

Second Quarter 2011 Results

Presentation

4 August 2011



Ask OCBC
www.ocbc.com



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;
Due to rounding, figures may not sum to stated totals



Highlights

Second quarter performance underpinned by record revenue

- Record net interest income was driven by broad-based loan growth; net interest margin compression slowed
- Strong non-interest income led by record fee income, underpinned by trade-related fees and service charges; insurance business remained strong with healthy new sales
- Prudent measures to increase portfolio allowances in view of continuing loan growth had an impact on quarterly earnings
- Asset quality improved, and loan losses remained low
- Capital position remained strong; well-positioned to meet MAS' revised requirements effective 2013

2Q11 core net profit of \$577m up 15% YoY, down 3% QoQ

OCBC Group	2Q11 S\$m	2Q10 S\$m	YoY +/(-)%	1Q11 S\$m	QoQ +/(-)%
Net Interest Income	827	720	15	784	6
Non-Interest Income	586	516	13	618	(5)
Total Income	1,413	1,236	14	1,402	1
Operating Expenses	(618)	(559)	11	(581)	6
Operating Profit	795	677	17	821	(3)
Amortisation of Intangibles	(16)	(11)	31	(15)	(1)
Allowances	(56)	(18)	227	(49)	16
Associates & JVs	19	(1)	NM	12	56
Tax & Non-controlling interests	(165)	(144)	15	(173)	(3)
Core Net Profit	577	503	15	596	(3)
Divestment gain, net of tax	-	-	NM	32 ^{1/}	NM
Reported Net Profit	577	503	15	628	(8)

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

1H11 core net profit of \$1,173m, up 9% HoH, flat YoY

OCBC Group	1H11 S\$m	1H10 S\$m	YoY +/(-)%	2H10 S\$m	HoH +/(-)%
Net Interest Income	1,611	1,424	13	1,523	6
Non-Interest Income	1,204	1,197	1	1,181	2
Total Income	2,815	2,621	7	2,704	4
Operating Expenses	(1,199)	(1,061)	13	(1,193) ^{2/}	1
Operating Profit	1,616	1,560	4	1,511	7
Amortisation of Intangibles	(31)	(23)	31	(31)	(3)
Allowances	(105)	(43)	149	(92)	15
Associates & JVs	31	(1)	NM	(1)	NM
Tax & Non-controlling interests	(338)	(314)	8	(312)	8
Core Net Profit	1,173	1,179	(0)	1,075	9
Divestment gain, net of tax	32 ^{1/}	-	NM	-	NM
Reported Net Profit	1,205	1,179	2	1,075	12

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

2/ Includes one-time expenses of S\$31m related to OCBC NISP-BOI merger

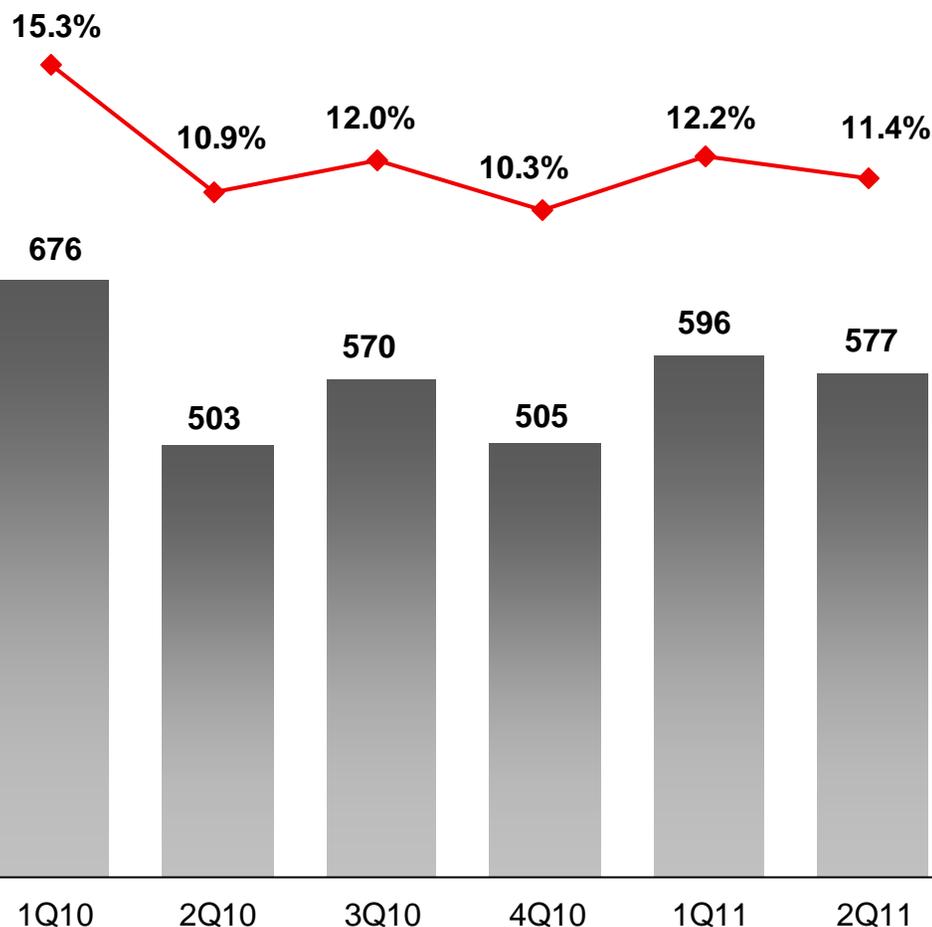
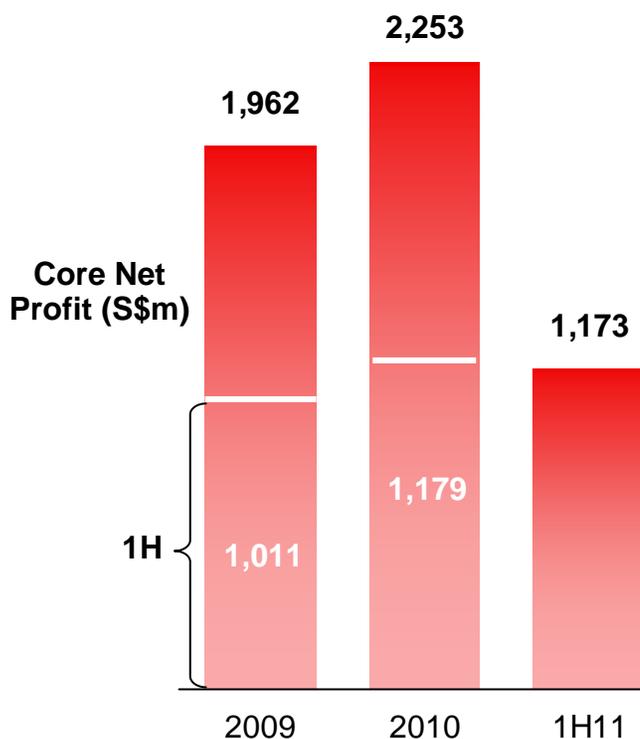
Key ratios

Based on core earnings	2Q11 %	1Q11 %	2Q10 %	1H11 %	1H10 %
Net Interest Margin	1.87	1.90	1.96	1.88	2.00
Non-Interest Income / Total Income	41.4	44.1	41.8	42.8	45.7
Costs / Income	43.7	41.5	45.2	42.6	40.5
Loans / Deposits	89.1	86.8	83.7	89.1	83.7
NPL Ratio	0.8	0.9	1.3	0.8	1.3
Allowances / NPAs	123.2	123.2	111.8	123.2	111.8
ROE	11.4	12.2	10.9	11.8	13.1
Cash ROE	11.7	12.5	11.2	12.1	13.4

ROE of 11.8% for 1H11

Core ROE*

12.2% 12.1% 11.8%

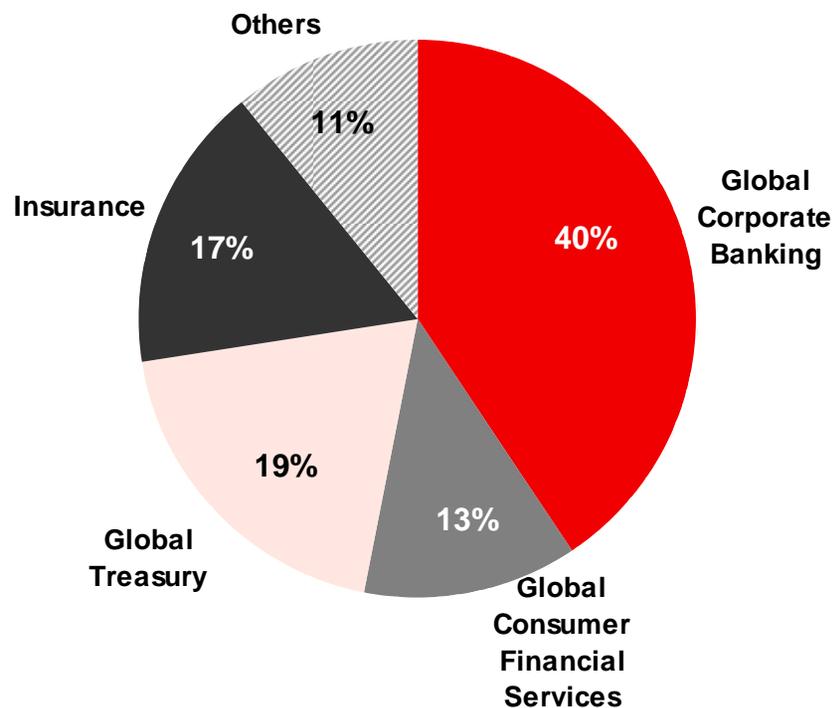


* Annualised

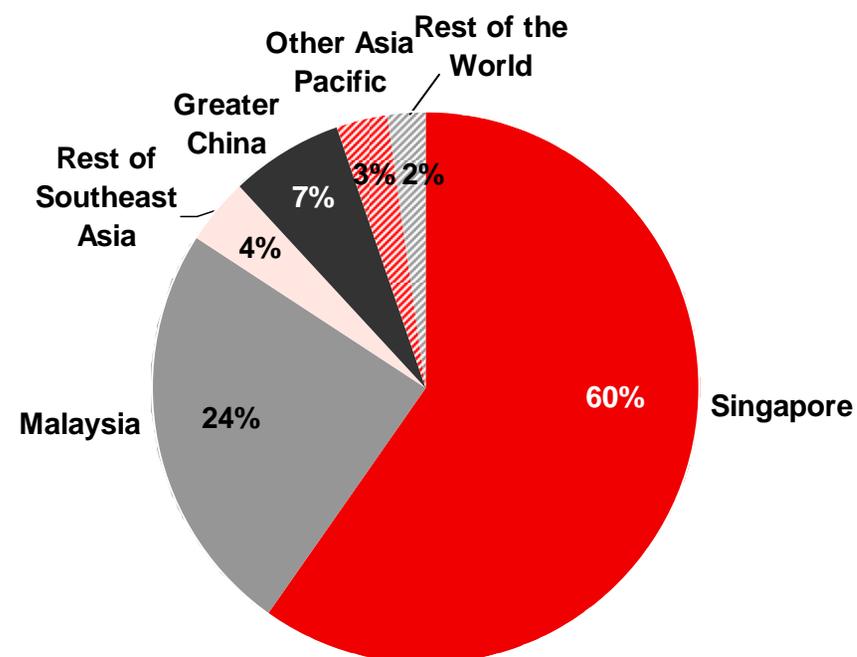


Profit contribution by business and geography

1H11 PBT
By Business*



1H11 PBT
by Geography



* Operating profit before joint income elimination and before items not attributed to business segments

GEH: 2Q11 net profit contribution up 67% YoY

GEH Contribution	2Q11 S\$m	2Q10 S\$m	YoY +/(-)%	1Q11 S\$m	QoQ +/(-)%
Total Income	194	132	47	221	(12)
Operating Expenses	(51)	(35)	46	(40)	27
Operating Profit	144	96	48	180	(20)
Amortisation of Intangibles	(12)	(11)	0	(12)	0
Allowances	(0)	(2)	(98)	(0)	NM
Associates & JVs	(1)	(2)	(46)	1	NM
Tax & Non-controlling interests	(37)	(25)	48	(40)	(6)
Net Profit Contribution	93	56	67	129	(28)

GEH: 1H11 net profit contribution up 10% YoY

GEH Contribution	1H11 S\$m	1H10 S\$m	YoY +/(-)%	2H10 S\$m	HoH +/(-)%
Total Income	415	379	10	395	5
Operating Expenses	(92)	(78)	19	(81)	13
Operating Profit	323	301	7	313	3
Amortisation of Intangibles	(23)	(24)	(4)	(23)	0
Allowances	(0)	(4)	(94)	0	NM
Associates & JVs	(0)	(4)	(90)	(2)	NM
Tax & Non-controlling interests	(77)	(67)	15	(87)	(11)
Net Profit Contribution	223	203	10	202	10

Results excluding GEH: 2Q11 core net profit up 8% YoY and 4% QoQ

OCBC excluding GEH	2Q11 S\$m	2Q10 S\$m	YoY +/(-)%	1Q11 S\$m	QoQ +/(-)%
Net Interest Income	815	703	16	773	5
Non-Interest Income	403	401	0	409	(1)
Total Income	1,218	1,104	10	1,182	3
Operating Expenses	(567)	(524)	8	(541)	5
Operating Profit	652	580	12	640	2
Amortisation of Intangibles	(4)	0	NM	(4)	(3)
Allowances	(57)	(15)	272	(49)	17
Associates & JVs	20	1	NM	11	75
Tax & Non-controlling interests	(128)	(120)	8	(133)	(4)
Core Net Profit	484	447	8	467	4
Divestment gain, net of tax	-	-	NM	32 ^{1/}	NM
Reported Net Profit	484	447	8	499	(3)

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

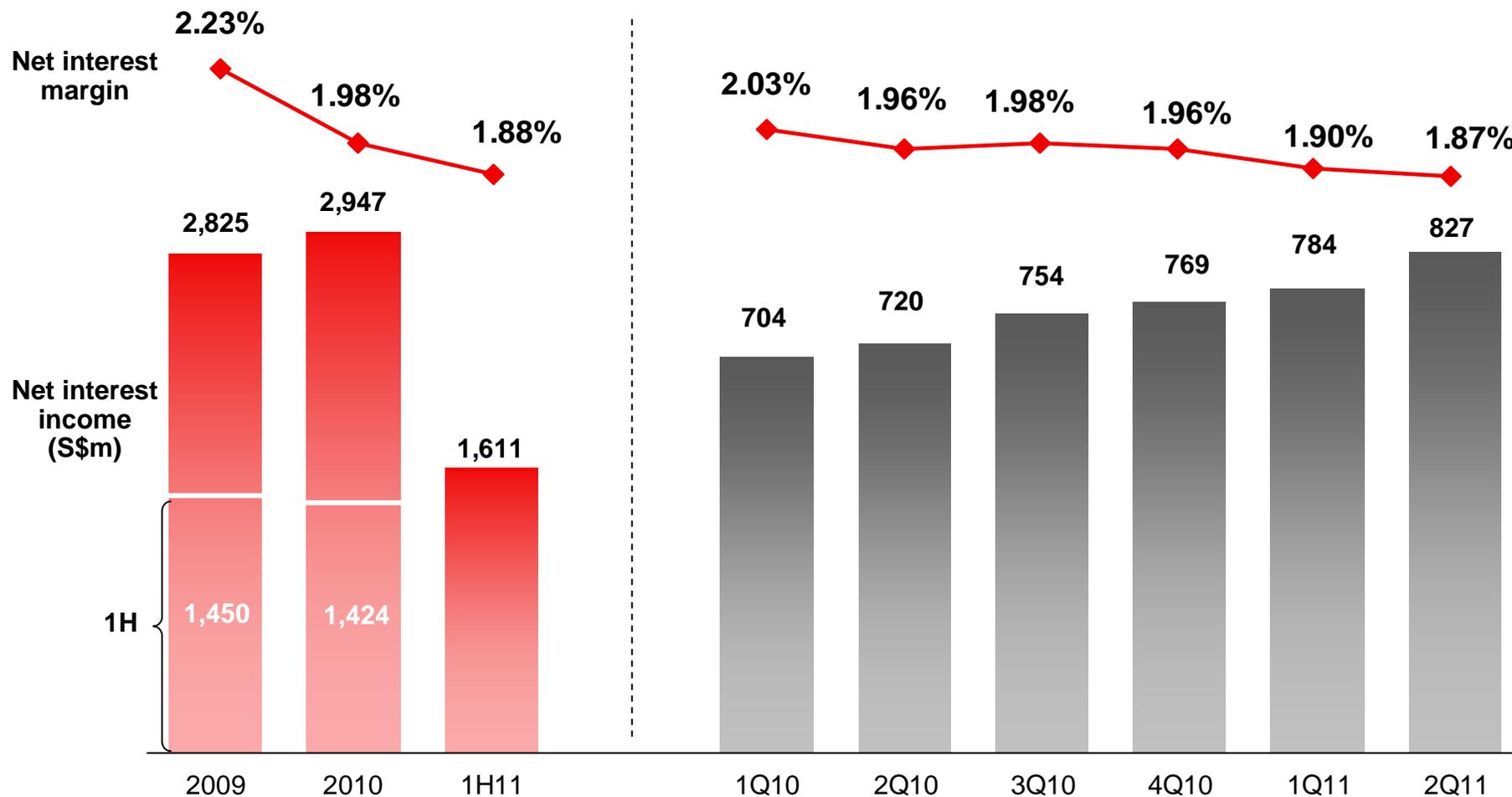
Results excluding GEH: 1H11 core net profit up 9% HoH, down 3% YoY

OCBC excluding GEH	1H11 S\$m	1H10 S\$m	YoY +/(-)%	2H10 S\$m	HoH +/(-)%
Net Interest Income	1,587	1,389	14	1,487	7
Non-Interest Income	812	853	(5)	823	(1)
Total Income	2,400	2,242	7	2,309	4
Operating Expenses	(1,107)	(983)	13	(1,112) ^{2/}	0
Operating Profit	1,293	1,259	3	1,198	8
Amortisation of Intangibles	(7)	0	NM	(8)	0
Allowances	(105)	(38)	178	(92)	14
Associates & JVs	31	3	NM	0	NM
Tax & Non-controlling interests	(260)	(247)	5	(225)	16
Core Net Profit	950	976	(3)	873	9
Divestment gain, net of tax	32 ^{1/}	-	NM	-	NM
Reported Net Profit	982	976	1	873	13

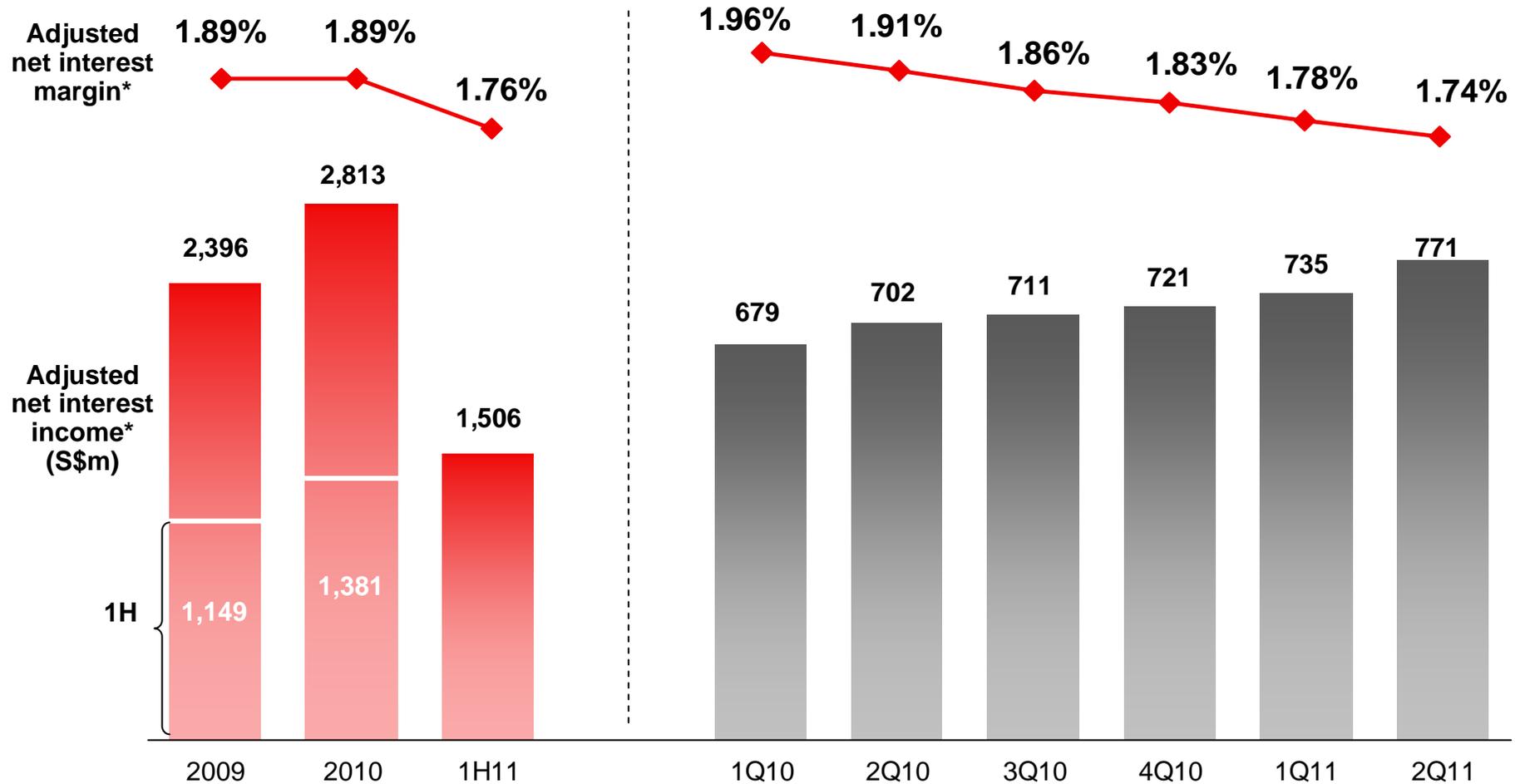
1/ Gain from divestment of property at Bassein Road, Singapore

2/ Includes one-time expenses of S\$31m related to OCBC NISP-BOI merger

Net interest income up 6% QoQ; slight narrowing in margins was partly due to strong growth in lower-risk loans

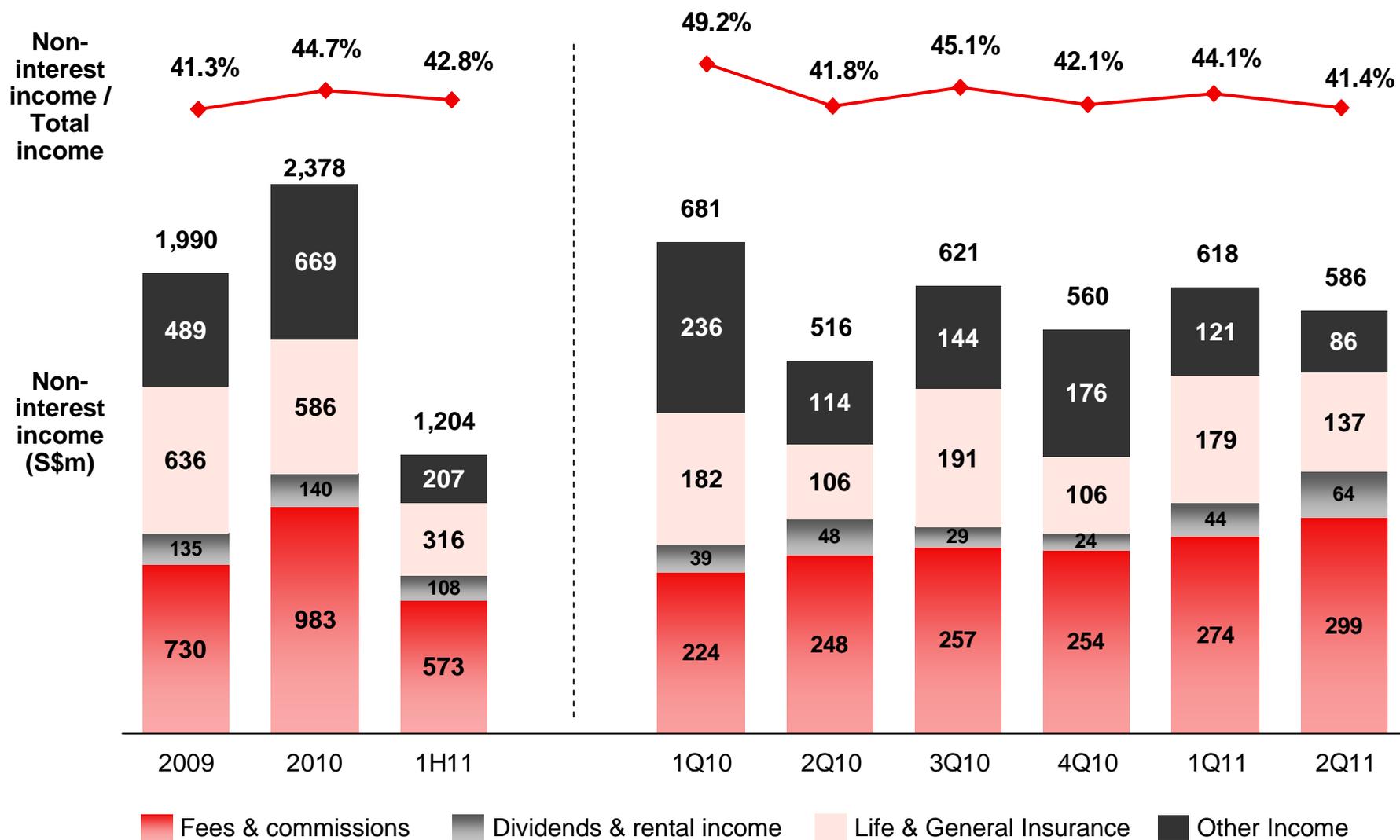


Net interest income adjusted for allowances increased 10% YoY and 5% QoQ



* Allowances for loans and other assets deducted from net interest income

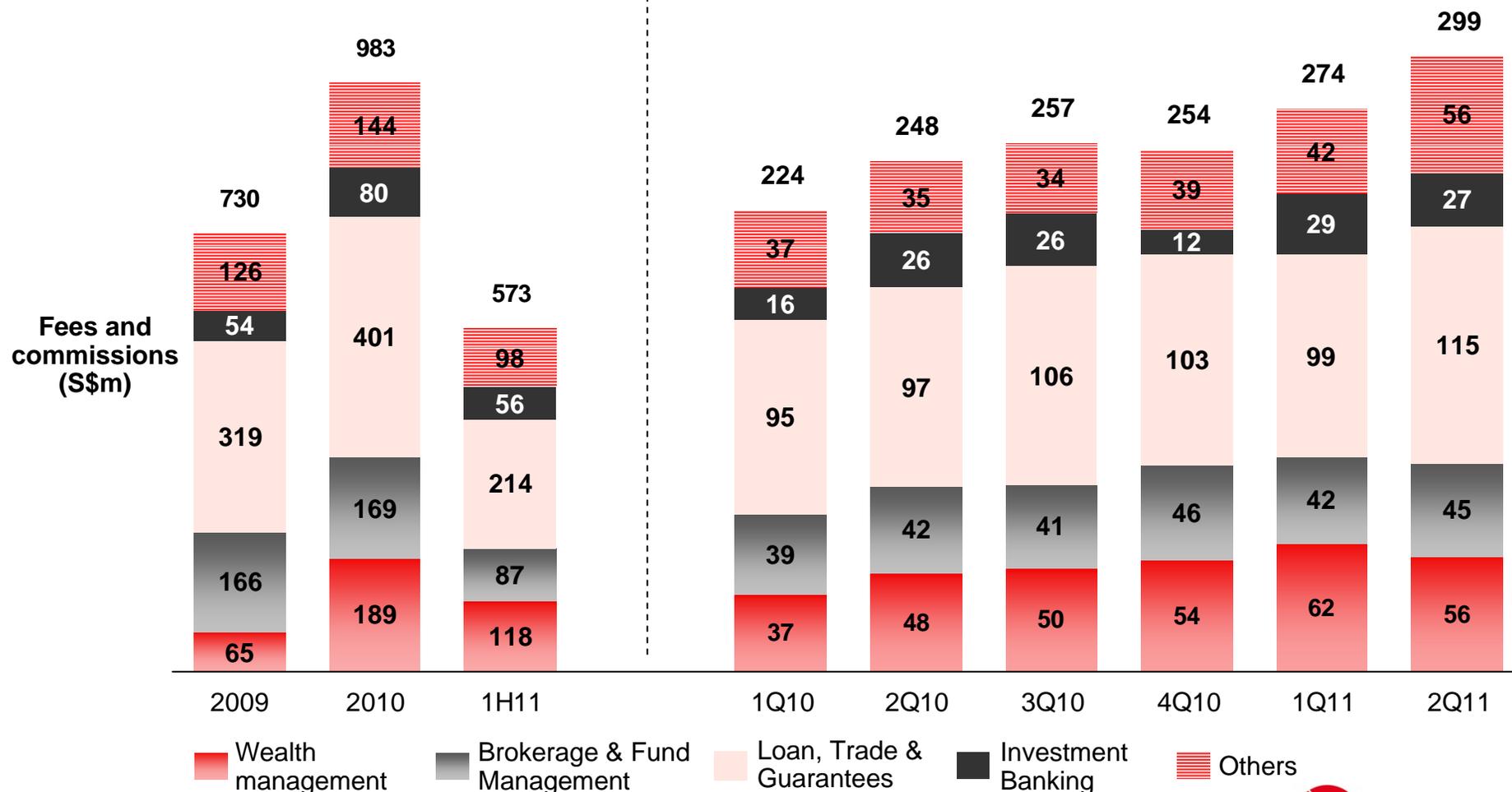
Non-interest income up 13% YoY, strong growth in key components except other income



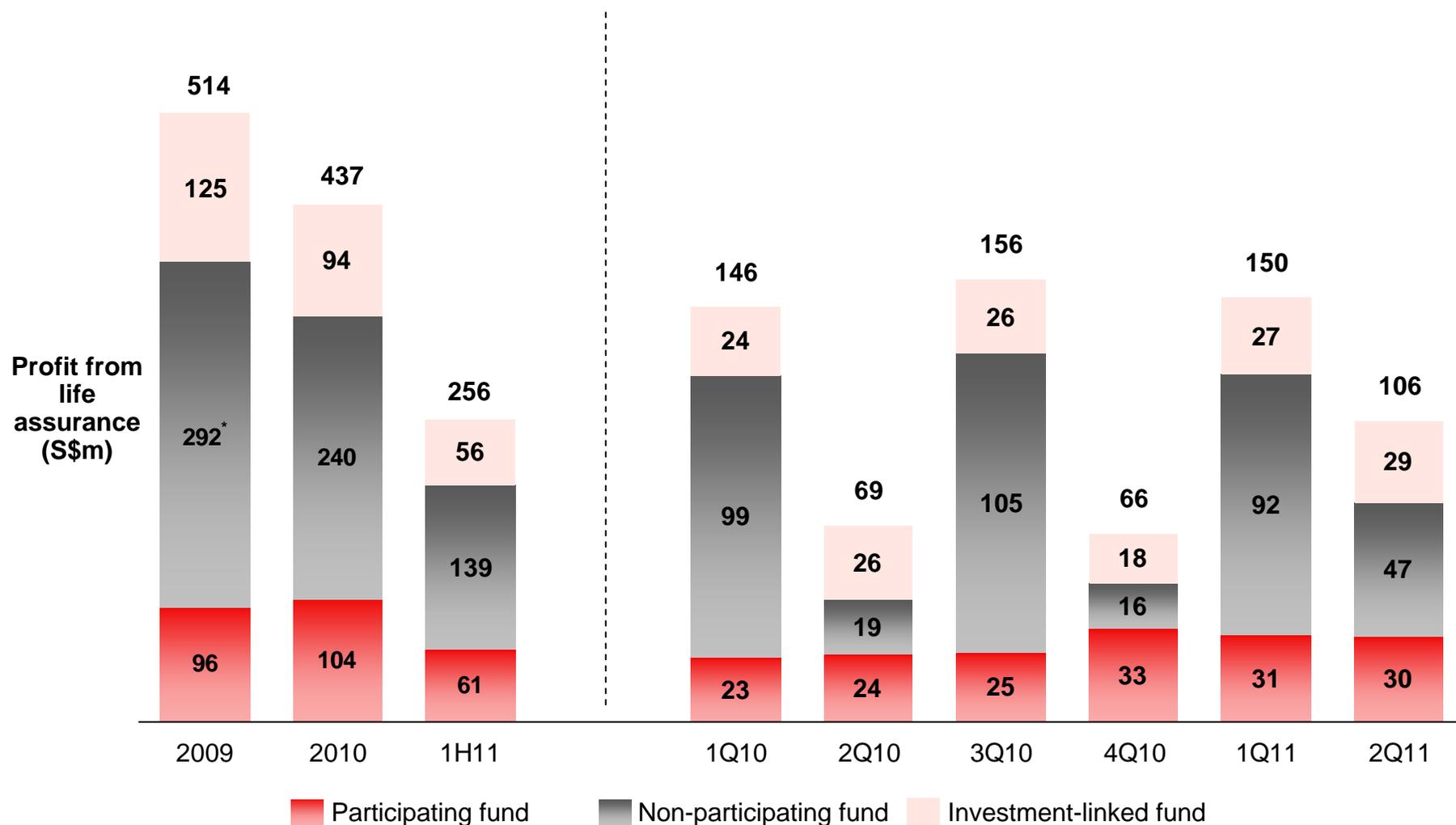
Note: Excludes gains from divestment of non-core assets



Fee income increased 20% YoY and 9% QoQ, led by trade-related fees, service charges and fund management income

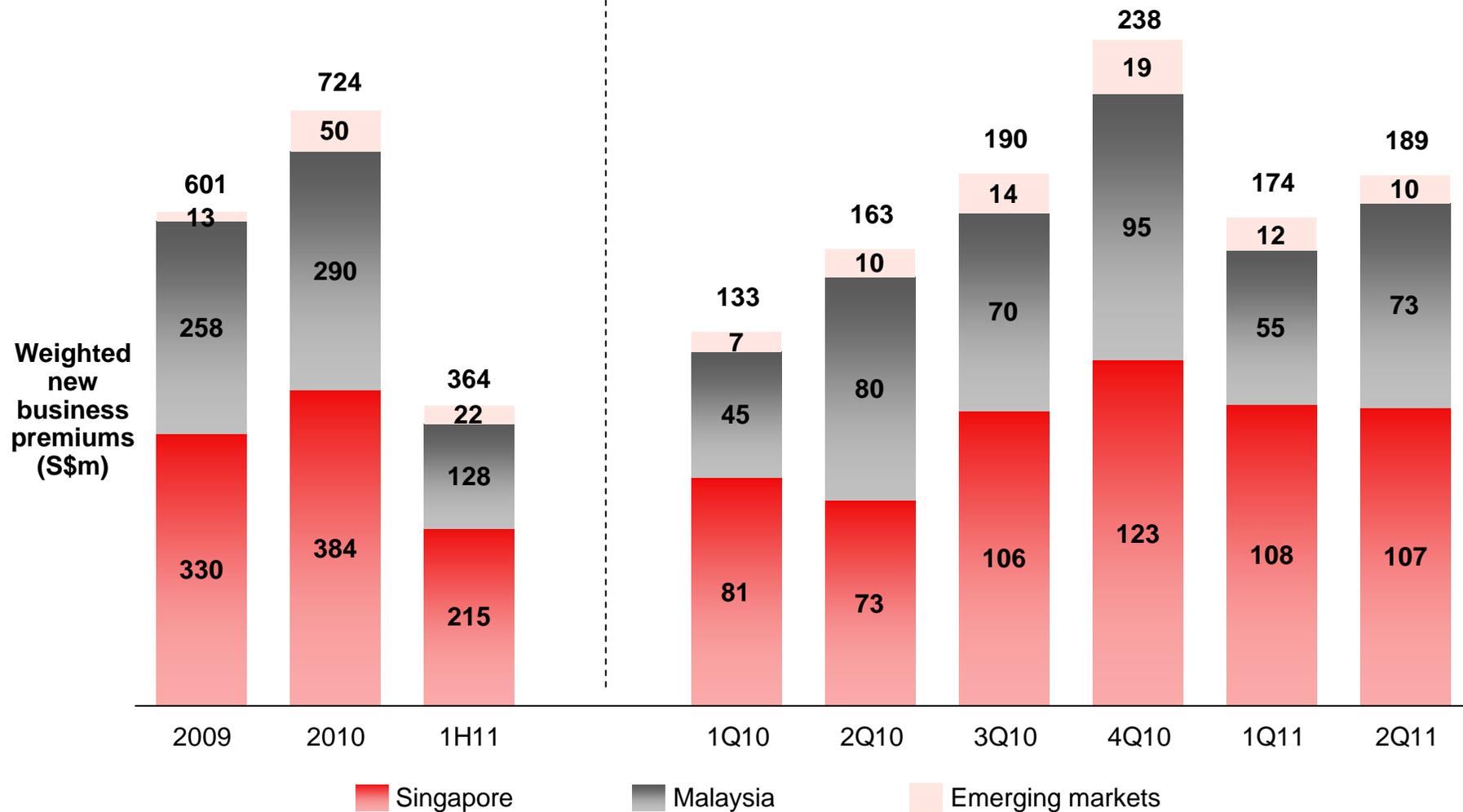


GEH: Profit from life assurance declined QoQ as investment profit from non-participating funds were lower



* Adjusted to include GreatLink Choice loss

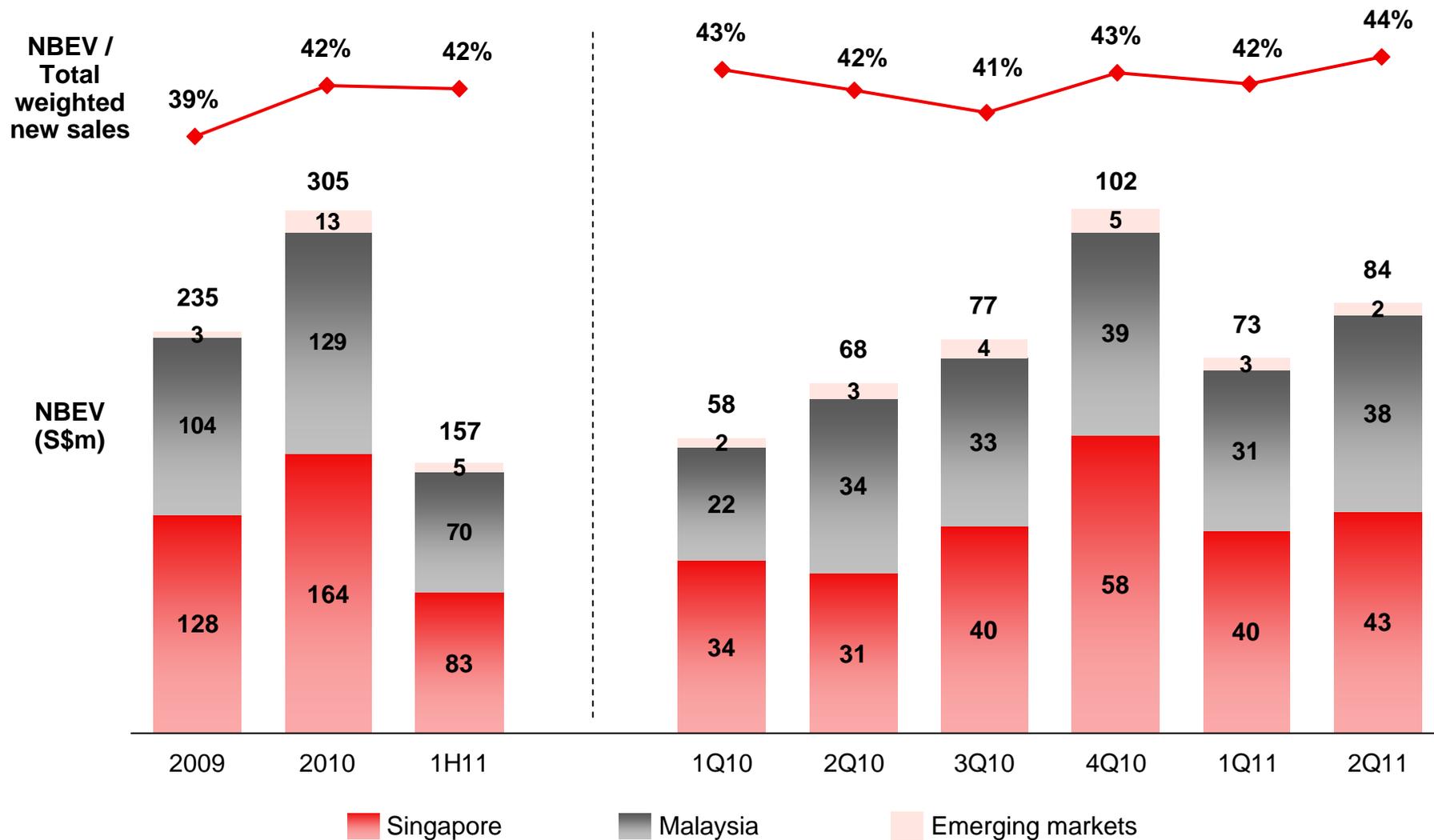
GEH: Underlying insurance business is strong, with total weighted new sales up 16% YoY



Note: QoQ comparison not relevant given seasonality of insurance sales



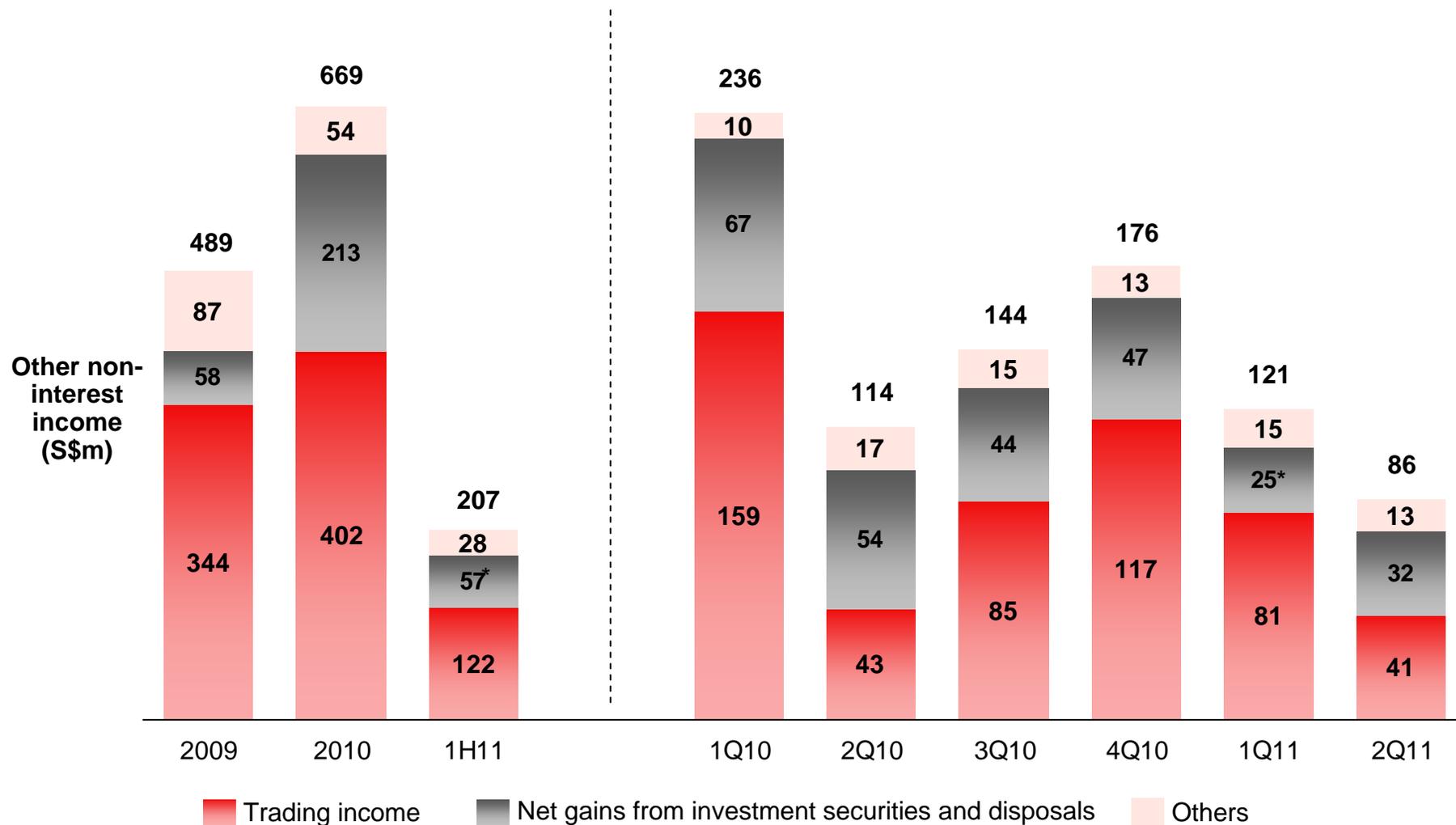
GEH: New business embedded value up 23% YoY



Note: QoQ comparison not relevant given seasonality of insurance sales

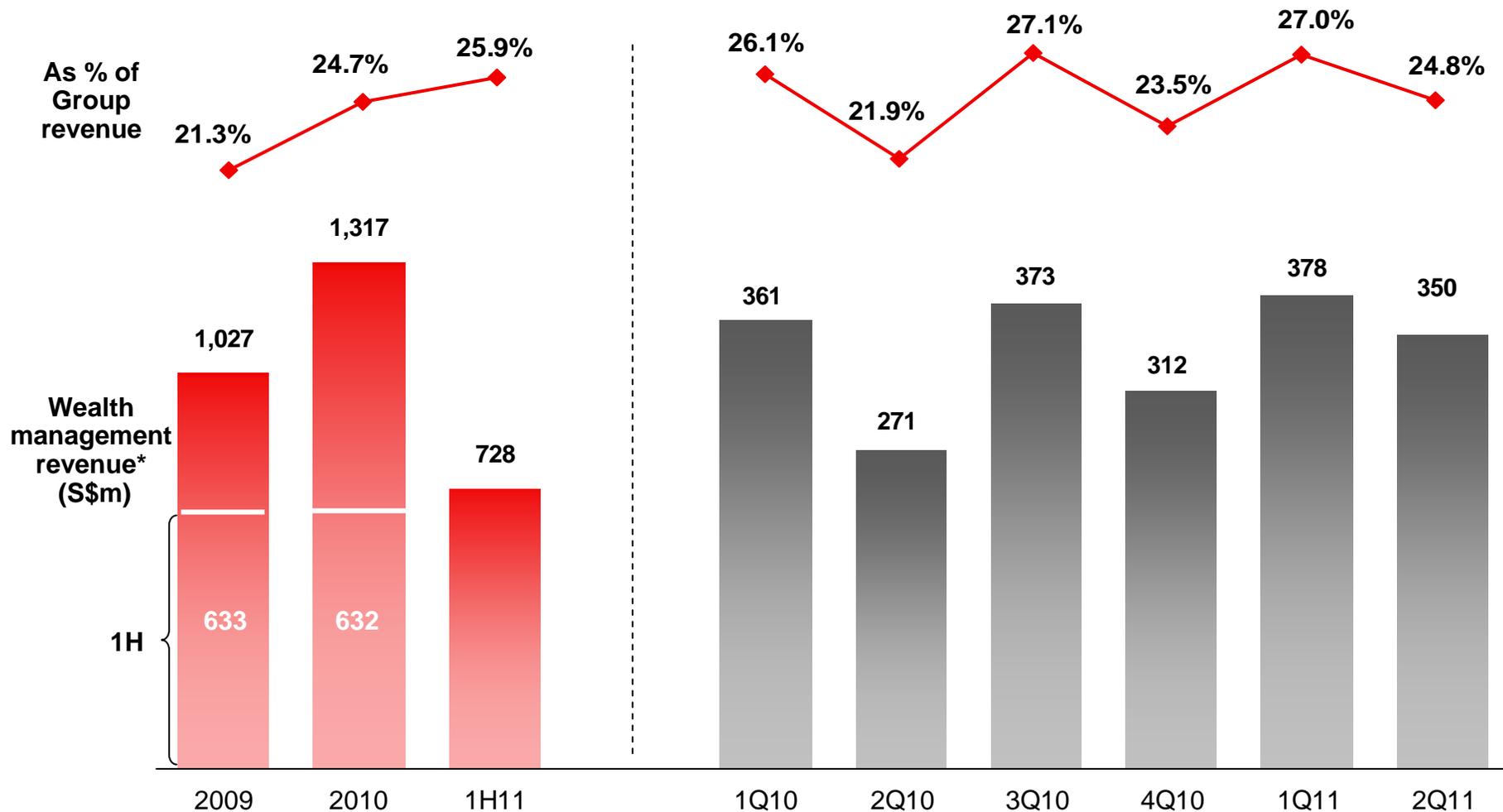


Other non-interest income decreased 24% YoY on lower gains from investment securities and lower trading income



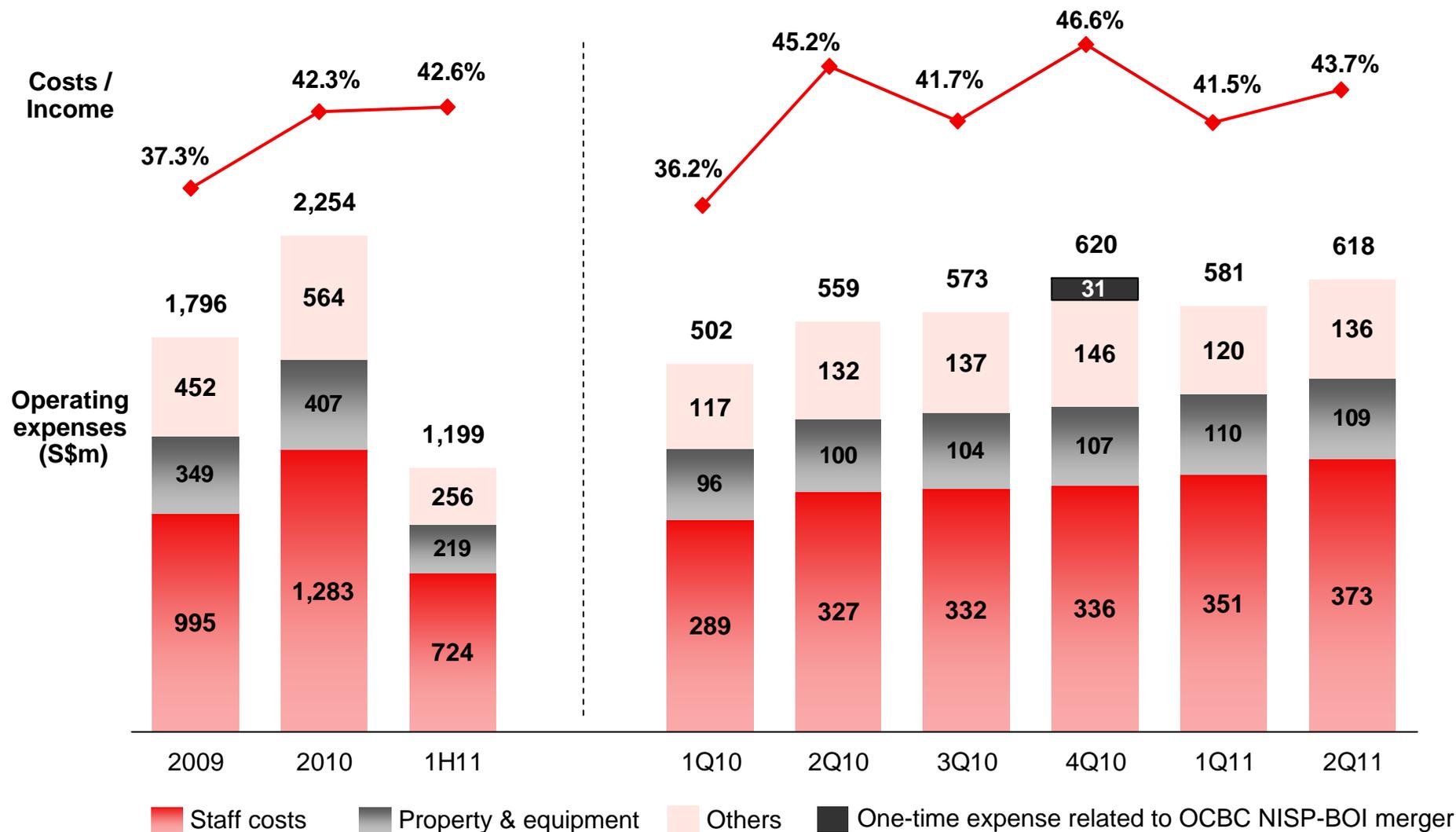
* Excludes S\$39m gain from divestment of Bassein Road property

Wealth management revenue increased 29% YoY



* 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

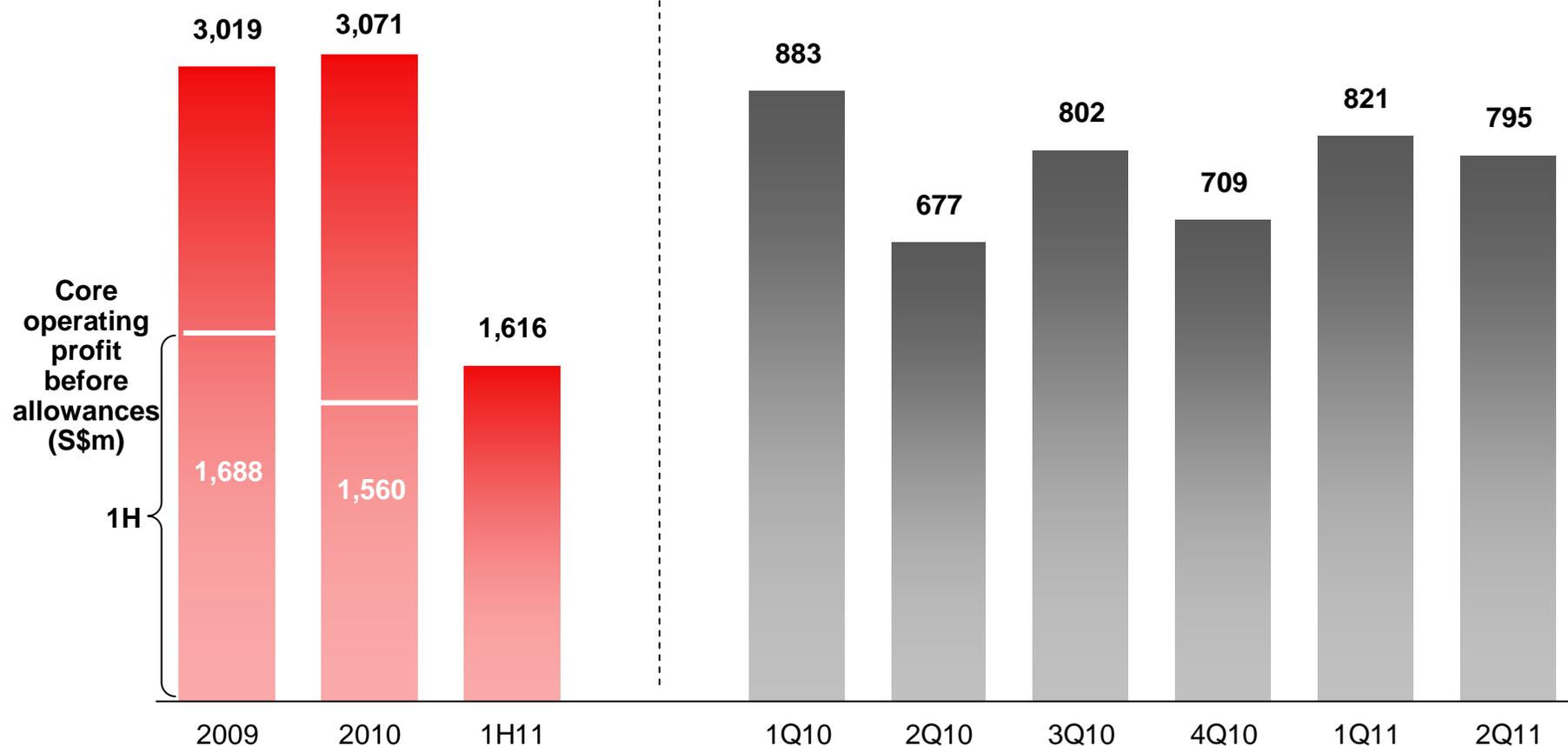
Expenses increased 6% QoQ on higher staff costs and other expenses linked to increased business volumes



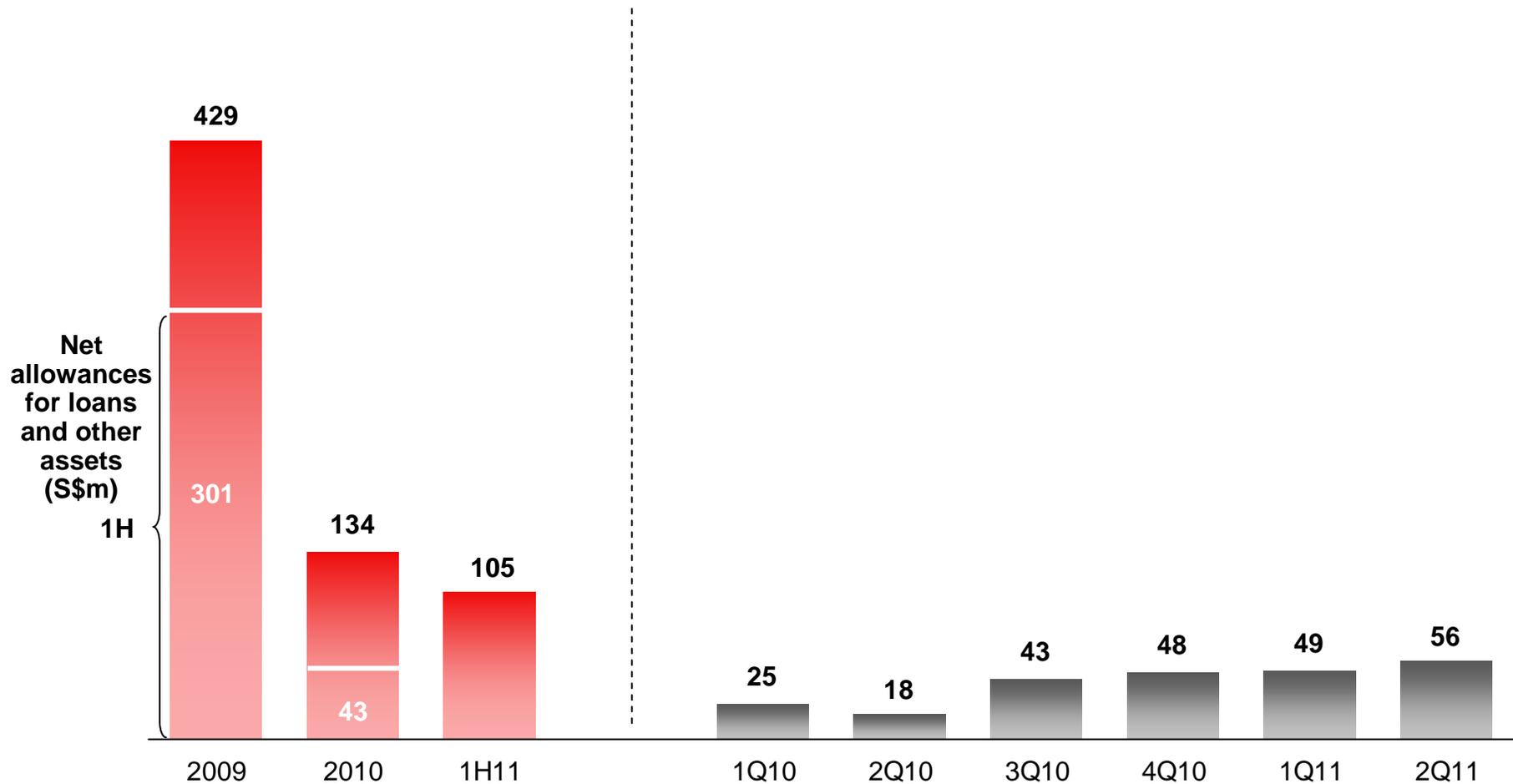
Note: Cost-to-income ratio excludes gains from divestment of non-core assets



Core operating profit increased 17% YoY



Net allowances increased as portfolio allowances grew in line with loan growth, impacting quarterly earnings



Breakdown of allowances

	2Q11 S\$m	1Q11 S\$m	2Q10 S\$m	1H11 S\$m	1H10 S\$m
Specific allowances for loans	3	12	11	15	16
Portfolio allowances for loans	54	30	5	84	35
Allowances for other assets (Write-back)	(1)	7	2	6	(8)
Total net allowances	56	49	18	105	43
Specific loan allowances/ average loans (bps)*	1	4	5	3	4

* Annualised

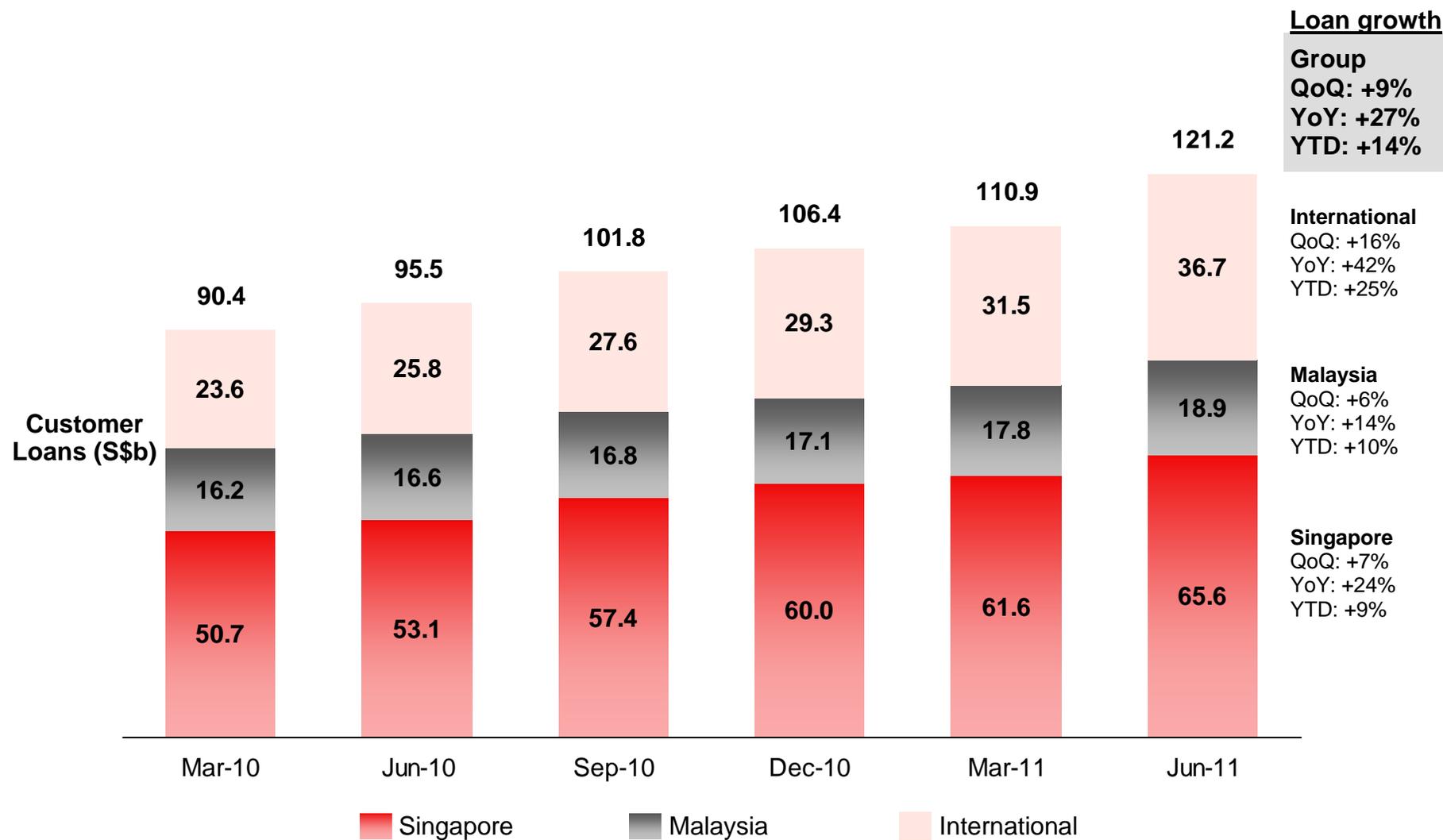
Movement in specific allowances for loans

	2Q11 S\$m	1Q11 S\$m	2Q10 S\$m	1H11 S\$m	1H10 S\$m
Allowances for new and existing NPLs	41	54	55	95	123
Write-backs ^{1/}	(26)	(29)	(32)	(54)	(87)
Recoveries ^{2/}	(12)	(13)	(12)	(26)	(22)
Net Specific Allowances	3	12	11	15	16

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

Loan growth of 27% YoY and 9% QoQ; strong momentum in all key markets

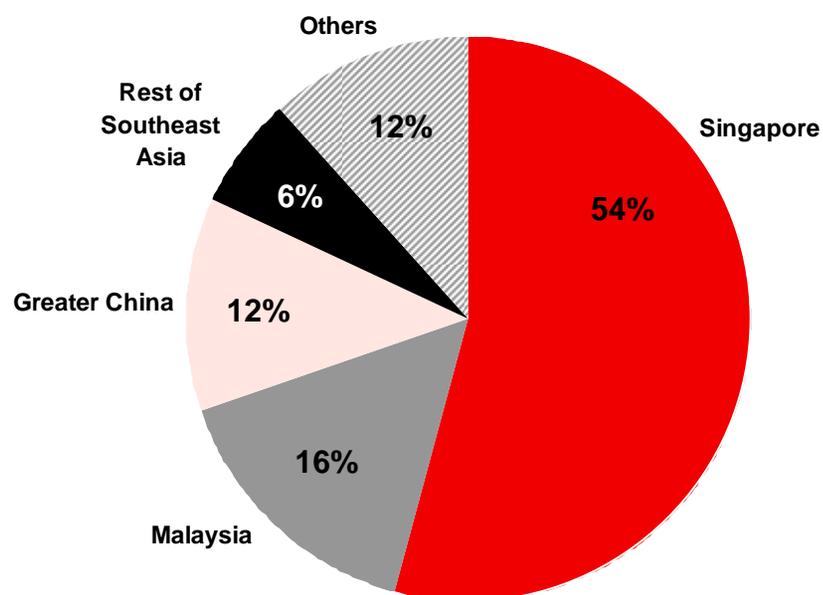


Note: Loans by geography are based on where the credit risks reside

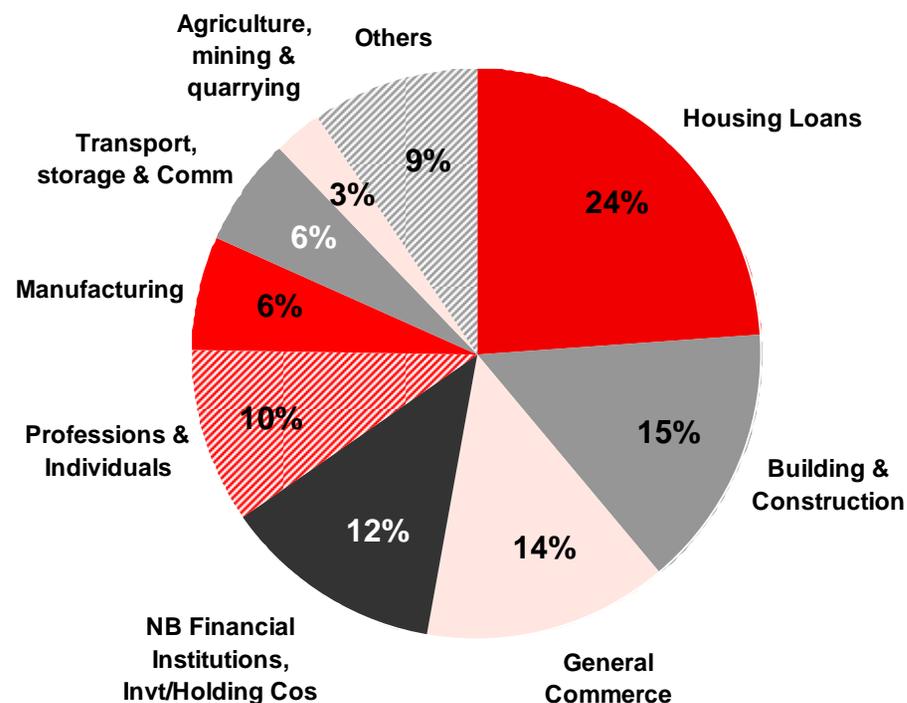


Loan book remains diversified across geographies and sectors

Customer Loans by Geography*
As at 30 June 2011

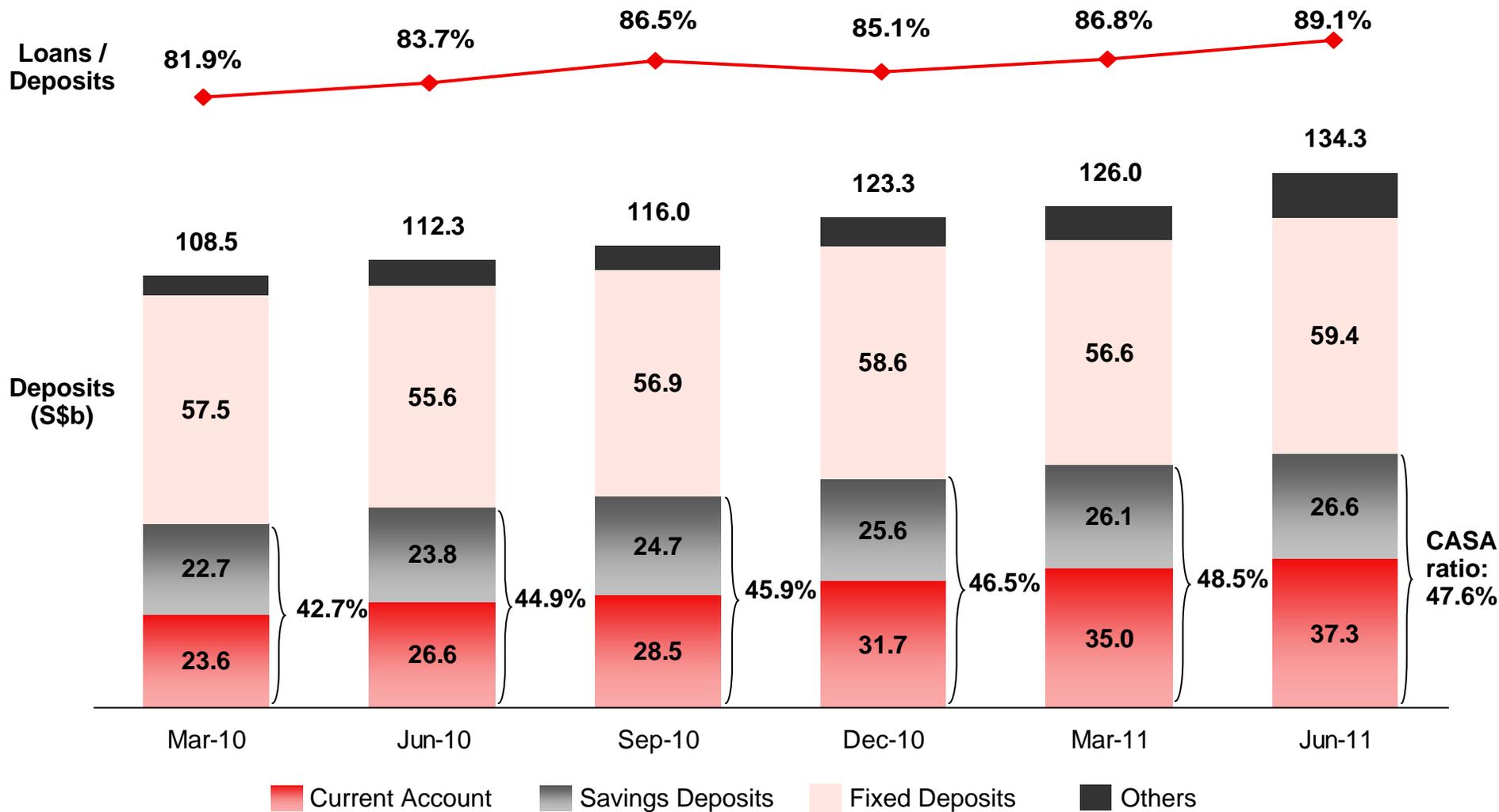


Customer Loans by Industry
As at 30 June 2011

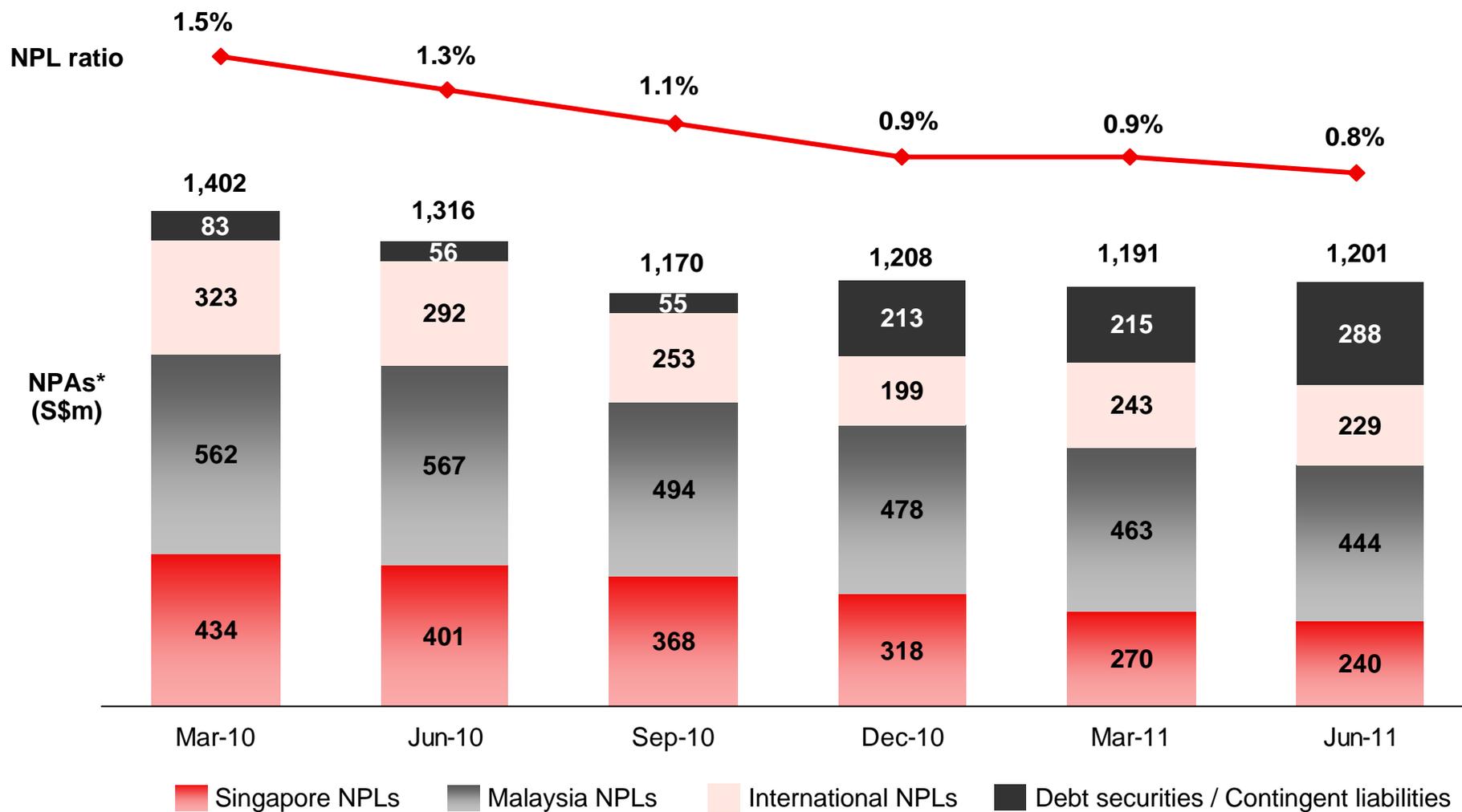


* Based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans

Customer deposits increased 20% YoY and 7% QoQ

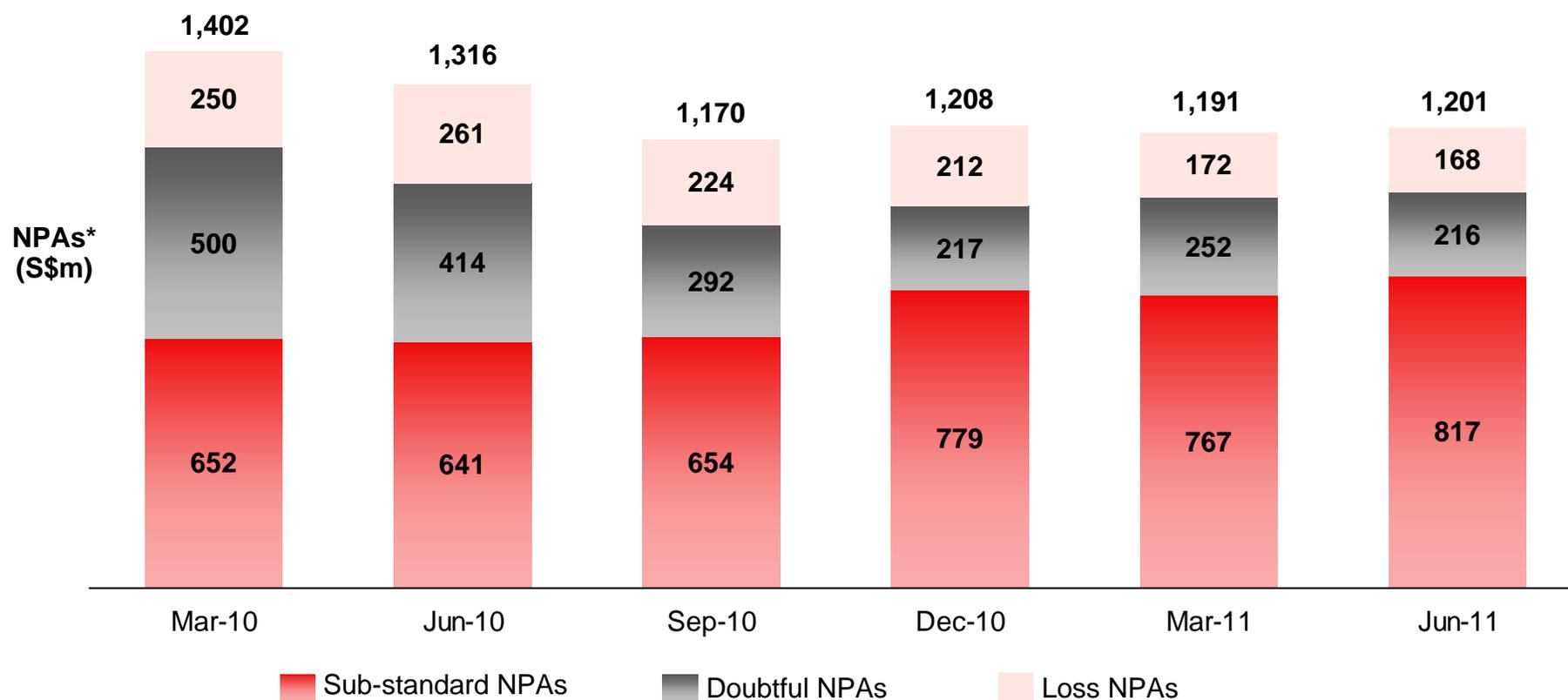


NPL ratio improved to 0.8%



* NPAs comprise NPLs and classified debt securities/contingent liabilities

68% of NPAs in the “substandard” category – typically well-collateralised or no overdues

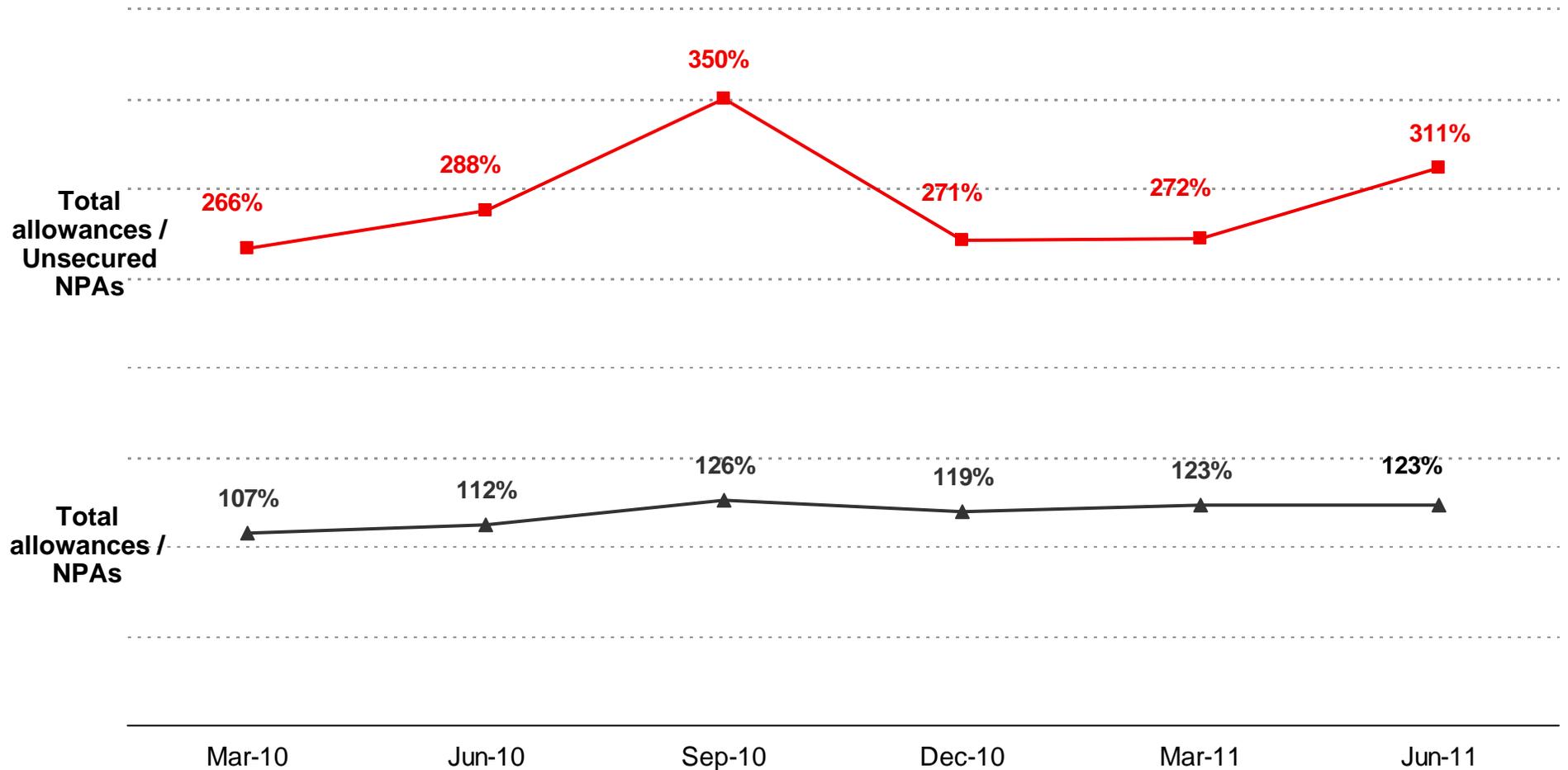


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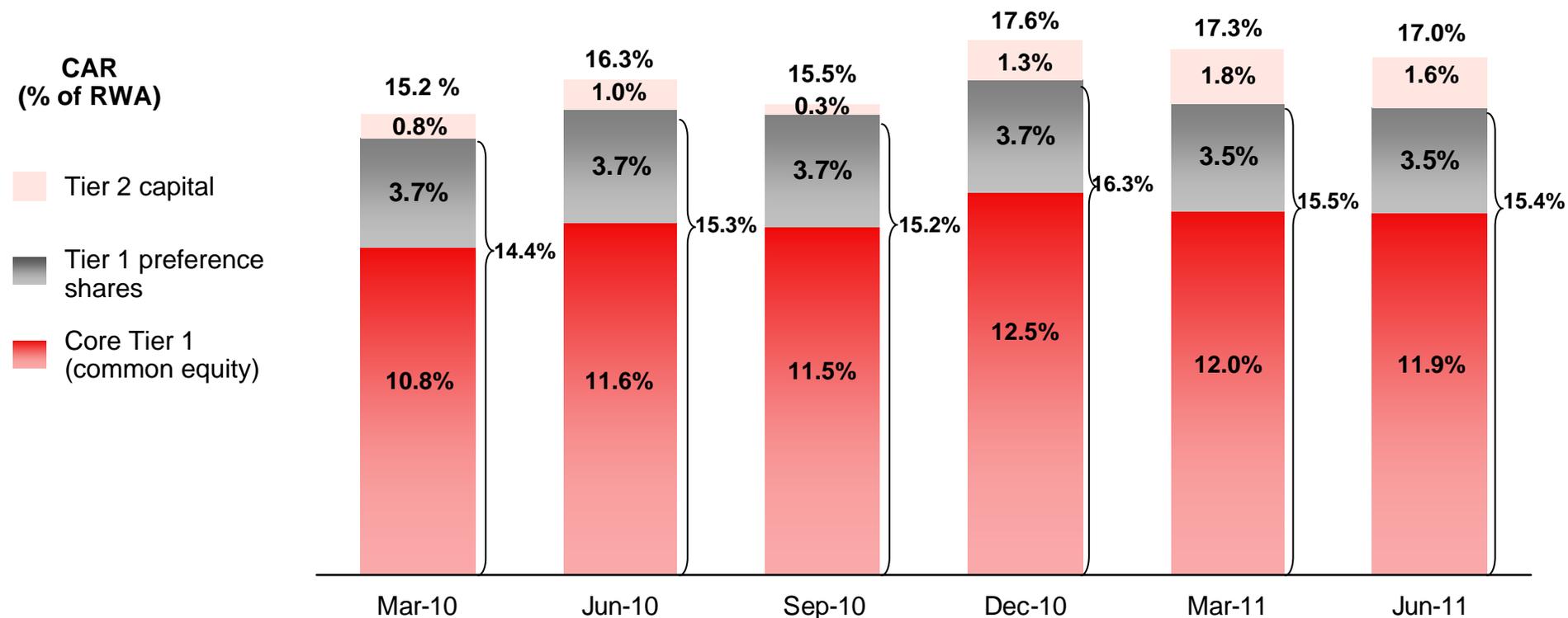
Movement in NPAs

	2Q11 S\$m	1Q11 S\$m	2Q10 S\$m	1H11 S\$m	1H10 S\$m
NPAs - Opening Balance	1,191	1,208	1,403	1,208	1,449
New NPAs	222	135	124	357	247
Net Recoveries/Upgrades	(170)	(129)	(155)	(299)	(266)
Write-offs	(42)	(23)	(56)	(65)	(114)
NPAs - Closing Balance	1,201	1,191	1,316	1,201	1,316

Allowance coverage ratios of 123% of total NPAs and 311% of unsecured NPAs



Capital ratios remained strong: Tier 1 ratio of 15.4% and Core Tier 1 of 11.9%

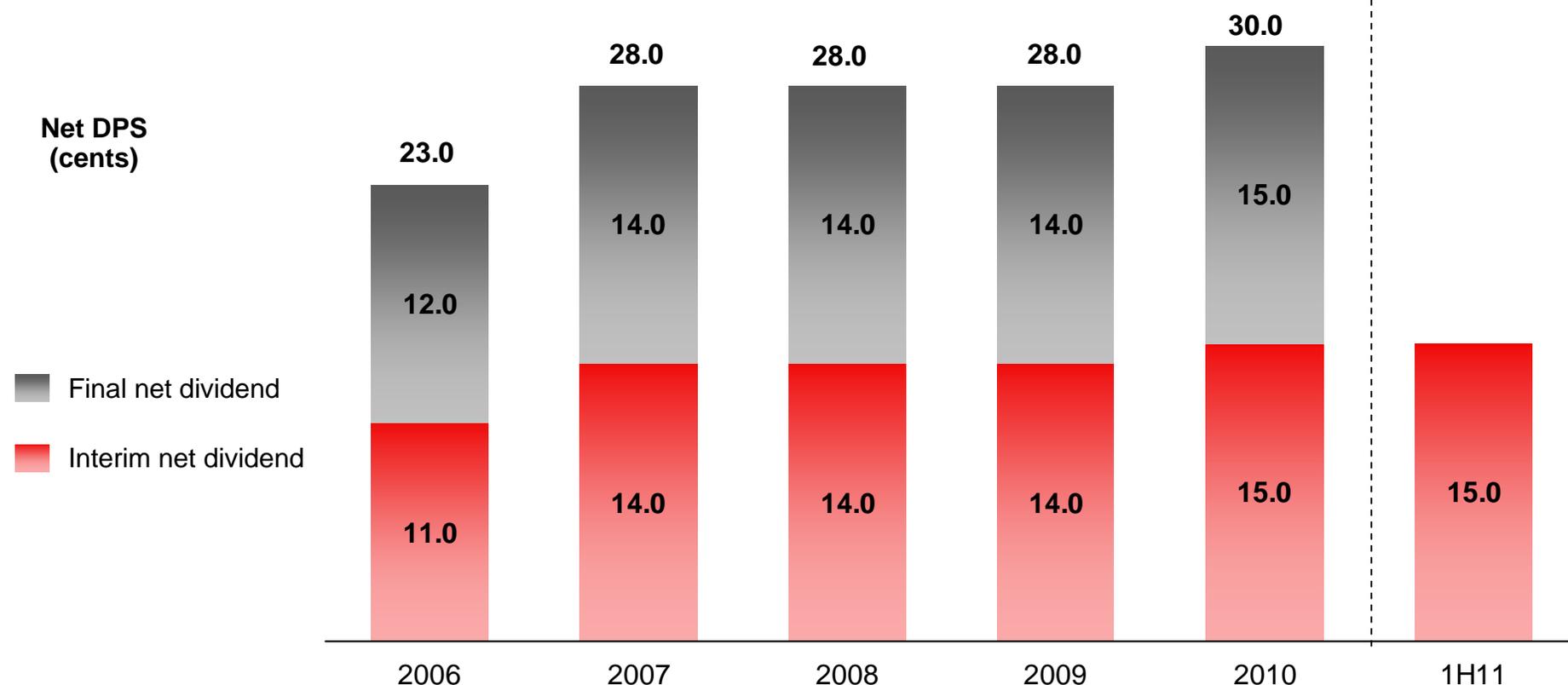


	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
Tier 1 Capital (S\$m)	15,716	16,161	16,219	17,148	17,469	17,764
Tier 1 Prefs. (S\$m)	3,965	3,966	3,965	3,961	3,961	3,957
RWA (S\$m)	108,505	105,073	106,666	105,062	112,558	115,318

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



Interim dividend of 15 cents per share

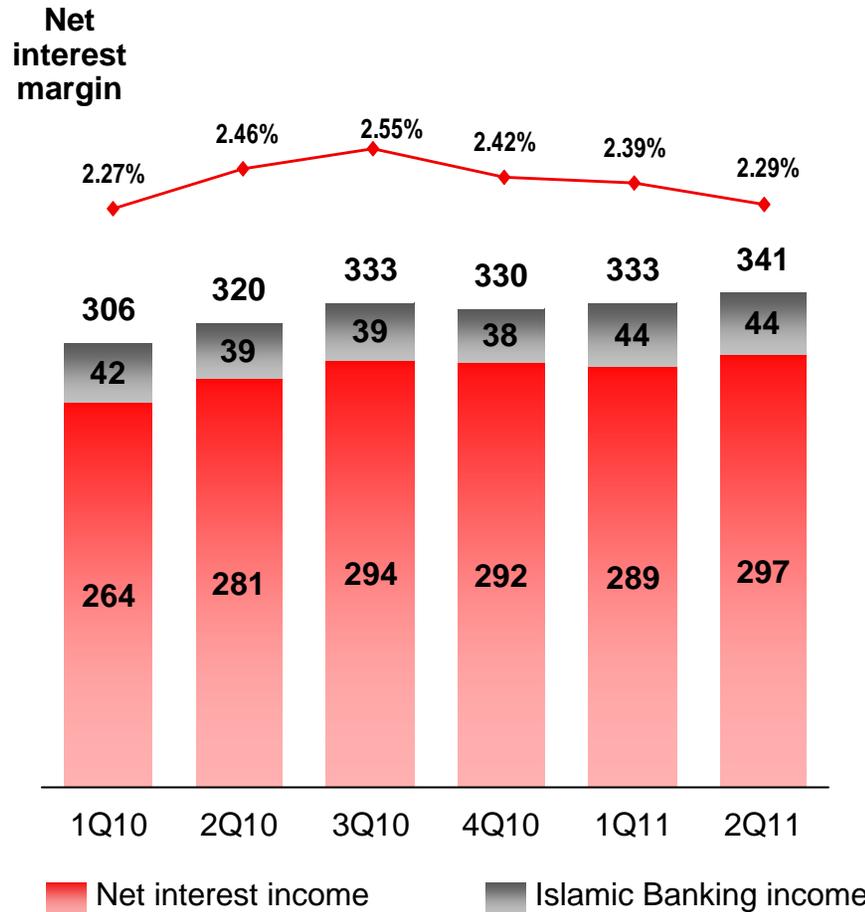


	2006	2007	2008	2009	2010	1H11
Net Dividends (S\$m)	709	864	868	897	994	508
Core Net Profit (S\$m)	1,443	1,878	1,486	1,962	2,253	1,173
Dividend Payout Ratio	49%	46%	58%	46%	44%	43%



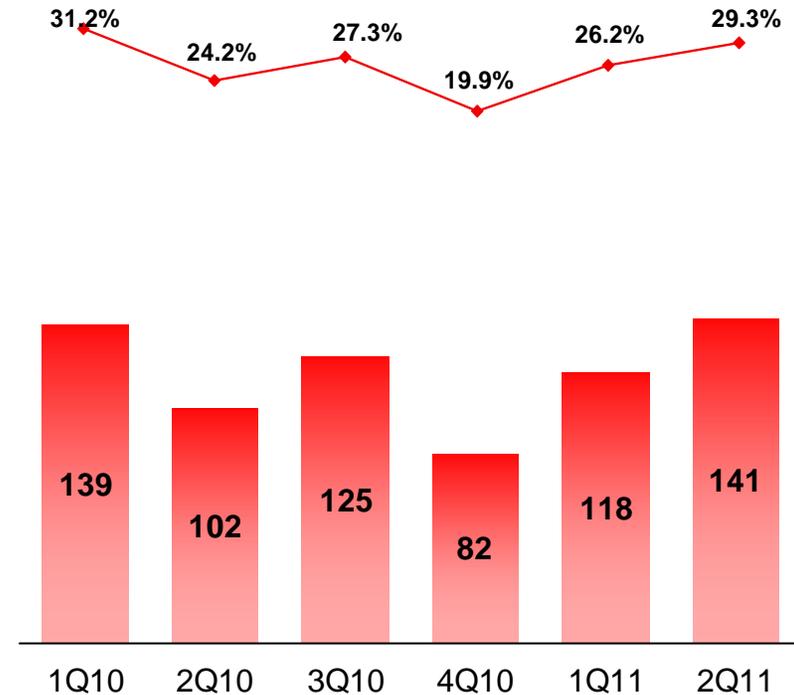
OCBC Malaysia: Net interest income up 6% YoY, Non-interest income up 38% YoY

Net Interest Income and Islamic Banking Income (RM m)



Non-Interest Income (RM m)

Non-int. income/
Total income

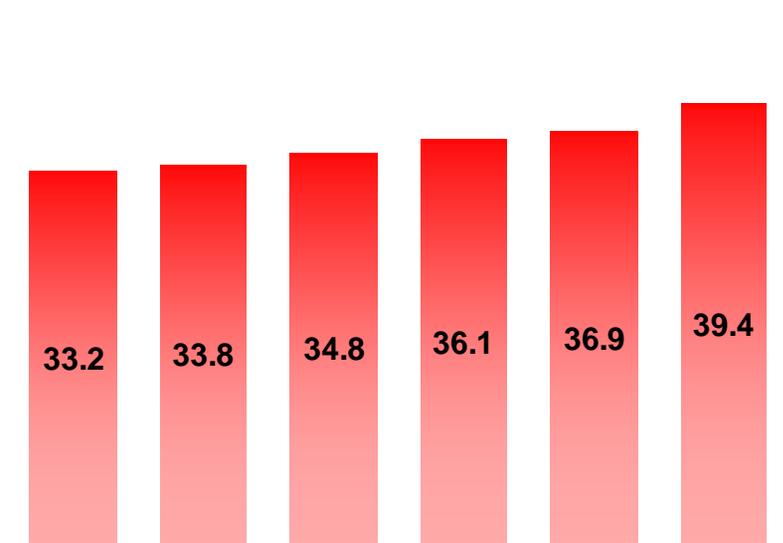


Note: Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards

OCBC Malaysia: Loan growth of 17% YoY and 7% QoQ; NPL ratio continued to improve

Gross Loans (RM b)

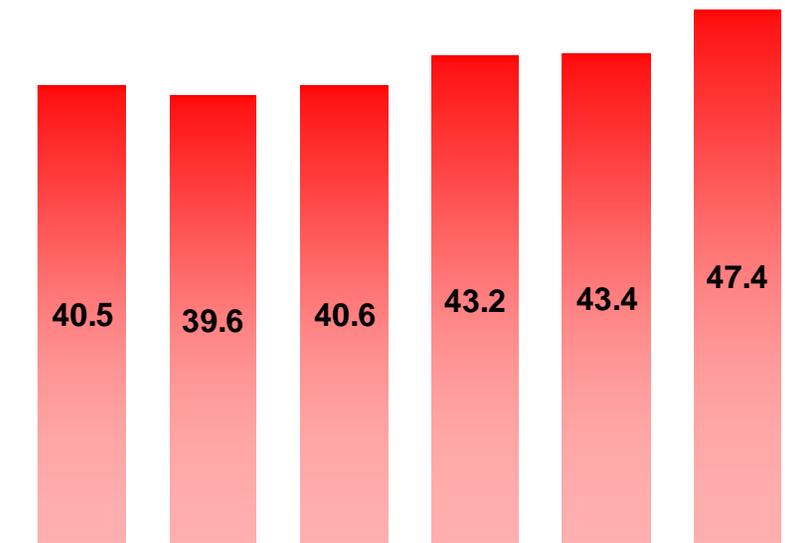
NPL Ratio



Mar-10 Jun-10 Sep-10 Dec-10 Mar-11 Jun-11

Deposits (RM b)

Loans / Deposits

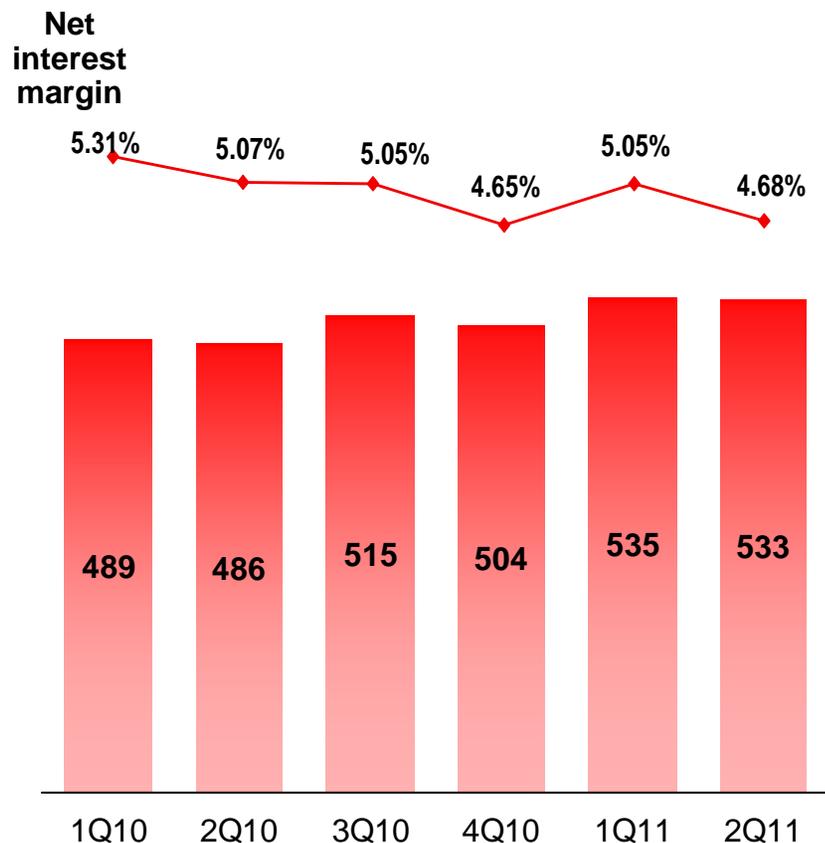


Mar-10 Jun-10 Sep-10 Dec-10 Mar-11 Jun-11

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

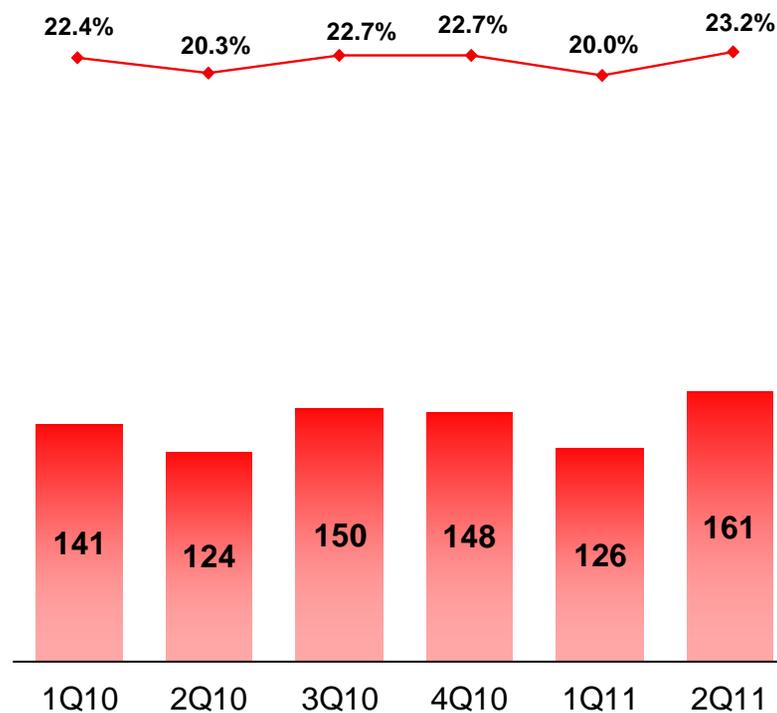
OCBC NISP: Net interest income up 10% YoY, Non-interest income up 30% YoY

Net Interest Income (Rp b)



Non-Interest Income (Rp b)

Non-int. income/
Total income



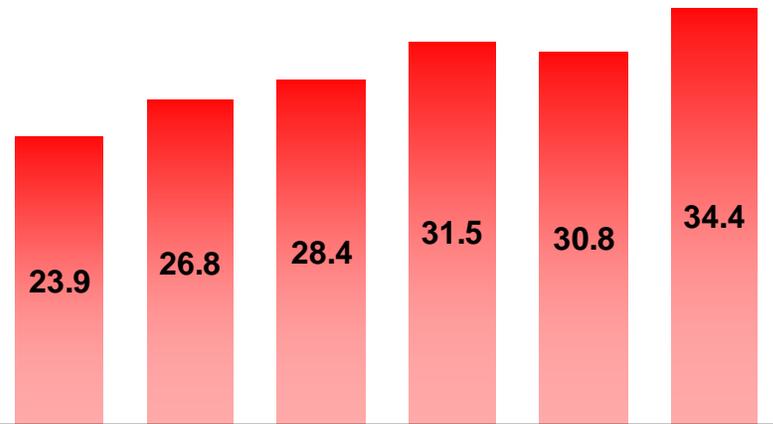
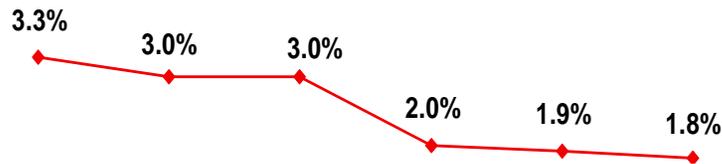
Note: 2010 figures restated to include former Bank OCBC Indonesia



OCBC NISP: Loan growth of 28% YoY and 12% QoQ; NPL ratio continued to improve

Gross Loans (Rp t)

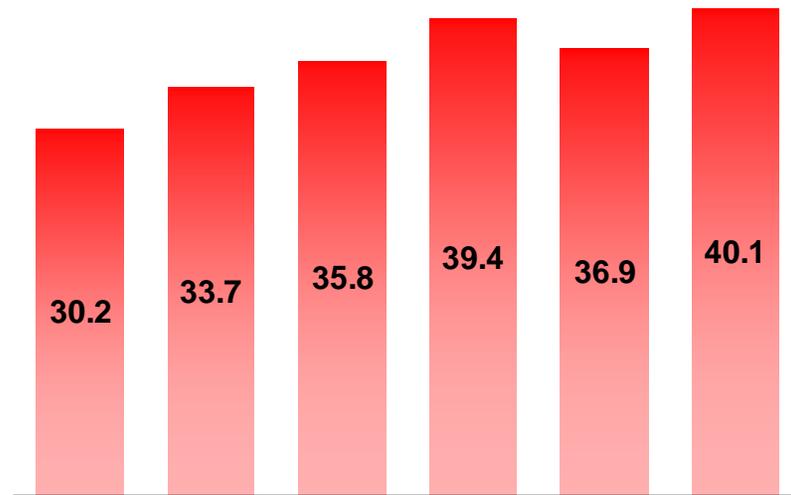
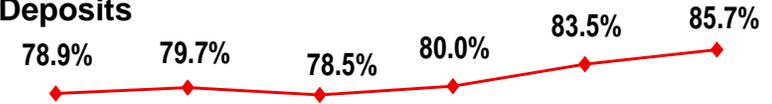
NPL Ratio



Mar-10 Jun-10 Sep-10 Dec-10 Mar-11 Jun-11

Deposits (Rp t)

Loans/ Deposits



Mar-10 Jun-10 Sep-10 Dec-10 Mar-11 Jun-11

CASA Ratio

56.2% 59.4% 55.8% 56.3% 60.1% 61.1%

Note: 2010 figures restated to include former Bank OCBC Indonesia



Appendix

OCBC Malaysia: Financial Highlights

OCBC NISP: Financial Highlights

OCBC Malaysia: 2Q11 net profit up 25% YoY and 9% QoQ

OCBC Malaysia	2Q11 RM m	2Q10 RM m	YoY +/(-)%	1Q11 RM m	QoQ +/(-)%
Net Interest Income	297	281	6	289	3
Islamic Banking Income	44	39	13	44	-
Non-Interest Income	141	102	38	118	19
Total Income	482	422	14	452	7
Operating Expenses	(178)	(171)	4	(169)	5
Operating Profit	304	251	21	283	8
Allowances	(39)	(32)	20	(33)	17
Tax	(62)	(56)	12	(63)	(2)
Net Profit	203	163	25	187	9

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

OCBC Malaysia: 1H11 net profit up 5% YoY and 17% HoH

OCBC Malaysia	1H11 RM m	1H10 RM m	YoY +/(-)%	2H10 RM m	HoH +/(-)%
Net Interest Income	586	545	7	585	0
Islamic Banking Income	89	81	10	77	15
Non-Interest Income	260	241	8	207	26
Total Income	934	867	8	869	7
Operating Expenses	(347)	(315)	10	(341)	2
Operating Profit	587	552	6	529	11
Allowances	(72)	(54)	35	(75)	(4)
Tax	(125)	(127)	(1)	(119)	6
Net Profit	390	372	5	334	17

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

OCBC Malaysia: Key ratios

OCBC Malaysia	2Q11 %	1Q11 %	2Q10 %	1H11 %	1H10 %
Net Interest Margin	2.29	2.39	2.46	2.34	2.36
Non-Interest Income / Total Income	29.3	26.2	24.2	27.8	27.8
Costs / Income	36.9	37.4	40.5	37.1	36.3
Loans / Deposits	81.5	83.7	83.4	81.5	83.4
NPL Ratio	2.4	2.6	3.6	2.4	3.6
ROE	18.5	17.1	16.6	17.8	19.4

Bank OCBC NISP: 2Q11 net profit up 15% YoY and 14% QoQ

Bank OCBC NISP	2Q11 RP b	2Q10 RP b	YoY +/(-)%	1Q11 RP b	QoQ +/(-)%
Net Interest Income	533	486	10	535	(0)
Non-Interest Income	161	124	30	126	28
Total Income	694	610	14	661	5
Operating Expenses	(425)	(403)	5	(419)	1
Operating Profit	269	207	30	242	11
Allowances	(52)	(20)	160	(58)	(10)
Non Op Income / (Expenses)	2	4	(50)	11	(82)
Tax	(53)	(47)	13	(49)	8
Net Profit	166	144	15	146	14

Note: 2010 figures restated to include former Bank OCBC Indonesia

Bank OCBC NISP: 1H11 net profit up 6% YoY and more than doubled HoH

Bank OCBC NISP	1H11 RP b	1H10 RP b	YoY +/(-)%	2H10 RP b	HoH +/(-)%
Net Interest Income	1,068	975	10	1,018	5
Non-Interest Income	287	265	8	299	(4)
Total Income	1,355	1,240	9	1,317	3
Operating Expenses	(844)	(787)	7	(807)	5
Operating Profit	511	453	13	510	0
Allowances	(110)	(66)	67	(142)	(23)
Non Op Income / (Expenses)	13	6	117	(195)*	NM
Tax	(102)	(99)	3	(48)	113
Net Profit	312	294	6	125	150

*Includes costs related to merger with Bank OCBC Indonesia in 4Q10
 Note: 2010 figures restated to include former Bank OCBC Indonesia

Bank OCBC NISP: Key ratios

Bank OCBC NISP	2Q11 %	1Q11 %	2Q10 %	1H11 %	1H10 %
Net Interest Margin	4.68	5.05	5.07	4.85	5.19
Non-Interest Income / Total Income	23.1	20.0	20.3	21.2	21.4
Costs / Income	61.2	63.9	66.1	62.3	63.5
Loans / Deposits	85.7	83.5	79.7	85.7	79.7
NPL Ratio	1.8	1.9	2.9	1.8	2.9
ROE	11.5	10.3	11.3	10.9	11.7

Note: 2010 figures restated to include former Bank OCBC Indonesia

Second Quarter 2011 Results

Thank You



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