

Third Quarter 2022 Results Highlights

4 November 2022

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Agenda

01

Financial Highlights

02

Group Net Profit

03

Group Performance Trends



Notes:

- Certain comparative figures have been restated to conform with the current period's presentation.
- Amounts less than S\$0.5m are shown as "0";
- "nm" denotes not meaningful;
- "na" denotes not applicable;
- Figures may not sum to stated totals because of rounding.



01

Financial Highlights



3Q22 Performance

Group Net Profit

S\$1.60b

+8%
QoQ

+31%
YoY

Total Income

S\$3.15b

+9%
QoQ

+23%
YoY

Net Interest Income

+23%

+44%

Non-Interest Income

-11%

-4%

Operating Expenses

S\$1.27b

+1%
QoQ

+7%
YoY

ROE (annualised)

12.4%

+0.9ppt
QoQ

+2.9ppt
YoY

Net Interest Margin

2.06%

+35bps
QoQ

+54bps
YoY

Customer Loans

S\$303b

+2%
QoQ

+6%
YoY

Customer Deposits

S\$353b

+1%
QoQ

+6%
YoY

NPL Ratio

1.2%

-0.1ppt
QoQ

-0.3ppt
YoY

Credit Costs

14bps

+6bps
QoQ

-7bps
YoY

CET1 CAR

14.4%

-0.5ppt
QoQ

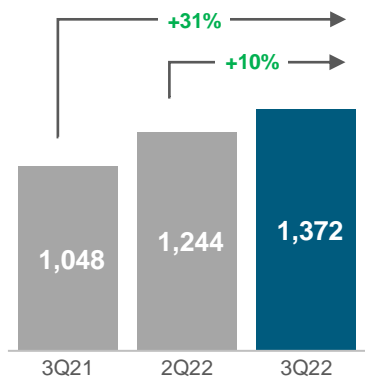
-1.1ppt
YoY

- Group 3Q net profit at new high; ROE at 12.4%
- Net interest income surpassed S\$2b for the first time
- Non-II lower YoY as softer WM fees and investment performance offset higher trading and insurance income
- Cost-to-income ratio improved to 40.3%
- Sustained growth in loans and deposits
- NPL ratio declined to 1.2%
- Credit costs at 14bps
- Strong capital position maintained

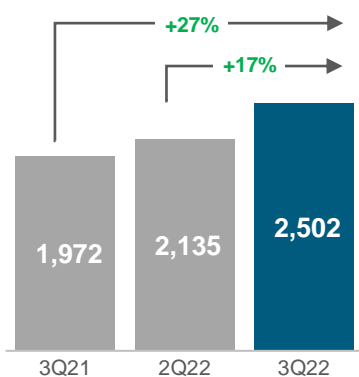
Financial Highlights

Banking

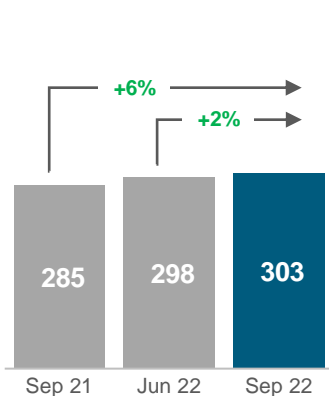
Net Profit (S\$m)



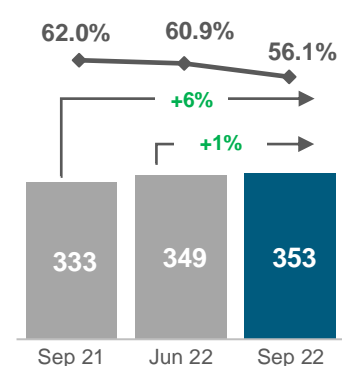
NII and Fee Income (S\$m)



Customer Loans (S\$b)

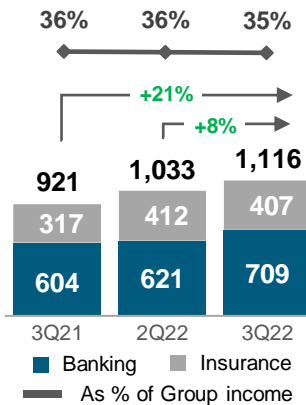


Customer Deposits (S\$b) and CASA ratio

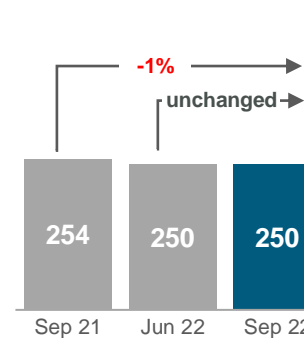


Wealth Management

WM Income (S\$m)^{1/}

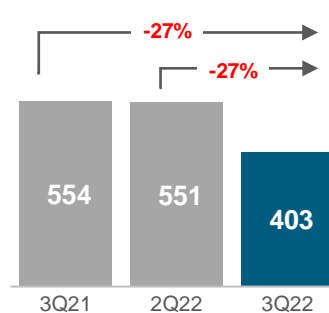


WM AUM (S\$b)

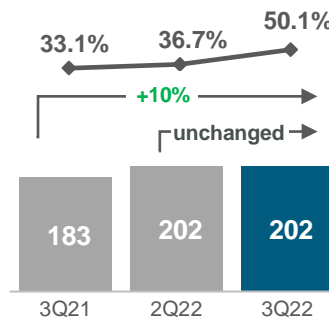


Insurance

Total Weighted New Sales (S\$m)



New Business Embedded Value (S\$m) and Margin

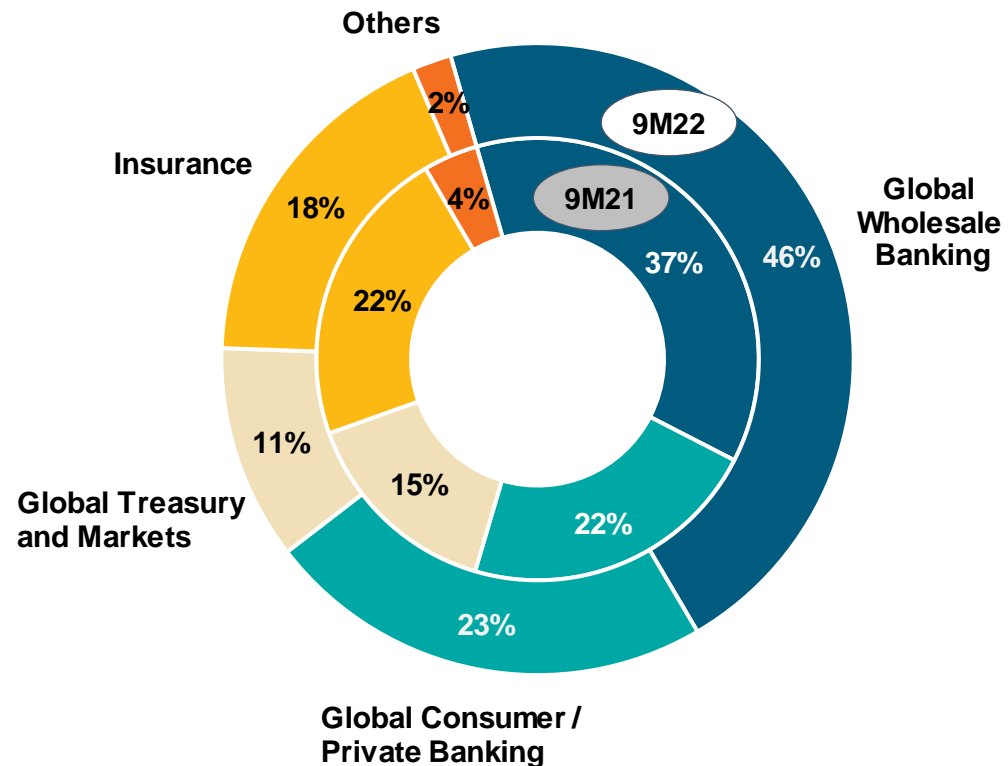


- Record quarterly banking operations net profit
- WM income up YoY and QoQ
- WM AUM steady QoQ
- TWNS YoY and QoQ decline mainly from lower insurance sales in Singapore, while NBEV margin rose on favourable product mix

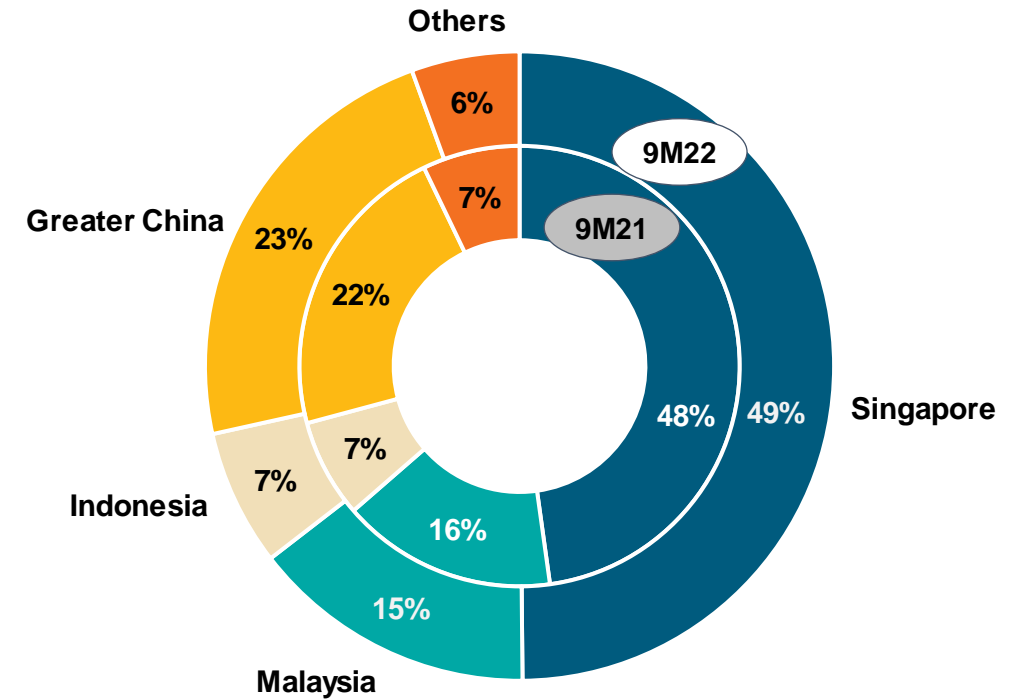
^{1/} Wealth Management income comprises the consolidated income from insurance, private banking, premier private client, premier banking, asset management and stockbroking.

Earnings Well-Diversified Across Business and Geography

Operating Profit by Business



Operating Profit by Geography

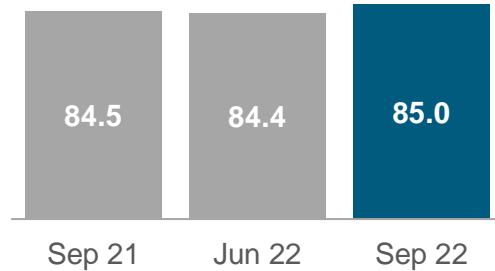


Note: Operating profit by business excluded associates.

Robust Balance Sheet Position

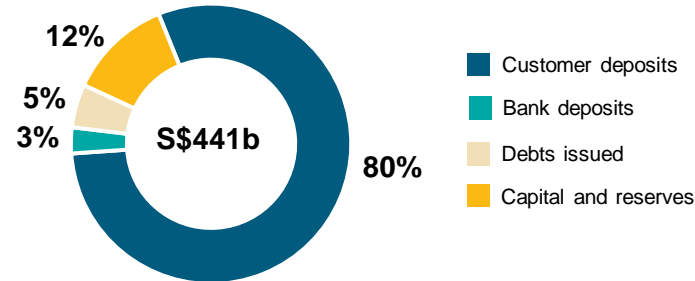
Loans-to-Deposits Ratio

Group LDR (%)



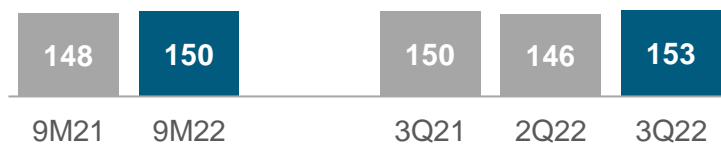
Funding

Composition as at Sep 22

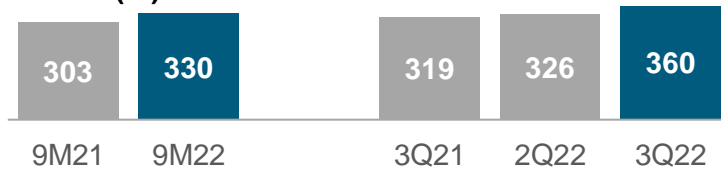


Liquidity

All-ccy LCR (%)

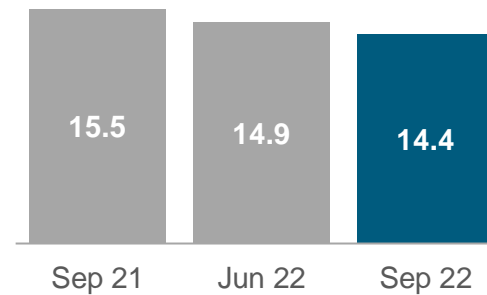


SGD LCR (%)



Capital

CET1 CAR (%)



- Aa1 credit rating from Moody's and AA- from both Fitch and S&P
- Strong funding, liquidity and capital position provide resiliency to support growth
- Funding composition stable with around 80% of funding from customer deposits
- NSFR at 115% and leverage ratio at 6.8%
- Regulatory ratios well above regulatory requirements

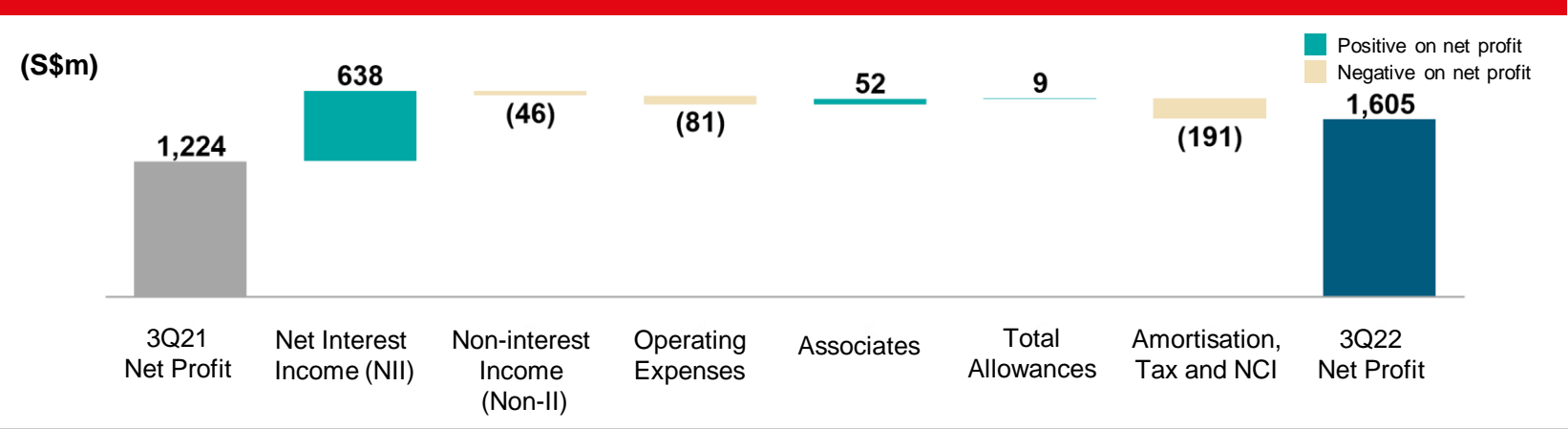
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Group Net Profit

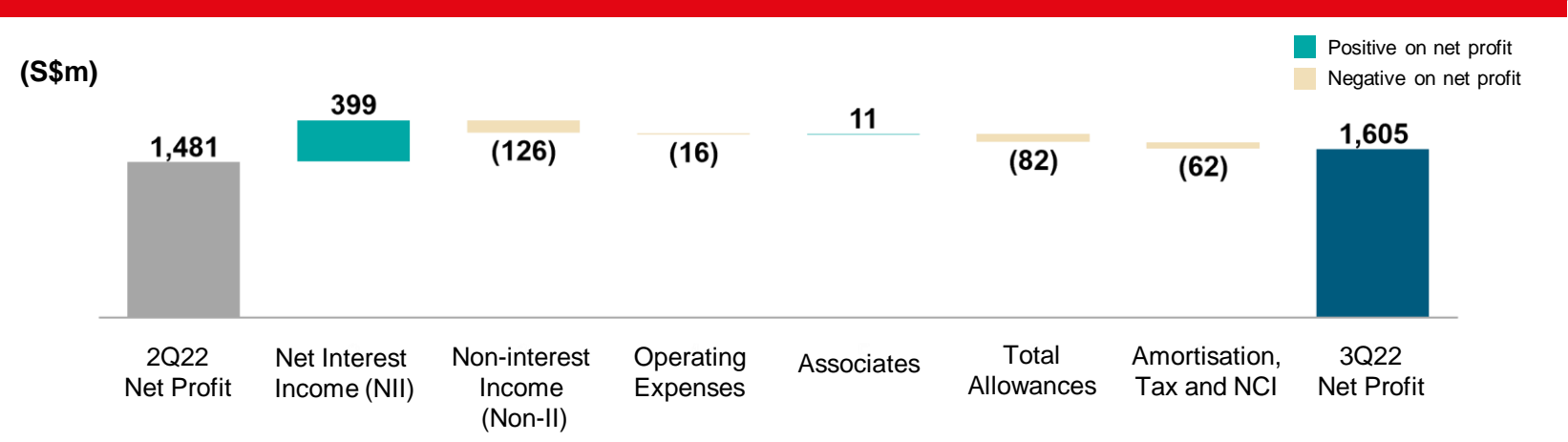


3Q22 Group Net Profit

YoY Movement



QoQ Movement



3Q22

YoY +31%

QoQ +8%

YoY

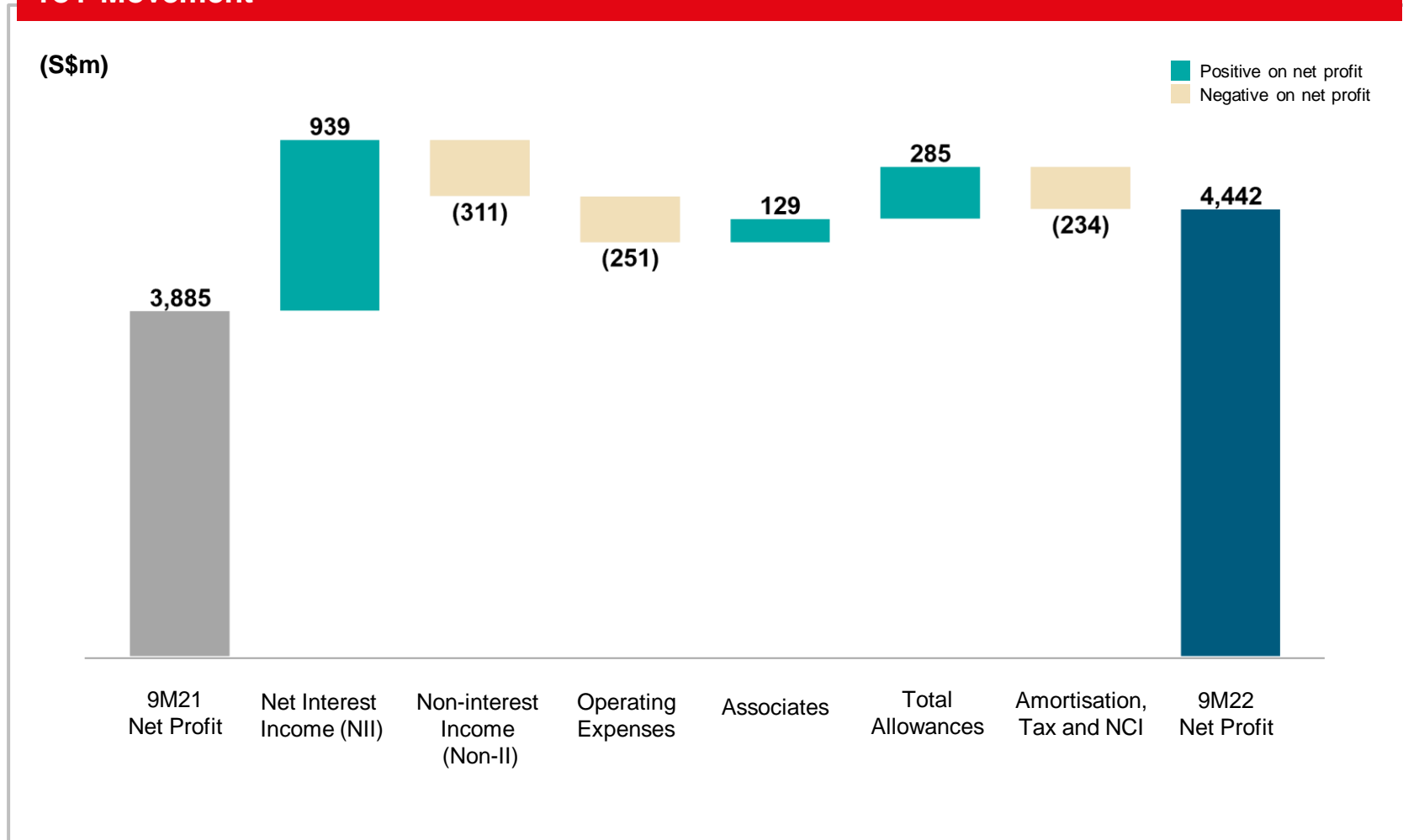
- Increase in net profit underpinned by strong rise in NII from higher NIM and asset growth

QoQ

- Higher net profit as NII growth more than offset decline in trading and insurance income; operating expenses well-controlled, up 1% QoQ

9M22 Group Net Profit

YoY Movement



9M22

YoY +14%

- NII increased 22% driven by NIM improvement and higher volumes
- Non-II lower as weaker fee and investment performance offset higher trading and insurance income
- Higher expenses to support business growth; cost-to-income ratio at 43.0%
- Allowances lower from a drop in allowances set aside for impaired assets

Group Performance

OCBC Group	9M22 S\$m	9M21 S\$m	YoY +/(-)%	3Q22 S\$m	3Q21 S\$m	YoY +/(-)%	2Q22 S\$m	QoQ +/(-)%
Net interest income	5,302	4,363	22	2,099	1,461	44	1,700	23
Non-interest income	3,372	3,683	(8)	1,053	1,099	(4)	1,179	(11)
Total income	8,674	8,046	8	3,152	2,560	23	2,879	9
Operating expenses	(3,727)	(3,476)	7	(1,269)	(1,188)	7	(1,253)	1
Operating profit	4,947	4,570	8	1,883	1,372	37	1,626	16
Associates	755	626	21	256	204	26	245	4
Operating profit before allowances	5,702	5,196	10	2,139	1,576	36	1,871	14
Allowances for impaired assets	(115)	(467)	(76)	(78)	(185)	(58)	(6)	nm
Allowances (charge)/write-back for non-impaired assets	(155)	(88)	76	(76)	22	447	(66)	14
Amortisation, tax and NCI	(990)	(756)	31	(380)	(189)	101	(318)	20
Net profit	4,442	3,885	14	1,605	1,224	31	1,481	8

Banking Operations Performance

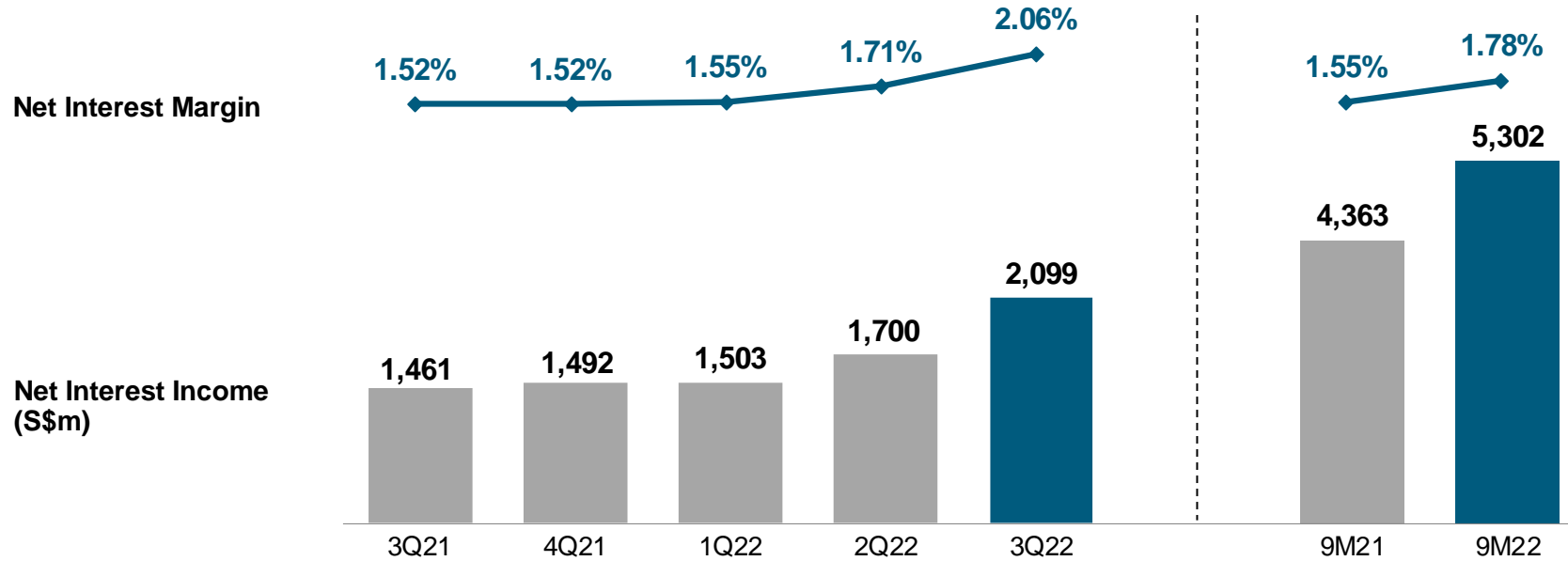
Banking Operations	9M22 S\$m	9M21 S\$m	YoY +/(-)%	3Q22 S\$m	3Q21 S\$m	YoY +/(-)%	2Q22 S\$m	QoQ +/(-)%
Net interest income	5,221	4,290	22	2,070	1,437	44	1,674	24
Non-interest income	2,295	2,512	(9)	675	806	(16)	794	(15)
Total income	7,516	6,802	10	2,745	2,243	22	2,468	11
Operating expenses	(3,466)	(3,242)	7	(1,176)	(1,104)	7	(1,161)	1
Operating profit	4,050	3,561	14	1,569	1,139	38	1,307	20
Associates	754	639	18	255	205	24	246	4
Operating profit before allowances	4,804	4,200	14	1,824	1,344	36	1,553	17
Allowances for impaired assets	(110)	(468)	(76)	(77)	(185)	(58)	(1)	nm
Allowances (charge)/write-back for non-impaired assets	(155)	(88)	78	(77)	20	484	(66)	16
Amortisation, tax and NCI	(748)	(501)	49	(298)	(131)	126	(242)	23
Net profit from banking operations	3,791	3,143	21	1,372	1,048	31	1,244	10
GEH net profit contribution	651	741	(12)	233	176	32	237	(2)
OCBC Group net profit	4,442	3,885	14	1,605	1,224	31	1,481	8

03

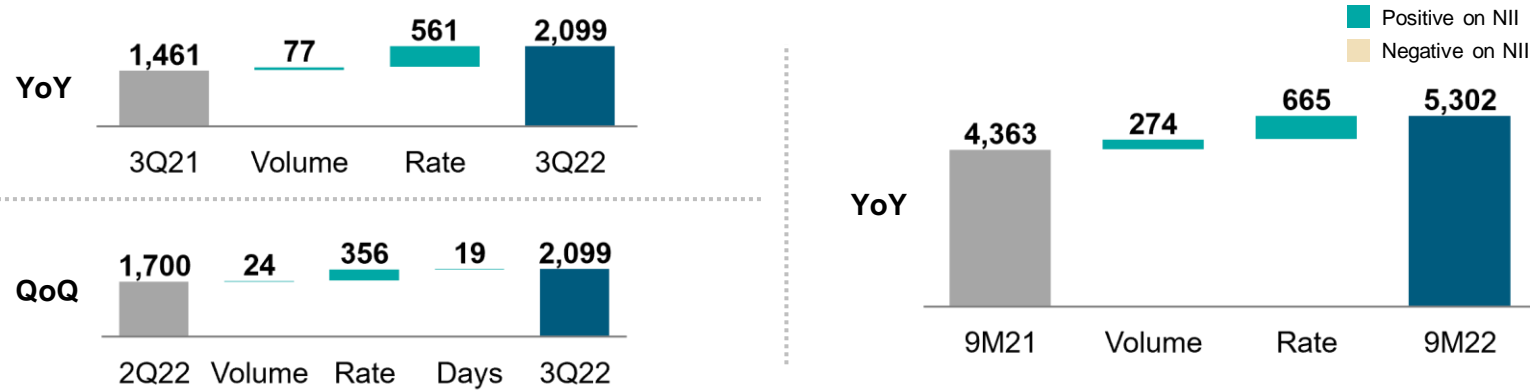
Group Performance Trends



Net Interest Income



Volume and Rate Analysis (S\$m)

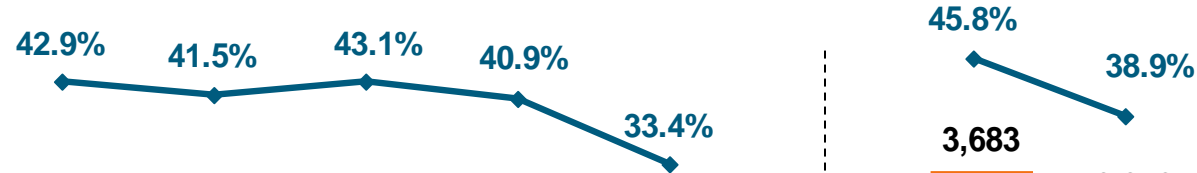


9M22		3Q22	
YoY	+22%	YoY	+44%
		QoQ	+23%

- 3Q22 and 9M22 NII at new high, driven by NIM expansion and asset growth
- NIM increased for the quarter with improved margins across key markets, attributable to higher asset yields which outpaced the rise in funding costs

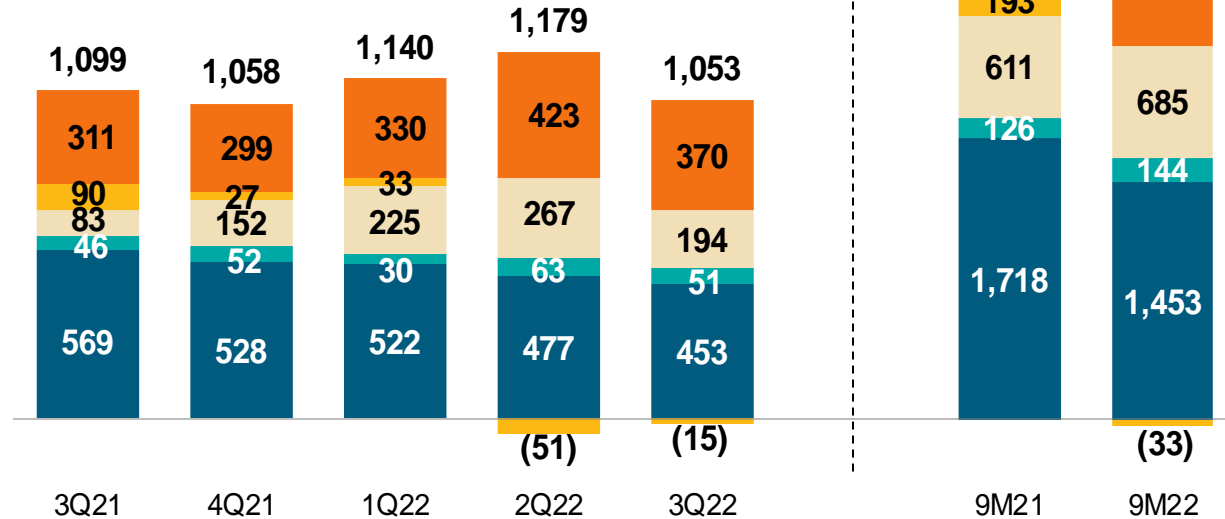
Non-interest Income

% of Group Income



Non-interest Income (S\$m)

- Life & General Insurance
- Net gains from investment securities and others
- Trading income
- Dividends, rental and property-related income
- Net fees & commissions



9M22		3Q22	
YoY	-8%	YoY	-4%
		QoQ	-11%

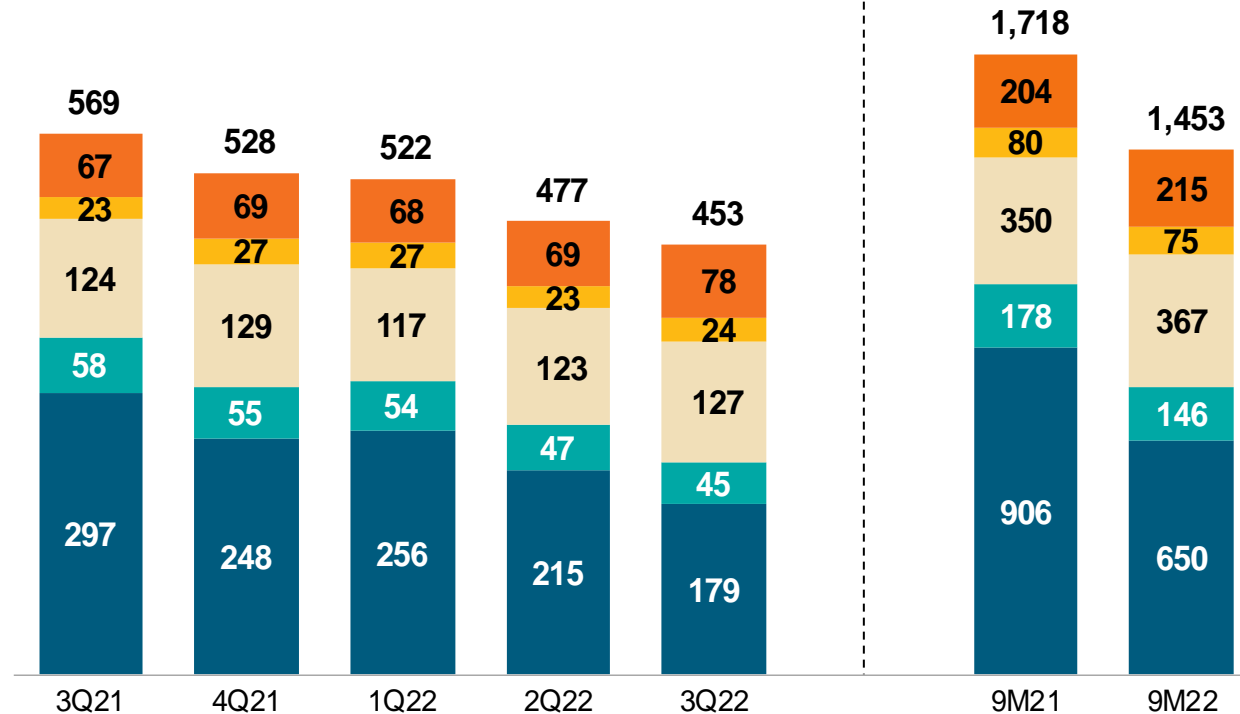
- 3Q22 non-II declined YoY from lower fee income and from disposal of investment securities, partly offset by higher trading and insurance income
- 3Q22 non-II below last quarter, largely due to lower trading and insurance income

Net Fees & Commissions

9M22		3Q22	
YoY	-15%	YoY	-20%
		QoQ	-5%

Net Fees & Commissions (S\$m)

- Others ^{2/}
- Investment Banking
- Loan, Trade, Guarantees & Remittances
- Brokerage & Fund Management
- Wealth Management ^{1/}



- Fee income in 3Q22 lower YoY from decline in WM fees as a result of subdued customer activities amid global risk-off investment sentiments
- Growth in other fee segments for the quarter, including credit card, and loan and trade-related fees, helped to partly offset YoY drop in WM fees



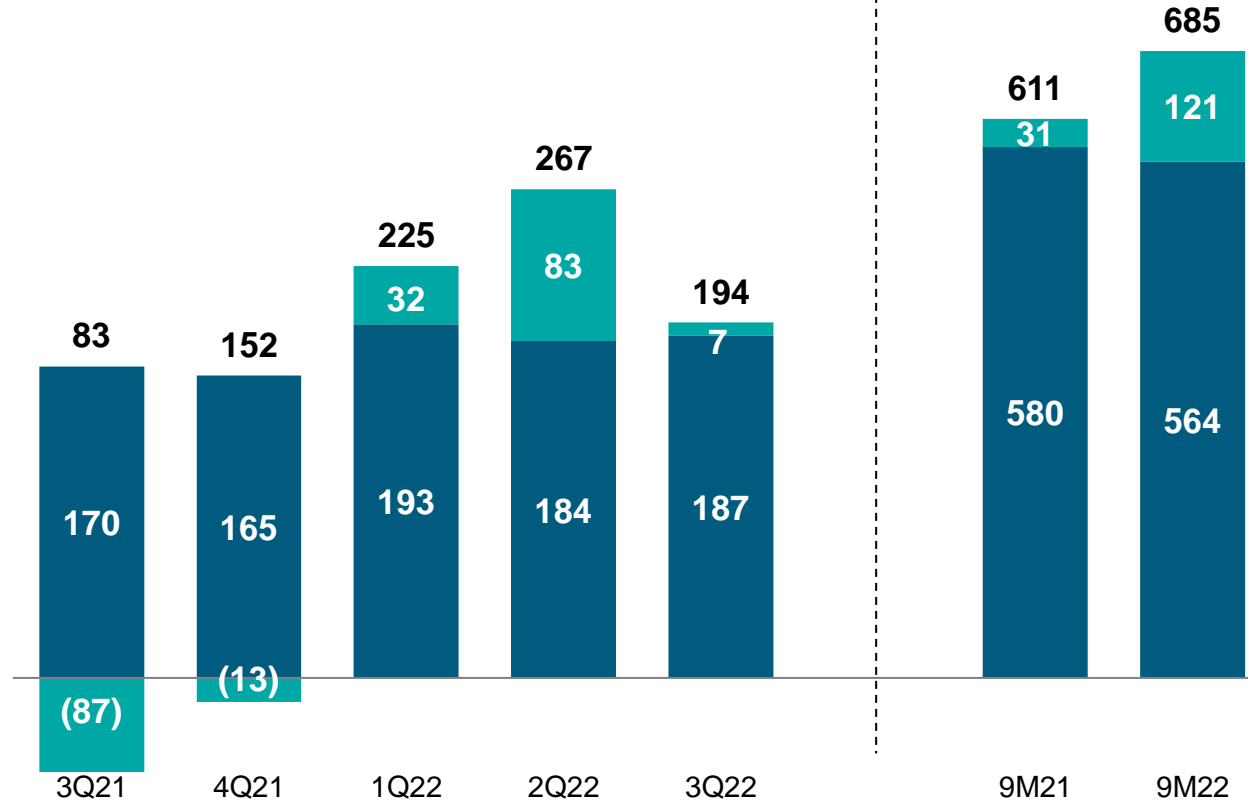
1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

2/ "Others" includes credit card fees, service charges and other fee and commission income.

Trading Income

Trading Income (S\$m)

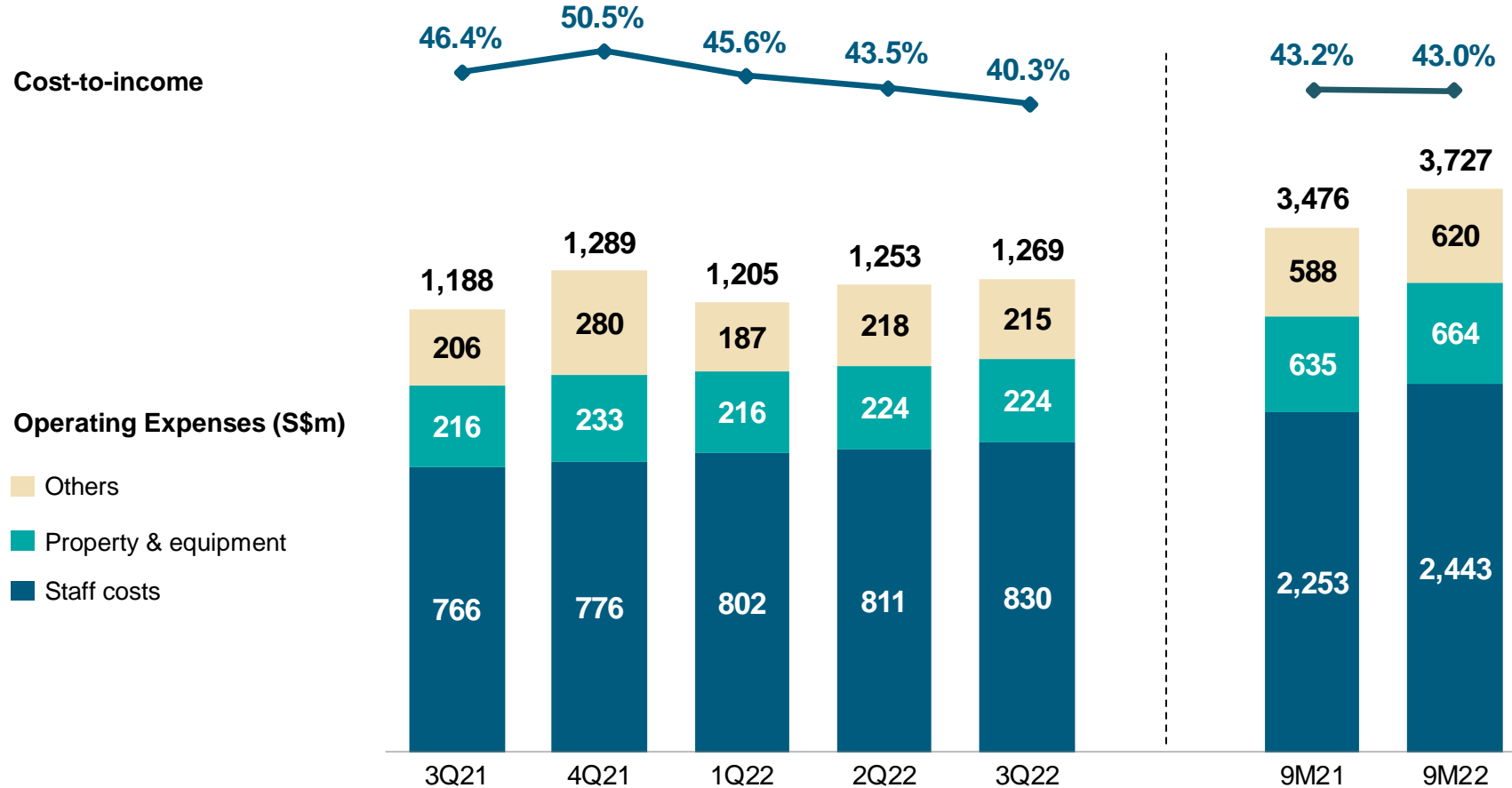
■ Non-Customer Flow
■ Customer Flow



9M22		3Q22	
YoY	+12%	YoY	+134%
		QoQ	-27%

- 3Q22 trading income higher YoY
- Trading income declined QoQ as the rise in customer flow treasury income was offset by decrease in non-customer flow treasury income, partly attributable to weaker investment performance

Operating Expenses



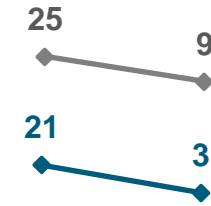
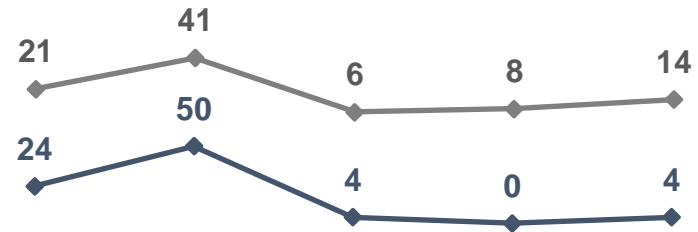
9M22		3Q22	
YoY	+7%	YoY	+7%
		QoQ	+1%

- 3Q22 expenses increased YoY largely from higher staff costs associated with headcount growth to support business expansion and annual salary adjustments
- Against previous quarter, expenses were up 1%
- Cost-to-income ratios for 3Q22 and 9M22 improved as income outpaced expense growth

Allowances

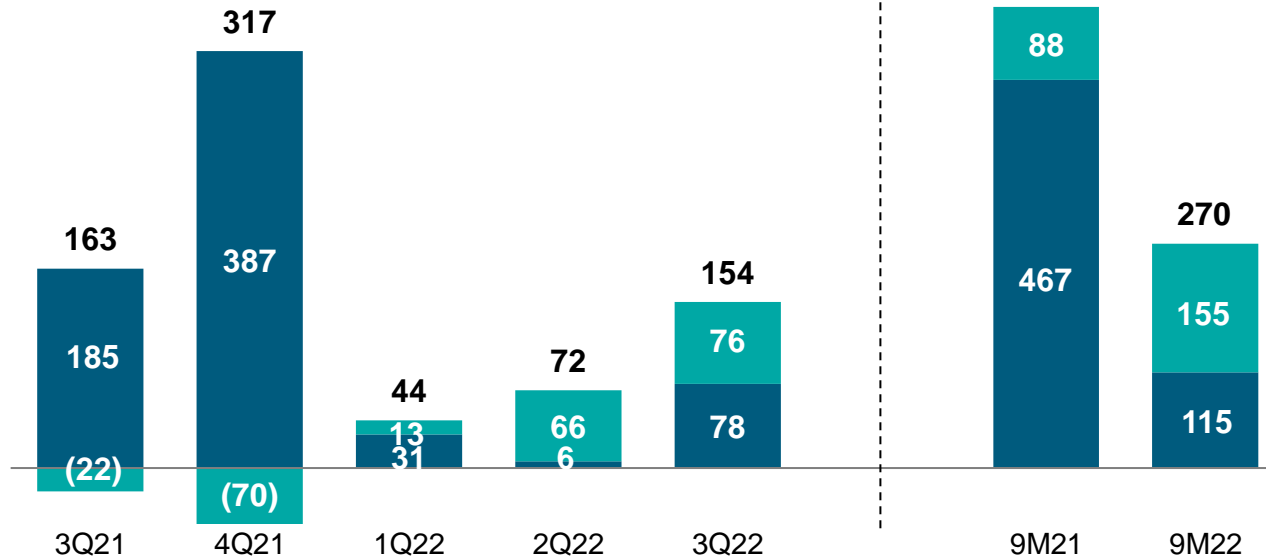
Credit costs (bps) ^{1/}

- Total
- Impaired



Allowances (S\$m)

- Allowances for non-impaired assets (ECL stage 1 and 2)
- Allowances for impaired assets (incl. ECL stage 3)



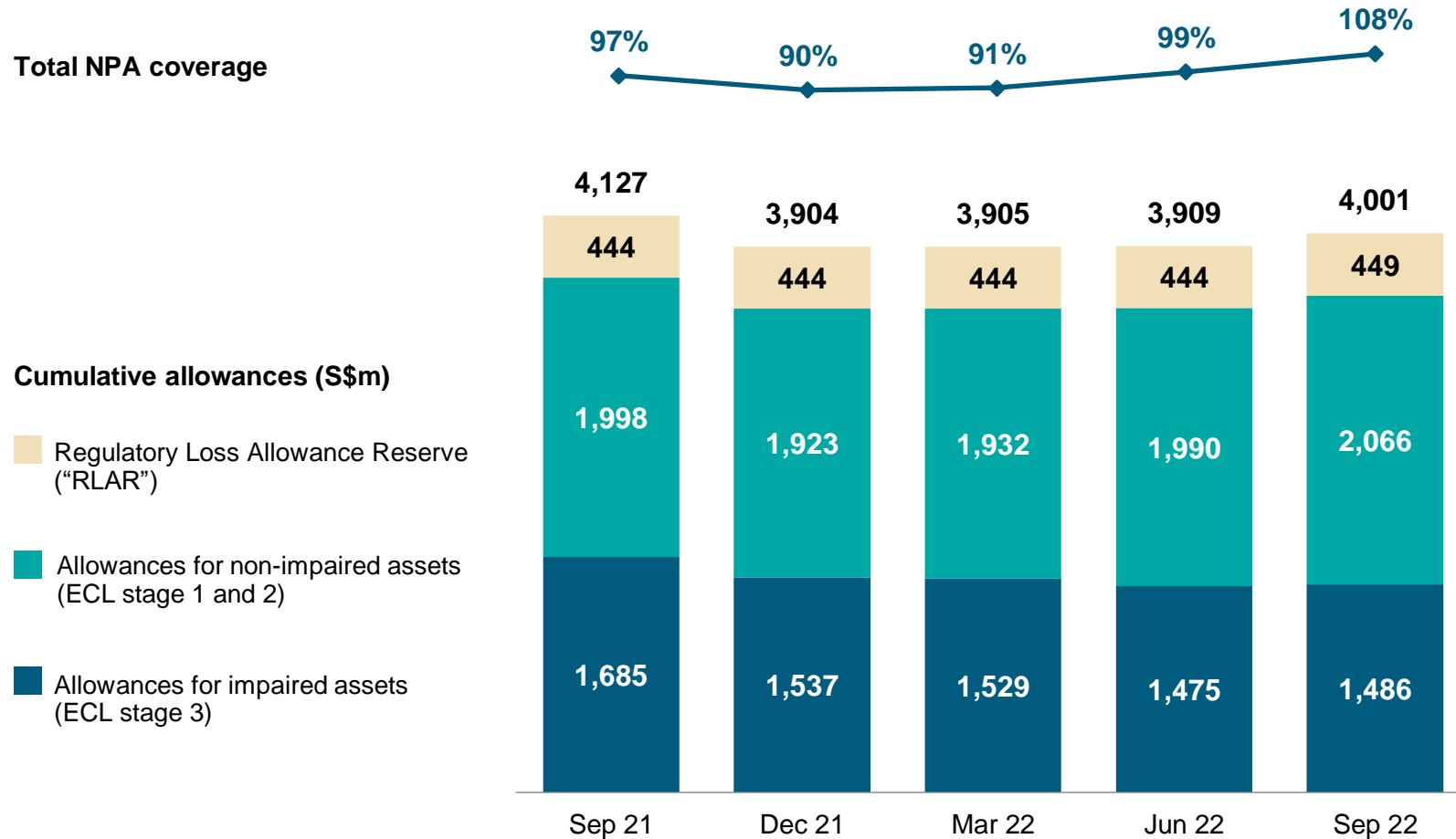
9M22		3Q22	
YoY	-51%	YoY	-6%
		QoQ	+112%

- 9M22 credit costs on loans at 9bps on an annualised basis
- Allowances for impaired assets in 3Q22 included S\$47m in impairment for the Group's overseas properties
- 3Q22 allowances for non-impaired assets included macro-economic variable adjustments in the Expected Credit Loss model to reflect market conditions



^{1/} Credit costs refer to allowances for loans as a percentage of average loans, on annualised basis.

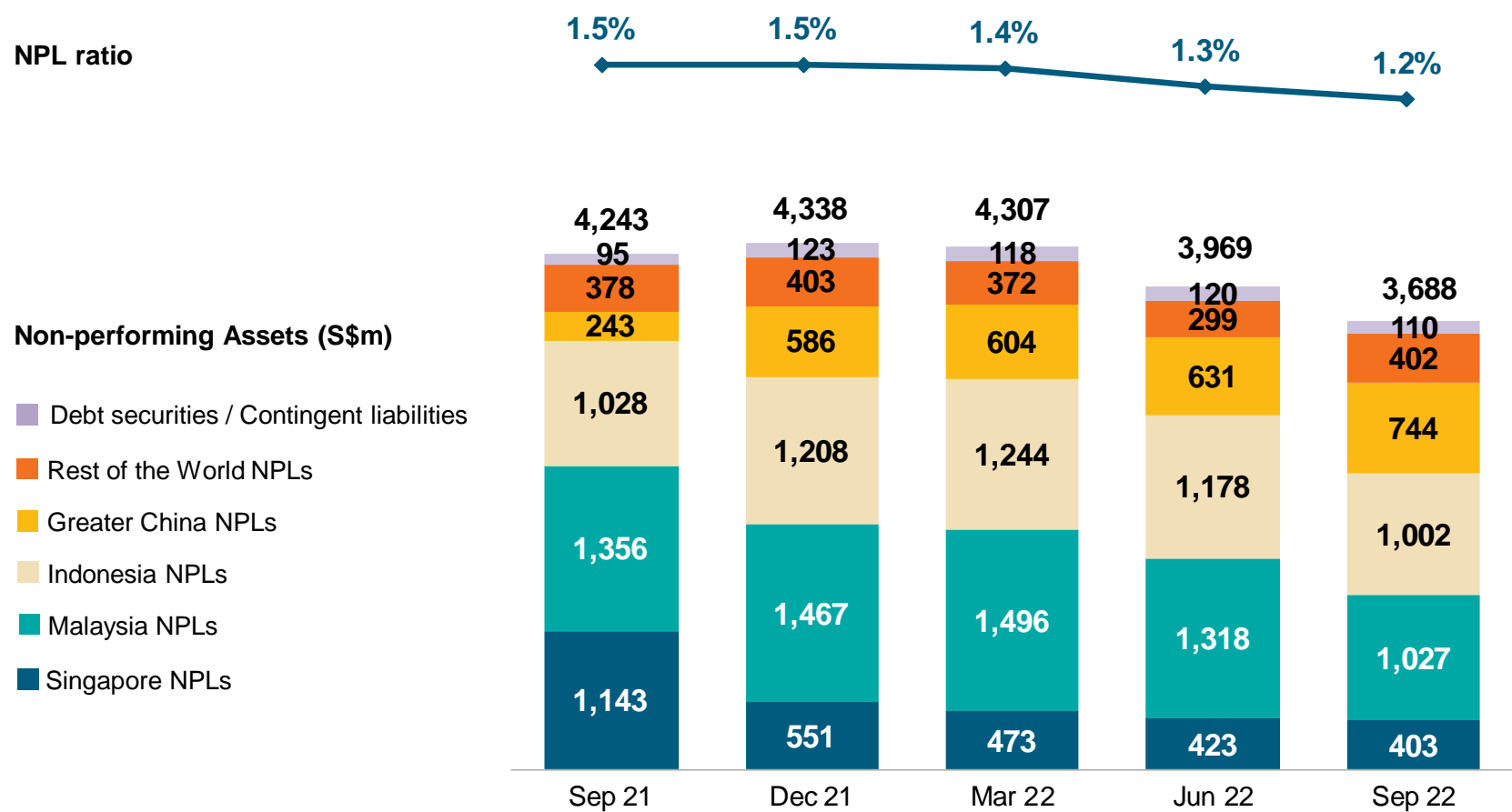
Total Cumulative Allowances



Sep 22 | YoY -3%
QoQ +2%

■ NPA coverage ratio rose to 108%

Asset Quality



Sep 22 | YoY **-13%**
QoQ **-7%**

- NPL ratio continued to trend lower
- QoQ increase in Greater China NPLs largely related to one network customer name, which is highly secured with LTV <60%



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

Asset Quality

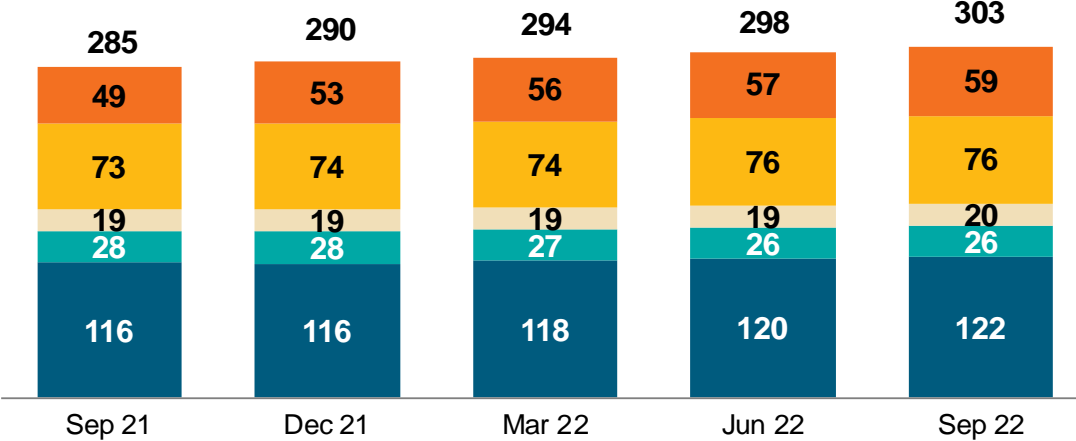
S\$m	3Q21	2Q22	3Q22	9M21	9M22
At start of period	4,082	4,307	3,969	4,005	4,338
New NPAs					
Corporate/ Commercial Banking and Others	435	102	304	1,035	495
Consumer Banking/ Private Banking	369	80	164	803	379
	804	182	468	1,838	874
Net recoveries/ upgrades					
Corporate/ Commercial Banking and Others	(271)	(237)	(310)	(686)	(614)
Consumer Banking/ Private Banking	(88)	(182)	(359)	(267)	(642)
	(359)	(419)	(669)	(953)	(1,256)
Write-offs					
Corporate/ Commercial Banking and Others	(311)	(58)	(44)	(650)	(143)
Consumer Banking/ Private Banking	(16)	(15)	(16)	(55)	(47)
	(327)	(73)	(60)	(705)	(190)
Foreign currency translation	43	(28)	(20)	58	(78)
At end of period	4,243	3,969	3,688	4,243	3,688

- 3Q22 NPAs down QoQ, driven by higher recoveries/ upgrades
- Recoveries/ upgrades for the quarter mainly from corporate and consumer accounts in Malaysia and Indonesia

Customer Loans

Loans by Geography (\$b)

- Rest of the world
- Greater China
- Indonesia
- Malaysia
- Singapore



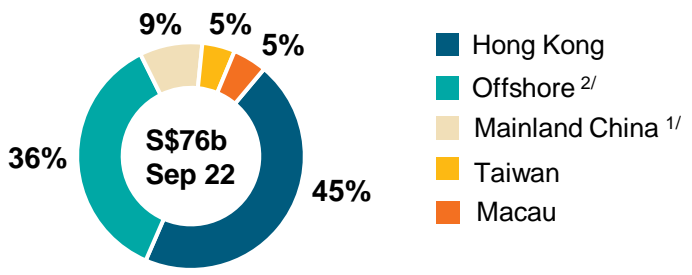
Sep 22

YoY +6%
+7% in constant ccy terms

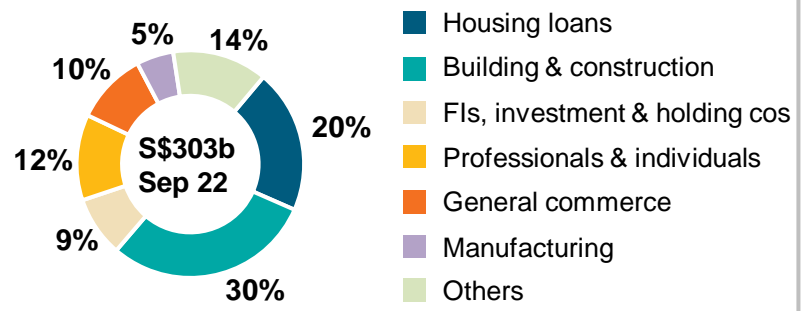
QoQ +2%
+1% in constant ccy terms

- Loans up YoY from Singapore, Indonesia, Greater China, USA, Australia and UK
- Corporate, SME and Consumer/Private Banking comprise 53%, 10% and 37% of loan book respectively
- Green and sustainable finance loans made up 9% of total loans
- UK loans amounted to 4% of total loans, mostly to network customers
- Onshore China corporate real estate loans made up <1% of loan book, mainly lending to network customers

Greater China Loans

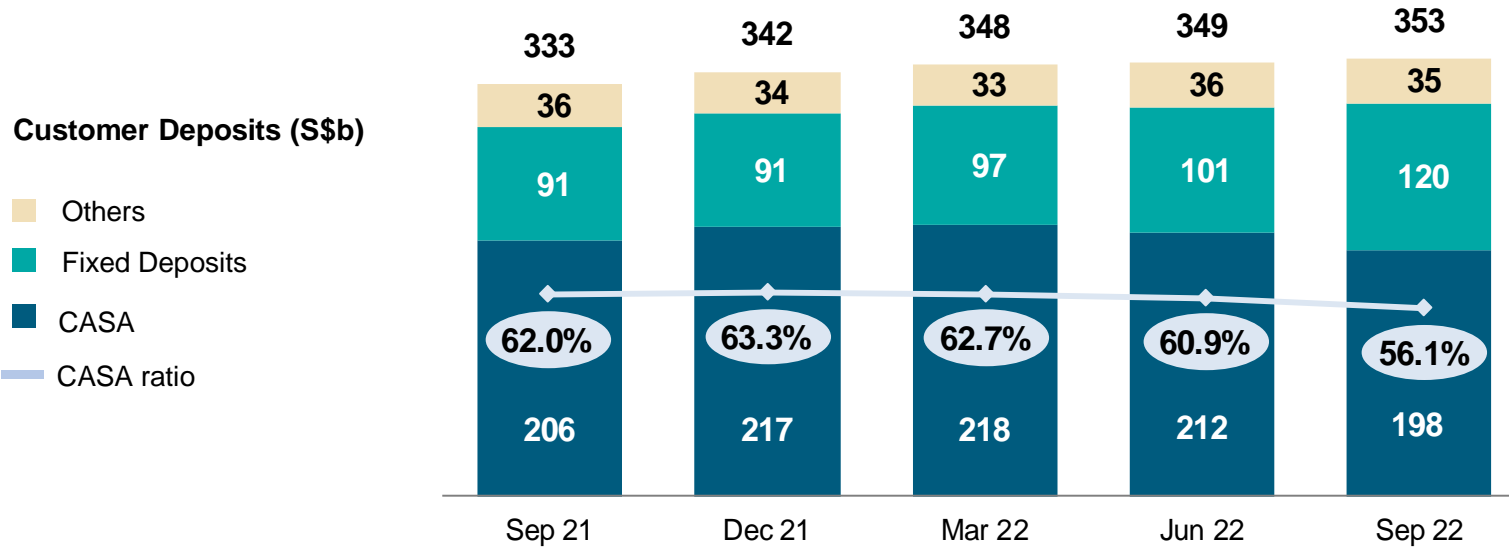
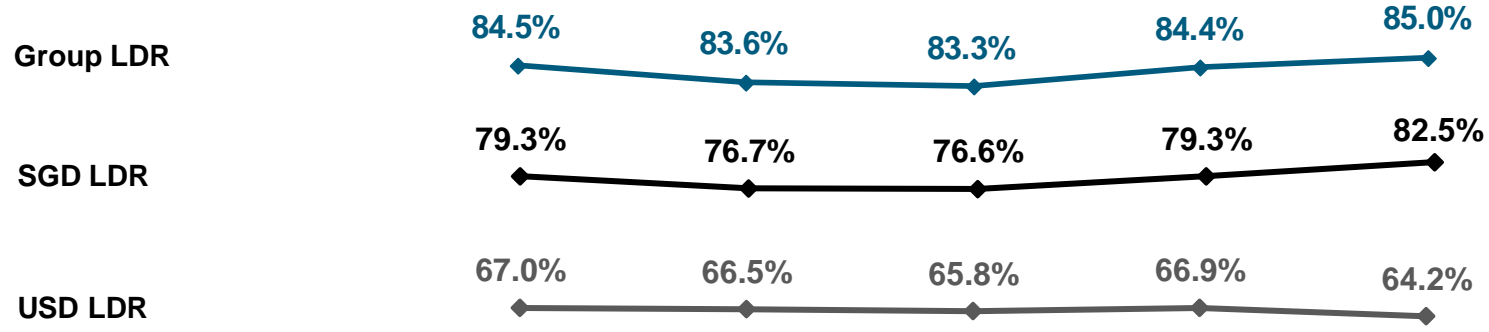


Loans by Industry



Notes: Based on where the credit risks reside.
 1/ Loans booked in China, where credit risks reside.
 2/ Loans booked outside of China, but with credit risks traced to China.

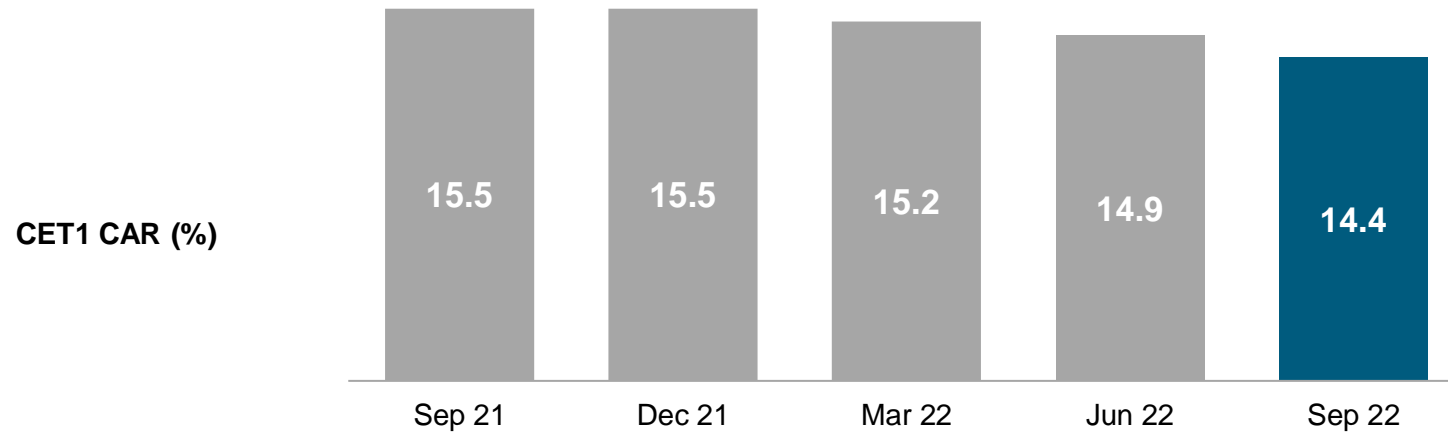
Customer Deposits



Sep 22 | YoY **+6%**
QoQ **+1%**

■ Customer deposits higher YoY and QoQ, driven by growth in fixed deposits

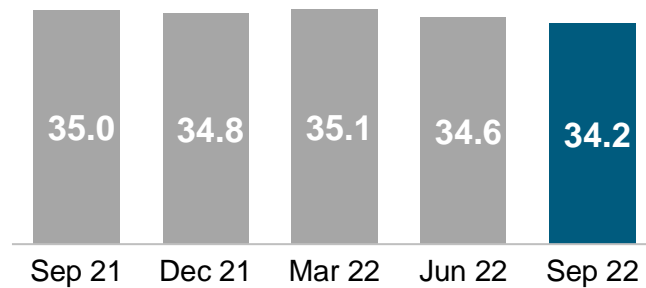
Capital



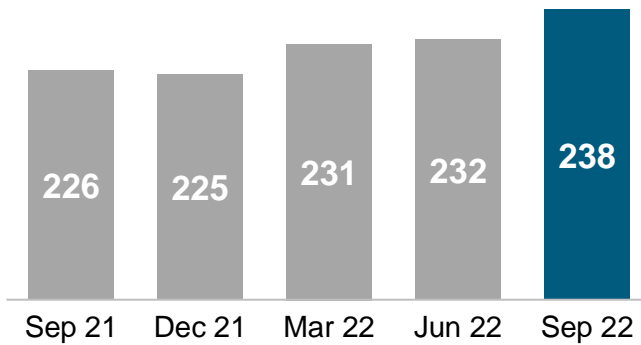
Sep 22 | YoY -1.1ppt
QoQ -0.5ppt

- CET1 ratio of 14.4%
- RWA up QoQ largely from loan growth

CET1 Capital (S\$b)



RWA (S\$b)



Thank you