

First Quarter 2013 Results Presentation

30 April 2013

Agenda

Results Overview

1Q13 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

1Q13 Highlights

Core net profit of S\$696m, 12% lower YoY, and 5% higher QoQ

- Net interest income 4% lower YoY as robust asset growth was offset by a reduction in net interest margin
- Fee and commission income grew 15% from a year ago, boosted by strong growth in wealth management, loan-related and fund management activities
- Insurance business continued to register sound growth in new business sales and underwriting profits. Profit from life assurance, however, declined as a result of lower mark-to-market investment gains
- Trading income lower as compared to the strong 1Q12 performance, which was driven by higher market-related earnings
- Operating expenses remained well-managed
- Asset quality remained healthy, NPL ratio improved to 0.7% from 1.0 %
- CASA ratio increased for the fourth successive quarter to 51.1%
- Capital position remained strong; Tier 1 and Common Equity Tier 1 ratio of 16.2% based on MAS' transitional Basel III rules for 2013

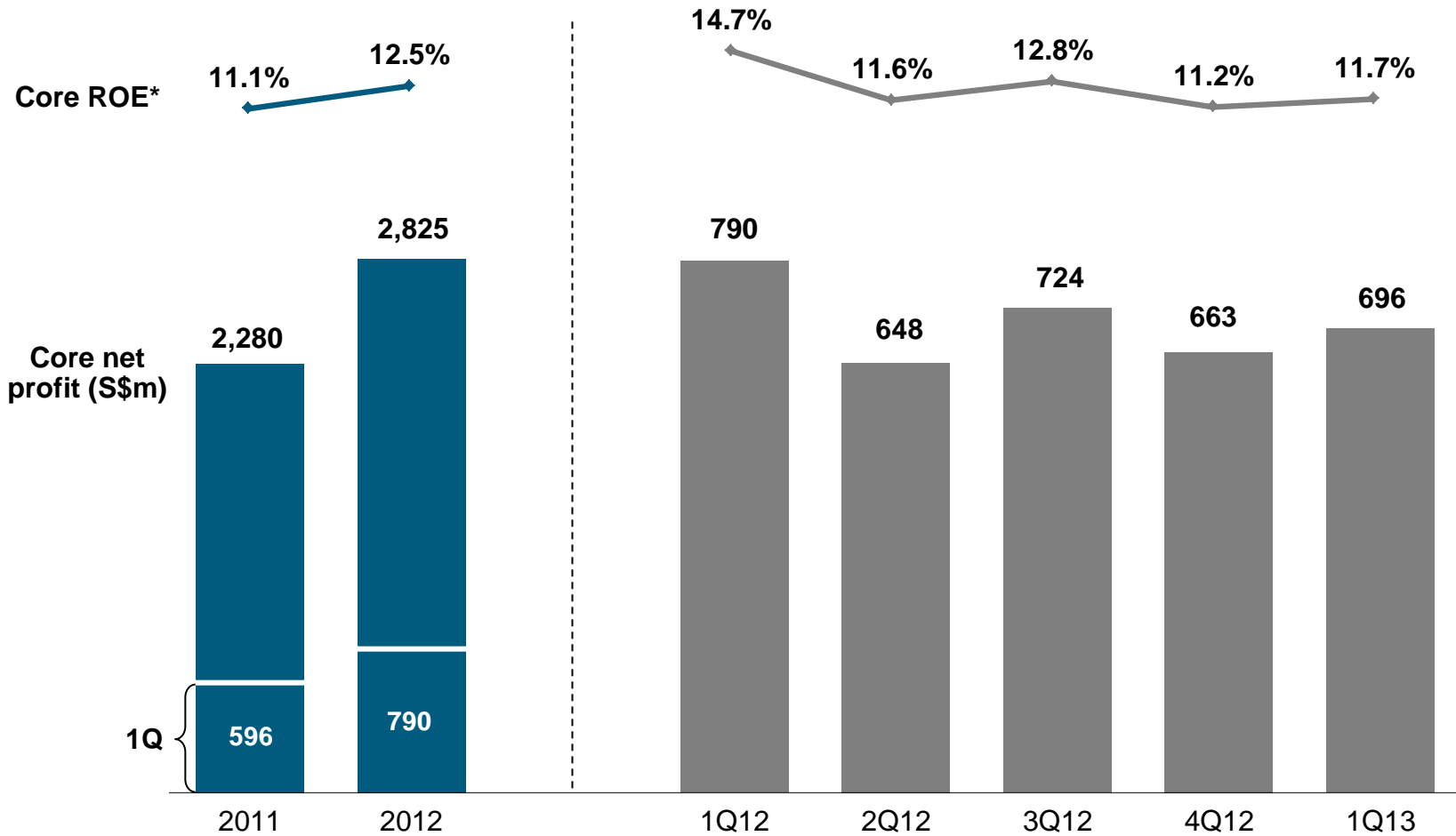
1Q13 core net profit of S\$696m, 12% lower YoY and 5% higher QoQ

OCBC Group	1Q13 S\$m	1Q12 S\$m	YoY +/(-)%	4Q12 S\$m	QoQ +/(-)%
Net interest income	912	951	(4)	921	(1)
Non-interest income	676	790	(14)	757	(11)
Total income	1,588	1,741	(9)	1,678	(5)
Operating expenses	(672)	(625)	8	(724)	(7)
Operating profit	916	1,116	(18)	954	(4)
Amortisation of intangibles	(14)	(15)	(3)	(15)	(3)
Allowances	(21)	(96)	(79)	(68)	(70)
Associates & JVs	13	6	106	5	207
Tax & non-controlling interests ("NCI")	(198)	(221)	(10)	(213)	(6)
Core net profit	696	790	(12)	663	5
Divestment gain, net of tax	-	42 ^{1/}	(100)	-	-
Net profit	696	832	(16)	663	5

Key ratios

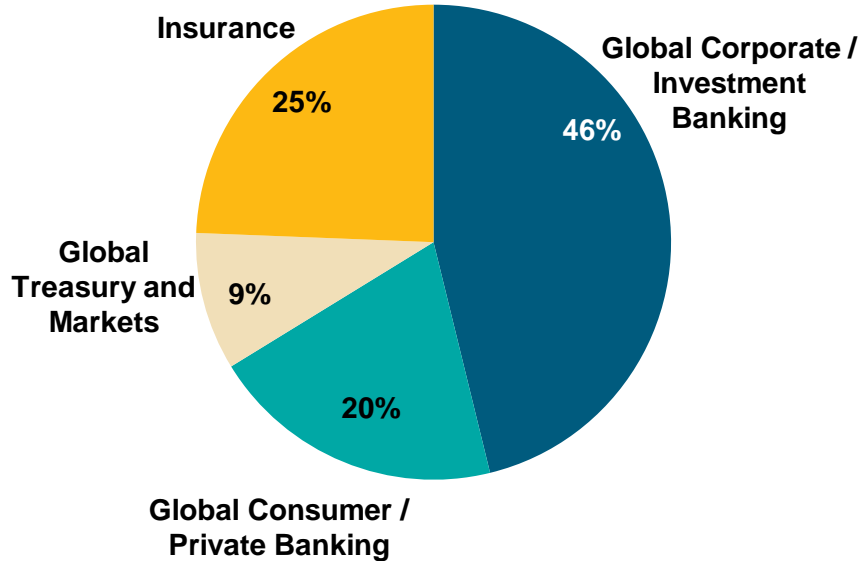
Based on core earnings	1Q13 %	1Q12 %	4Q12 %
Net interest margin	1.64	1.86	1.70
Non-interest income / Total income	42.6	45.4	45.1
Cost / Income	42.3	35.9	43.1
Loans / Deposits	87.0	84.4	86.2
NPL Ratio	0.7	1.0	0.8
Allowances / NPAs	149.0	106.0	141.8
ROE	11.7	14.7	11.2
Cash ROE	12.0	15.0	11.5

1Q13 ROE of 11.7%

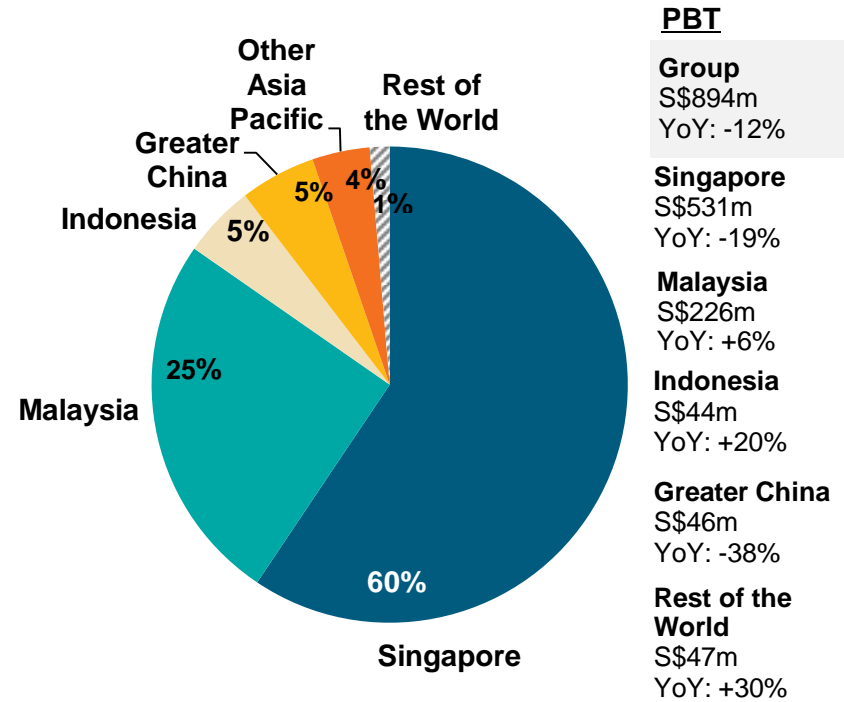


Profit contribution by business and geography

**1Q13 PBT
by Business***



**1Q13 PBT
by Geography**



PBT

Group	S\$894m	YoY: -12%
Singapore	S\$531m	YoY: -19%
Malaysia	S\$226m	YoY: +6%
Indonesia	S\$44m	YoY: +20%
Greater China	S\$46m	YoY: -38%
Rest of the World	S\$47m	YoY: +30%

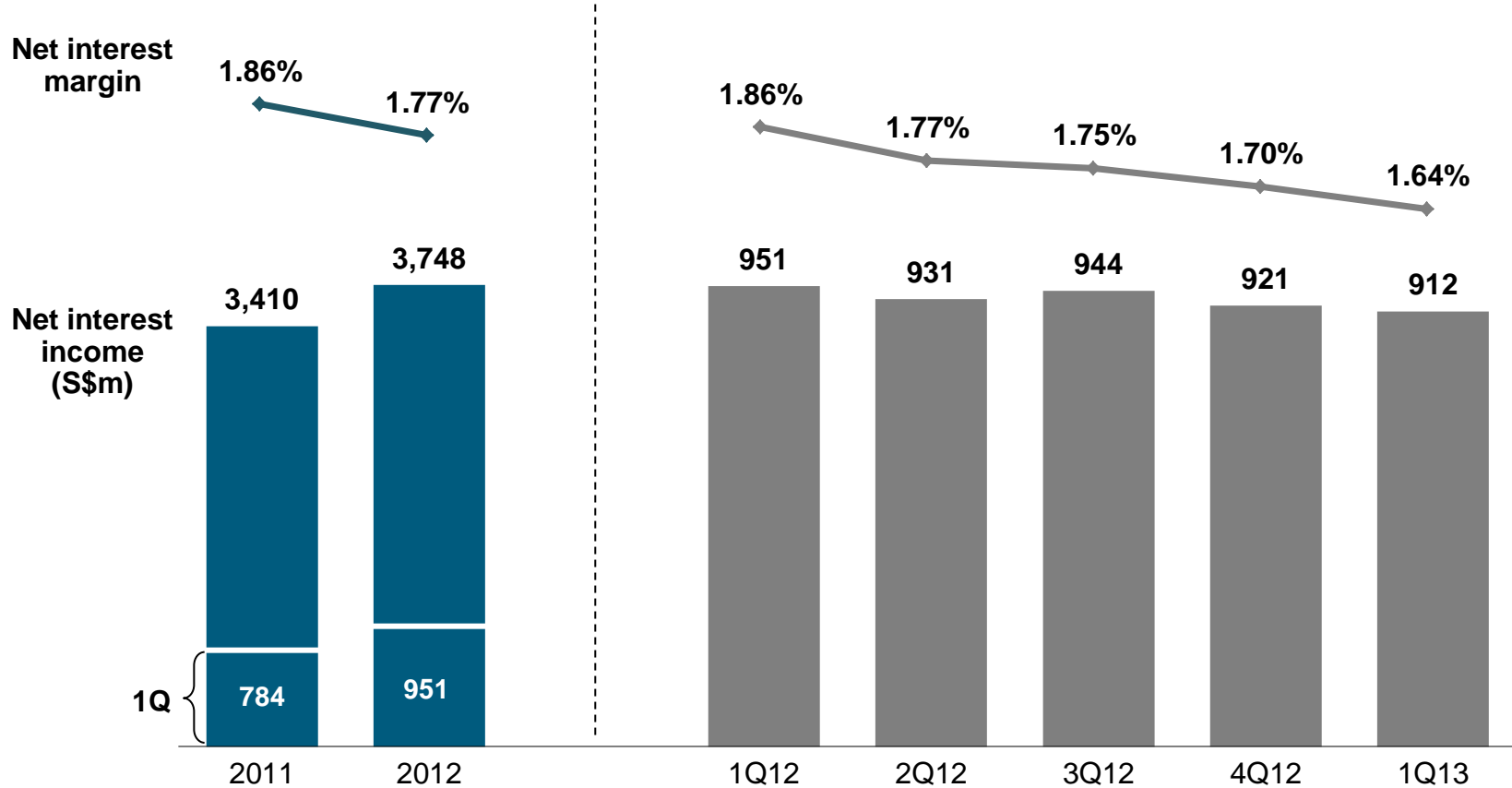
Agenda

Results Overview

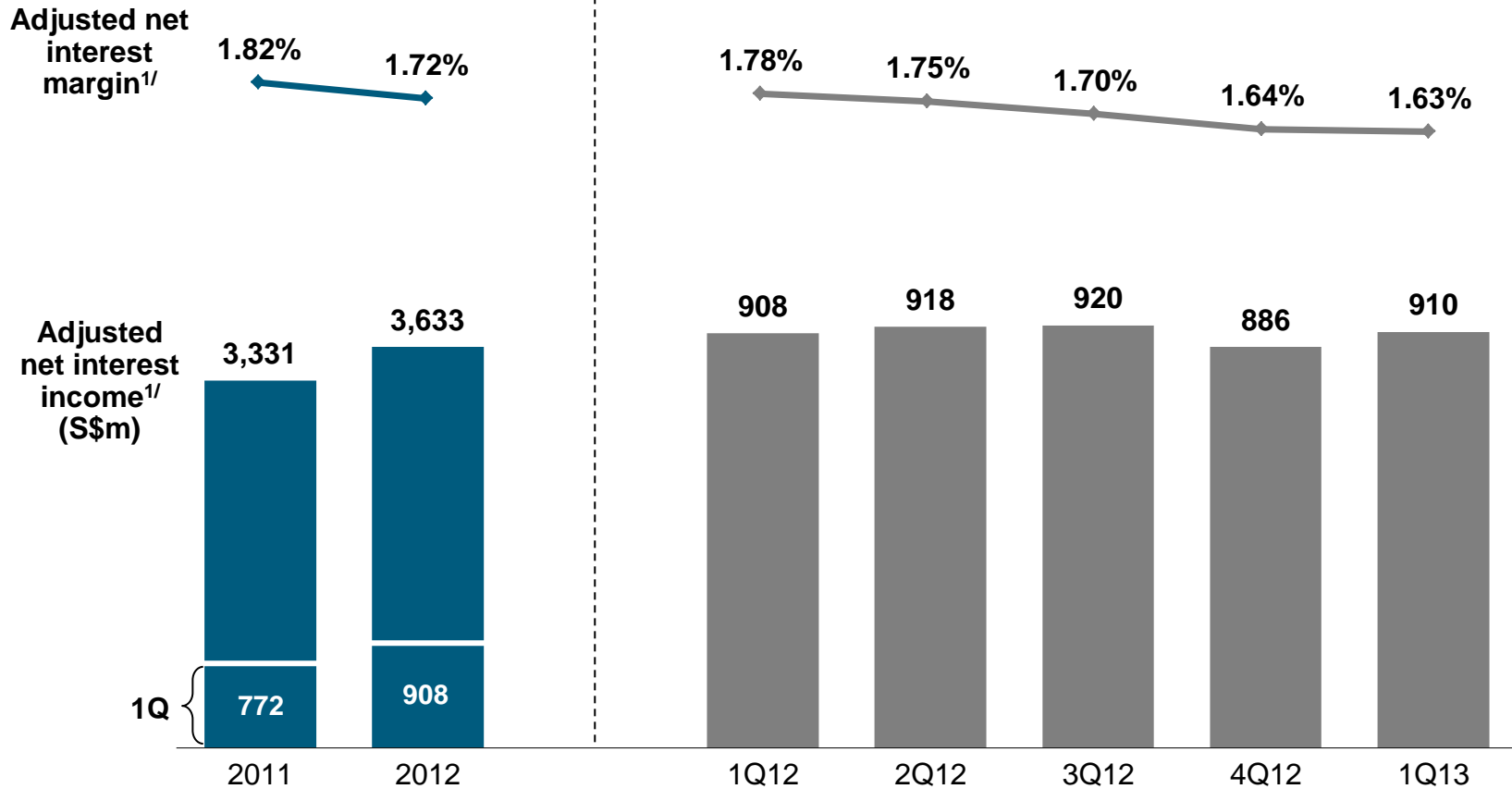
1Q13 Performance Trends

Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

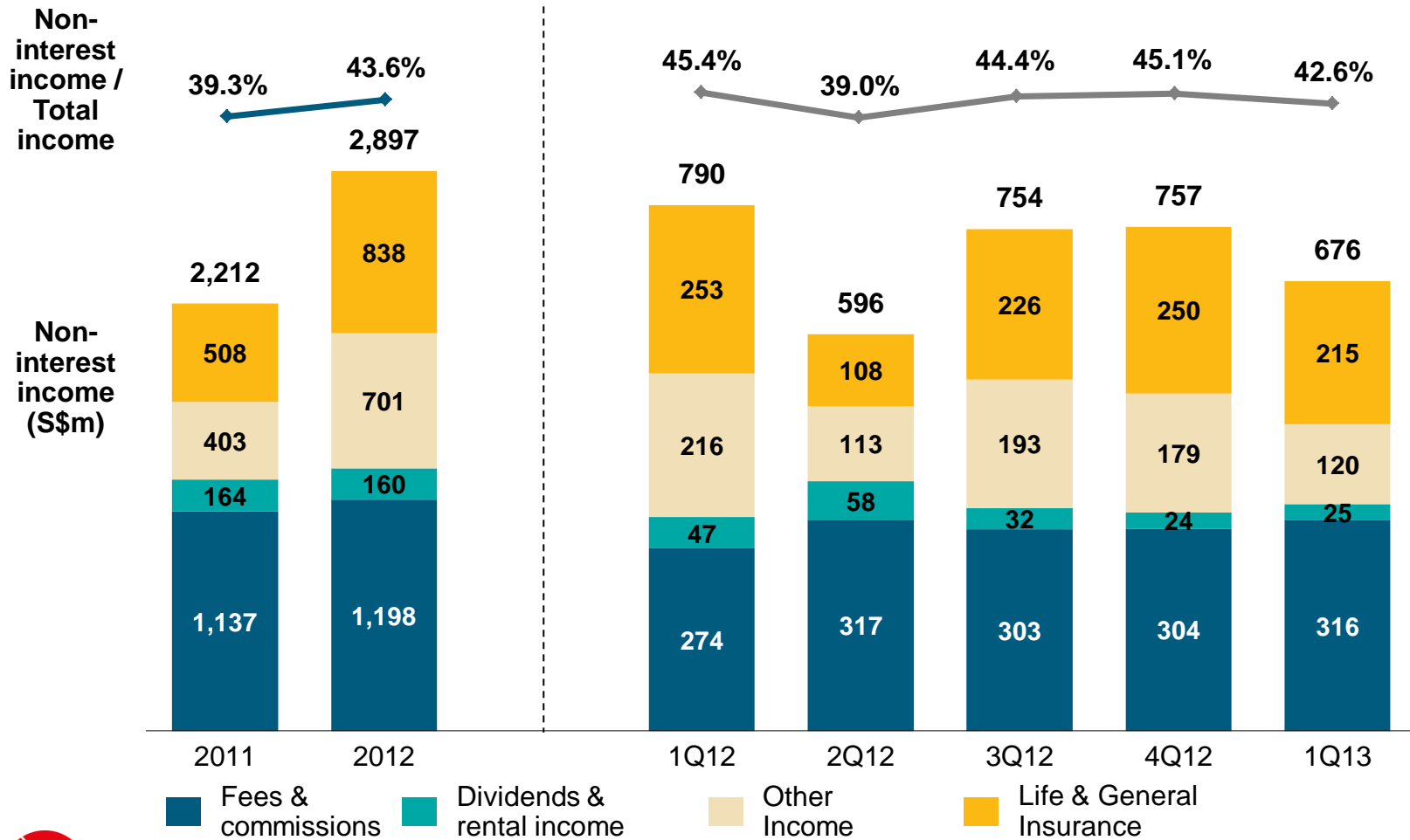
Net interest income declined 4% YoY; asset growth was more than offset by a decline in net interest margin



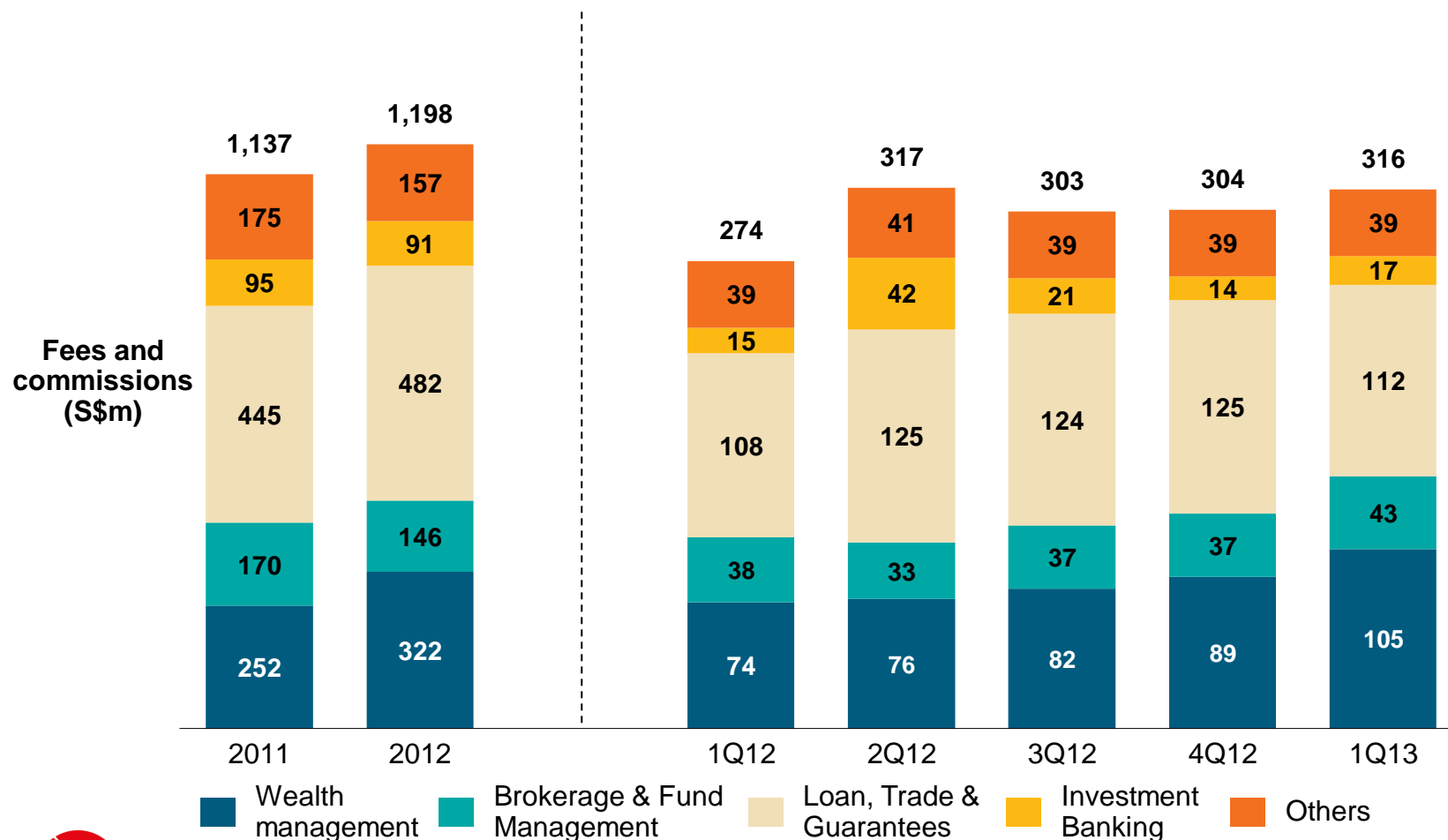
Net interest income less specific allowances rose YoY and QoQ



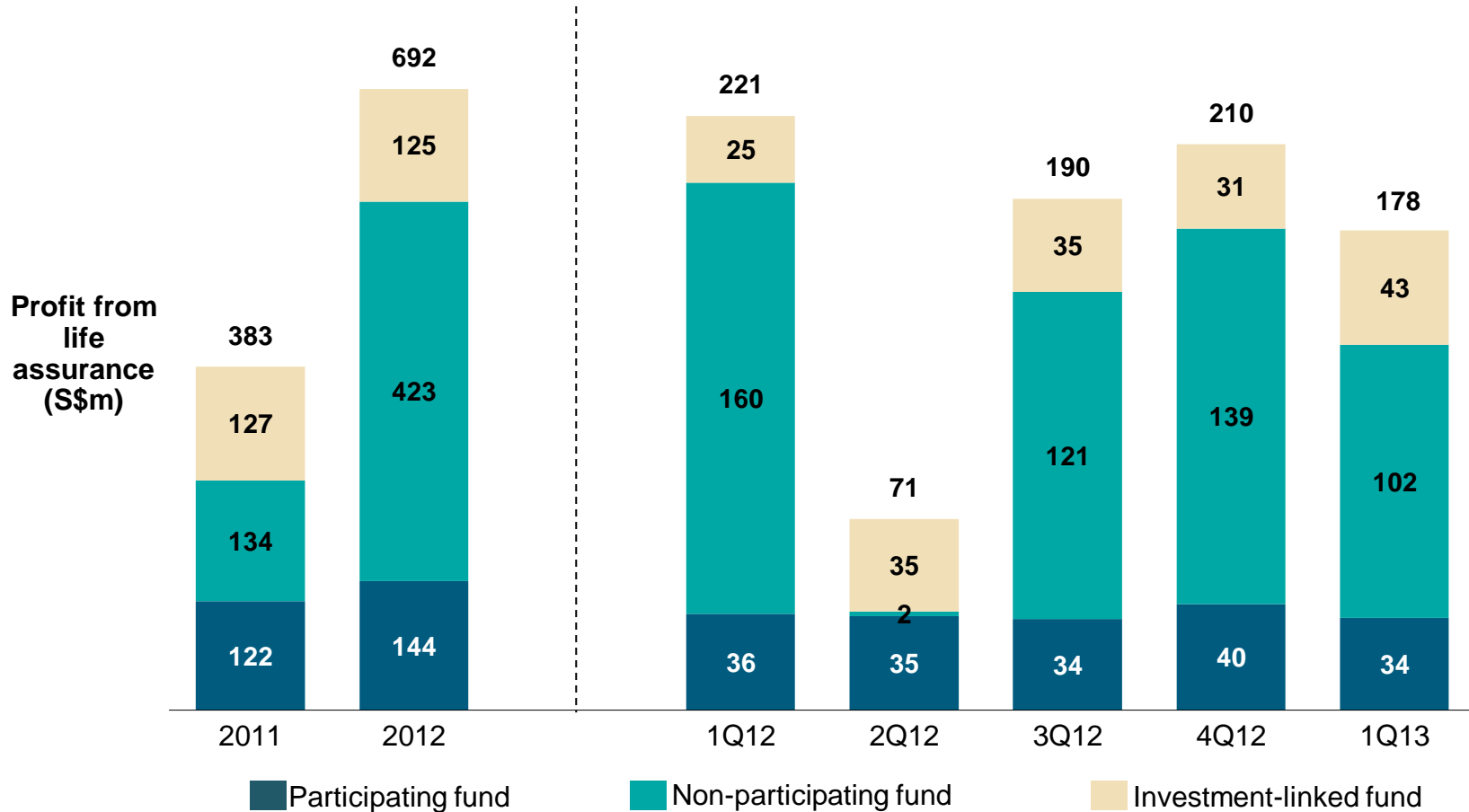
Non-interest income 14% lower YoY; as fee income growth was offset by lower trading and insurance profit



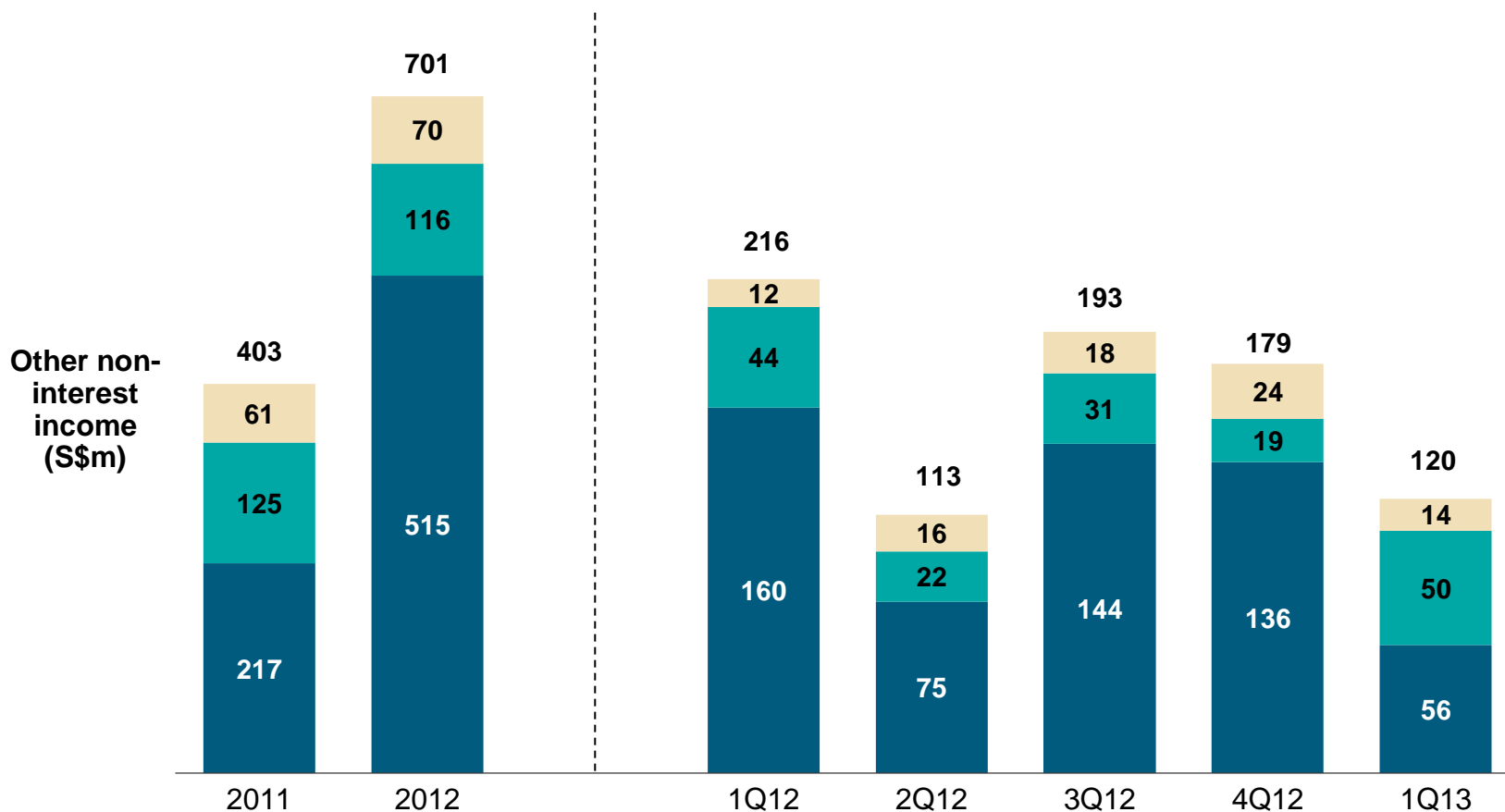
Fee income up 15% YoY; driven by growth in wealth management, loan-related and fund management income



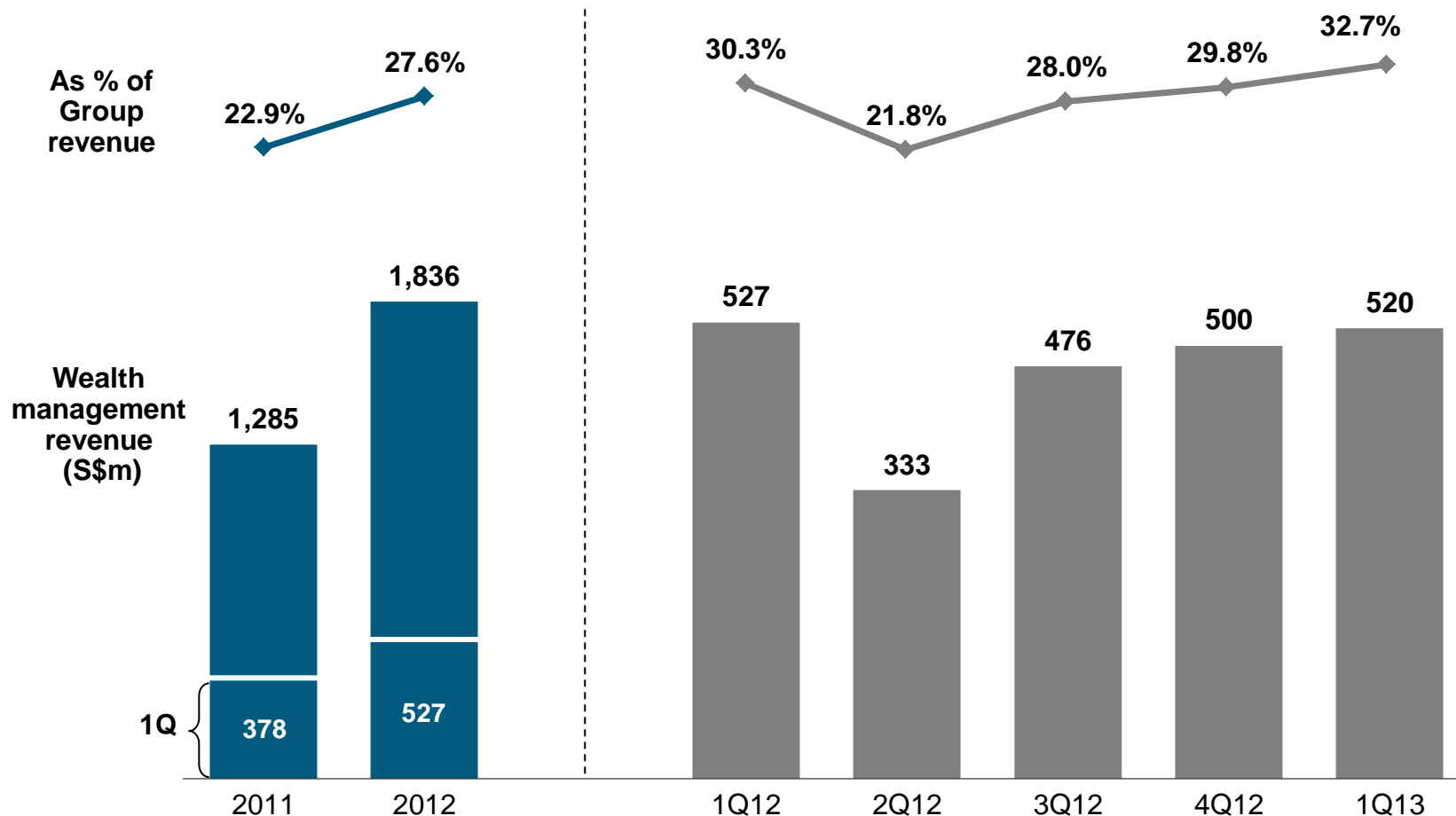
Profit from life assurance down 19% YoY on lower mark-to-market investment gains



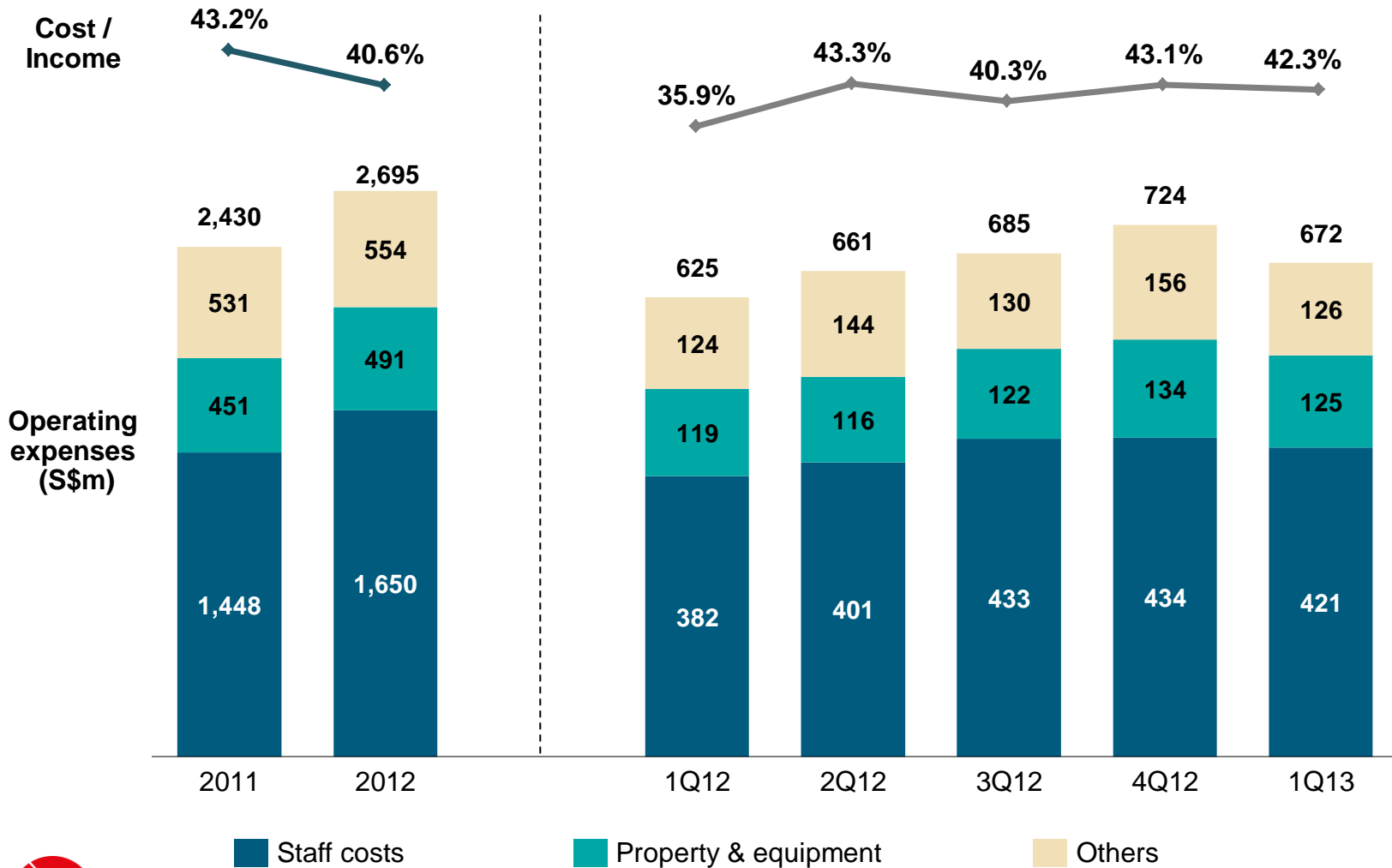
Other non-interest income fell 44% YoY, mainly from lower trading income



Wealth management revenue contributed 33% of total group revenue in 1Q13



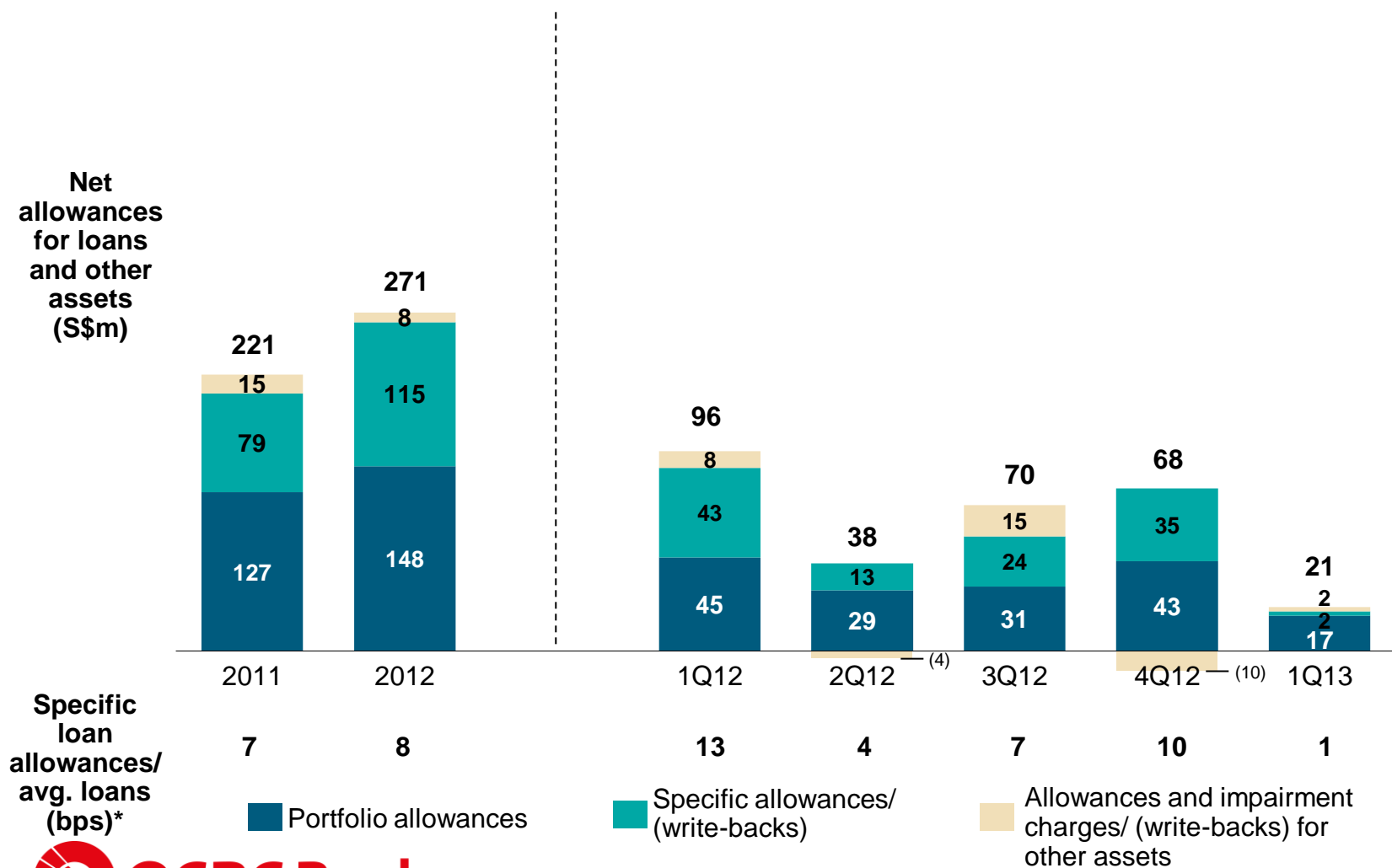
Cost remained well-managed



1Q13 core net profit before GEH contribution fell 8% YoY but rose 10% QoQ

OCBC Group	1Q13 S\$m	1Q12 S\$m	YoY +/(-)%	4Q12 S\$m	QoQ +/(-)%
Net interest income	895	936	(4)	903	(1)
Non-interest income	405	470	(14)	477	(15)
Total income	1,300	1,406	(8)	1,379	(6)
Operating expenses	(622)	(581)	7	(679)	(8)
Operating profit	678	825	(18)	700	(3)
Allowances	(21)	(96)	(79)	(68)	(70)
Associates & JVs	16	5	204	10	56
Amortisation, tax & NCI	(146)	(163)	(10)	(164)	(11)
Core net profit	527	571	(8)	478	10
Divestment gain, net of tax	-	42 ^{1/}	(100)	-	-
Net profit before GEH contribution	527	613	(14)	478	10
GEH net profit contribution	169	219	(23)	185	(8)
OCBC Group net profit	696	832	(16)	663	5

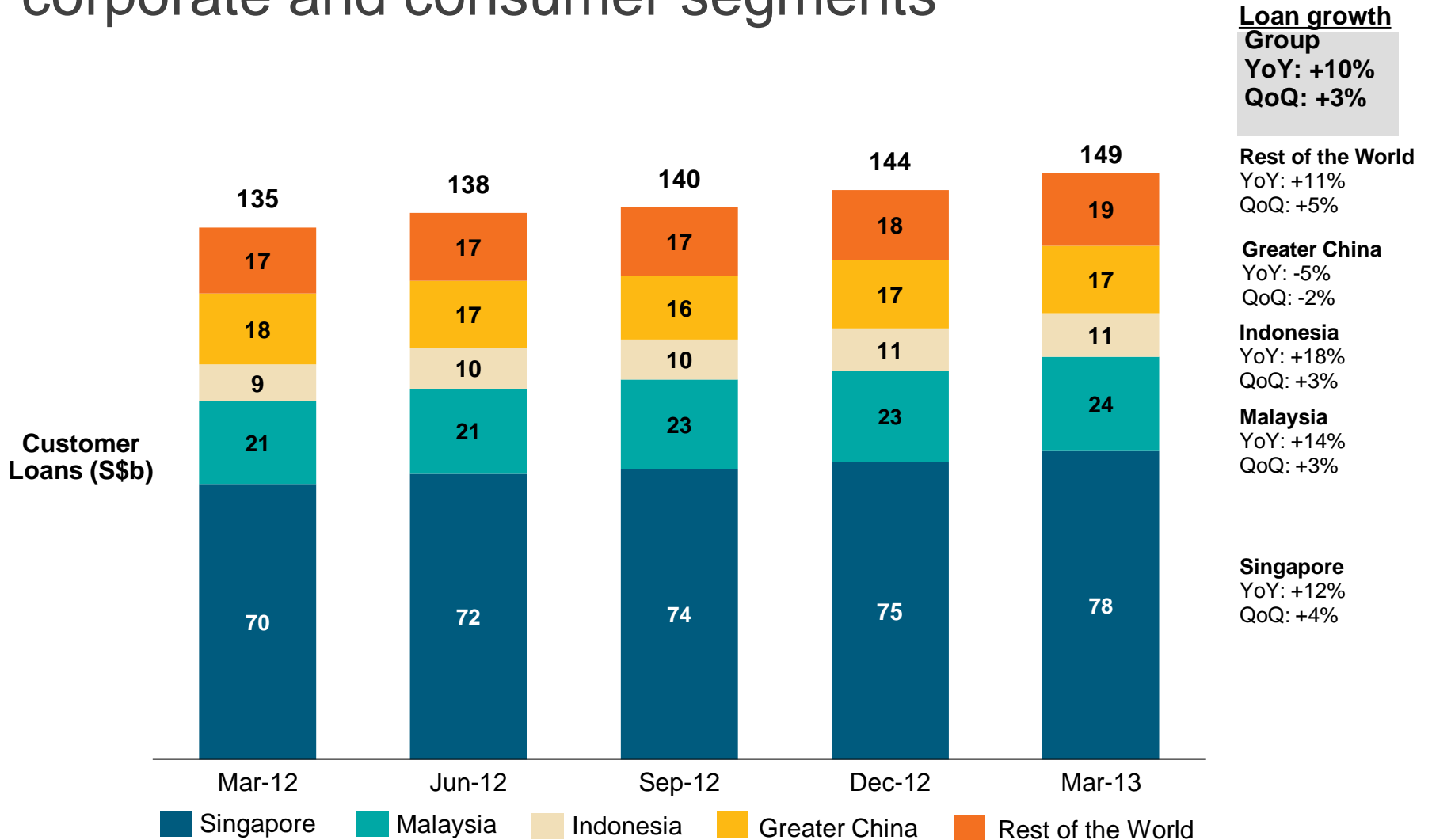
Net allowances declined YoY and QoQ, reflecting effective credit risk management



Movement in specific allowances for loans

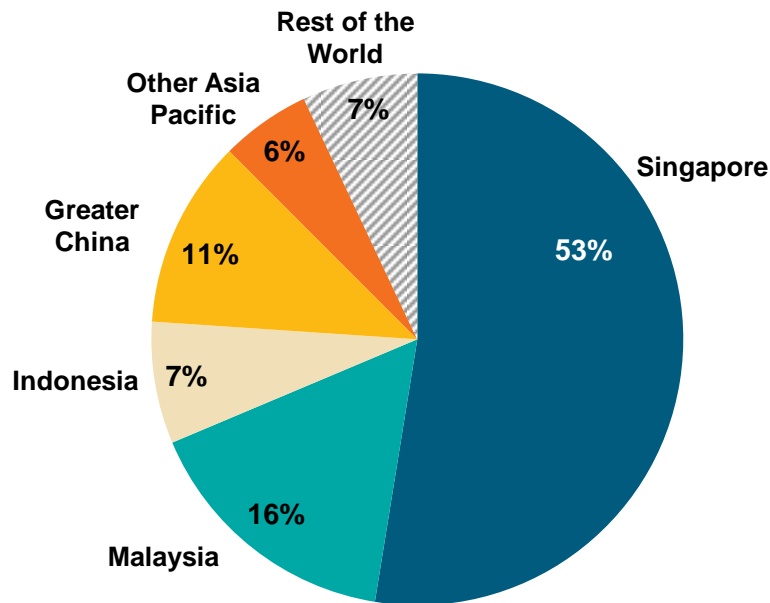
	1Q13 S\$m	1Q12 S\$m	4Q12 S\$m
Allowances for new and existing NPLs	49	79	71
Write-backs ^{1/}	(26)	(25)	(25)
Recoveries ^{2/}	(21)	(11)	(11)
Net specific allowances	2	43	35

Loans increased 10% YoY and 3% QoQ across corporate and consumer segments

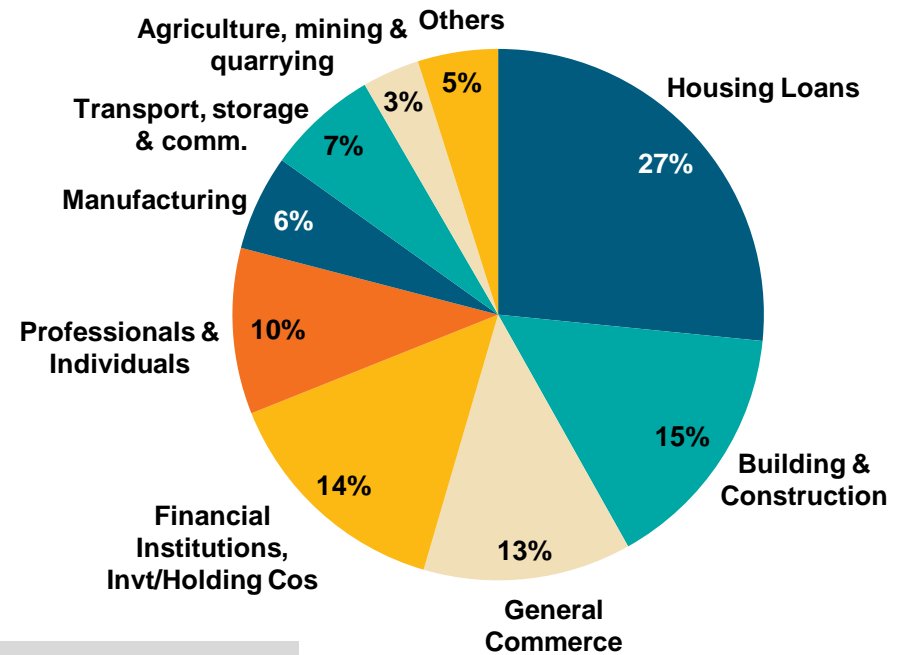


Loan book remained diversified

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

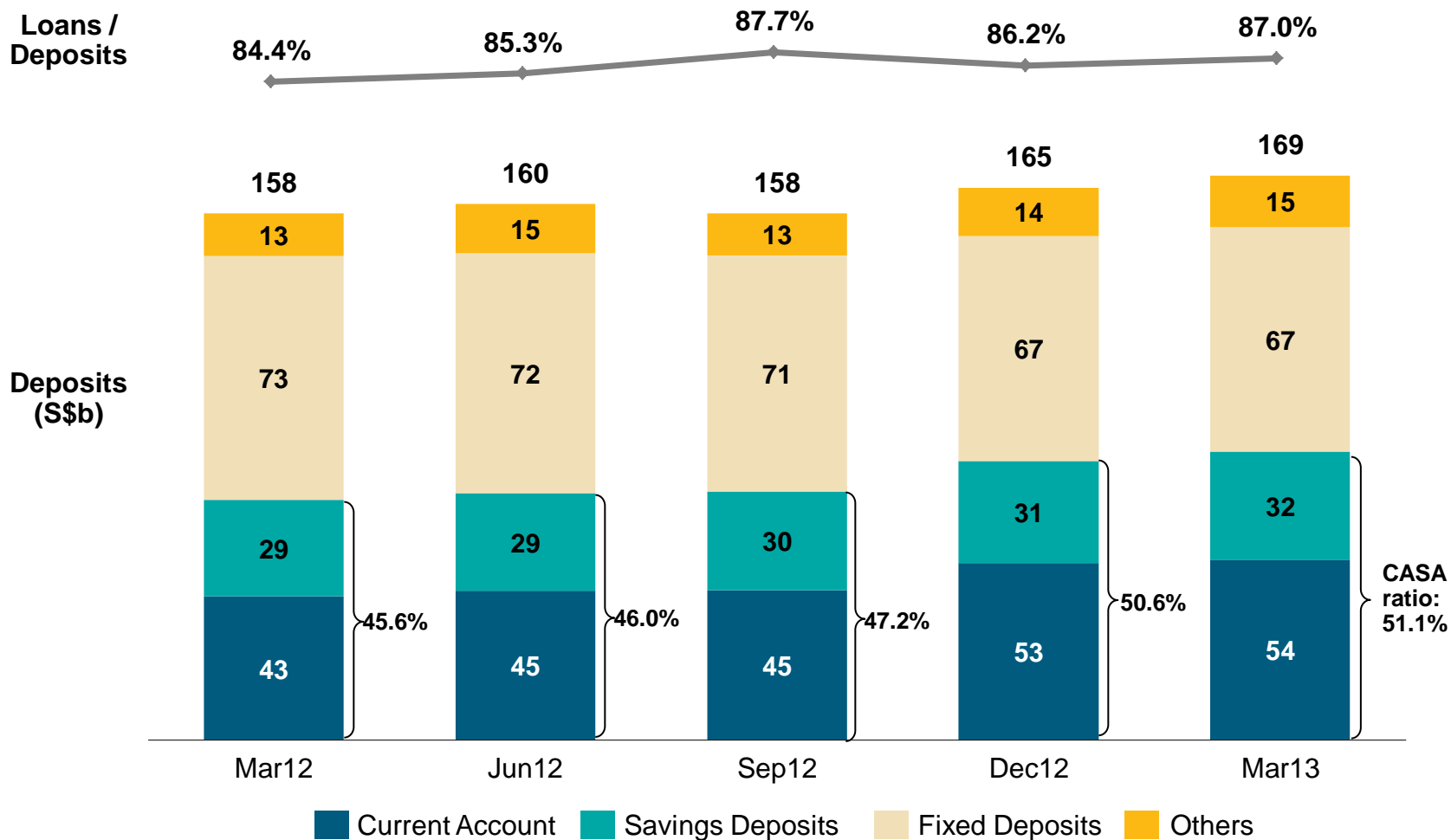


**Customer Loans by Industry
As of 31 March 2013**

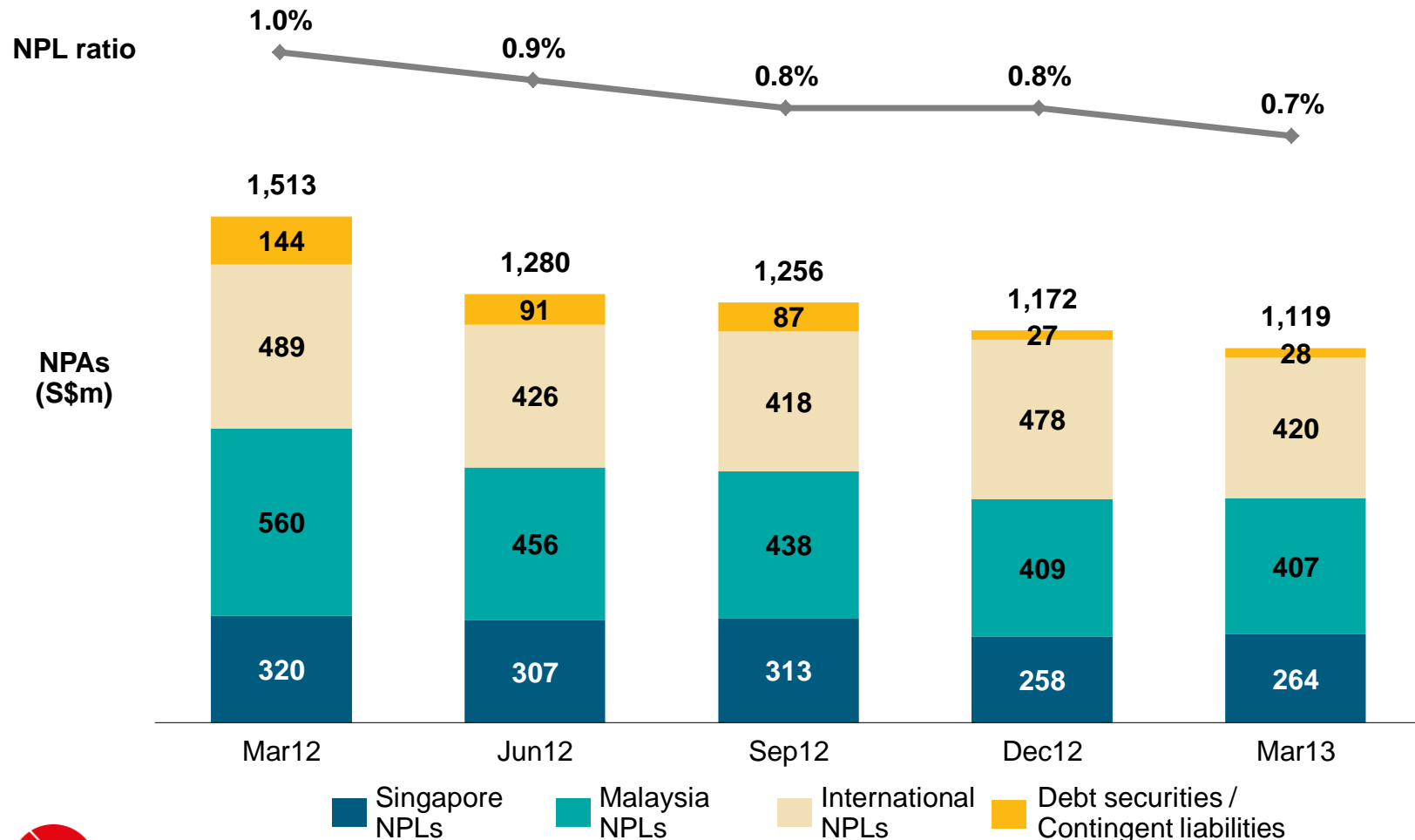


Total: S\$149b

Customer deposits, led by CASA, grew 7% YoY and 2% QoQ. CASA ratio improved to 51.1%



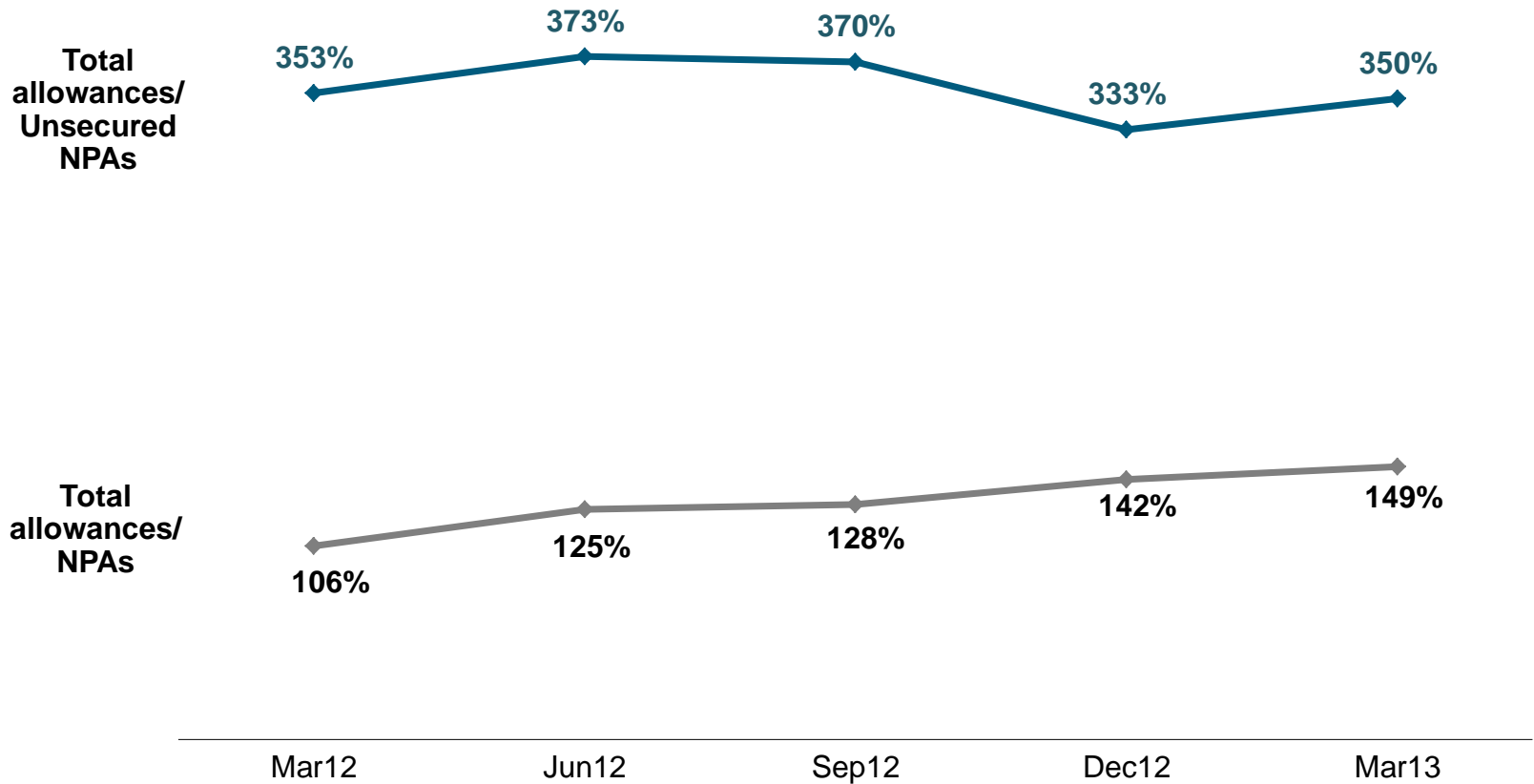
NPL ratio improved further to 0.7%



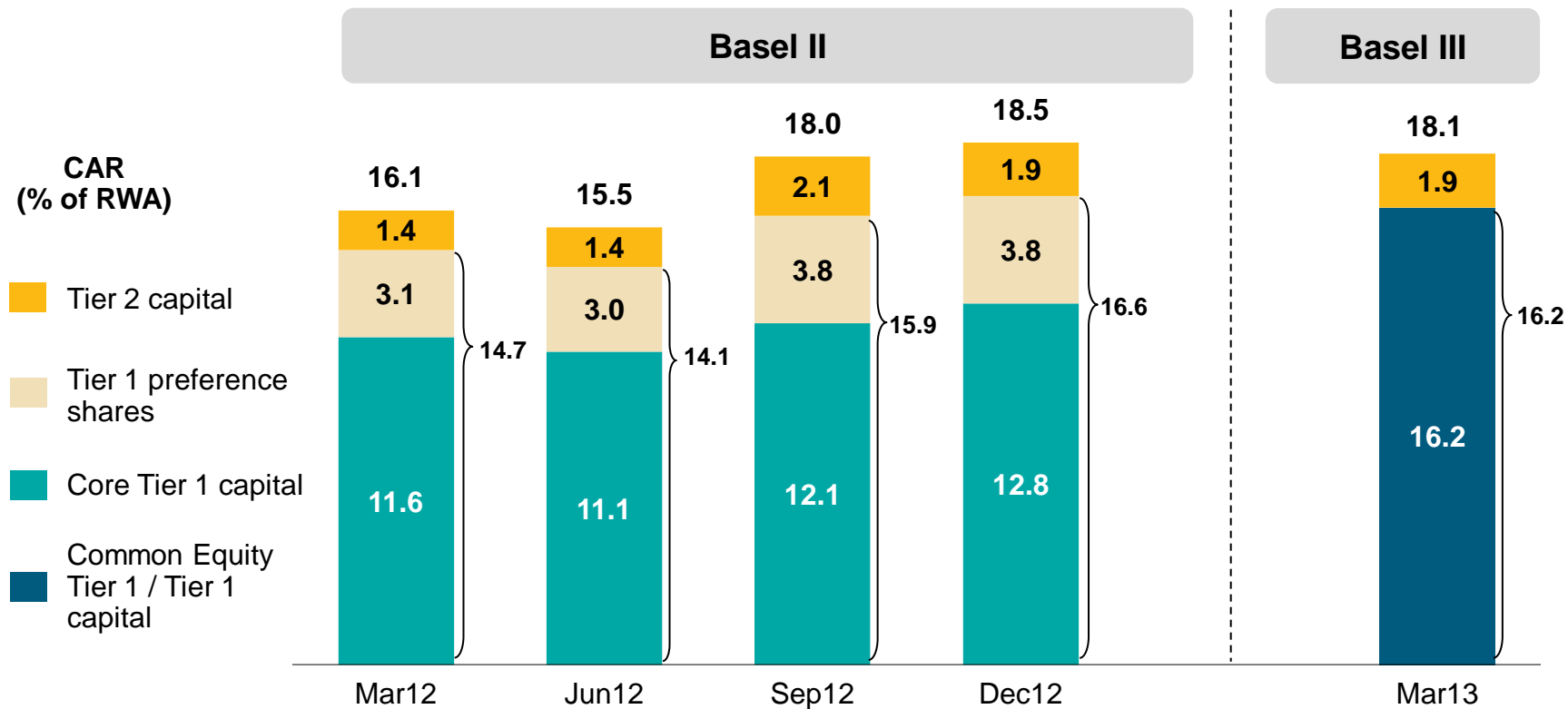
NPAs fell 5% QoQ, driven mainly by lower new NPAs

	1Q13 S\$m	1Q12 S\$m	4Q12 S\$m
NPAs – Opening balance	1,172	1,437	1,256
New NPAs	122	303	289
New recoveries/upgrades	(144)	(203)	(338)
Write-offs	(31)	(24)	(35)
NPAs – Closing balance	1,119	1,513	1,172

Strong allowance coverage ratios of 149% of total NPAs and 350% of unsecured NPAs



Capital position remained strong: Tier 1 and Common Equity Tier 1 ratio of 16.2%



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



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

GEH: 1Q13 core earnings contribution fell due to weaker investment performance during the quarter

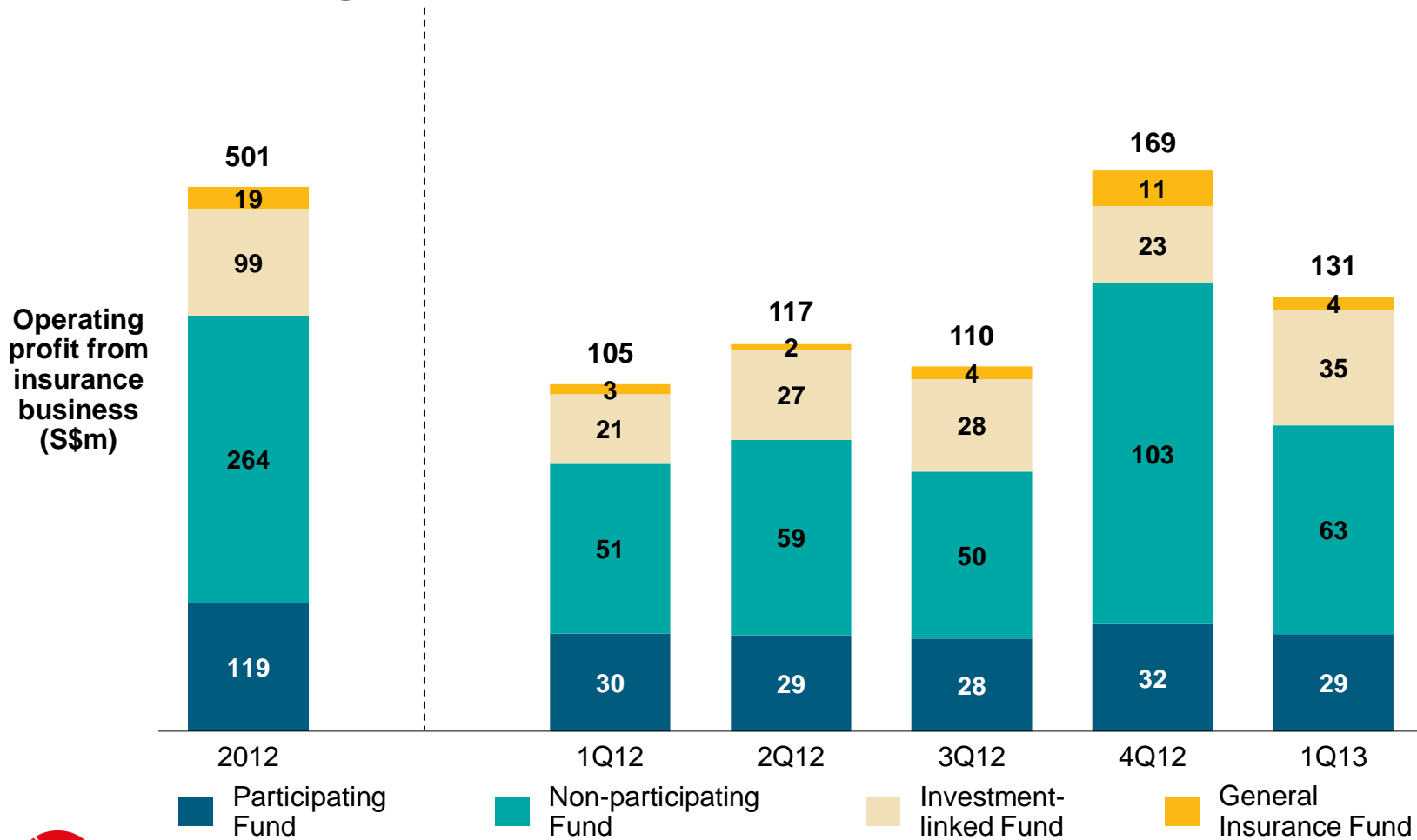
GEH Contribution	1Q13 S\$m	1Q12 S\$m	YoY +/(-)%	4Q12 S\$m	QoQ +/(-)%
Profit from insurance business	187	229	(18)	227	(18)
- Operating profit ^{1/}	131	105	25	169	(22)
- Non-operating profit ^{2/}	38	108	(64)	39	(1)
- Others ^{3/}	18	16	7	20	(10)
Profit from Shareholders' Fund	51	63	(18)	27	88
Sub-total	238	291	(18)	255	(6)
Amortisation of intangibles	(12)	(12)	-	(12)	-
Allowances	(0)	(1)	-	0	-
Associates & JVs	(1)	1	nm	(3)	78
Tax & non-controlling interests	(57)	(61)	(7)	(55)	3
Net profit contribution	169	219	(23)	185	(8)

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

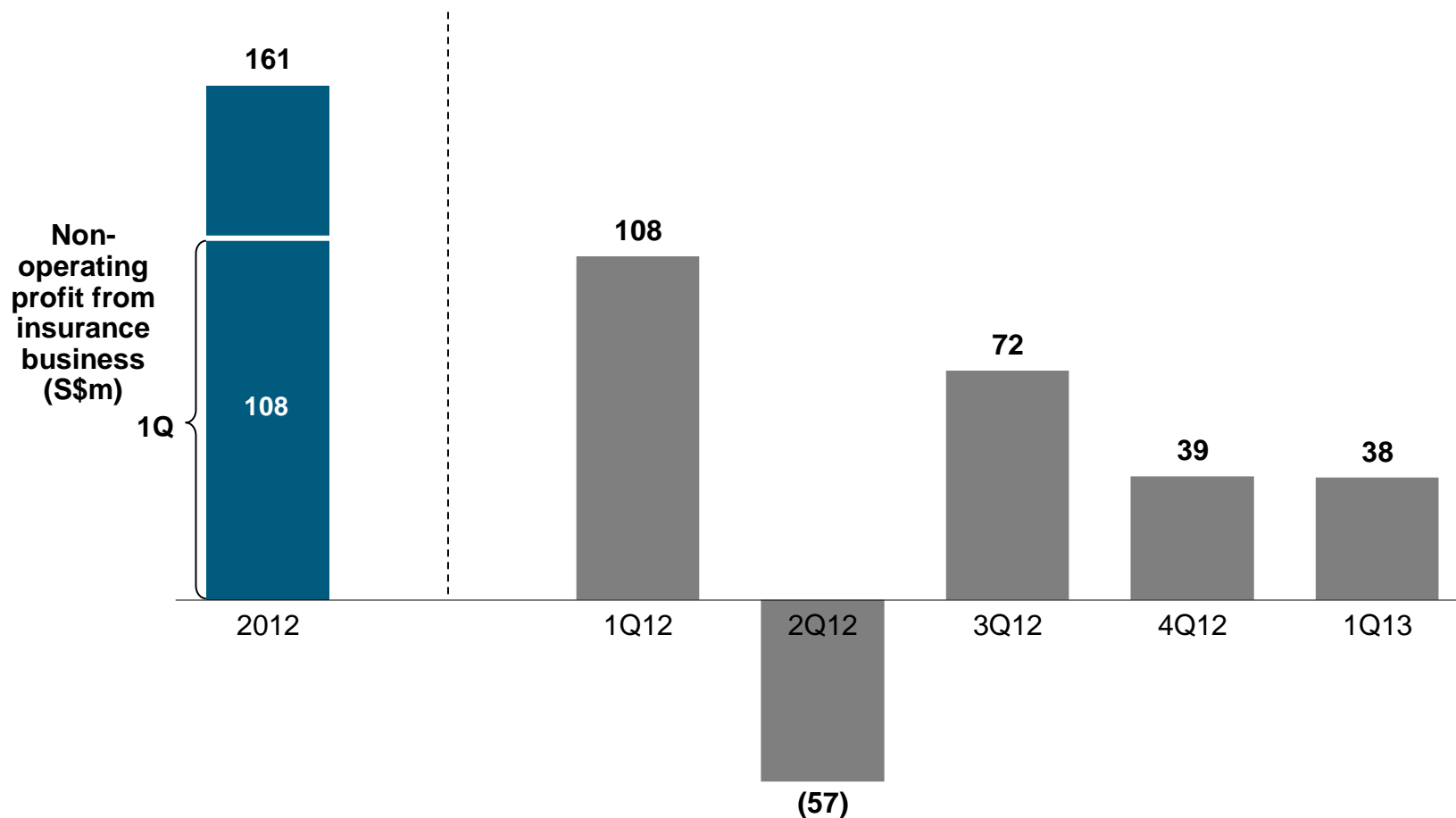
2/ Non-operating profit comprises mark-to-market changes in fair value of assets and liabilities, changes in liability discount rates and other non-recurring items

3/ Mainly tax

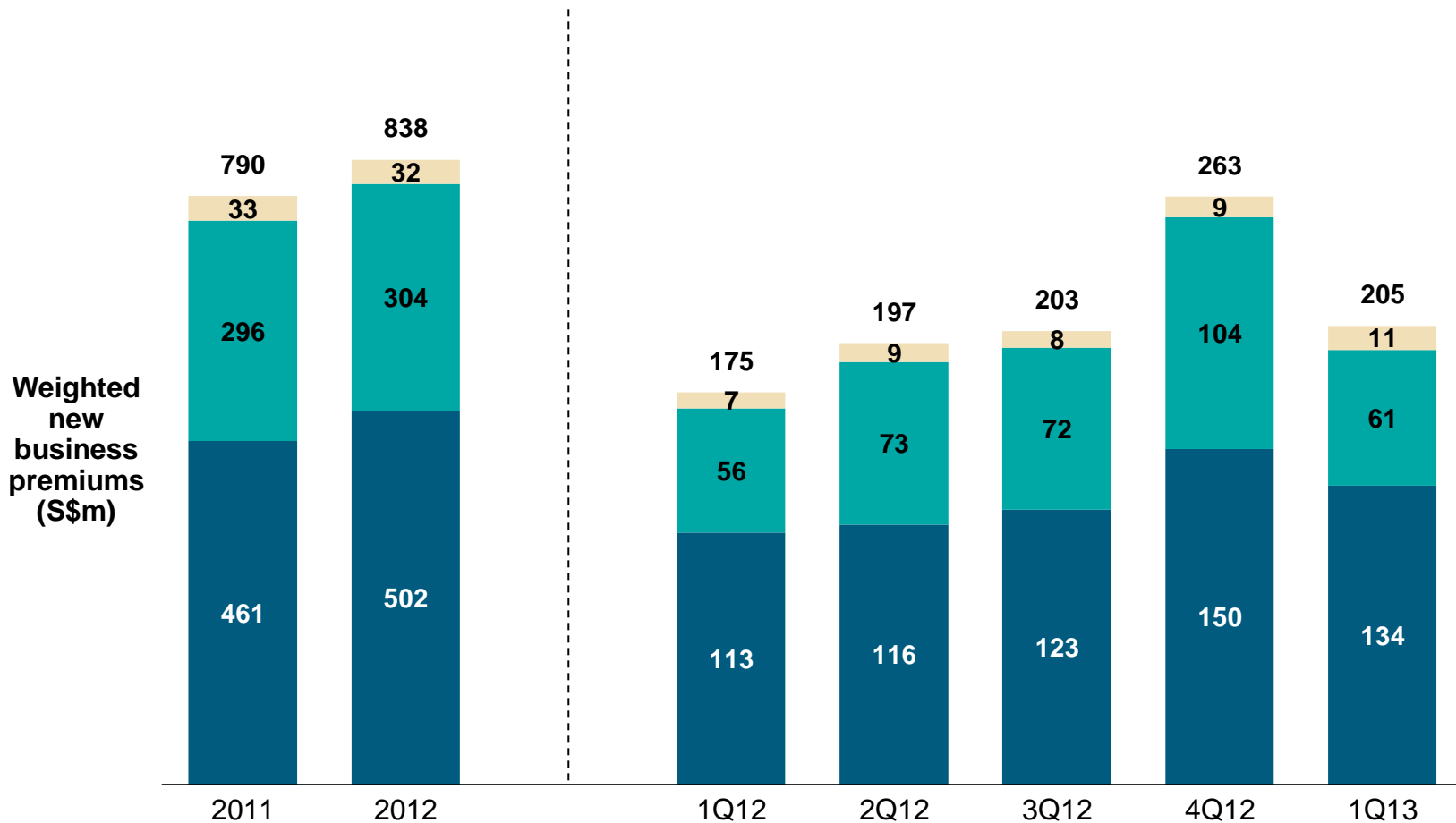
GEH: Operating profit from insurance business grew 25% YoY on improved performance of Non-participating Fund and Investment-linked Fund



GEH: Non-operating profit from insurance business of S\$38m was lower YoY as a result of lower mark-to-market investment gains

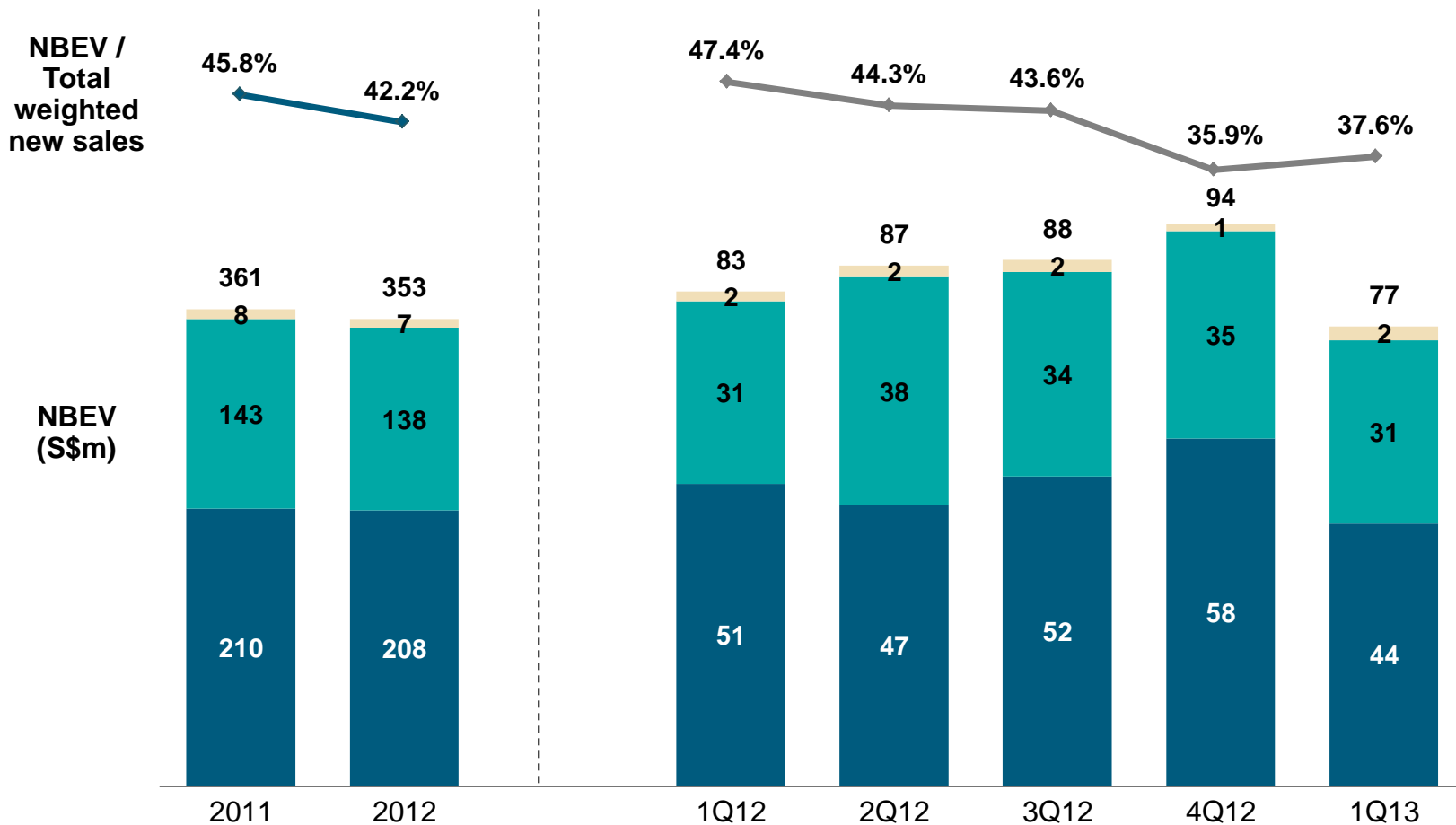


GEH: Total weighted new sales up 17% YoY on growth across all markets



Note: QoQ comparison not relevant given seasonality of insurance sales. Weighted new business premium figures for periods prior to 1Q13 have been restated for comparative reasons.

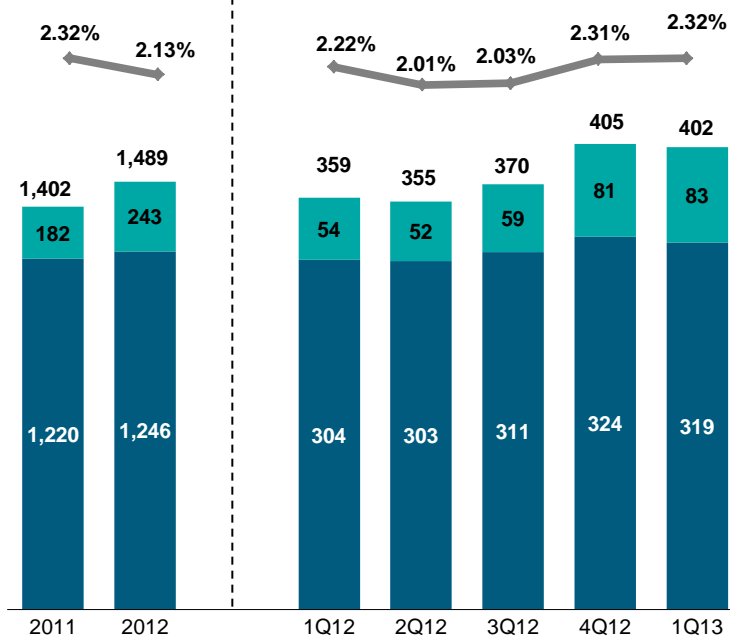
GEH: New business embedded value of S\$77m for 1Q13



OCBC Malaysia: Total net interest income and Islamic financing income up 12% YoY; non-interest income fell 23% YoY

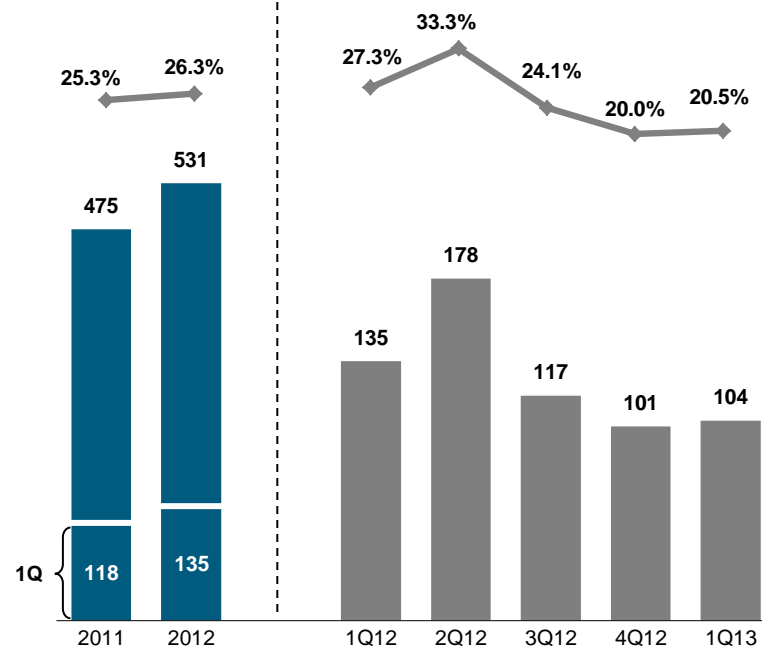
Net interest income and Islamic financing Income (RM m)

Net Interest/financing margin



Non-interest income (RM m)

Non-int. income/Total income



Net interest income Islamic financing income

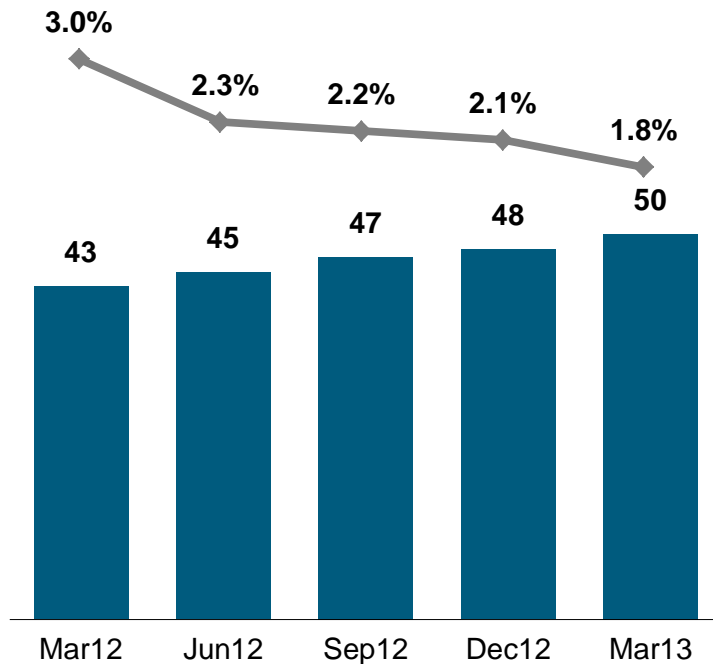


Note: Based on Bank Negara Malaysia's guidelines and Malaysia accounting standards

OCBC Malaysia: Loans grew 15% YoY and 3% QoQ; NPL ratio further improved to 1.8%

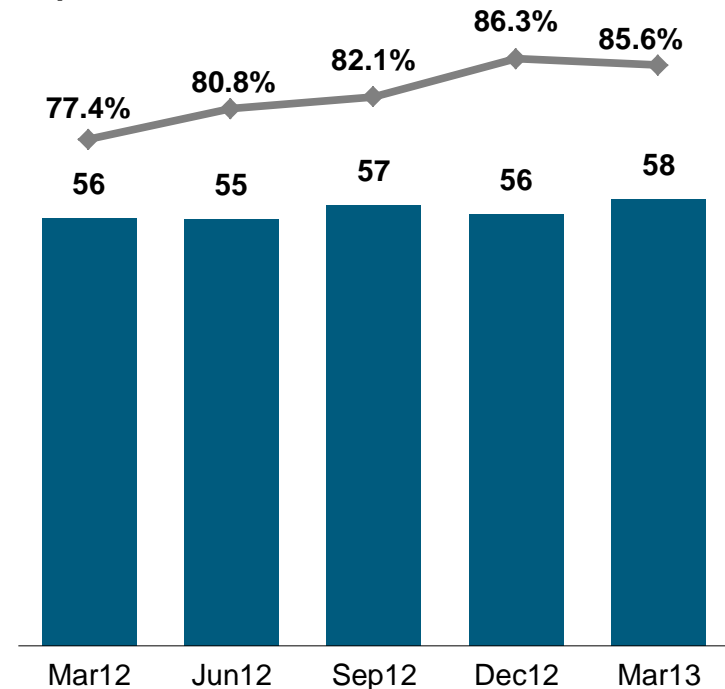
Gross Loans (RM b)

NPL Ratio



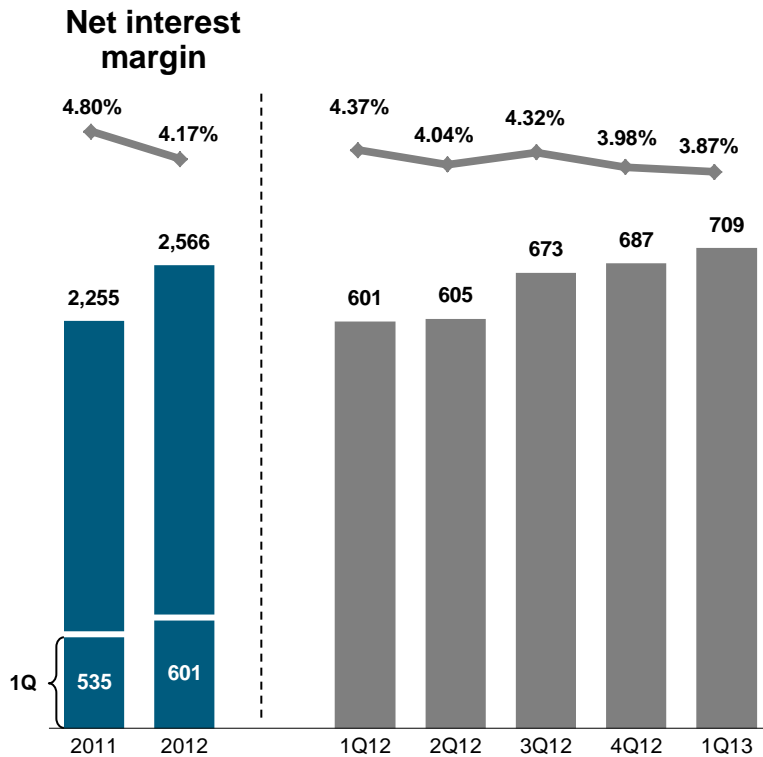
Deposits (RM b)

Loans / Deposits

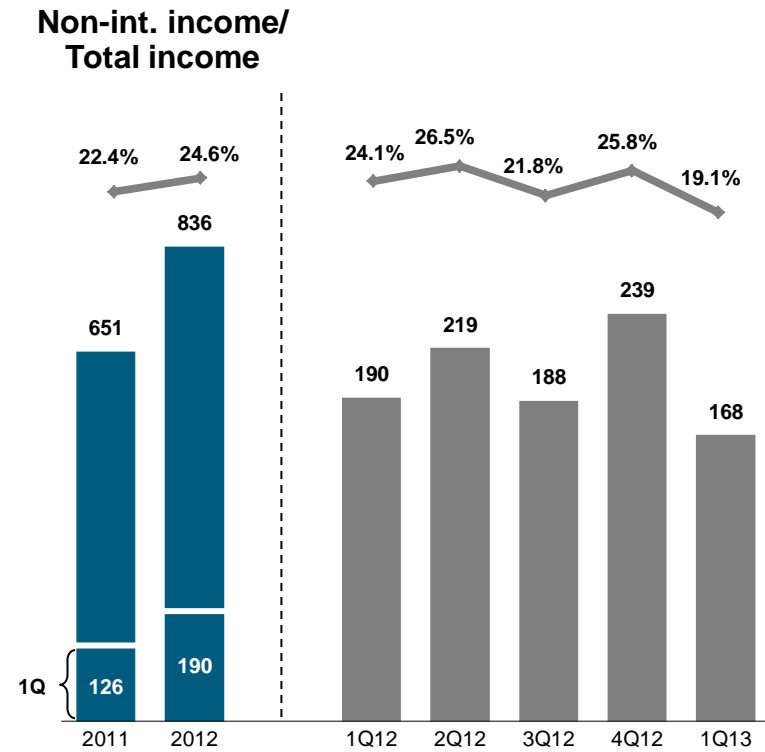


OCBC NISP: Net interest income up 18% YoY; non-interest income down 12% YoY

Net interest income (Rp b)



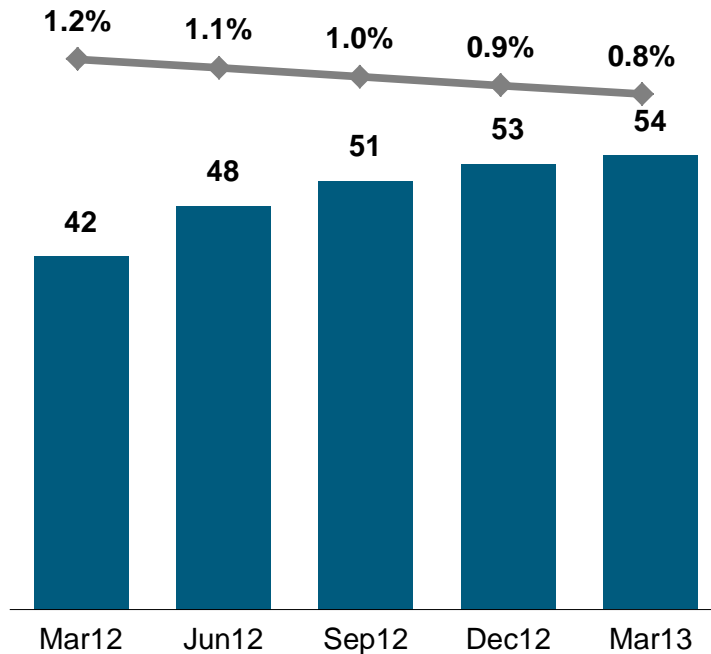
Non-interest income (Rp b)



OCBC NISP: Loans grew 27% YoY and 2% QoQ; NPL ratio lower at 0.8%

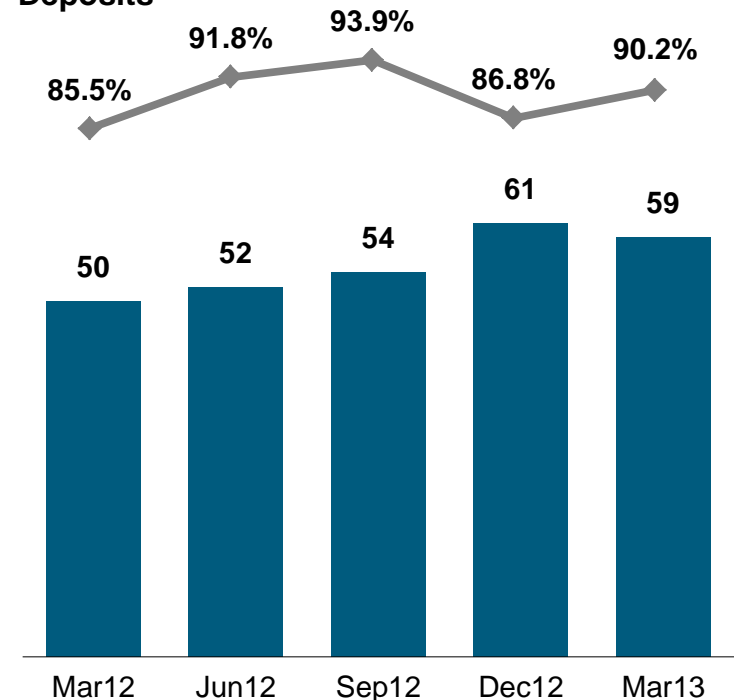
Gross Loans (Rp t)

NPL Ratio



Deposits (Rp t)

Loans / Deposits



CASA Ratio 58.3% 57.3% 50.5% 49.6% 47.3%

Agenda

Results Overview

1Q13 Performance Trends

Appendix: Financial Highlights of
Malaysia and Indonesia Subsidiaries

OCBC Malaysia: 1Q13 net profit up 6% YoY

OCBC Malaysia	1Q13 RM m	1Q12 RM m	YoY +/(-)%	4Q12 RM m	QoQ +/(-)%
Net interest income	319	304	5	324	(2)
Islamic Financing Income	83	54	54	81	2
Non-interest income	104	135	(23)	101	3
Total income	506	494	3	506	-
Operating expenses	(201)	(192)	5	(235)	(14)
Operating profit	305	302	1	271	13
Allowances	7	(4)	nm	(22)	nm
Tax	(77)	(75)	3	(63)	22
Net profit	235	223	6	186	26

Key ratios (%)

Cost / Income	39.7	38.8		46.4
ROE	17.7	18.4		14.9
CAR				
- Common Equity Tier 1	12.2	na		na
- Tier 1	14.1	13.2		14.4
- Total CAR	17.2	15.6		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 NISP: 1Q13 net profit up 23% YoY


OCBC NISP	1Q13 RP b	1Q12 RP b	YoY +/(-)%	4Q12 RP b	QoQ +/(-)%
Net interest income	709	601	18	687	3
Non-interest income	168	190	(12)	239	(30)
Total income	877	791	11	926	(5)
Operating expenses	(521)	(471)	11	(500)	4
Operating profit	356	320	11	426	(17)
Allowances	(26)	(59)	(55)	(83)	(68)
Non Op Income / (Expenses)	0	7	(99)	3	(99)
Tax	(83)	(67)	24	(87)	(5)
Net profit	247	201	23	259	(5)

Key ratios (%)

Cost / Income	59.4	59.5		54.0
ROE	11.2	12.4		12.5
CAR				
- Common Equity Tier 1	14.2	13.1		13.9
- Tier 1	14.2	13.1		13.9
- Total CAR	16.6	16.1		16.5



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



First Quarter 2013 Results

Thank You