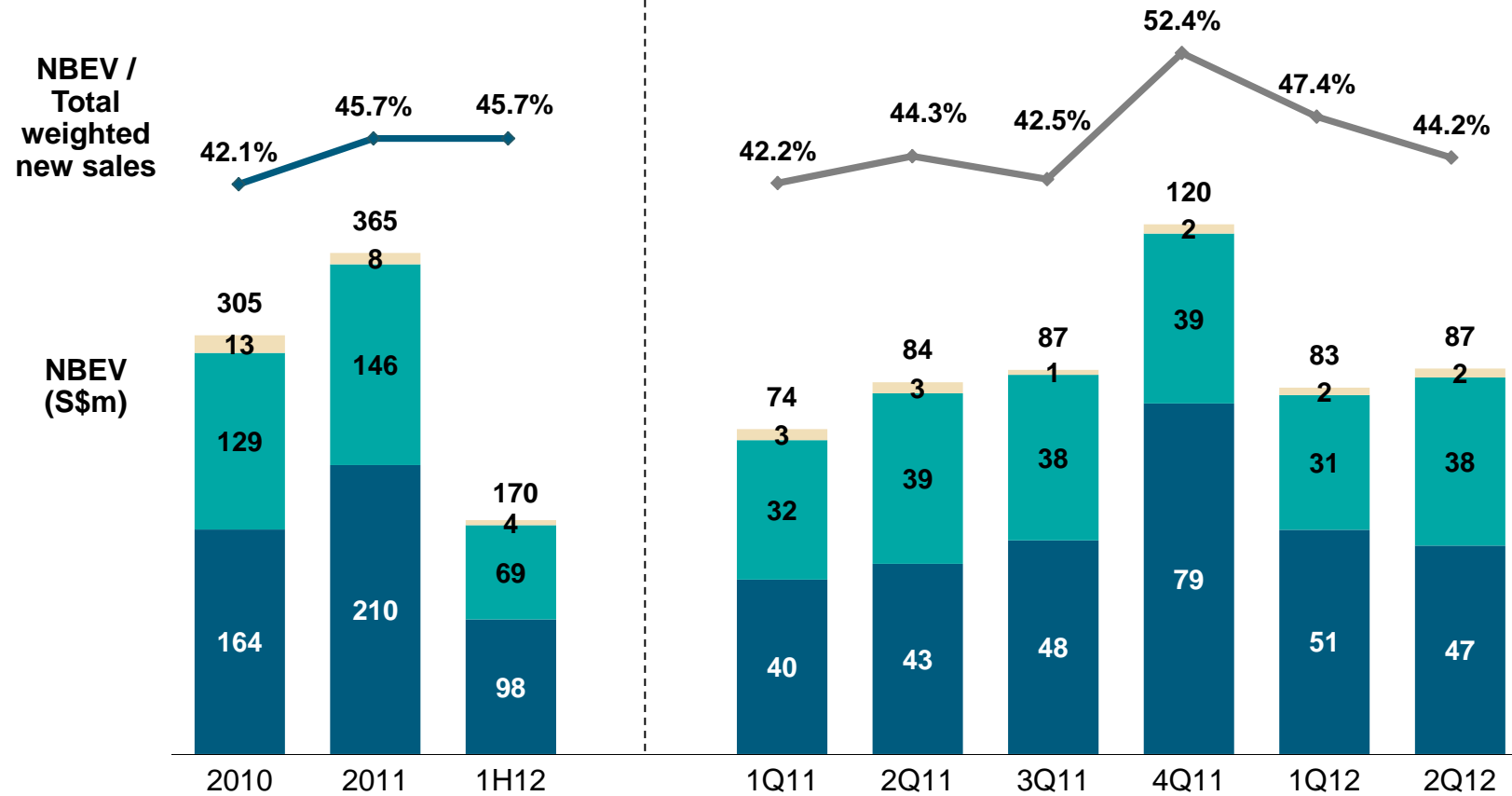
GEH Contribution	1H12 S\$m	1H11 S\$m	YoY +/(-)%	2H11 S\$m	HoH +/(-)%
Total income	489	415	18	257	91
Operating expenses	(97)	(92)	5	(92)	5
Operating profit	393	323	21	165	139
Amortisation of intangibles	(23)	(23)	-	(24)	(4)
Allowances	(0)	(0)	49	(4)	(88)
Associates & JVs	(0)	(0)	-	(8)	(105)
Tax & non-controlling interests	(89)	(77)	16	(55)	62
Net profit contribution	280	223	26	74	278

GEH: Total weighted new sales up 4% YoY, led by healthy growth in Singapore



Note: QoQ comparison not relevant given seasonality of insurance sales

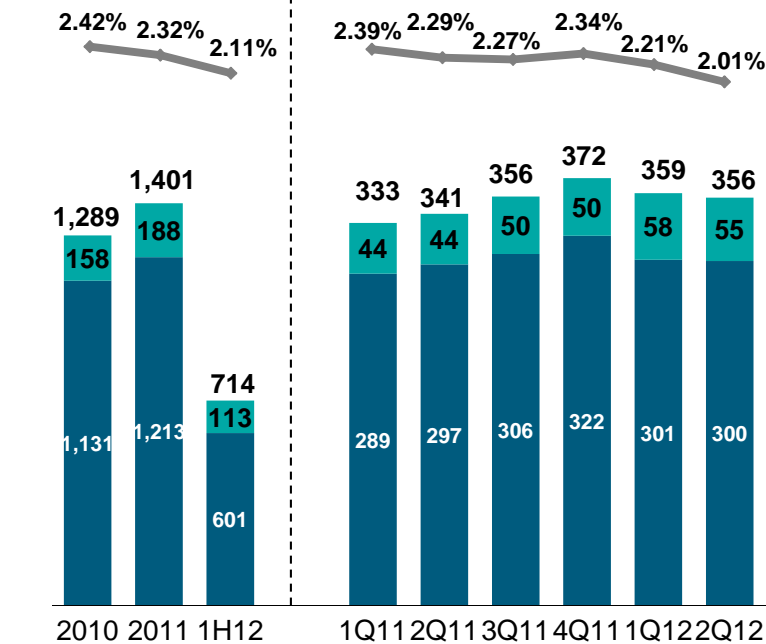
GEH: NBEV up 4% YoY, driven by continued demand for regular premium products



OCBC Malaysia: Total net interest income and Islamic financing income up 4% YoY

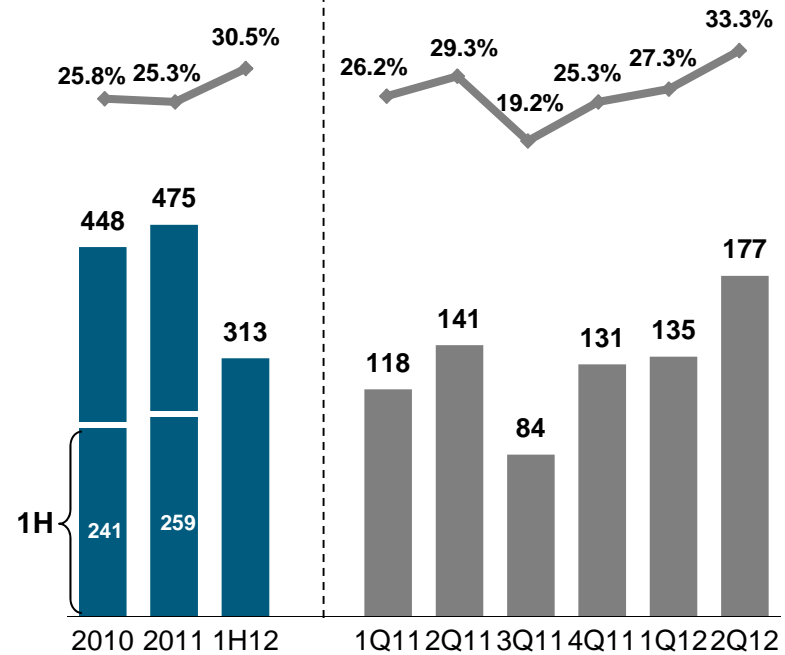
Net interest income and Islamic financing Income (RM m)

Net Interest/
financing margin



Non-interest income (RM m)

Non-int. income/
Total income



■ Net interest income ■ Islamic financing income

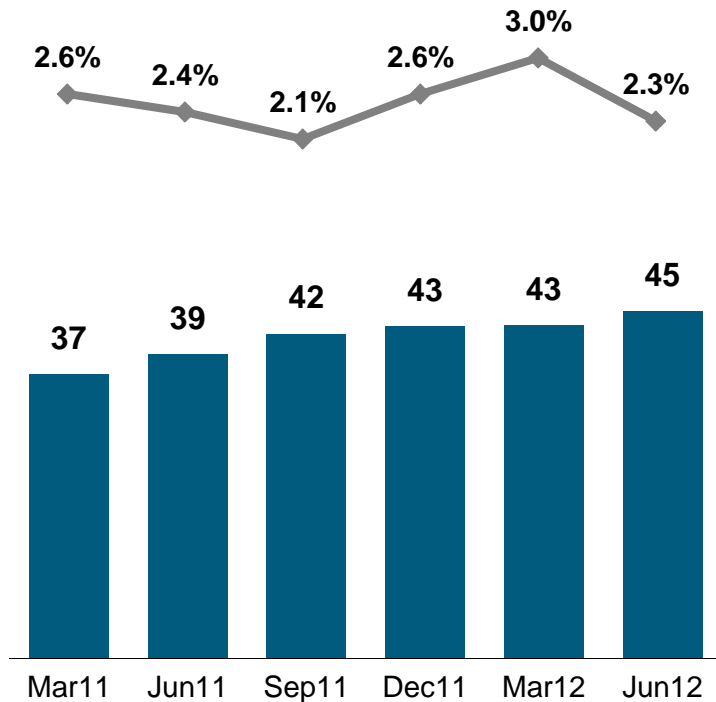


Note: Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards

OCBC Malaysia: Loans grew 14% YoY and 4% QoQ; NPL ratio improved to 2.3%

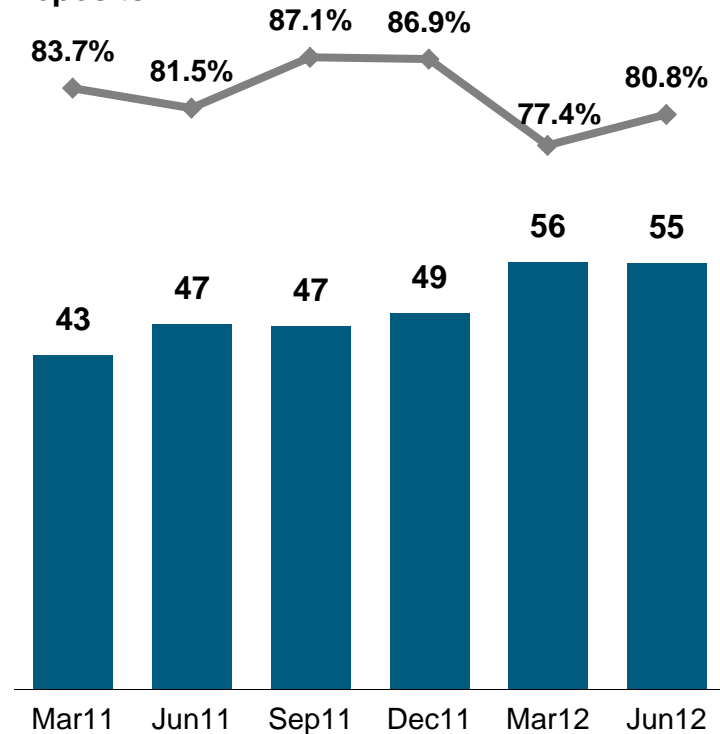
Gross Loans (RM b)

NPL Ratio



Deposits (RM b)

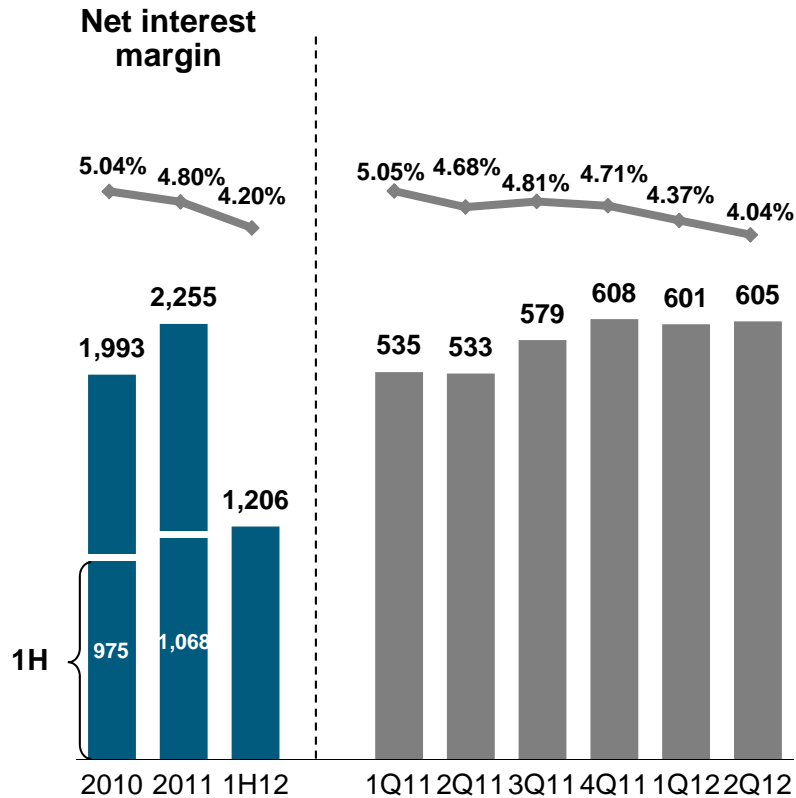
Loans / Deposits



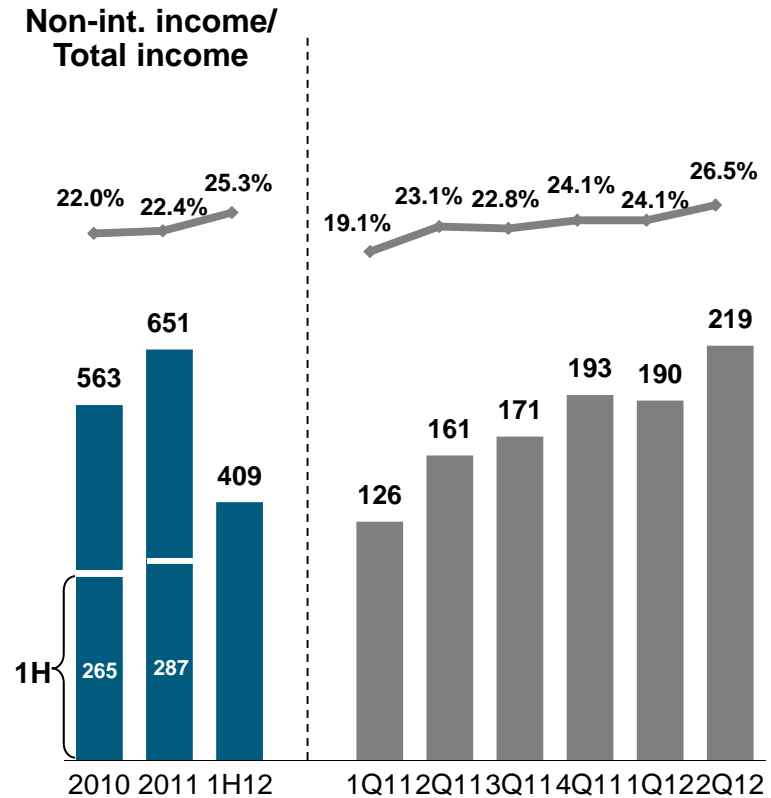
Note: Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards

OCBC NISP: Net interest income up 14% YoY

Net interest income (Rp b)



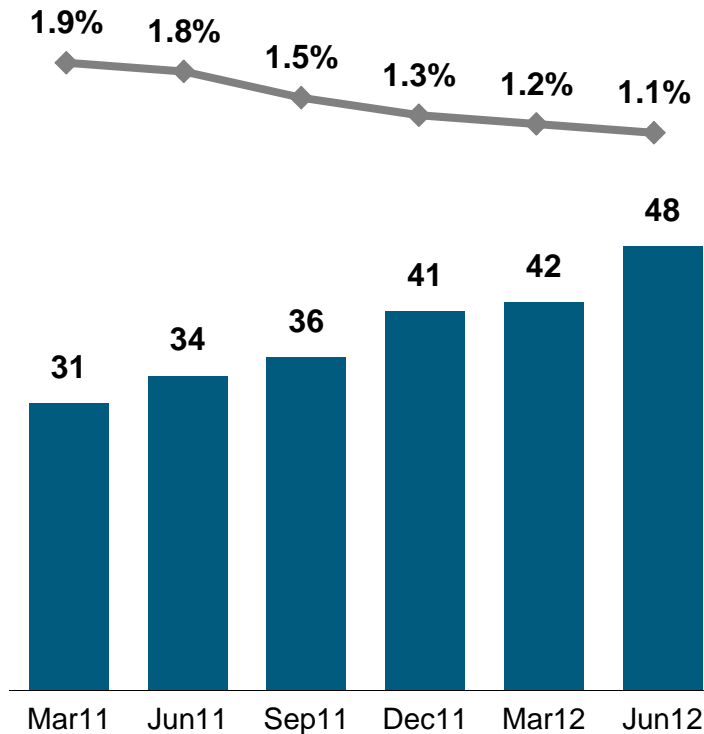
Non-interest income (Rp b)



OCBC NISP: Loans grew 39% YoY and 13% QoQ; NPL ratio improved to 1.1%

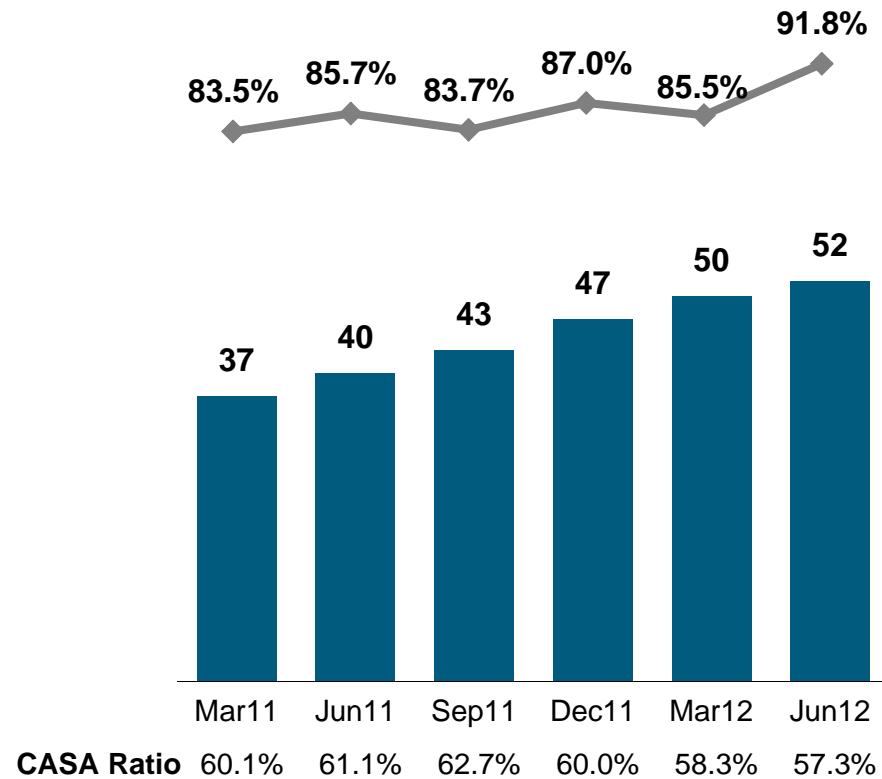
Gross Loans (Rp t)

NPL Ratio



Deposits (Rp t)

Loans / Deposits





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Malaysia and Indonesia Subsidiaries

OCBC Malaysia: 2Q12 net profit up 5% YoY

OCBC Malaysia	2Q12 RM m	2Q11 RM m	YoY +/(-)%	1Q12 RM m	QoQ +/(-)%
Net interest income	300	297	1	301	(0)
Islamic Financing Income	55	44	25	58	(5)
Non-interest income	177	141	26	135	31
Total income	533	482	11	494	8
Operating expenses	(202)	(178)	14	(192)	5
Operating profit	331	304	9	302	10
Allowances	(34)	(28)	21	(4)	741
Tax	(74)	(64)	16	(75)	(1)
Net profit	223	212	5	223	-

Key ratios (%)

Costs / Income	37.9	36.9		38.8
ROE	19.1	19.2		18.4

OCBC Malaysia: 1H12 net profit up 11% YoY

OCBC Malaysia	1H12 RM m	1H11 RM m	YoY +/(-)%	2H11 RM m	HoH +/(-)%
Net interest income	601	586	3	627	(4)
Islamic Financing Income	113	89	27	99	13
Non-interest income	313	260	20	216	45
Total income	1,026	934	10	942	9
Operating expenses	(394)	(347)	14	(400)	(1)
Operating profit	633	587	8	543	17
Allowances	(38)	(58)	(34)	(38)	2
Tax	(149)	(129)	16	(126)	19
Net profit	446	400	11	379	17

Key ratios (%)

Costs / Income	38.4	37.1		42.4	
ROE	18.8	18.3		16.4	

OCBC NISP: 2Q12 net profit up 24% YoY

OCBC NISP	2Q12 RP b	2Q11 RP b	YoY +/(-)%	1Q12 RP b	QoQ +/(-)%
Net interest income	605	533	14	601	1
Non-interest income	219	161	36	190	15
Total income	824	694	19	791	4
Operating expenses	(487)	(425)	15	(471)	4
Operating profit	337	269	25	320	5
Allowances	(61)	(52)	17	(59)	4
Non Op Income / (Expenses)	(1)	2	(147)	7	(111)
Tax	(69)	(53)	32	(67)	4
Net profit	206	166	24	201	2

Key ratios (%)

Costs / Income	59.1	61.2		59.5	
ROE	11.7	11.5		12.4	

OCBC NISP: 1H12 net profit up 30% YoY

OCBC NISP	1H12 RP b	1H11 RP b	YoY +/(-)%	2H11 RP b	HoH +/(-)%
Net interest income	1,206	1,068	13	1,187	2
Non-interest income	409	287	43	364	12
Total income	1,615	1,355	19	1,551	4
Operating expenses	(958)	(844)	14	(859)	12
Operating profit	657	511	29	692	(5)
Allowances	(120)	(110)	8	(100)	20
Non Op Income / (Expenses)	6	13	(56)	-	100
Tax	(136)	(102)	34	(151)	(10)
Net profit	407	312	30	441	(8)

Key ratios (%)

Costs / Income	59.3	62.3		55.4	
ROE	12.0	10.9		14.8	

■ Second Quarter 2012 Results
Thank You

