

Presentation to Media and Analysts

2003 Final Results

11 February 2004



- **Results at a Glance**
- **Income Statement Trends**
- **Loans and Deposits**
- **Asset Quality and Provisions**
- **Conclusion**

Results at a Glance : Full Year

	FY2003	FY2002	YoY
	S\$m	S\$m	+/(-)%
Net Interest Income	1,435	1,509	(5)
Non-interest income	758	712	6
- <i>Fee Income</i>	373	374	(0)
Total Income	2,193	2,222	(1)
Operating Expenses	855	849	1
Operating Profit	1,338	1,372	(2)
Goodwill	127	127	(0)
Provisions	225	501	(55)
Associates	235	161	46
Net Profit	954	667	43

Results at a Glance - Quarterly



	4Q03	4Q02	YoY	3Q03	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net Interest Income	369	376	(2)	359	3
Non-interest income	206	192	7	230	(11)
- <i>Fee Income</i>	103	91	13	100	4
Total Income	575	569	1	589	(3)
Operating Expenses	216	217	(0)	214	1
Operating Profit	358	352	2	375	(4)
Goodwill	32	32	(0)	32	(0)
Provisions	54	130	(58)	37	45
Associates	94	47	100	52	80
Net Profit	279	169	65	292	(5)

Results Adjusted for Non-Core Asset Divestment

Quarterly	4Q03	4Q02	YoY	3Q03	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Adjusted Operating Profit	308	352	(12)	297	4
Adjusted Net Profit	224	169	33	220	2

Full Year	2003	2002	2003 / 2002
	S\$m	S\$m	+/(-)%
Adjusted Operating Profit	1,211	1,372	(12)
Adjusted Net Profit	828	667	24

Note: Adjusted to exclude the following net gains from divestment of non-core assets:

3Q03 - F&N (S\$72m)

4Q03 - Mount Emily property (S\$36m), WBL Corp (S\$4m), Raffles Hotel (S\$14m under associates)

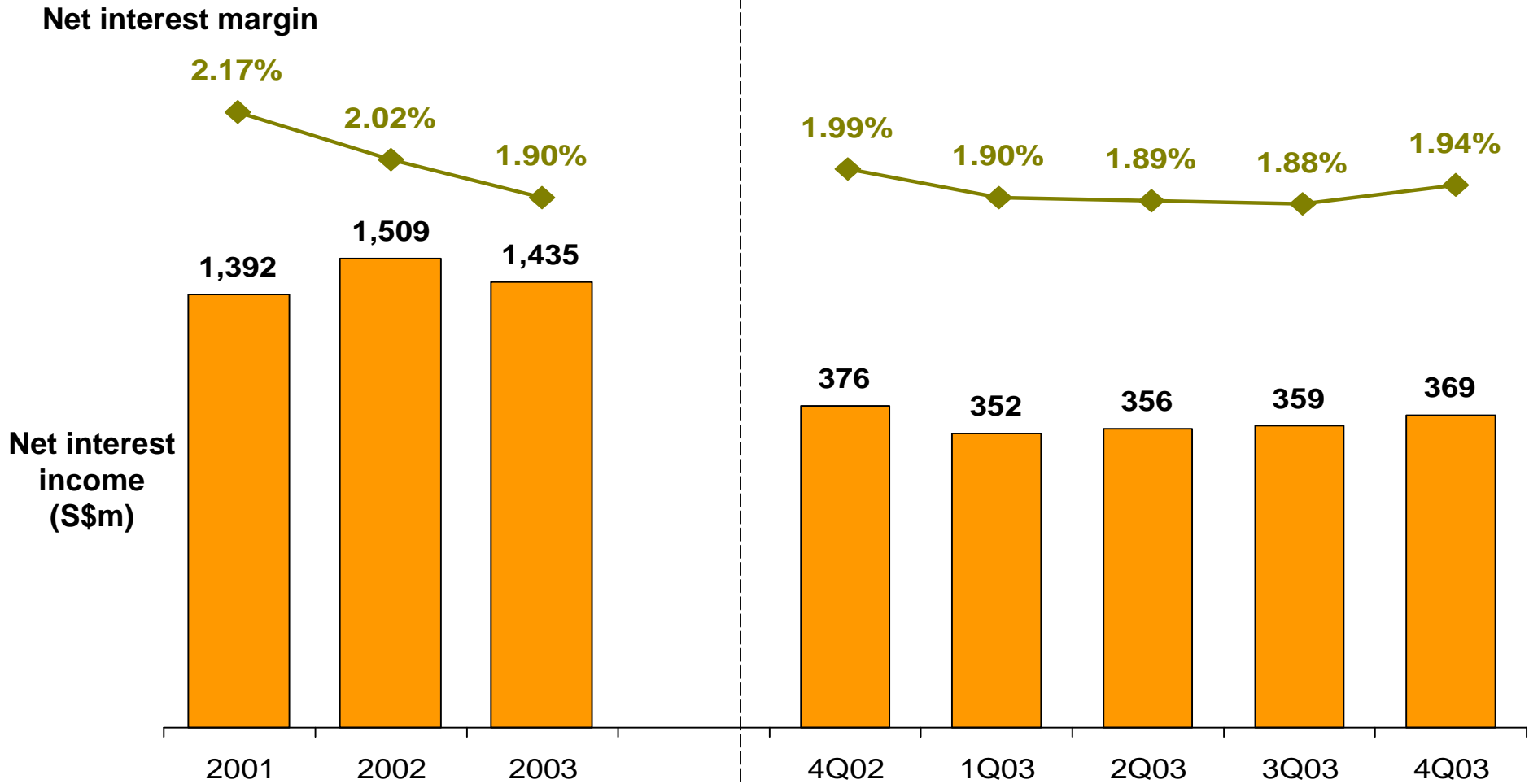
Dividend Payout

	2003	2002
Gross Dividend per Share (cents)	23*	20
Net Dividends (S\$m)	231	201
Net Profit (S\$m)	954	667
Less: Gain on non-core assets	126	0
Adjusted Net Profit (S\$m)	828	667
Payout based on Adjusted Net Profit	28%	30%

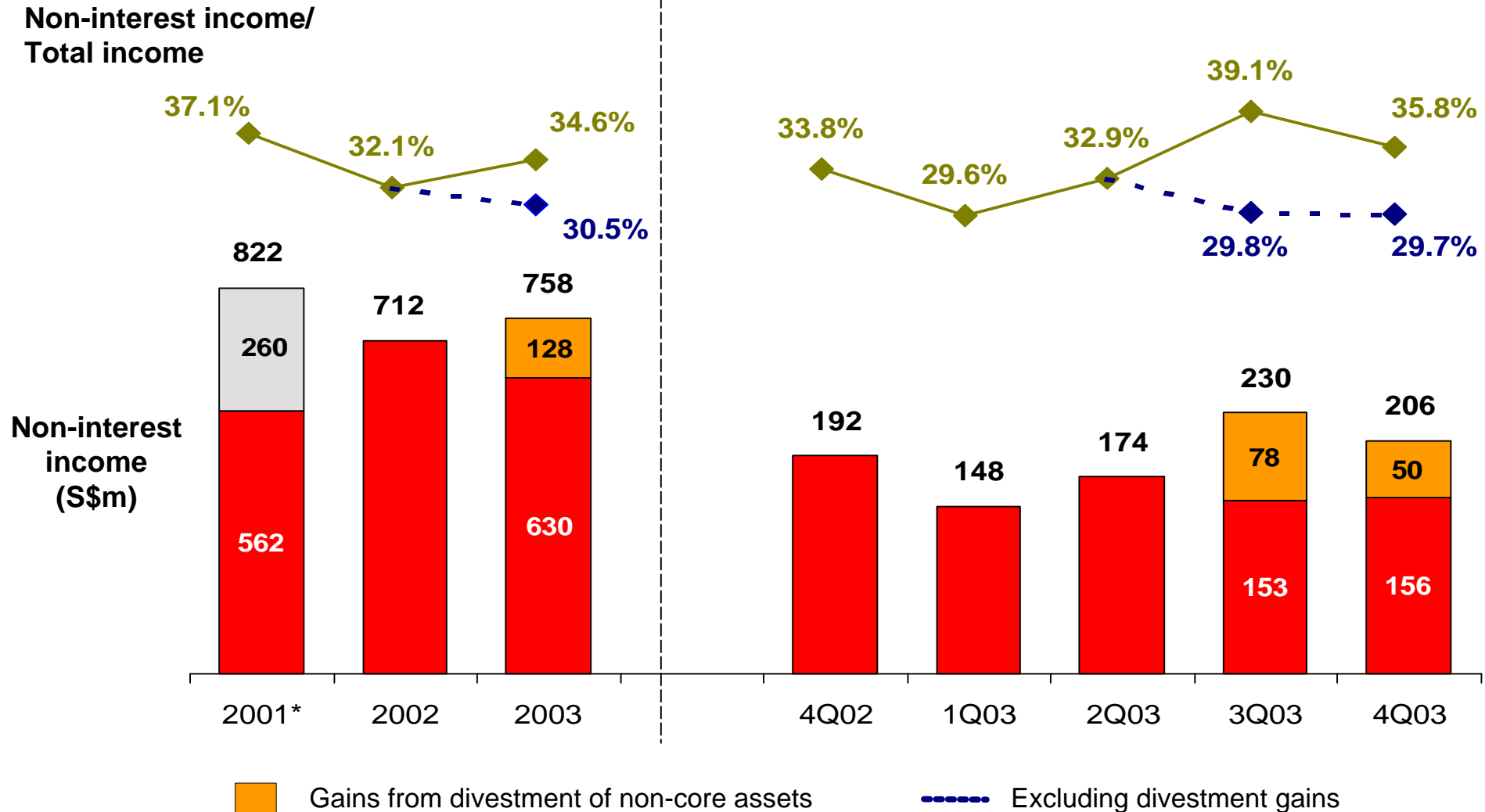
* Excluding Special Dividend of 63.78 cents (49.75 cents net of tax) paid in July 2003

- **Results at a Glance**
- **Income Statement Trends**
- **Loans and Deposits**
- **Asset Quality and Provisions**
- **Conclusion**

Positive Quarterly Trends in Net Interest Income & Margins

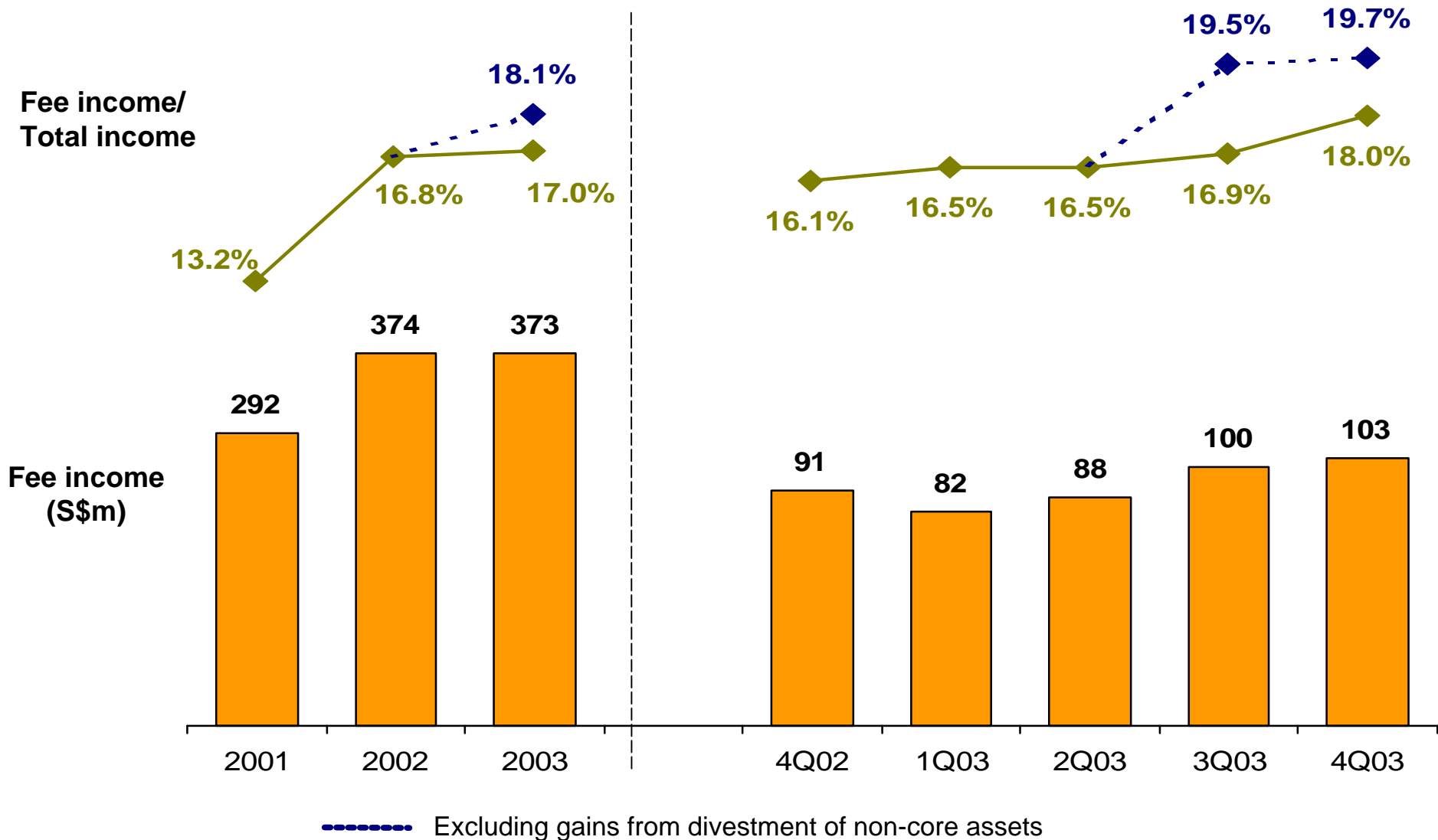


Non-Interest Income Buoyed by Non-Core Asset Divestment



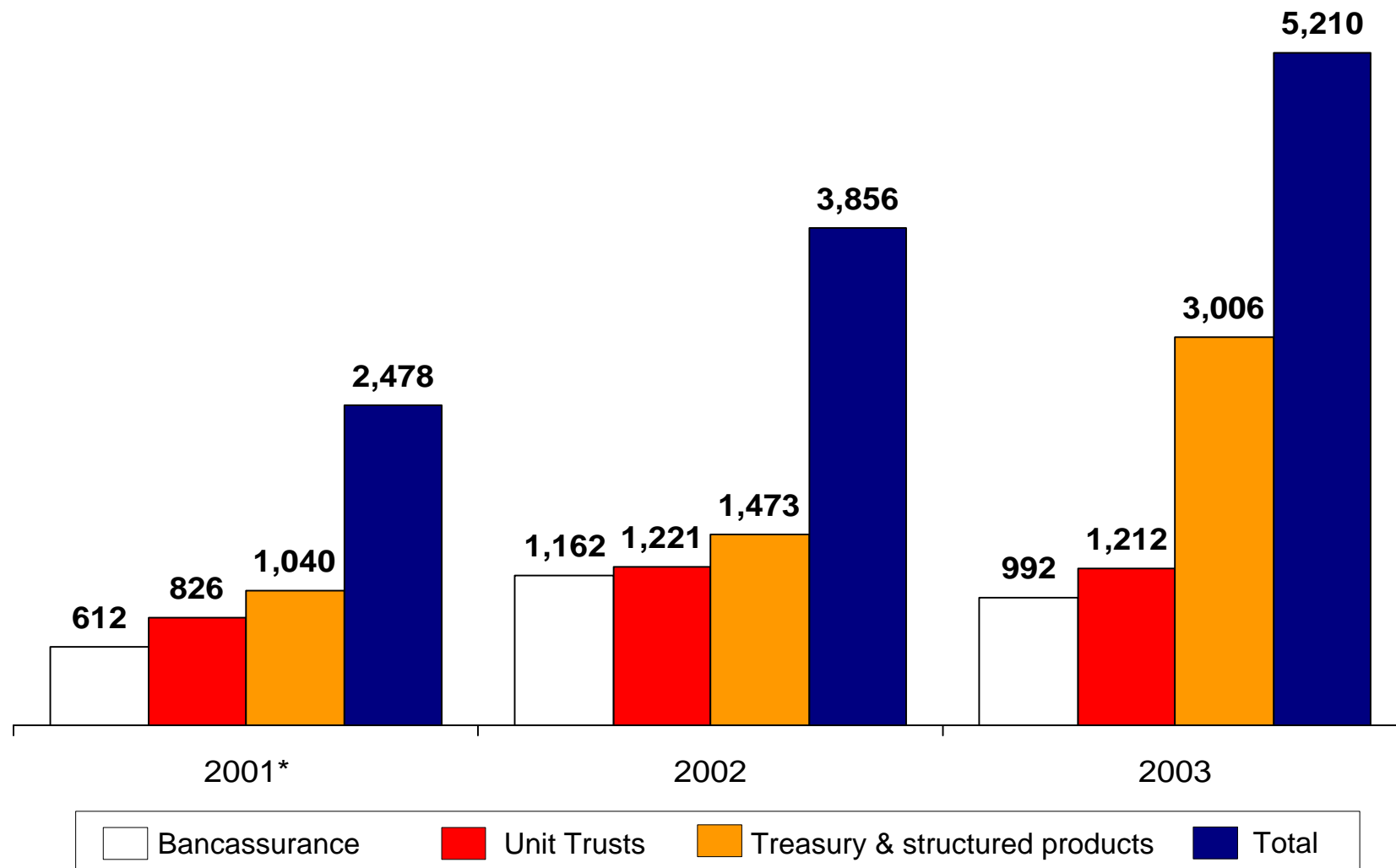
* 2001 income was boosted by S\$260m gain from disposal of OUB shares

Steady Rise in Fee Income Contribution



Wealth Management Sales by Product

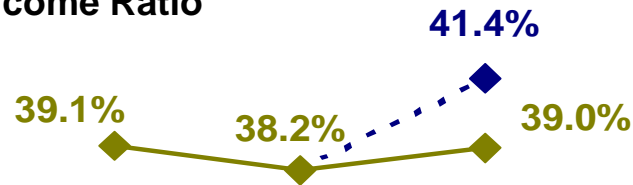
(S\$m)



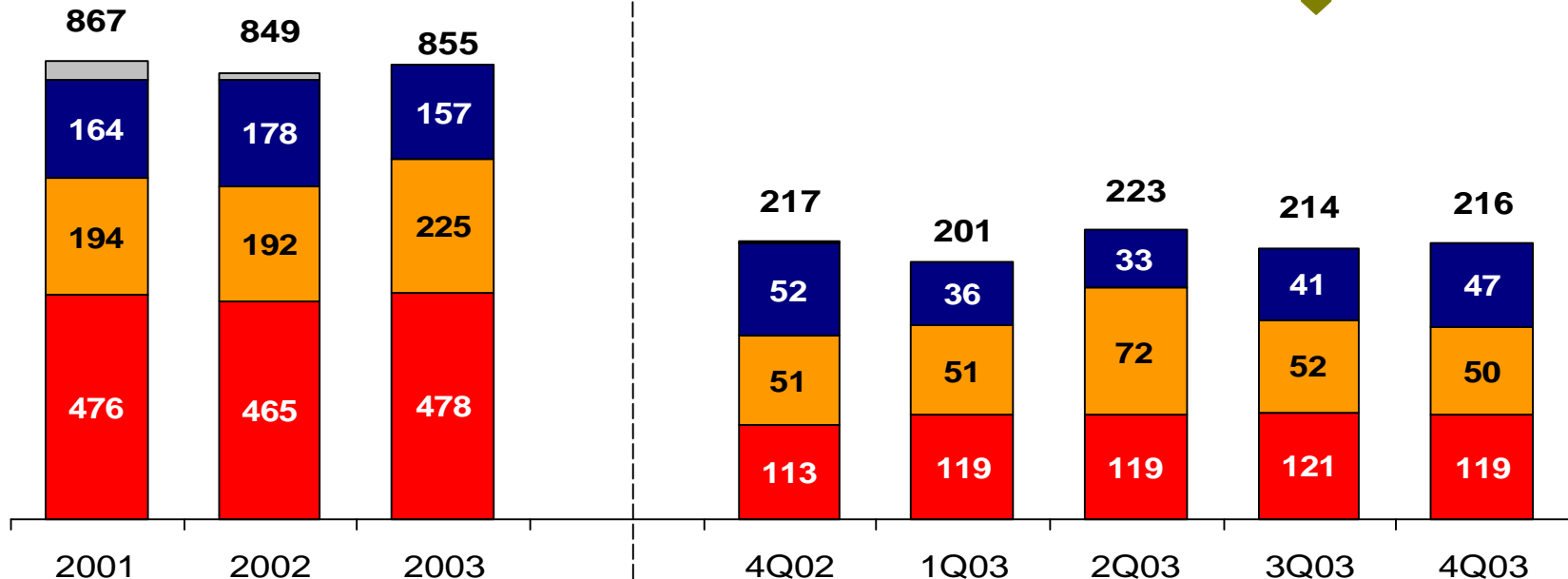
* 2001 figure for treasury & structured products is estimated

Operating Expenses Stable

Cost-to-Income Ratio

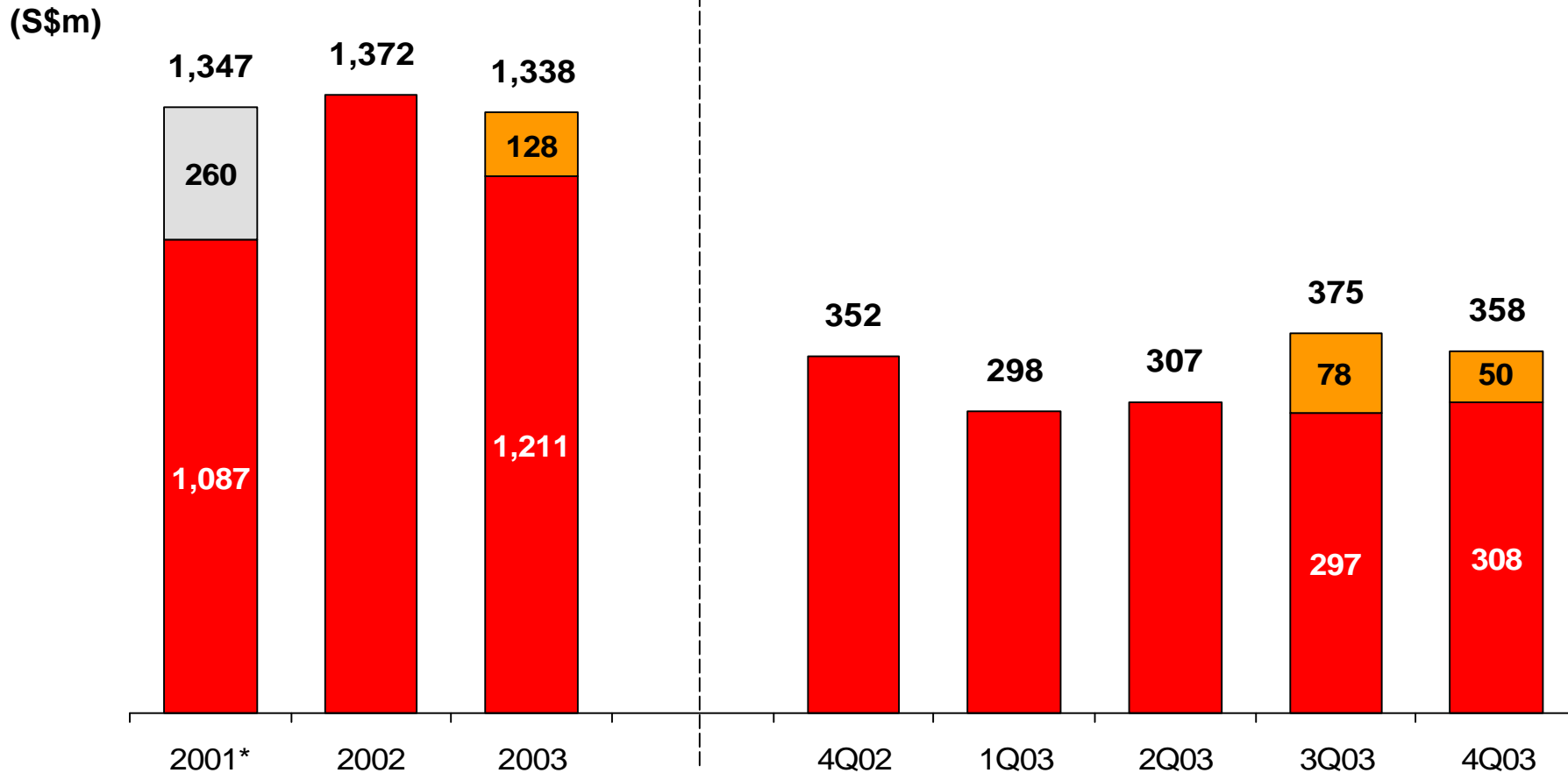


Operating expenses (S\$m)



..... Excluding gains from divestment of non-core assets

Operating Profit before Provisions and Goodwill

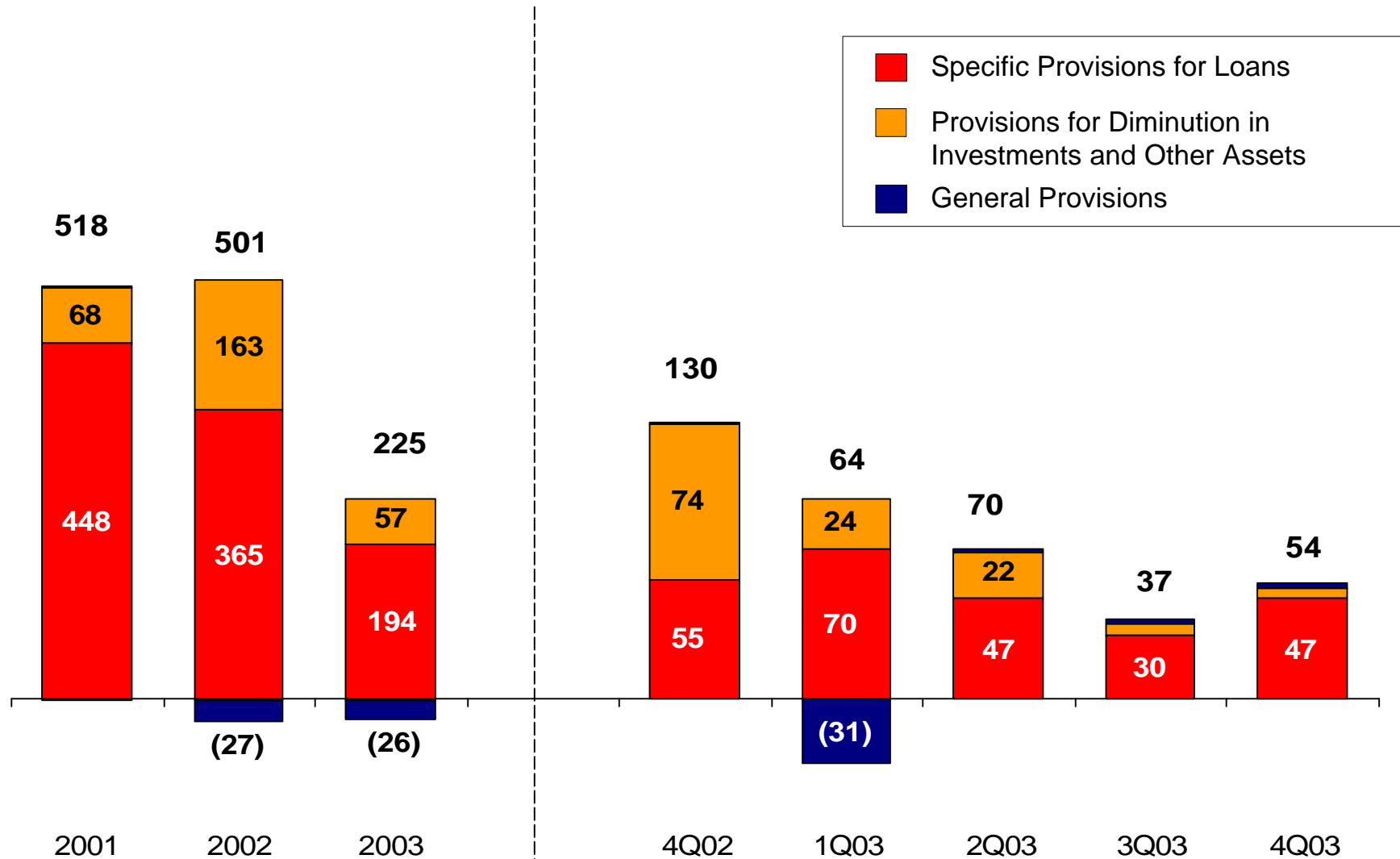


 Gains from divestment of non-core assets

* 2001 operating profit includes S\$260m gain from disposal of OUB shares

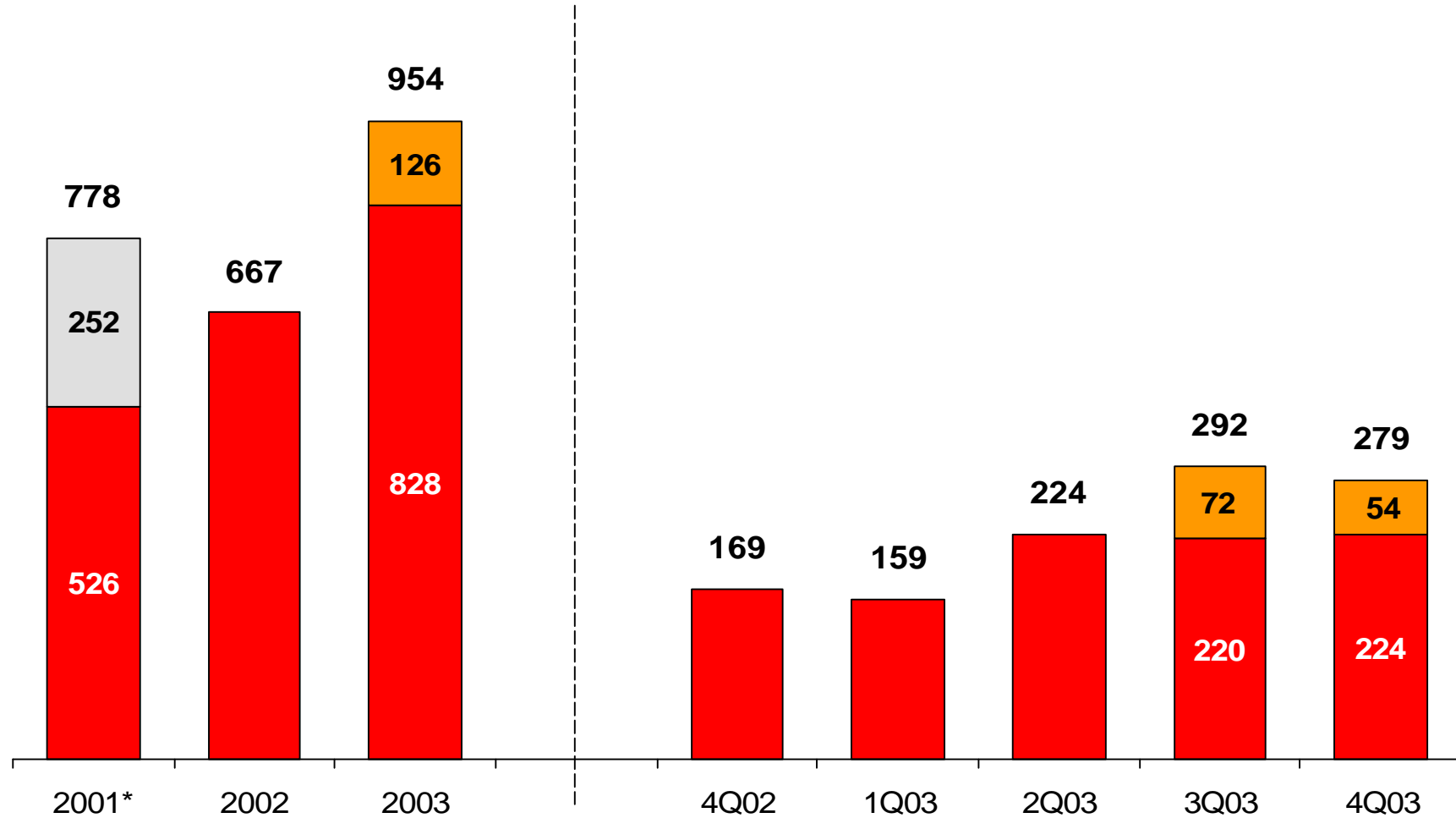
Substantial Reduction in Provisions

(S\$m)



Net Profit Excluding Non-Core Divestment Gains Remained Healthy

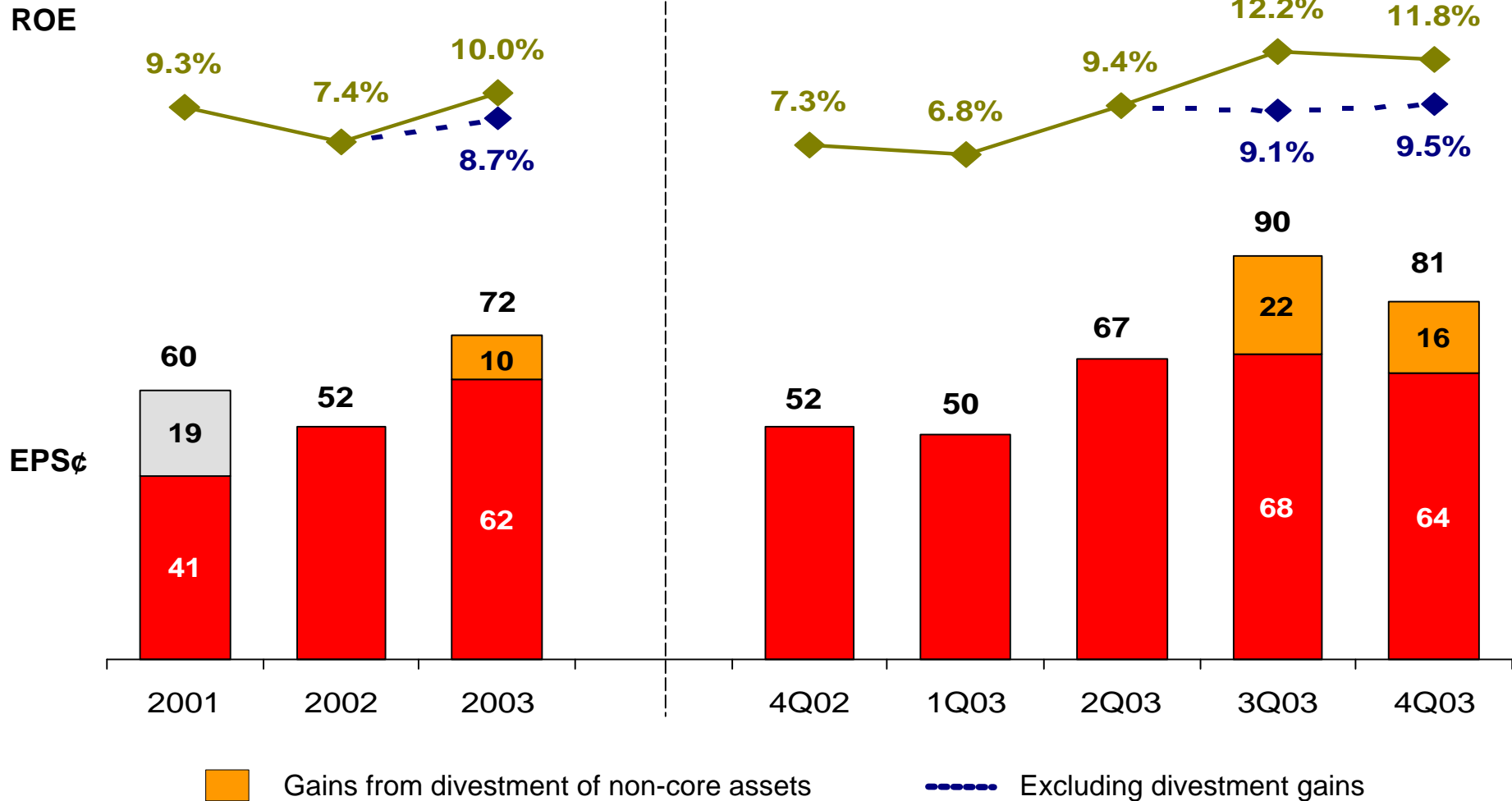
(S\$m)



 Gains from divestment of non-core assets

* 2001 net profit includes S\$252m net gain from disposal of OUB shares

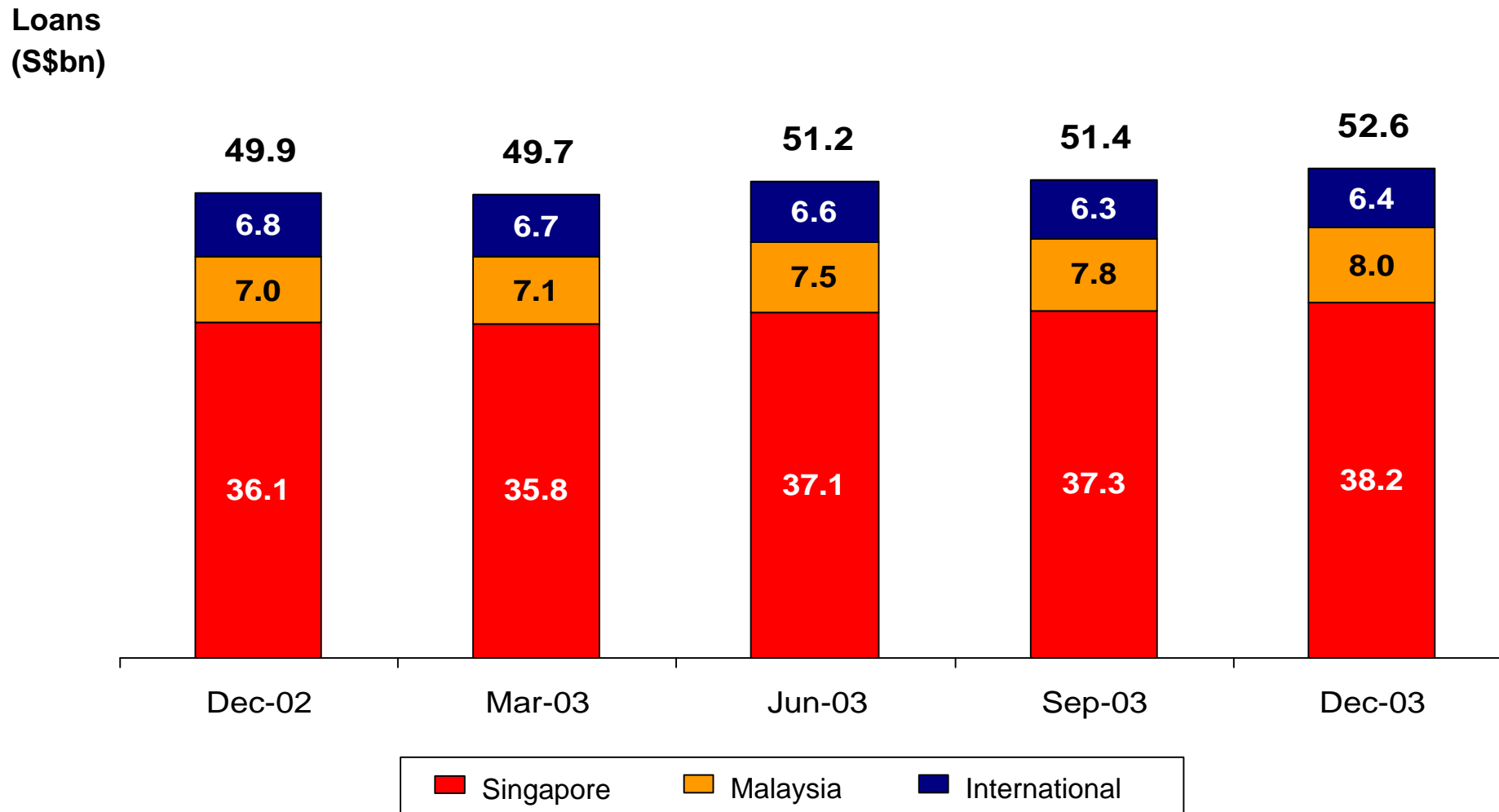
EPS and ROE



Note: Quarterly ROE and EPS are annualised; ROE refers to return on ordinary shareholders' funds

- **Results at a Glance**
- **Income Statement Trends**
- **Loans and Deposits**
- **Asset Quality and Provisions**
- **Conclusion**

Loan Growth Driven by Consumer Loans



Market Share Gains in Singapore and Malaysia

Loan Growth, Dec 03 / Dec 02

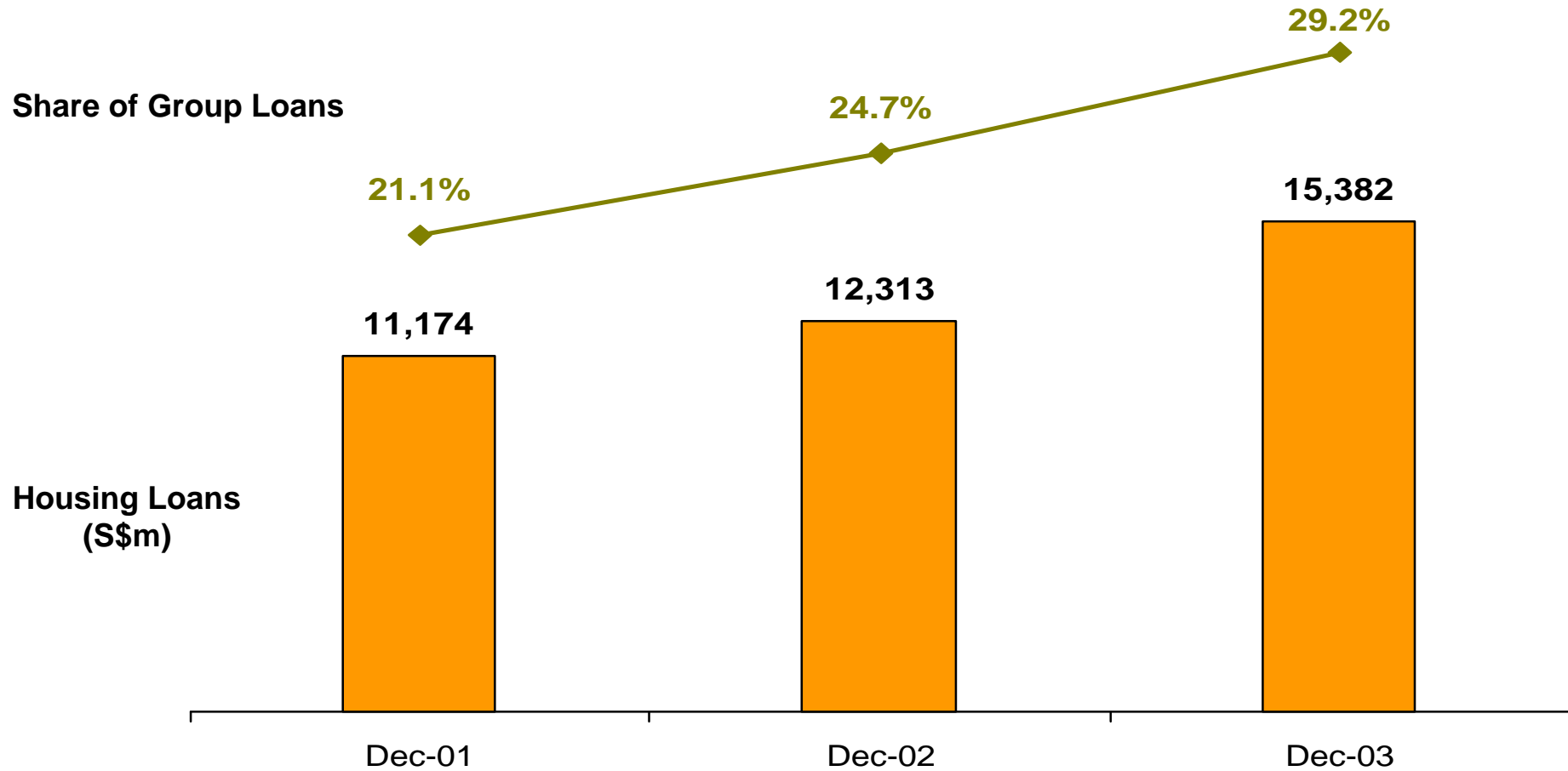
Singapore	OCBC	Industry
	%	%
DBU loans*	7.3	3.4

* Domestic Banking Unit loans, with Dec 02 base adjusted for the integration of finance companies during 2003.

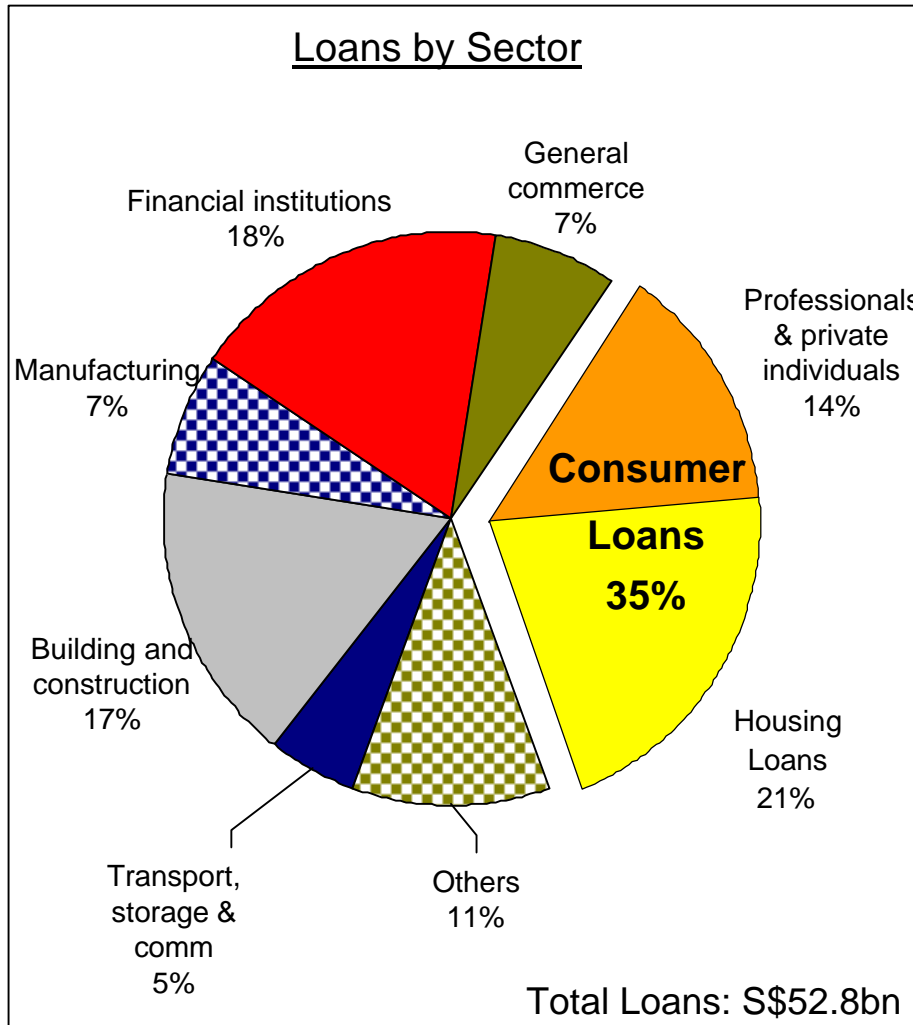
Malaysia	OCBC	Industry
	%	%
Malaysia Loans	10.7	5.3

Source: OCBC, MAS, Bank Negara Malaysia

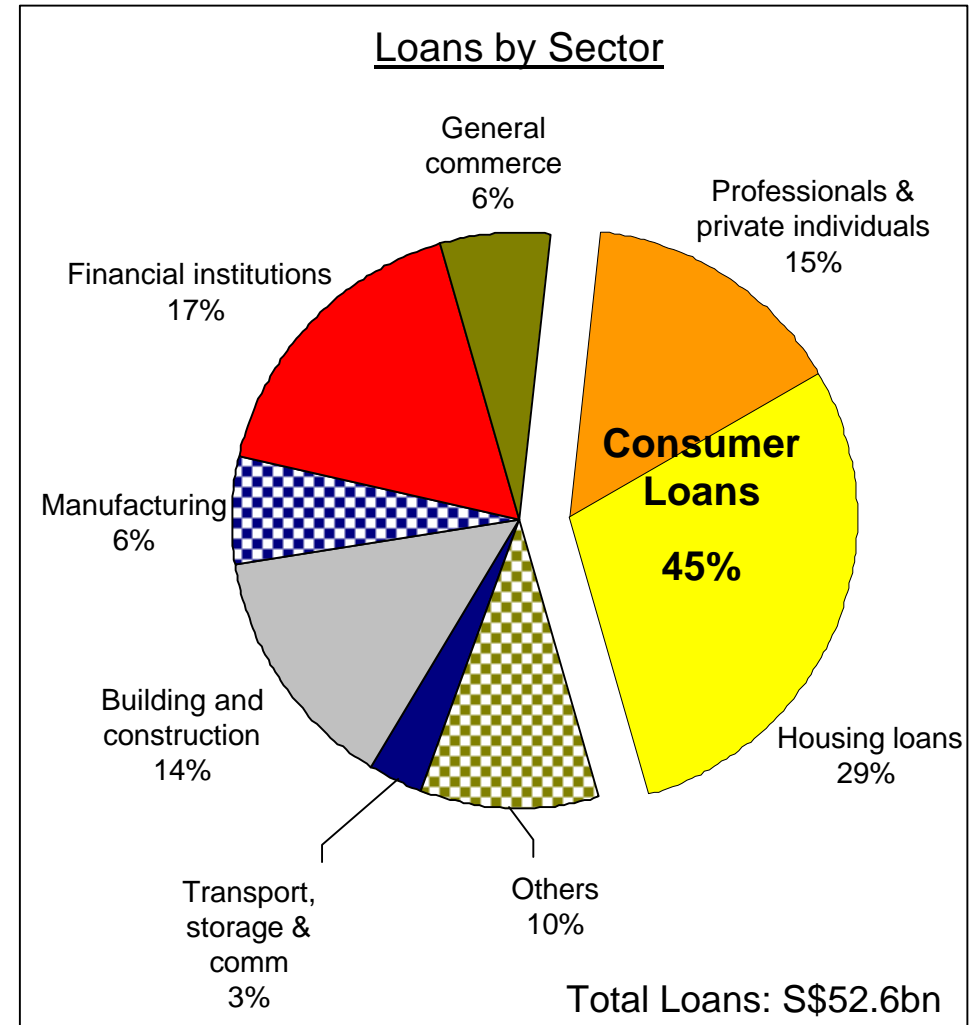
Strong Expansion in Housing Loans



Share of Consumer Loans has Increased Significantly



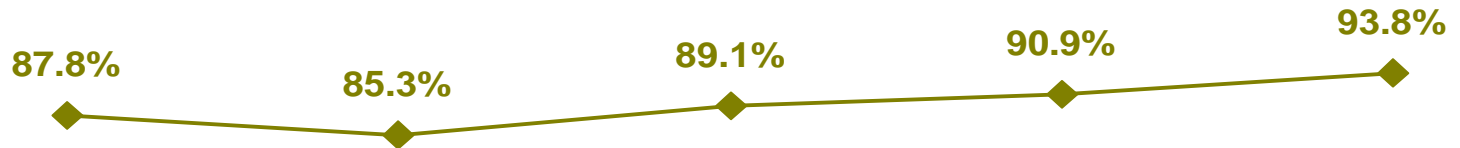
December 2001



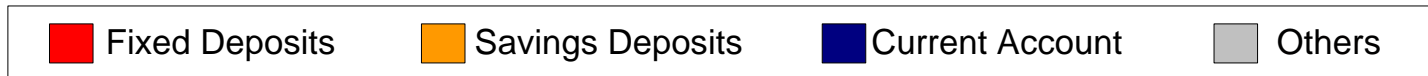
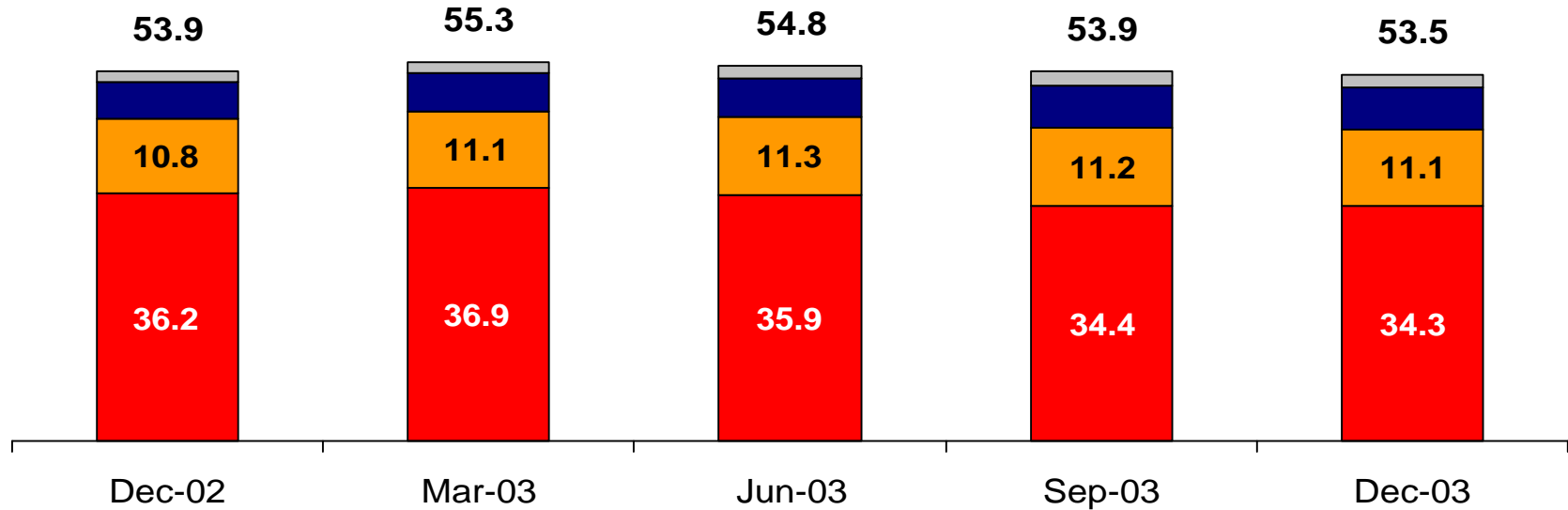
December 2003

Deposits and Loans-Deposits Ratio

Loans-to-deposits



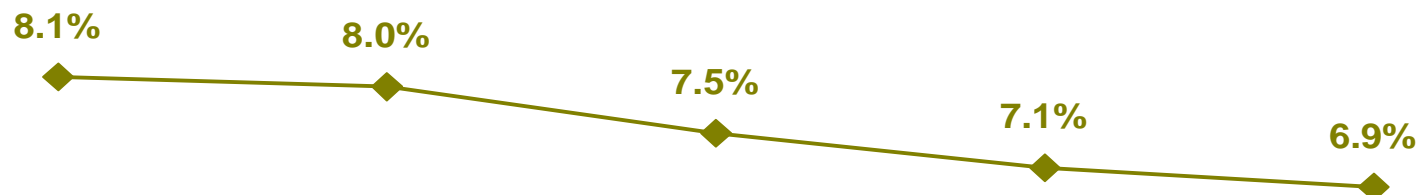
Deposits (S\$bn)



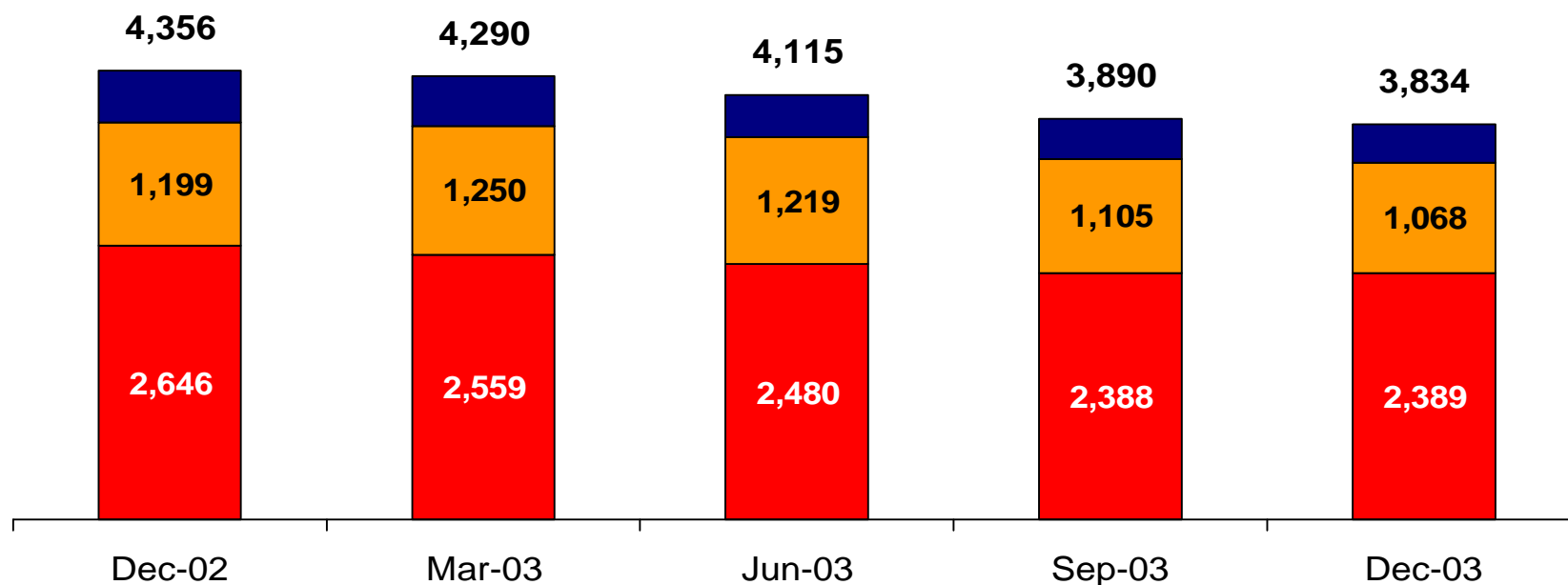
- **Results at a Glance**
- **Income Statement Trends**
- **Loans and Deposits**
- **Asset Quality and Provisions**
- **Conclusion**

Steady Improvement in Asset Quality

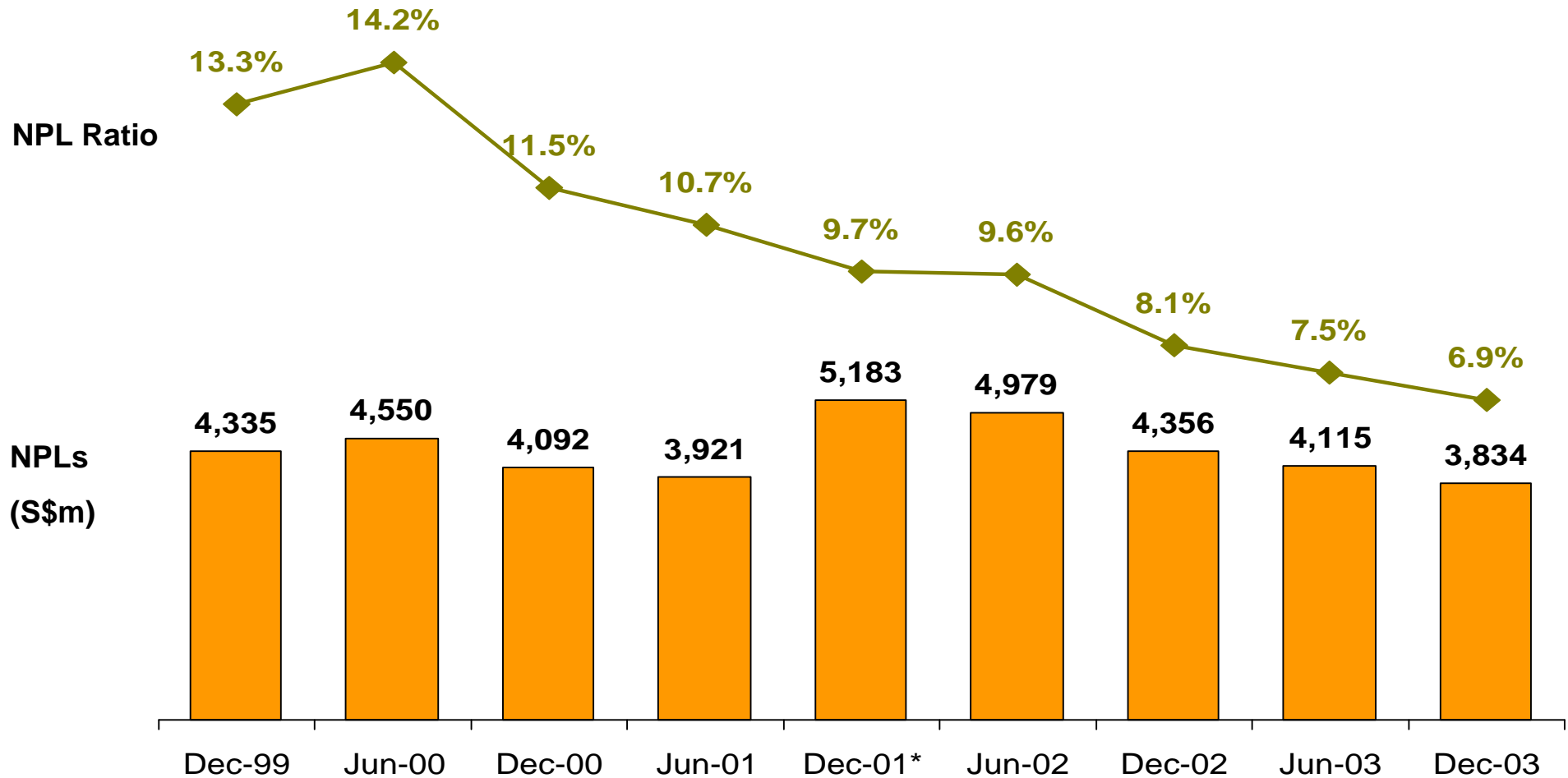
NPL Ratio



NPLs
(S\$m)



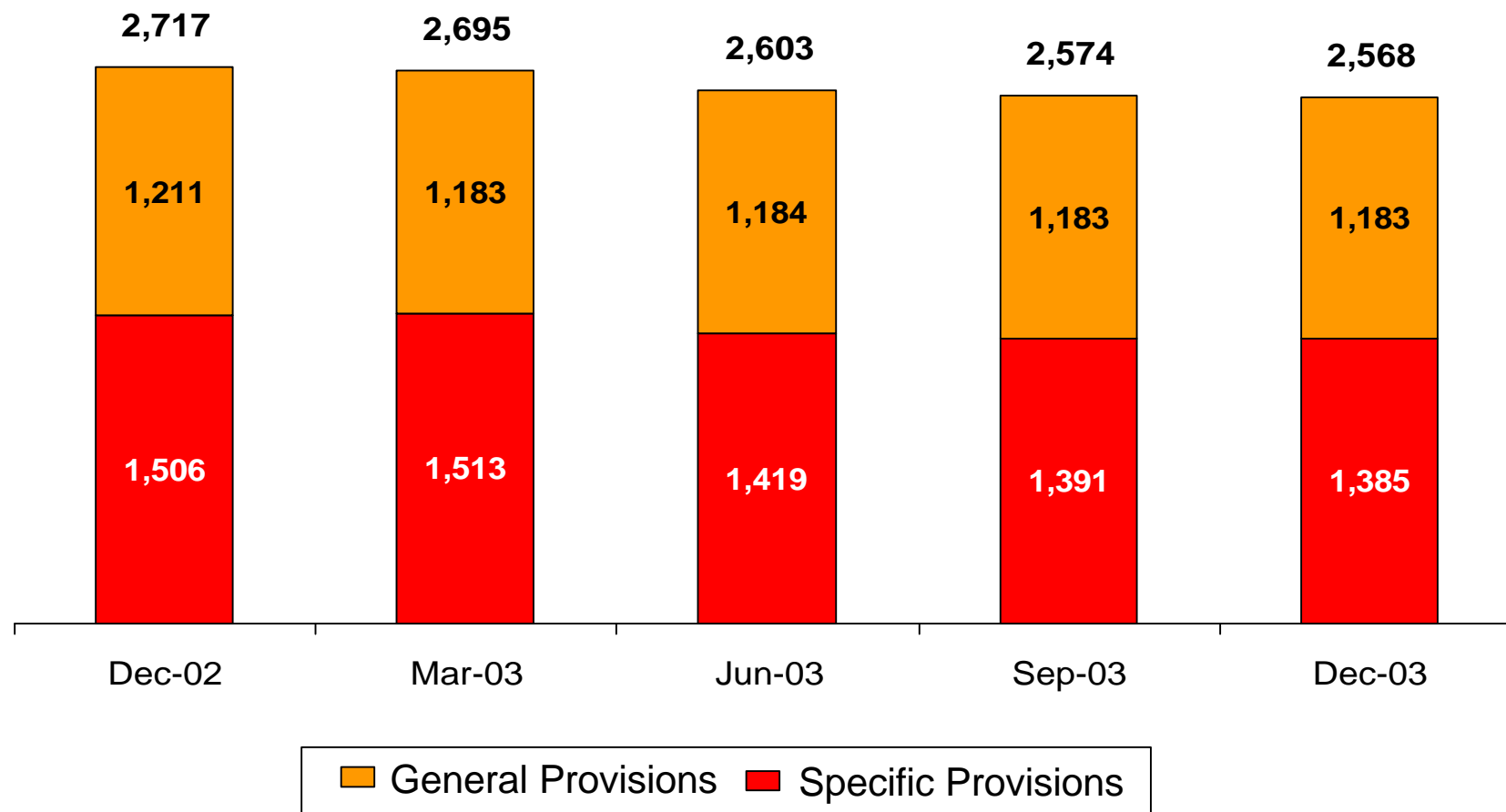
NPL Ratio Reduced by Half in Three Years



* Increase in absolute NPLs was due to acquisition of of Keppel Capital Holdings

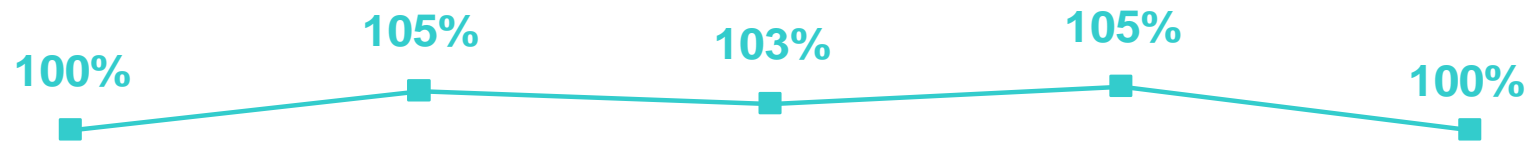
Cumulative Provisions

(S\$m)

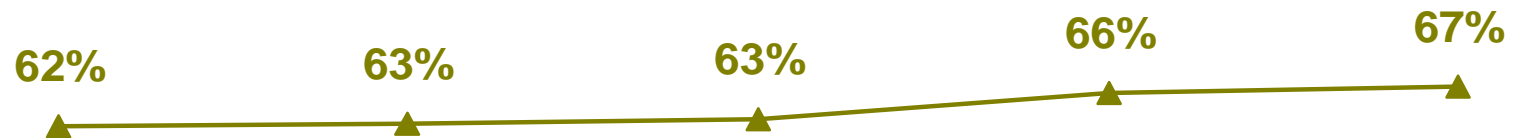


Provision Coverage Remains Prudent

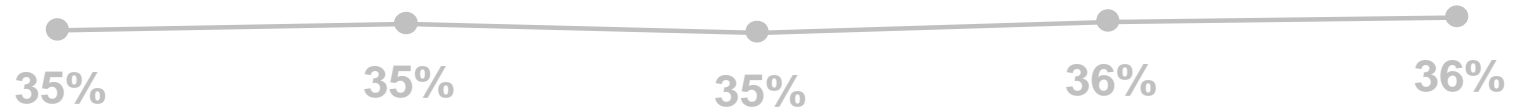
SPs / Unsecured NPLs



(SPs+GPs) / NPLs



SPs / NPLs



Dec-02

Mar-03

Jun-03

Sep-03

Dec-03

- **Strong earnings growth driven by lower provisions, divestment gains and higher associates' contribution**
- **Net interest income and fee income improved in second half**
- **Net interest margin largely stable over last four quarters**
- **Gained market share in loans in Singapore and Malaysia**
- **Substantial improvement in asset quality and provisions**
- **Steady progress in non-core asset divestment and capital restructuring**
- **Group is well positioned to capitalise on growth opportunities in 2004**