



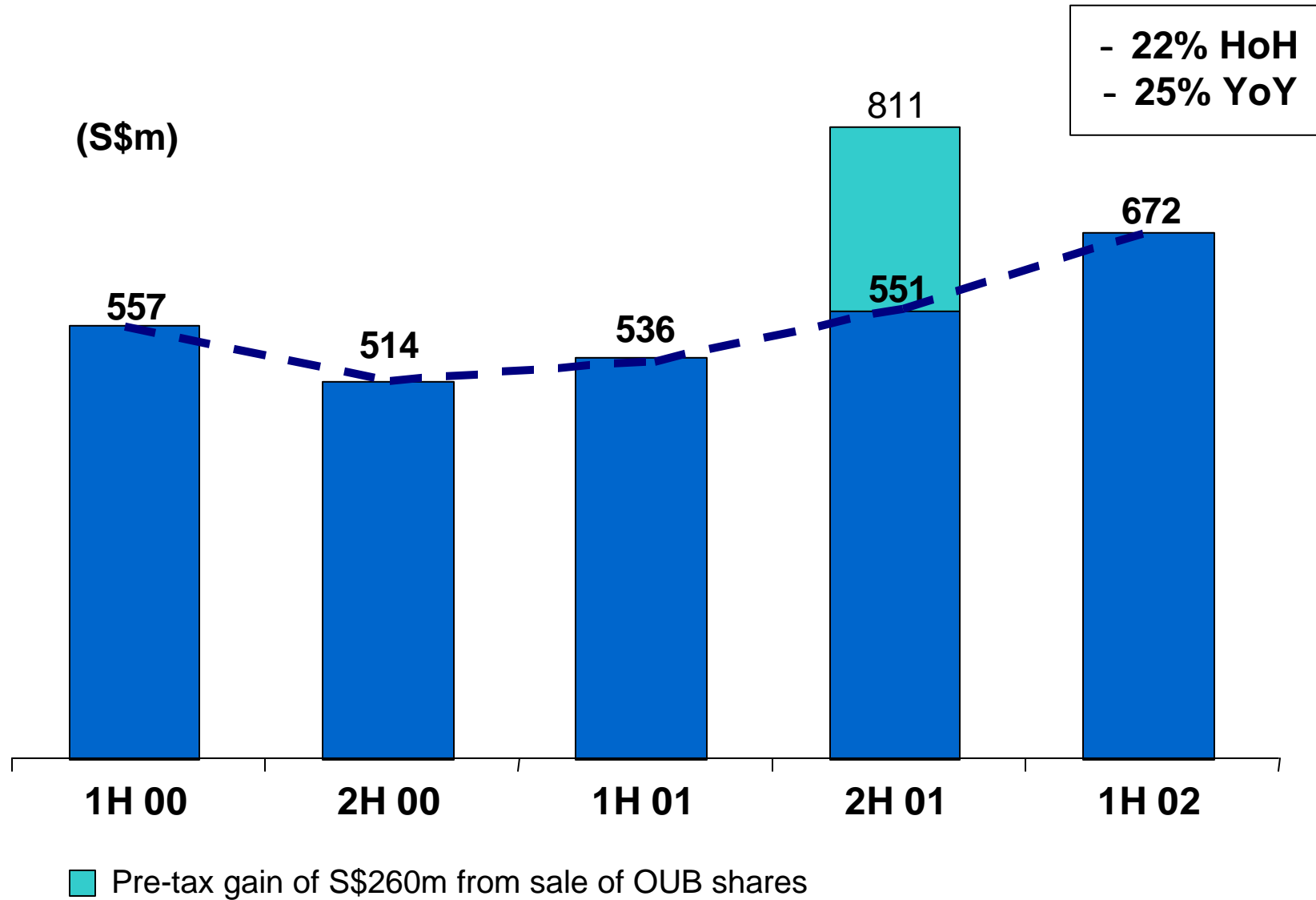
First Half 2002 Results

Presentation to Media and Analysts

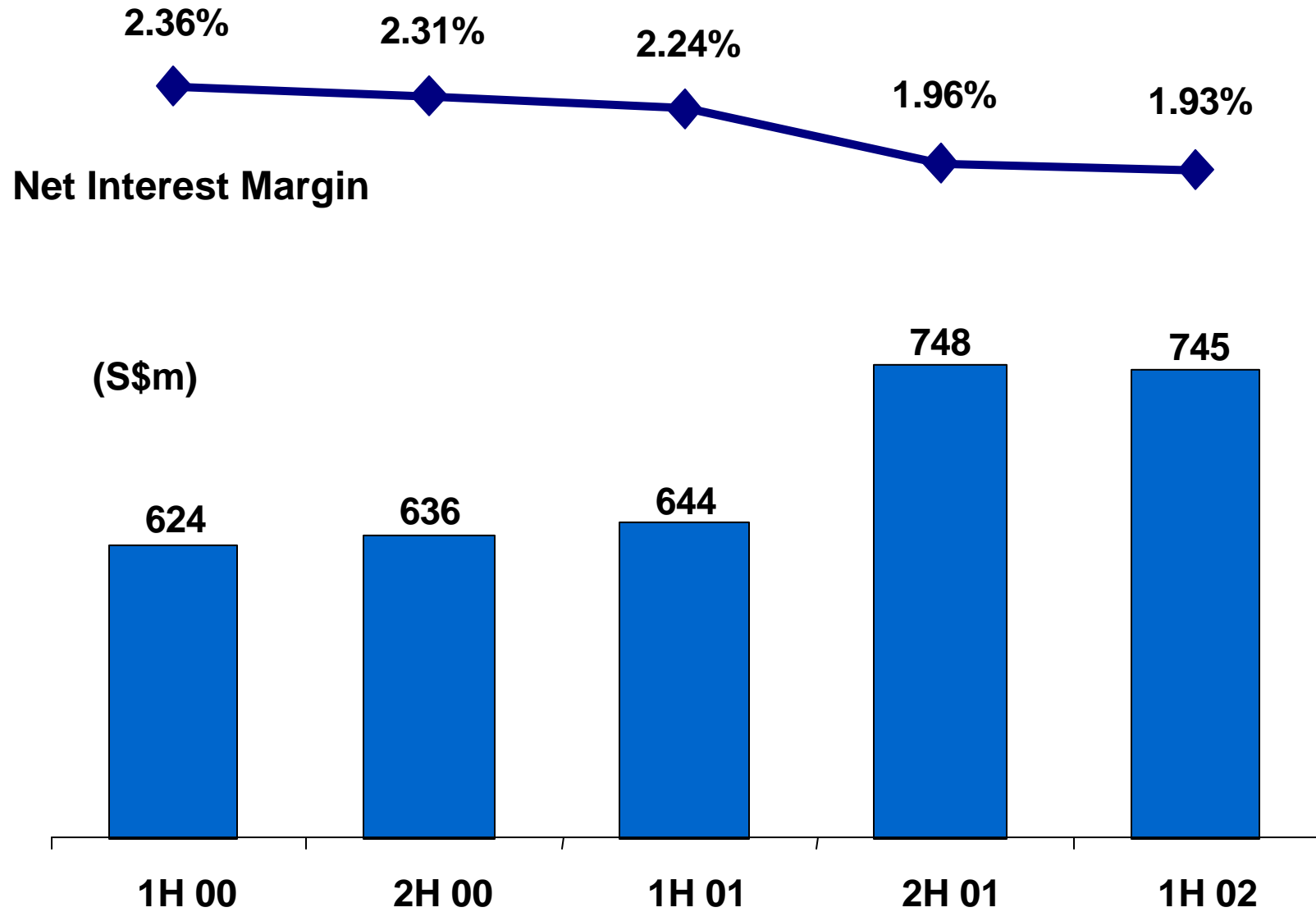
5 August 2002

- **Income Statement Trends**
- **Comparison of 1H 2002 vs 1H 2001**
- **Comparison of 1H 2002 vs 2H 2001**
- **Balance Sheet, Asset Quality Trends**
- **Integration Update and Revenue Synergies**
- **Conclusion**

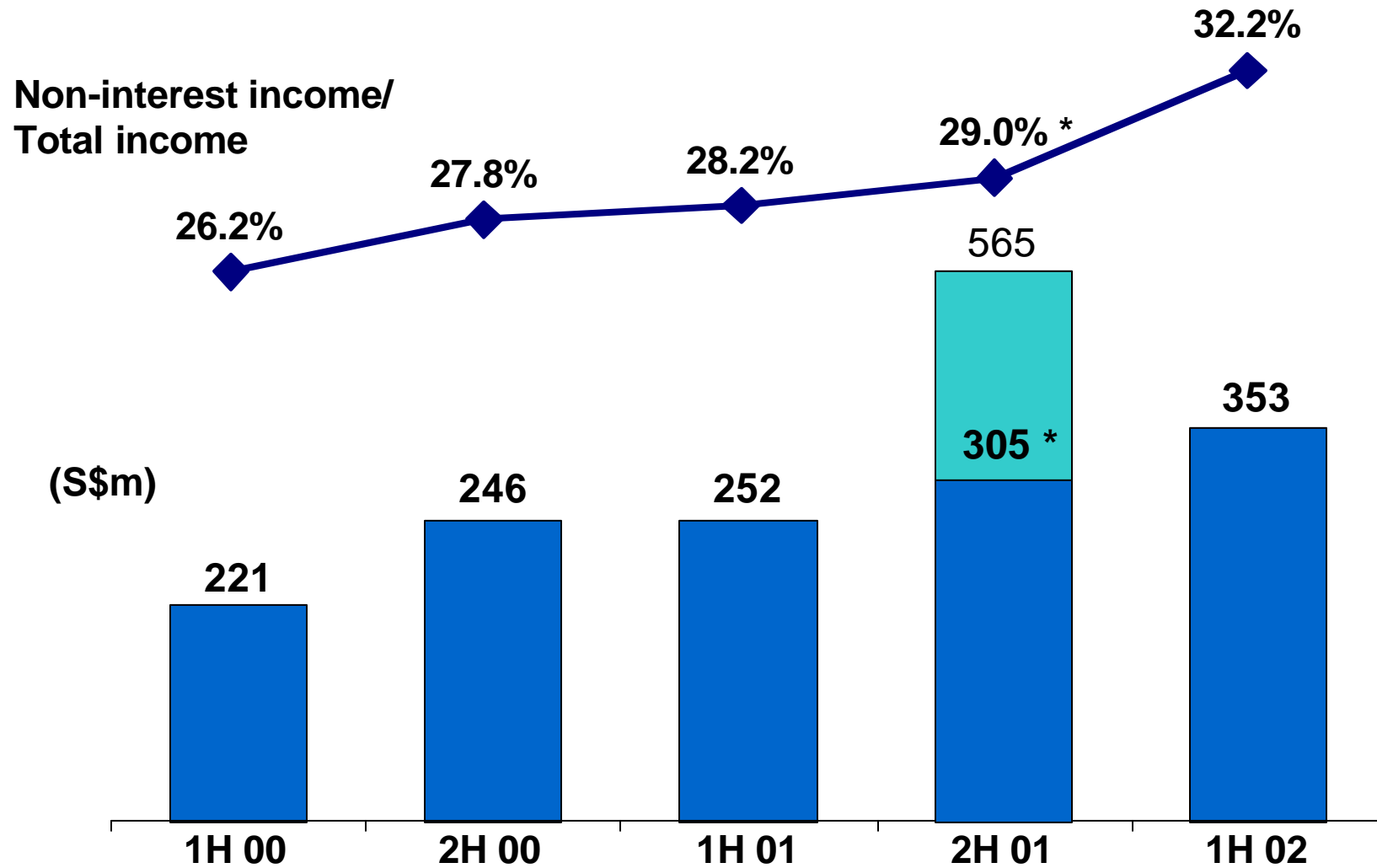
Operating Profit on an Uptrend



Net Interest Income



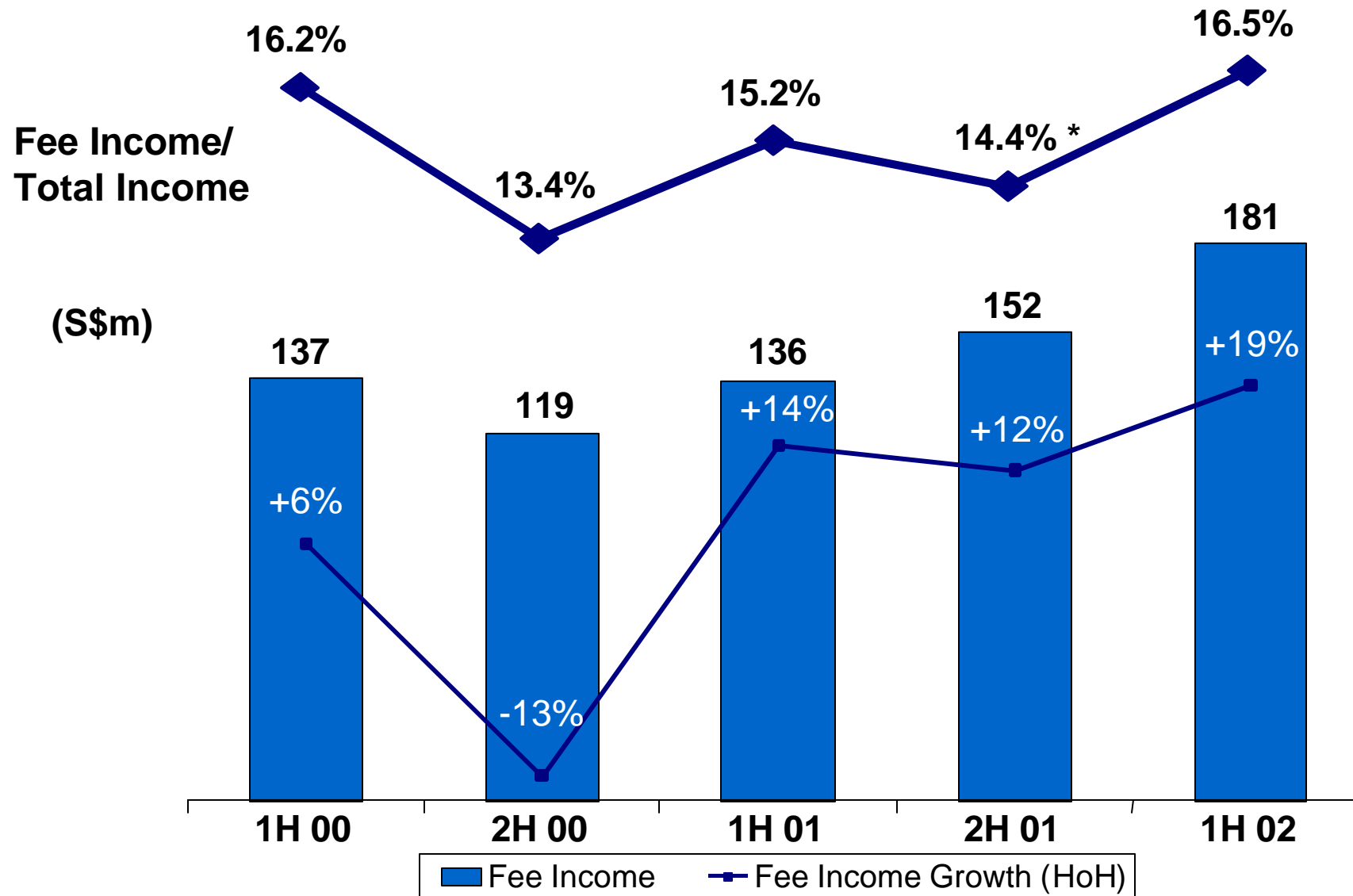
Non-interest Income Improving, Led by Fee Income



■ One-off gain of S\$260m from sale of OUB shares

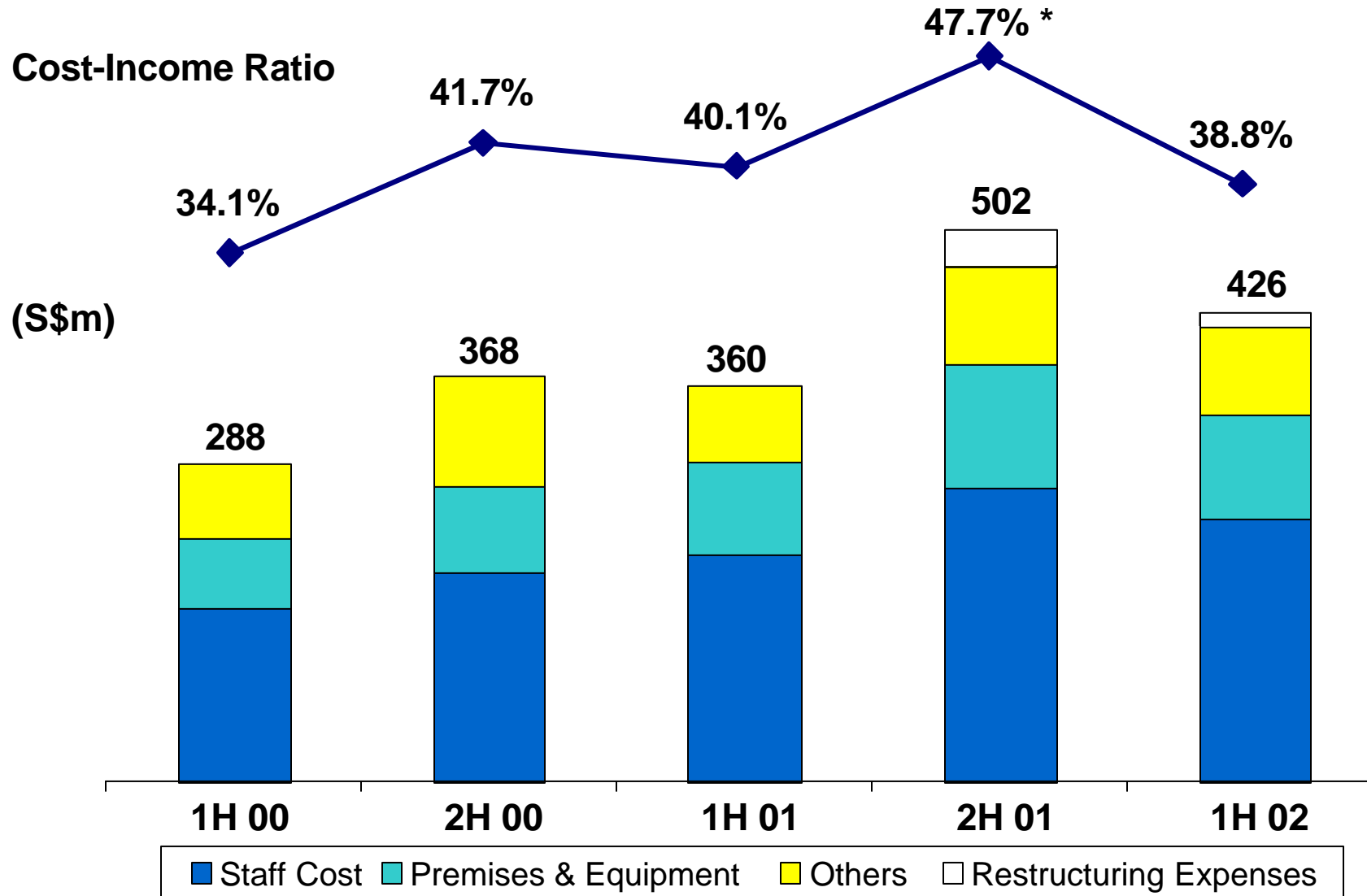
* Excluding one-off gain of S\$260m from sale of OUB shares

Fee Income Contribution Rising



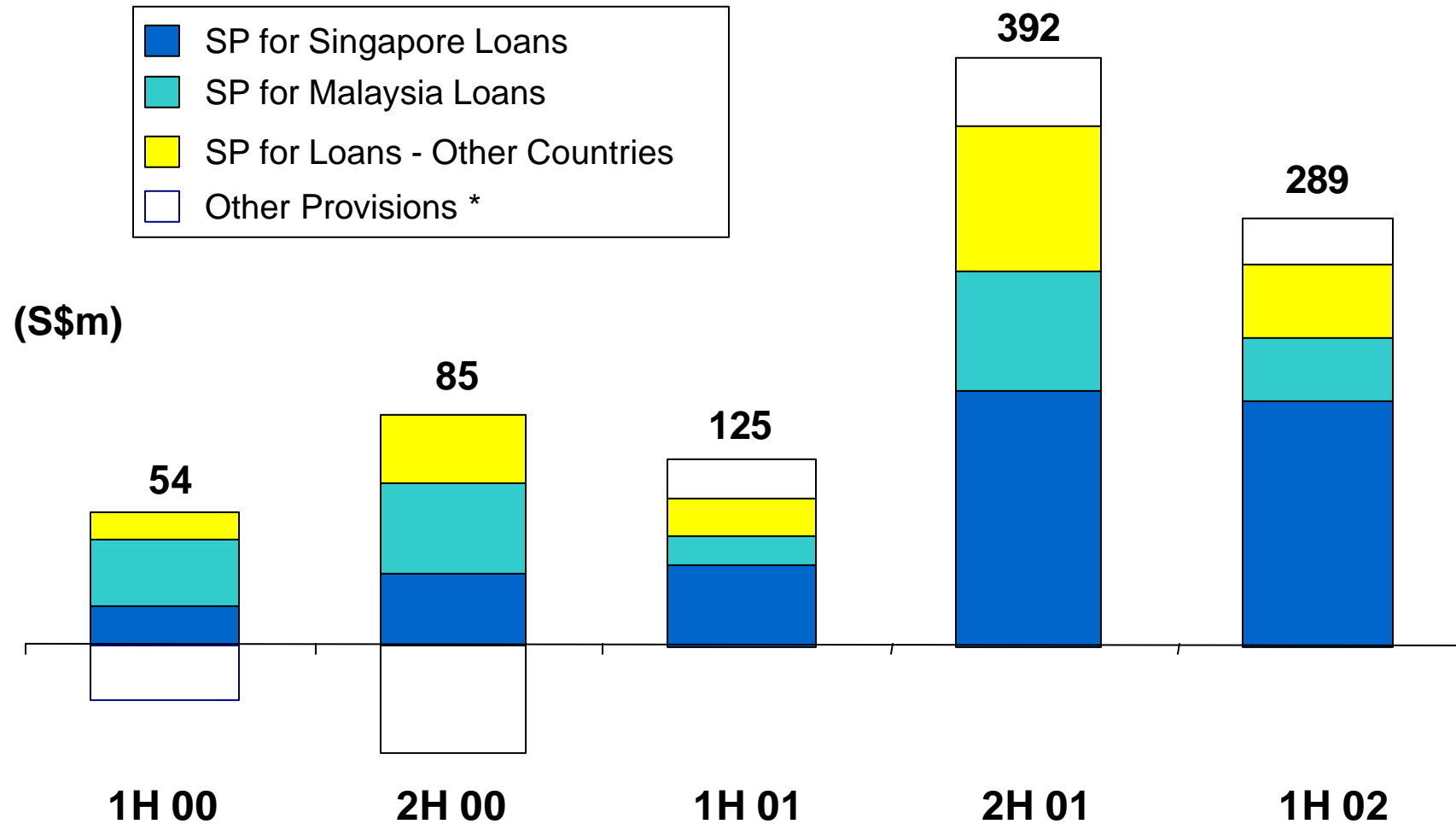
* Excluding one-off gain from sale of OUB shares

Expenses and Cost-Income Ratio Down



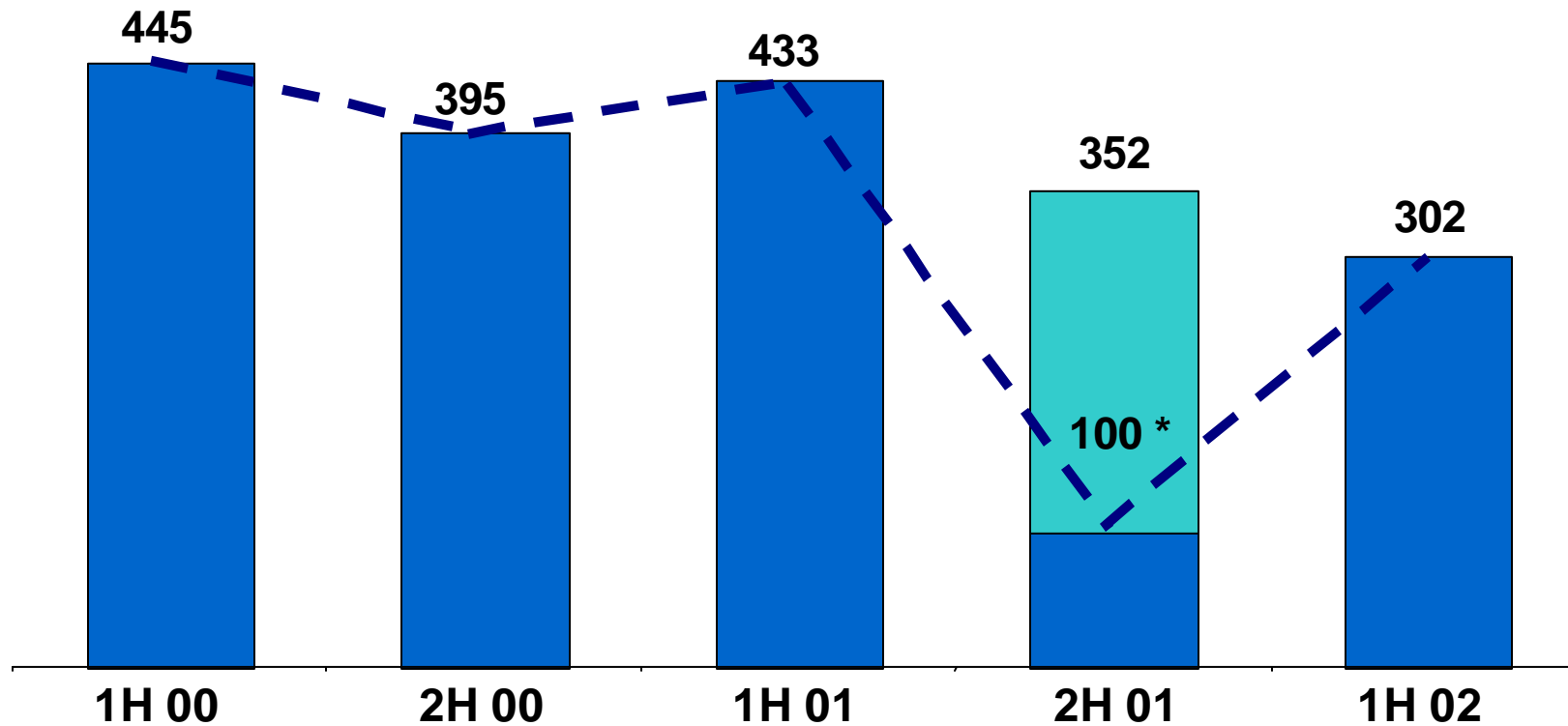
* Excluding one-off gain from sale of OUB shares

Provision Charge Remains High But Below 2H01



* Other provisions comprise general provision for loans and specific provision for diminution in value of investment securities and other assets

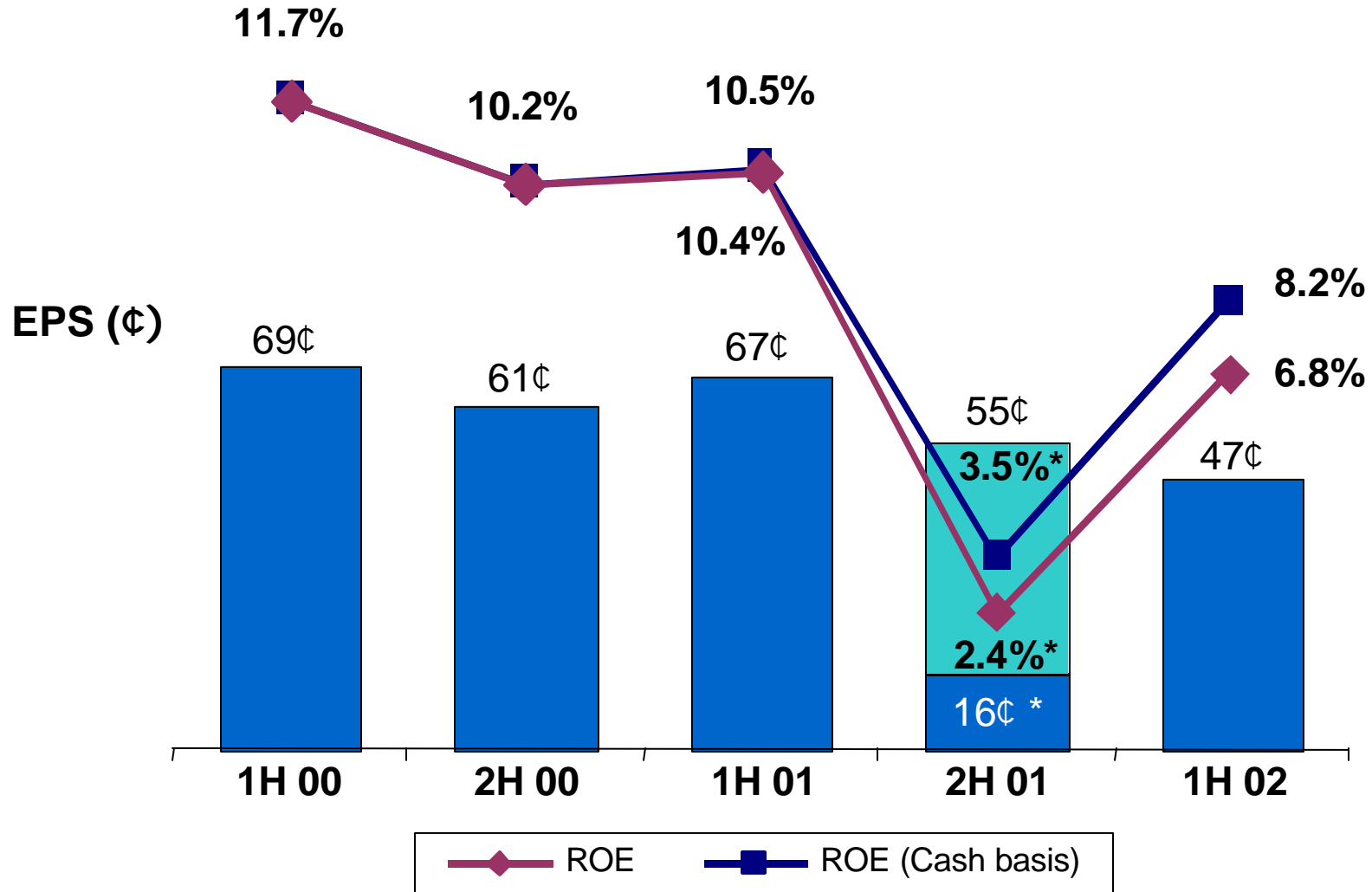
(S\$m)



■ One-off gain of S\$252m (after tax) from sale of OUB shares

* Excluding one-off gain from sale of OUB shares

Similar Trend for EPS and ROE



Gain from sale of OUB shares

* Excluding one-off gain from sale of OUB shares

Note: ROE and EPS are annualised

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Comparison of 1H 2002 vs 1H 2001

	1H02	1H01 *	YoY
	S\$m	S\$m	+ / (-)
Net Interest Income	745	644	16%
Non-interest Income	353	252	40%
Total Income	1,098	896	23%
Operating Expenses	426	360	18%
Operating Profit	672	536	25%
Goodwill	62	2	n.m.
Provisions	289	125	131%
Associates	103	158	-34%
Net Profit	302	433	-30%

* 1H01 figures exclude KCH as KCH was acquired in August 2001

Comparison of 1H 2002 vs 2H 2001 *

	1H02	2H01 *	HoH
	S\$m	S\$m	+/(-)
Net interest income	745	748	0%
Non-interest income	353	305	16%
Total Income	1,098	1,053	4%
Operating Expenses	426	502	-15%
Operating Profit	672	551	22%
Goodwill	62	47	32%
Provisions	289	392	-26%
Associates	103	41	153%
Net Profit	302	100	202%

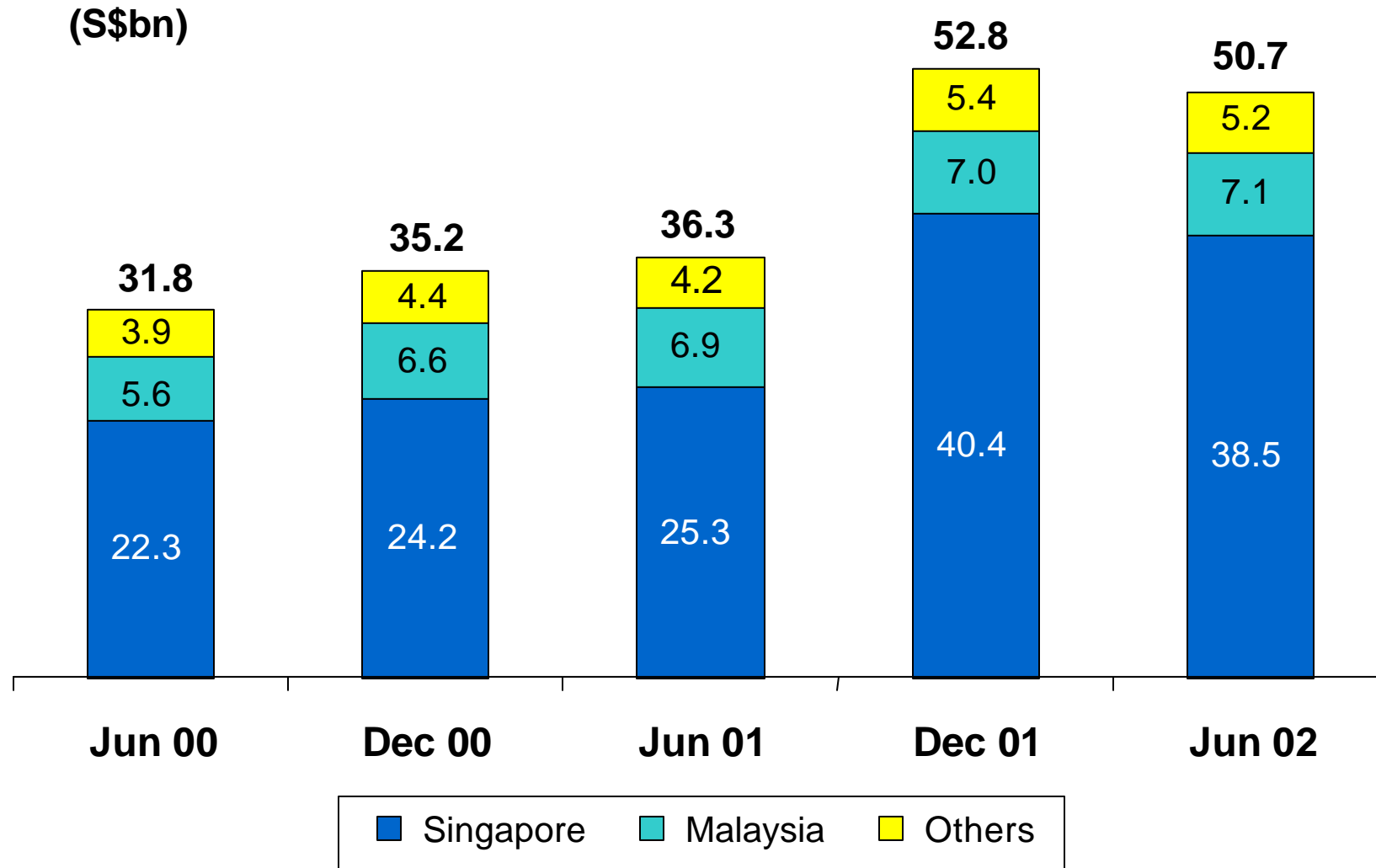
2H01 figures include 4½ months' contribution from KCH

* Excluding one-off pre-tax gain of S\$260m from sale of OUB shares.

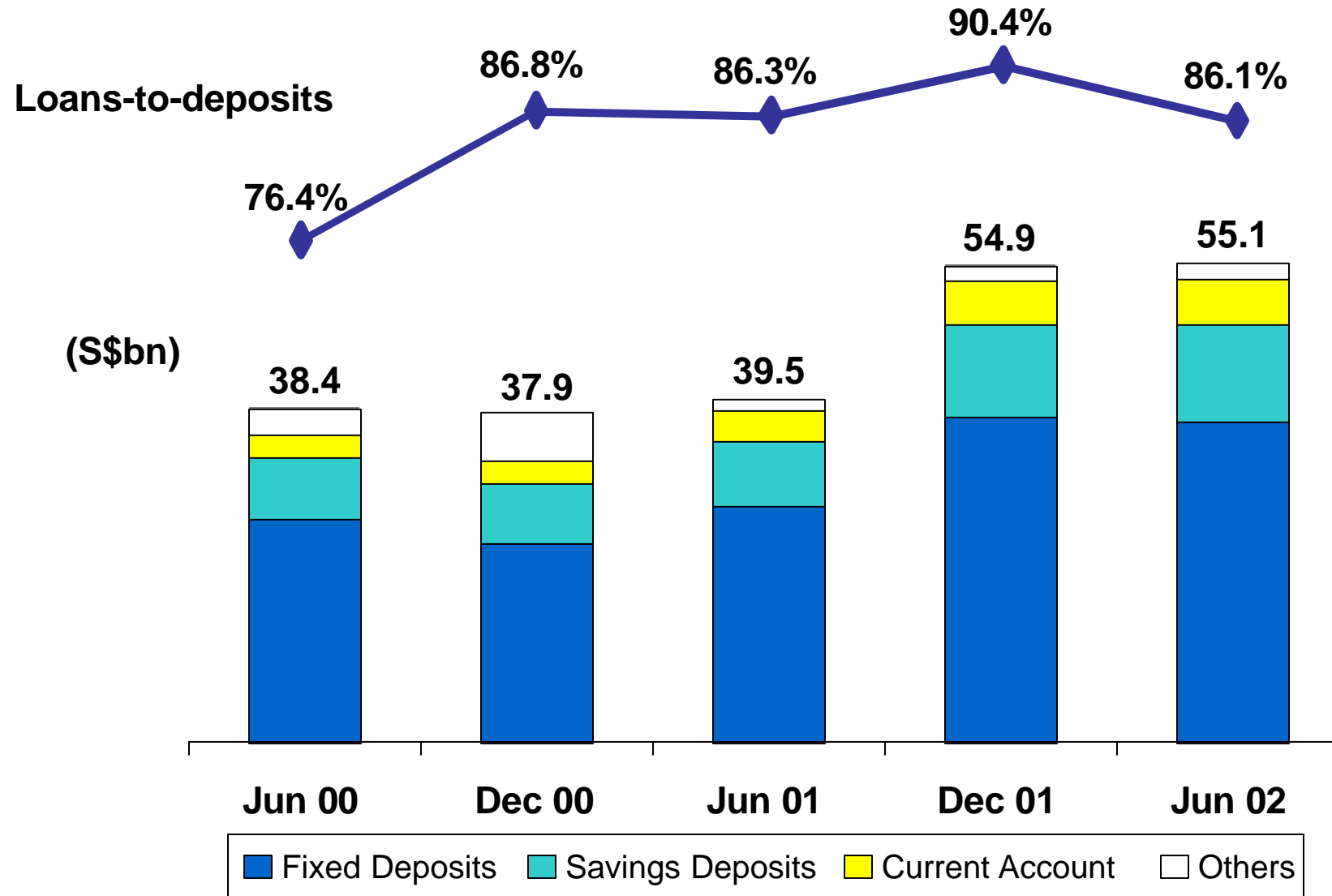
See Appendix 1 for the reported 2H 2001 results which include this gain.

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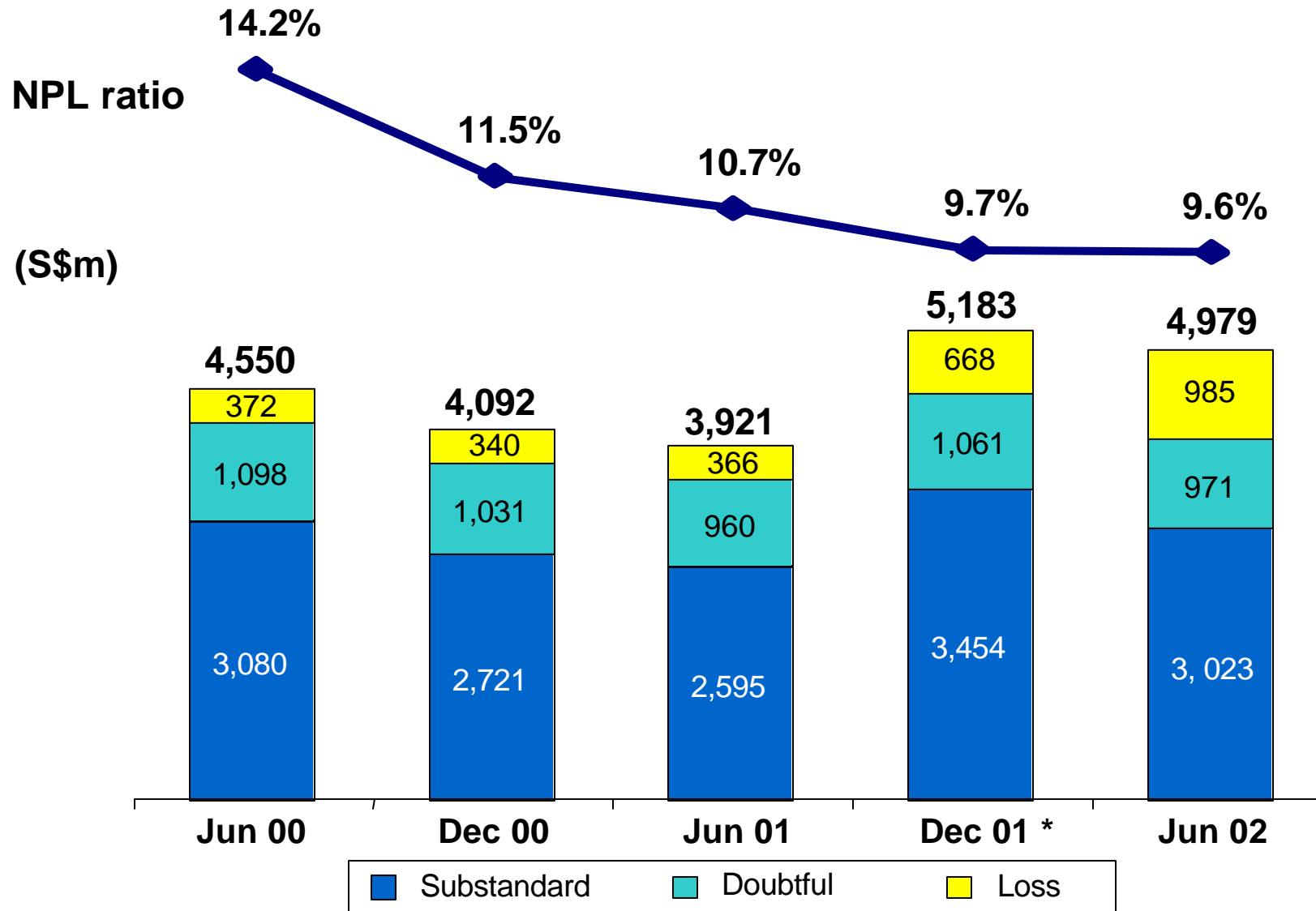
Loan Growth Stalled



Deposits Holding Steady

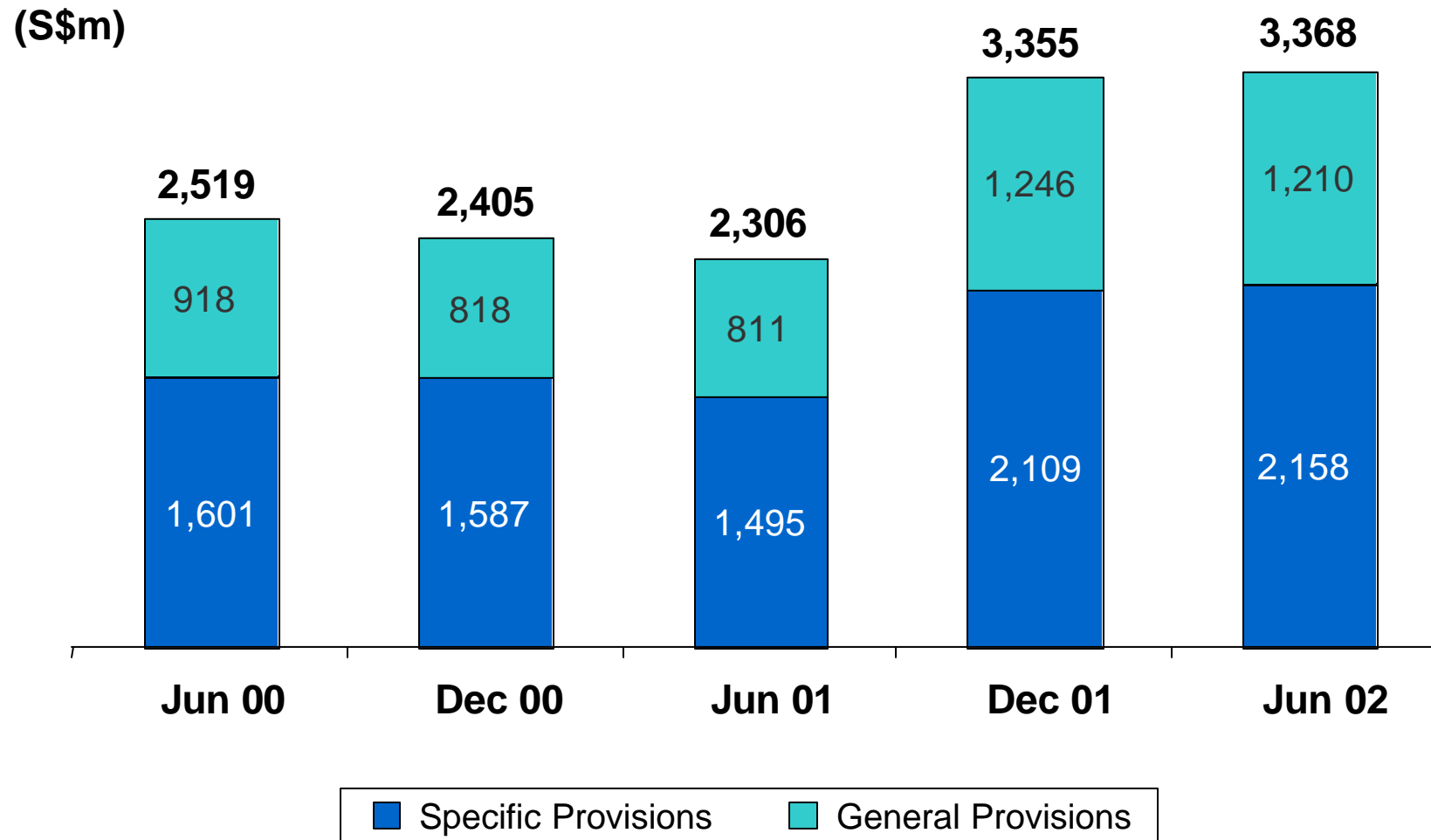


NPLs Down Due to Active NPL Resolution and Recovery Efforts



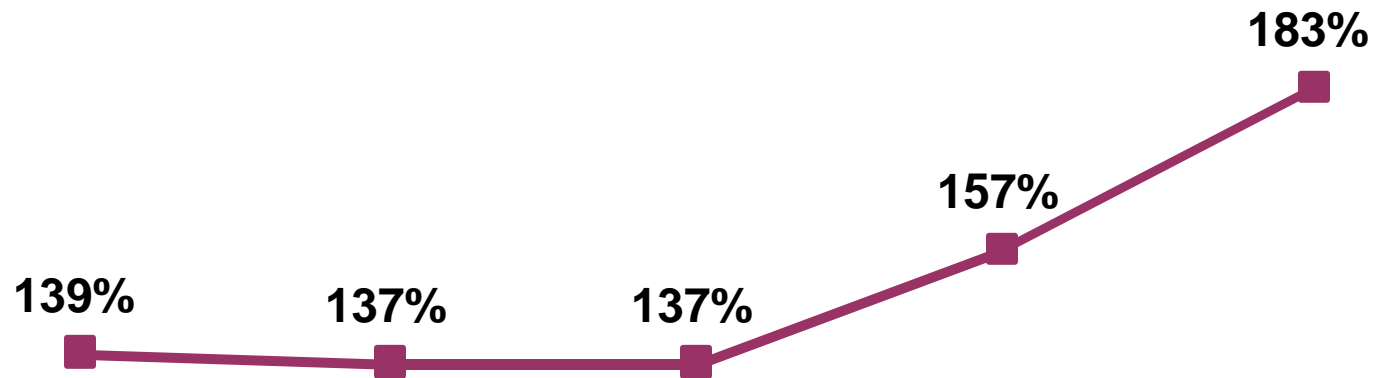
* Increase was due to consolidation of KCH

Cumulative Loan Provisions Remain Adequate

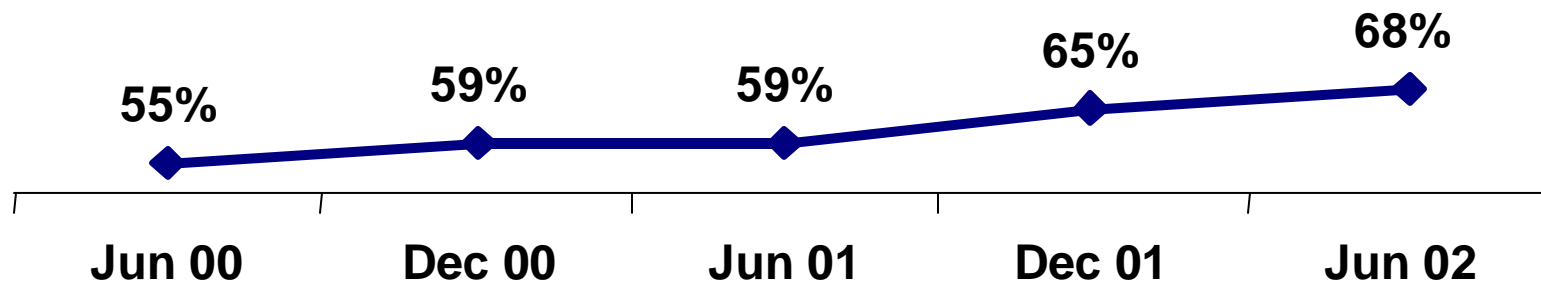


Provision Coverage Increased

Cumulative Provisions/Unsecured NPLs



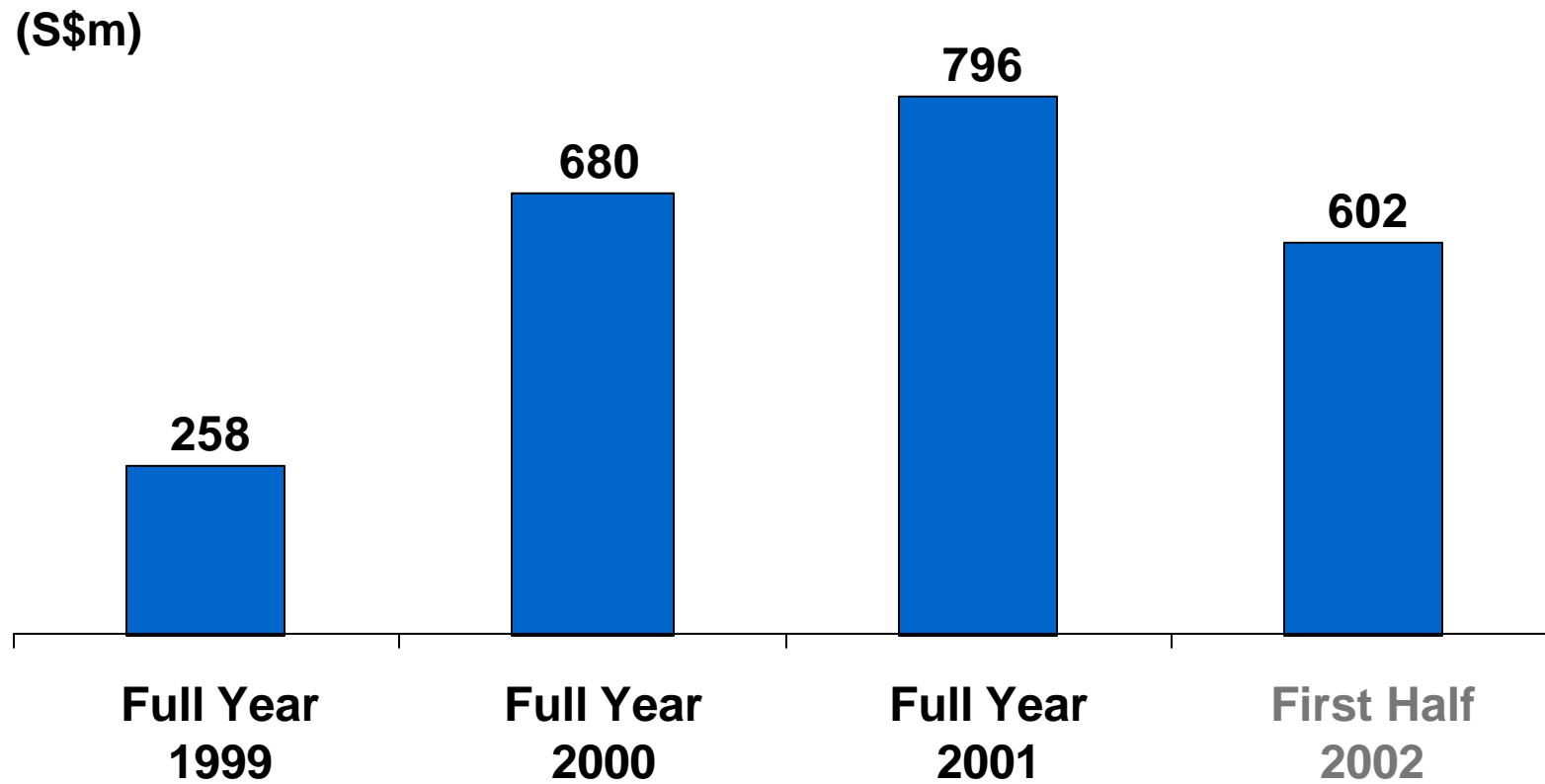
Cumulative Provisions/Total NPLs

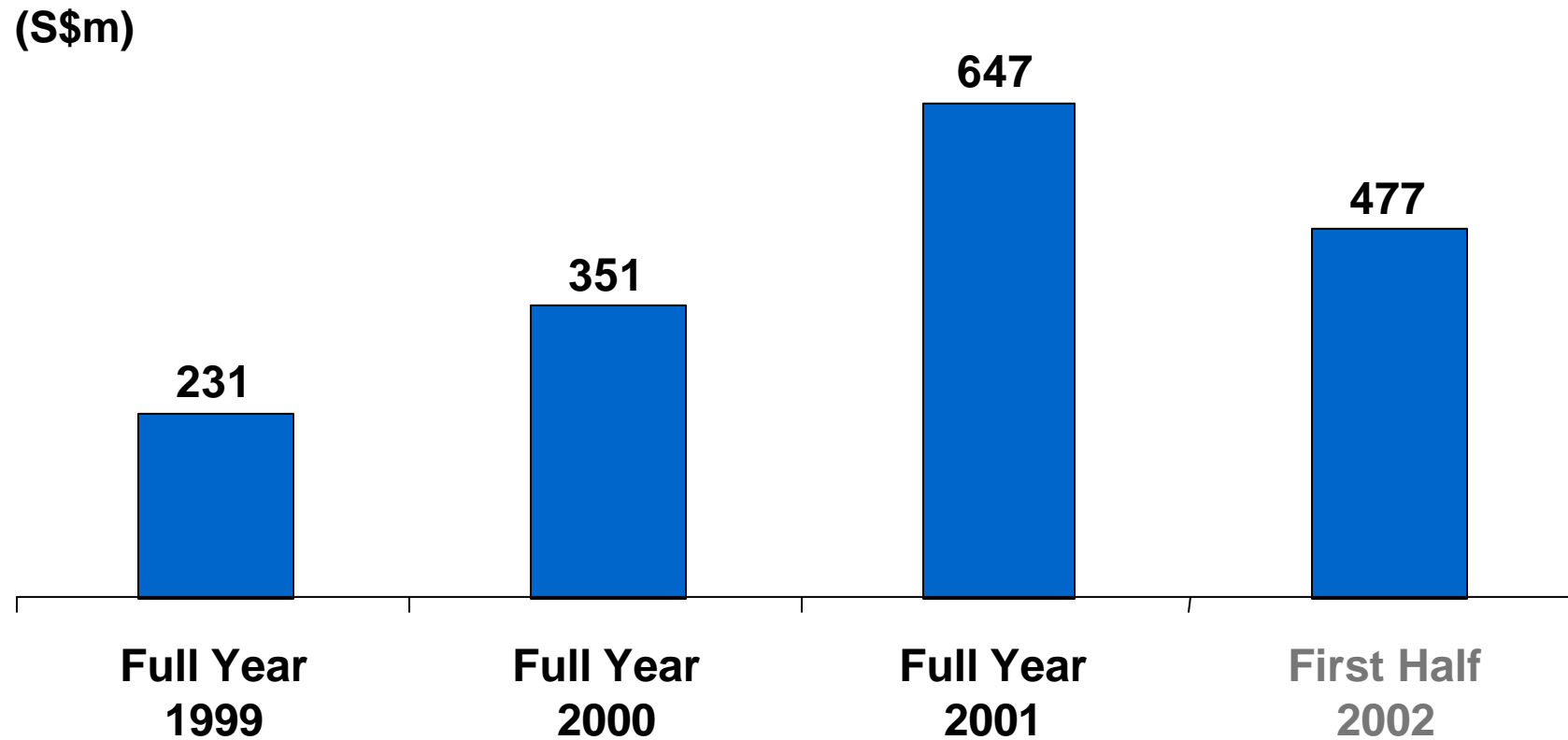


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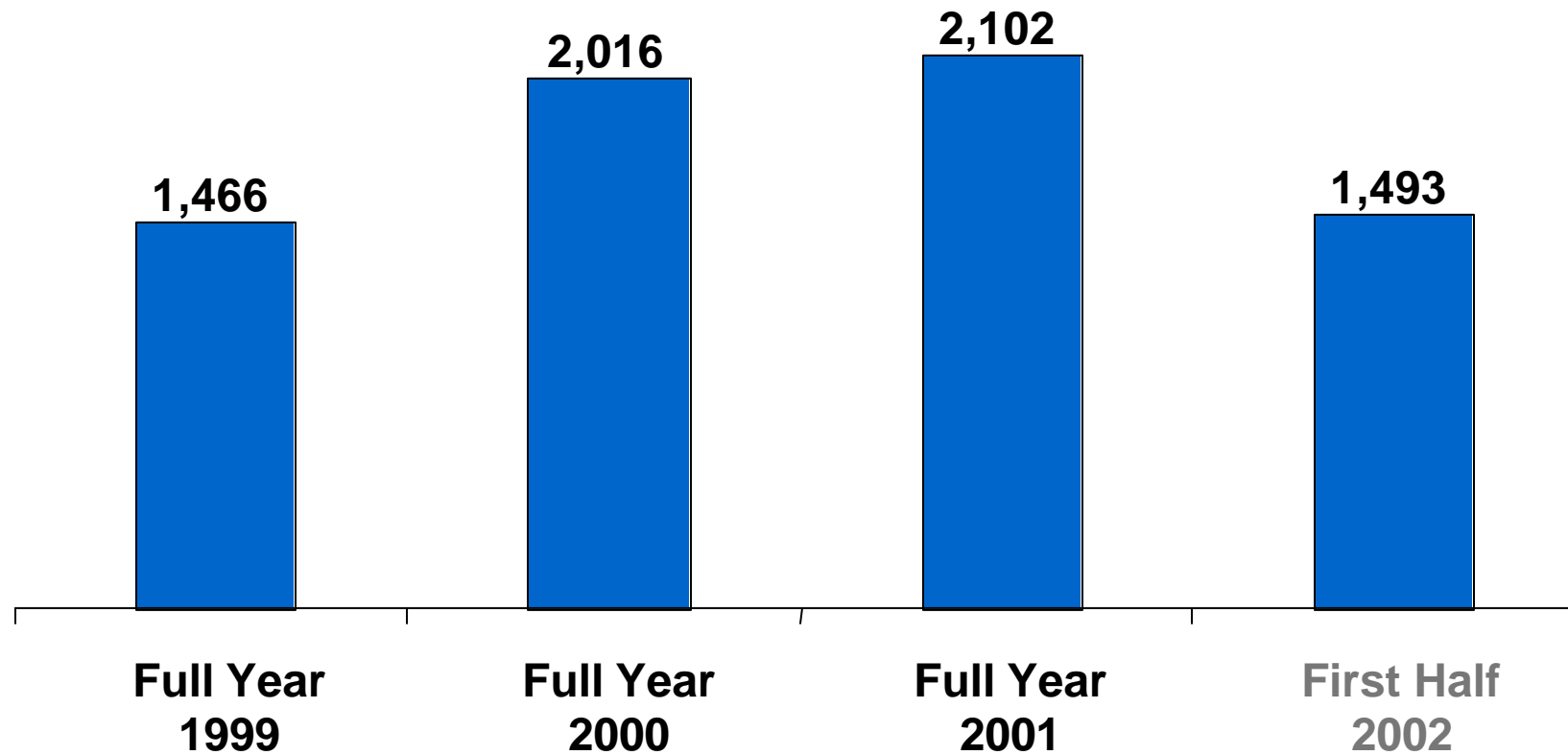
- **Full legal and operational integration between KTB and OCBC Bank achieved on 25 February 2002, six months ahead of original plan**
- **Branch/rep office network:**
 - Domestic: Reduced by one-third from 108 to 77
 - Malaysia: Maintained at 25 branches (no duplication)
 - International: Reduced by one-quarter from 33 to 25
- **Headcount**
 - Sep 2001: 8,600
 - June 2002: 7,700
 - Reduced by 900 or 10%
- **Increased cross-selling and other revenue synergies → most evident in wealth management and consumer loans**

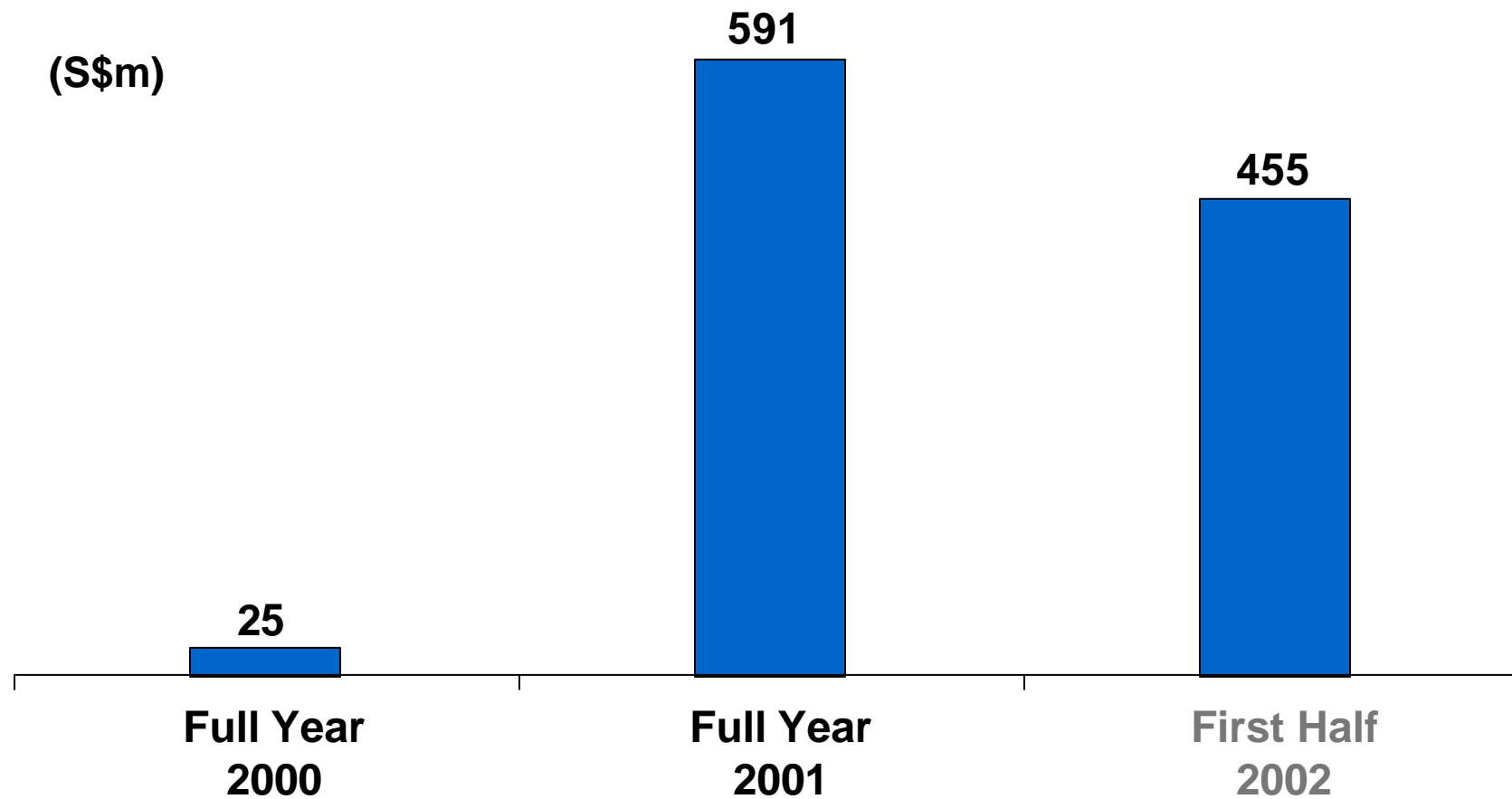
Revenue Synergy from Enlarged Customer Base – Unit Trust Sales





(S\$m)





*Note: OCBC Bank introduced its car loan product in September 2000
Figures exclude OCBC Finance which provides loans for the secondary car market*

- **Operating profit held up well under challenging economic environment**
- **Strong fee income, better-than- expected costs savings**
- **Integration cost and revenue synergies flowing through**
- **Focus is on growing top line, improving asset quality, and increasing operational efficiencies**
- **OCBC Bank named Best Corporate/Institutional Internet Bank in both Singapore and the Asia Pacific - *Global Finance*, July 2002**
- **Review of overall strategy underway in 2H02**

Appendix 1: Comparison of 1H 2002 vs 2H 2001

	1H02	2H01	HoH
	S\$m	S\$m	+/(-)
Net interest income	745	748	0%
Non-interest income	353	565 *	-38%
Total Income	1,098	1,313 *	-16%
Operating Expenses	426	502	-15%
Operating Profit	672	811 *	-17%
Goodwill	62	47	32%
Provisions	289	392	-26%
Associates	103	41	153%
Net Profit	302	352 *	-14%

* Includes one-off pre-tax gain of S\$260m (S\$252m after tax) from sale of OUB shares