OCBC Bank

Third Quarter 2022 Results Highlights

4 November 2022

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OCBC Financial Results

Agenda

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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**

		QoQ	YoY
Total Income	**S$3.15b**	+9%	**+23%**
Net Interest Income		+23%	**+44%**
Non-Interest Income		-11%	**-4%**
Operating Expenses	**S$1.27b**	+1%	**+7%**
ROE *(annualised)*	**12.4%**	+0.9ppt	**+2.9ppt**
Net Interest Margin	**2.06%**	+35bps	**+54bps**
Customer Loans	**S$303b**	+2%	**+6%**
Customer Deposits	**S$353b**	+1%	**+6%**
NPL Ratio	**1.2%**	-0.1ppt	**-0.3ppt**
Credit Costs	**14bps**	+6bps	**-7bps**
CET1 CAR	**14.4%**	-0.5ppt	**-1.1ppt**

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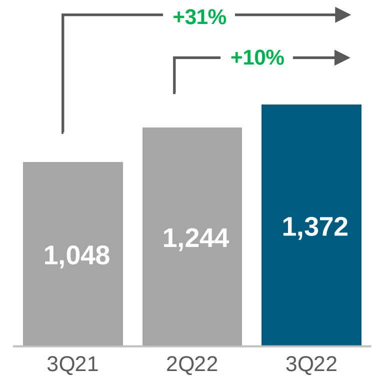
- Group 3Q net profit at new high; ROE at 12.4%
- Net interest income surpassed S$2b for the first time
- Non-II lower YoY as softer WM fees and investment performance offset higher trading and insurance income
- Cost-to-income ratio improved to 40.3%
- Sustained growth in loans and deposits
- NPL ratio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

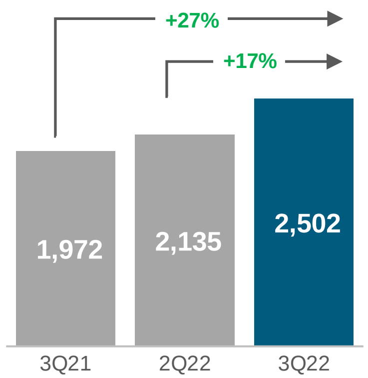
Financial Highlights

Banking

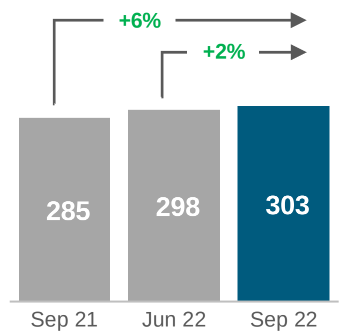
Net Profit (S$m)



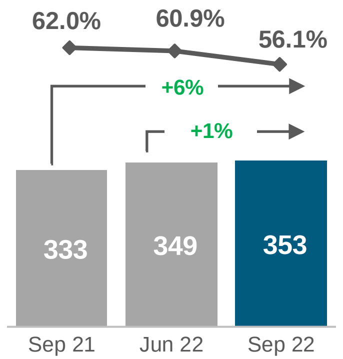
NII and Fee Income (S$m)



Customer Loans (S$b)

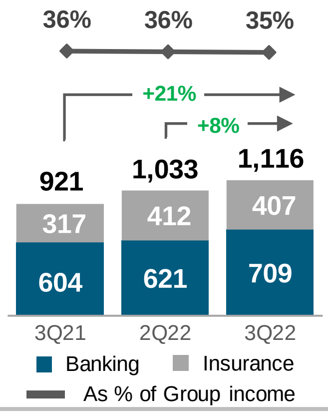


Customer Deposits (S$b) and CASA ratio

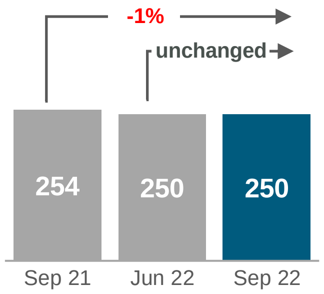


Wealth Management

WM Income (S$m) 1/

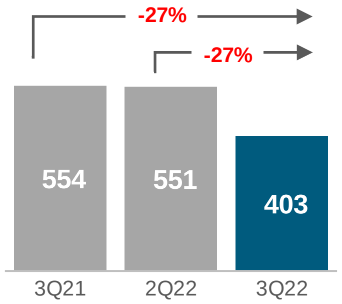


WM AUM (S$b)

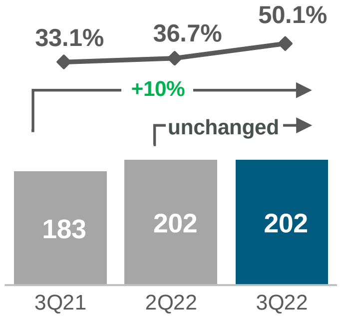


Insurance

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

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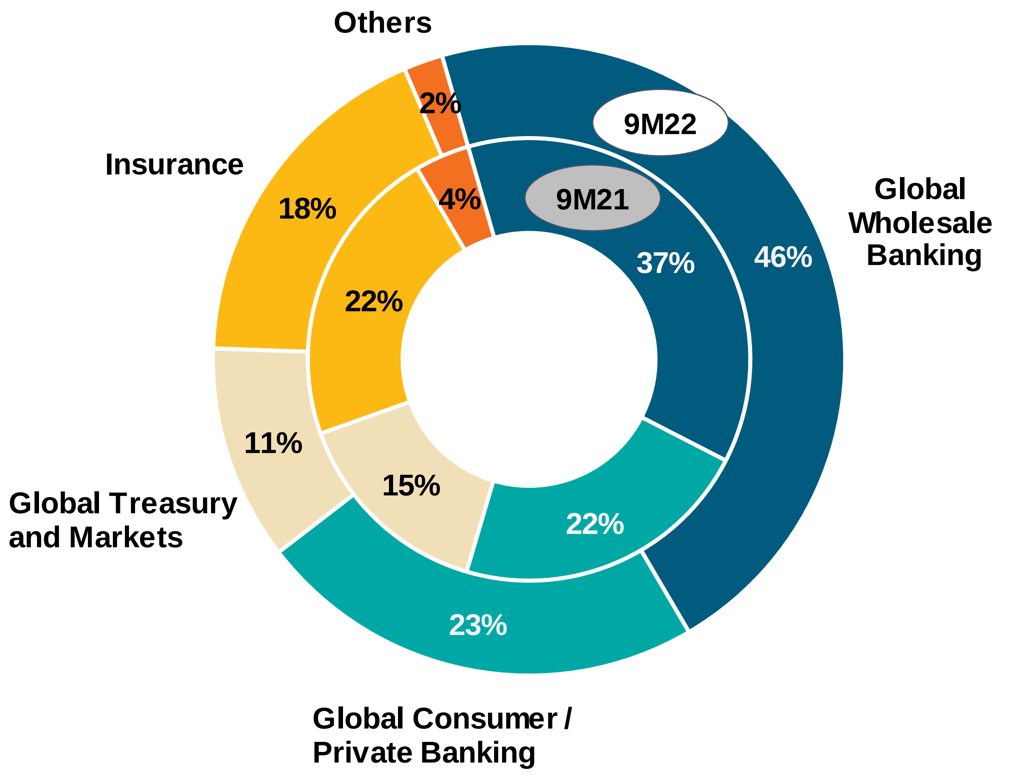
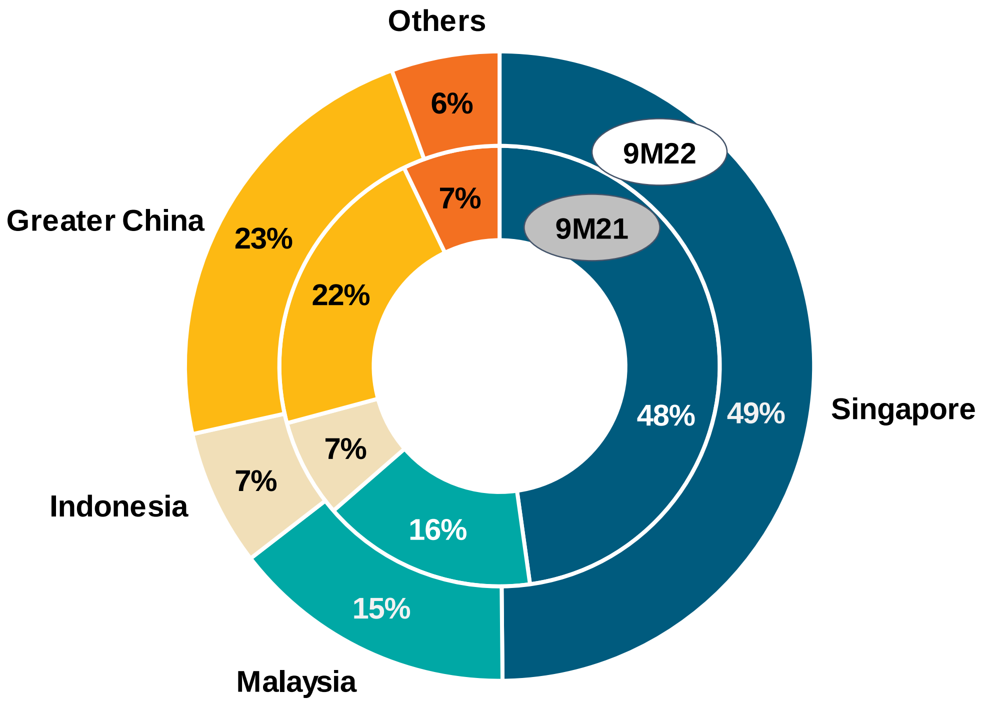
1/ Wealth Management income comprises the consolidated income from insurance, private banking, premier private client, premier banking, asset management and stockbroking.

Earnings Well-Diversified Across Business and Geography

Operating Profit by Business



Operating Profit by Geography

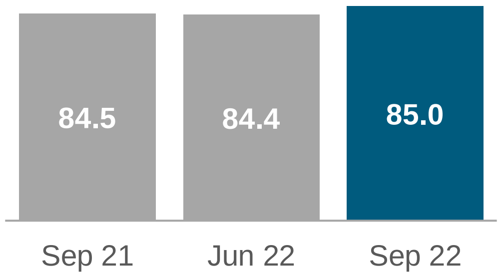


Note: Operating profit by business excluded associates.

Robust Balance Sheet Position

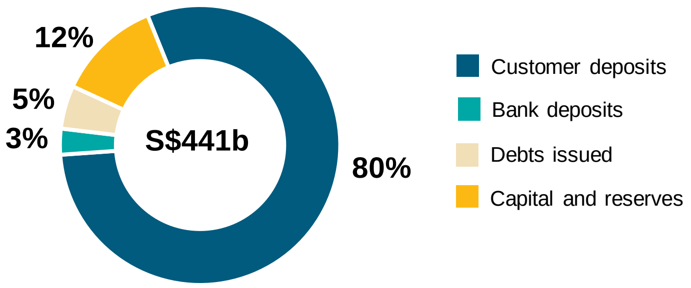
Loans-to-Deposits Ratio

Group LDR (%)



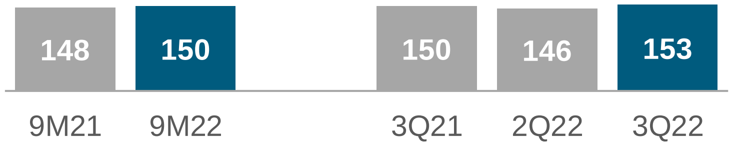
Funding

Composition as at Sep 22

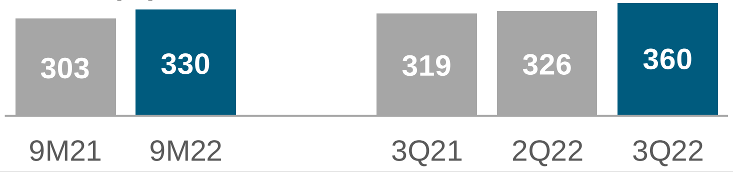


Liquidity

All-ccy LCR (%)

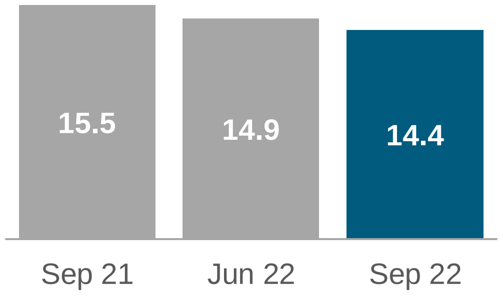


SGD LCR (%)



Capital

CET1 CAR (%)



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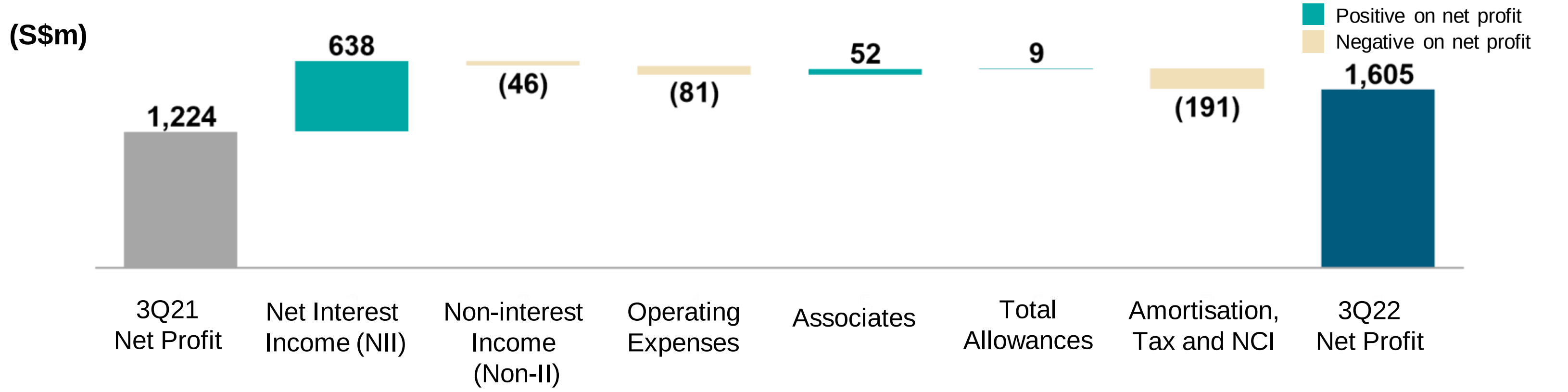
- Aa1 credit rating from Moody's and AA- from both Fitch and S&P
- Strong funding, liquidity and capital position provide resiliency to support growth
- Funding composition stable with around 80% of funding from customer deposits
- NSFR at 115% and leverage ratio at 6.8%
- Regulatory ratios well above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

02

Financial Highlights

3Q22 Group Net Profit

YoY Movement



QoQ Movement

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3Q22 | **YoY +31%** **QoQ +8%**

YoY

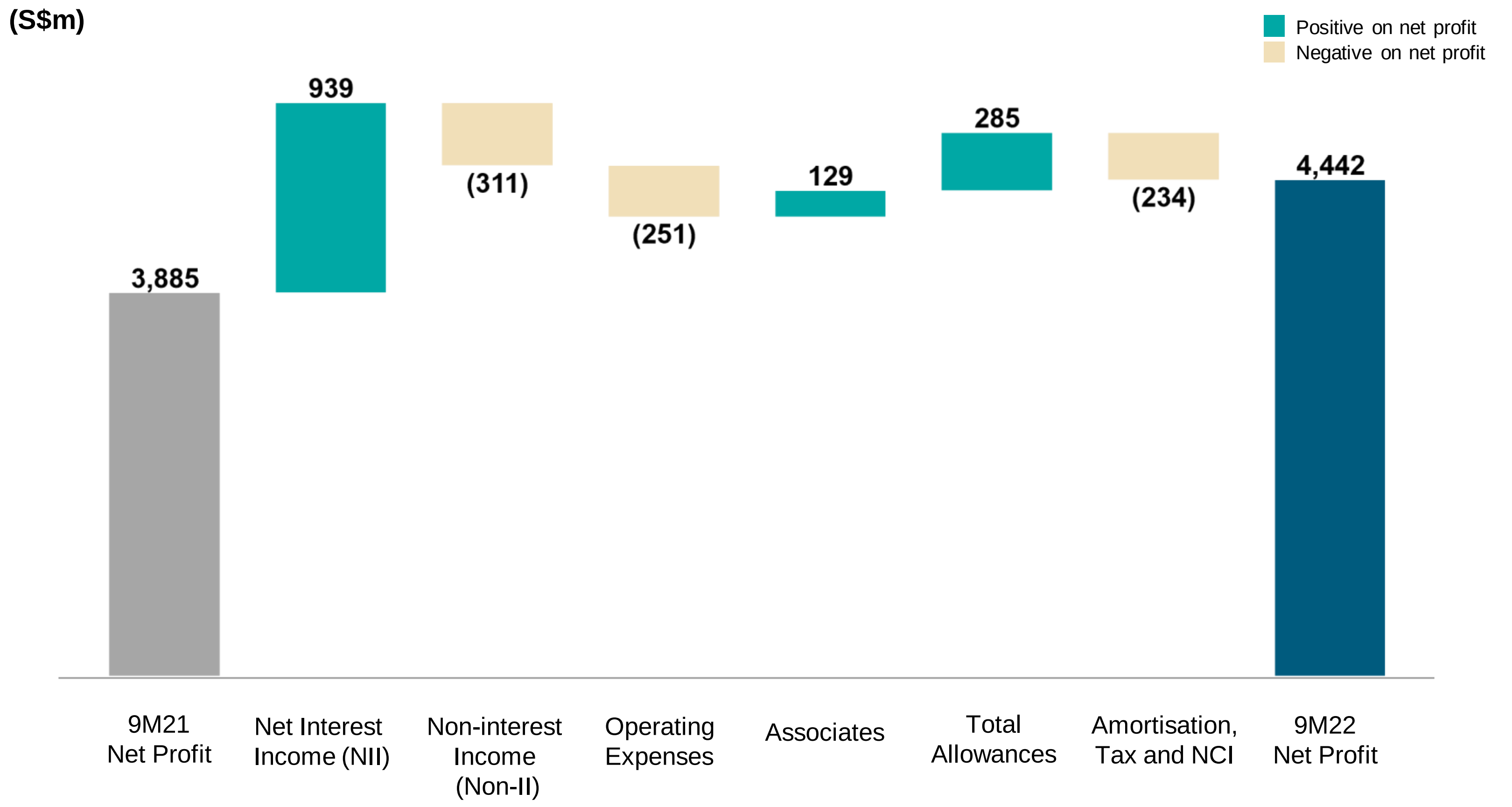
- Increase in net profit underpinned by strong rise in NII from higher NIM and asset growth

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**

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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**

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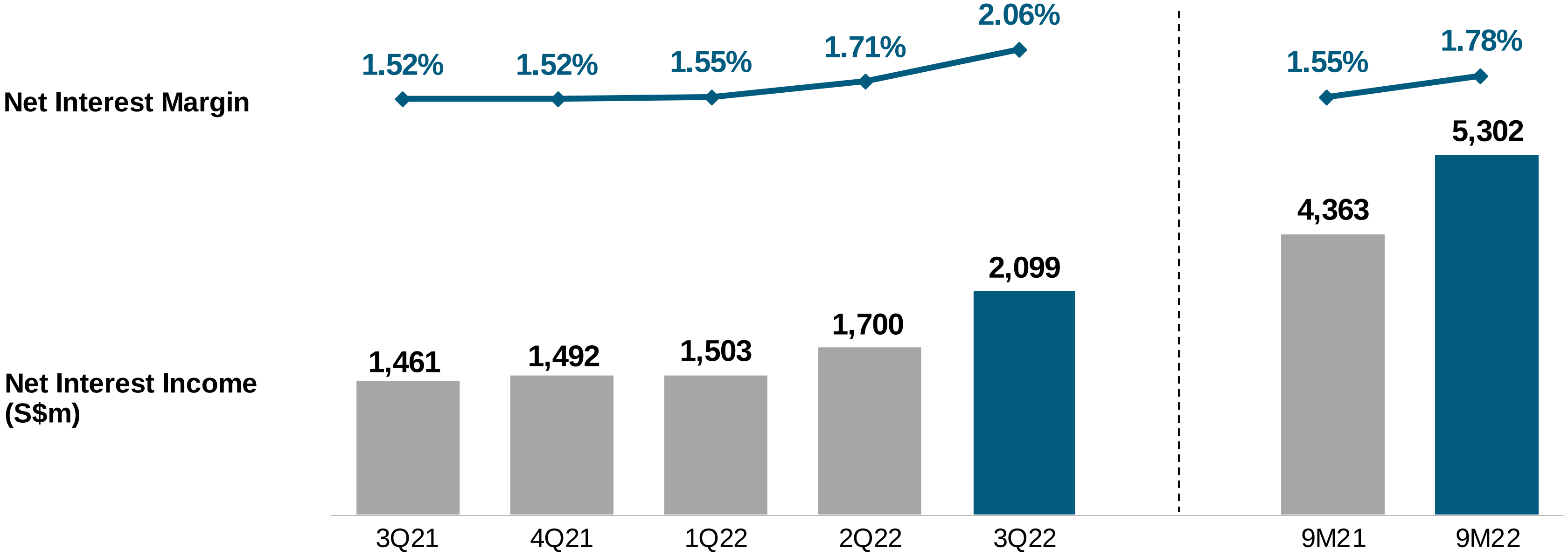
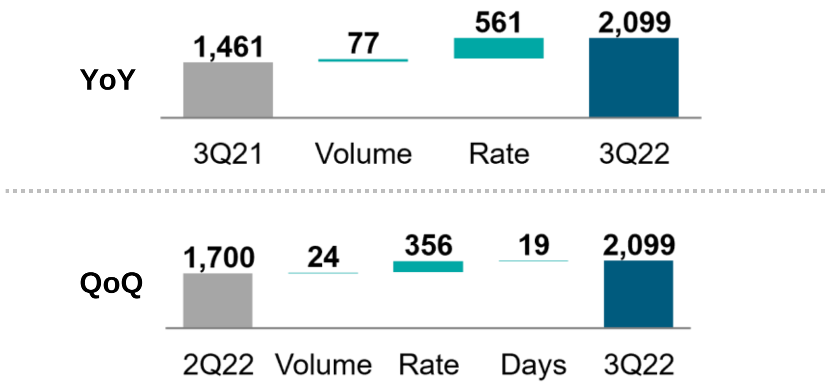
03

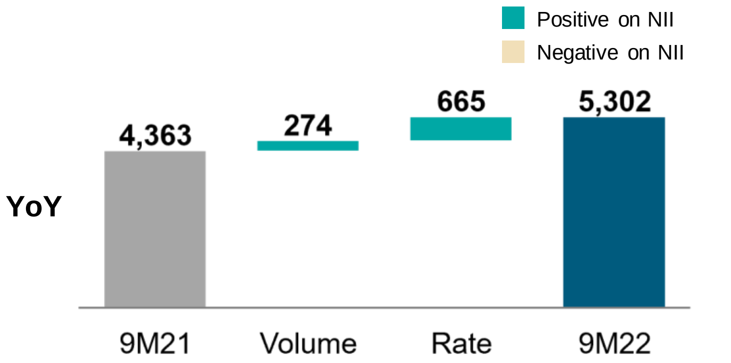
Group Performance Trends

Net Interest Income



Volume and Rate Analysis (S$m)





9M22
YoY +22%

3Q22
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

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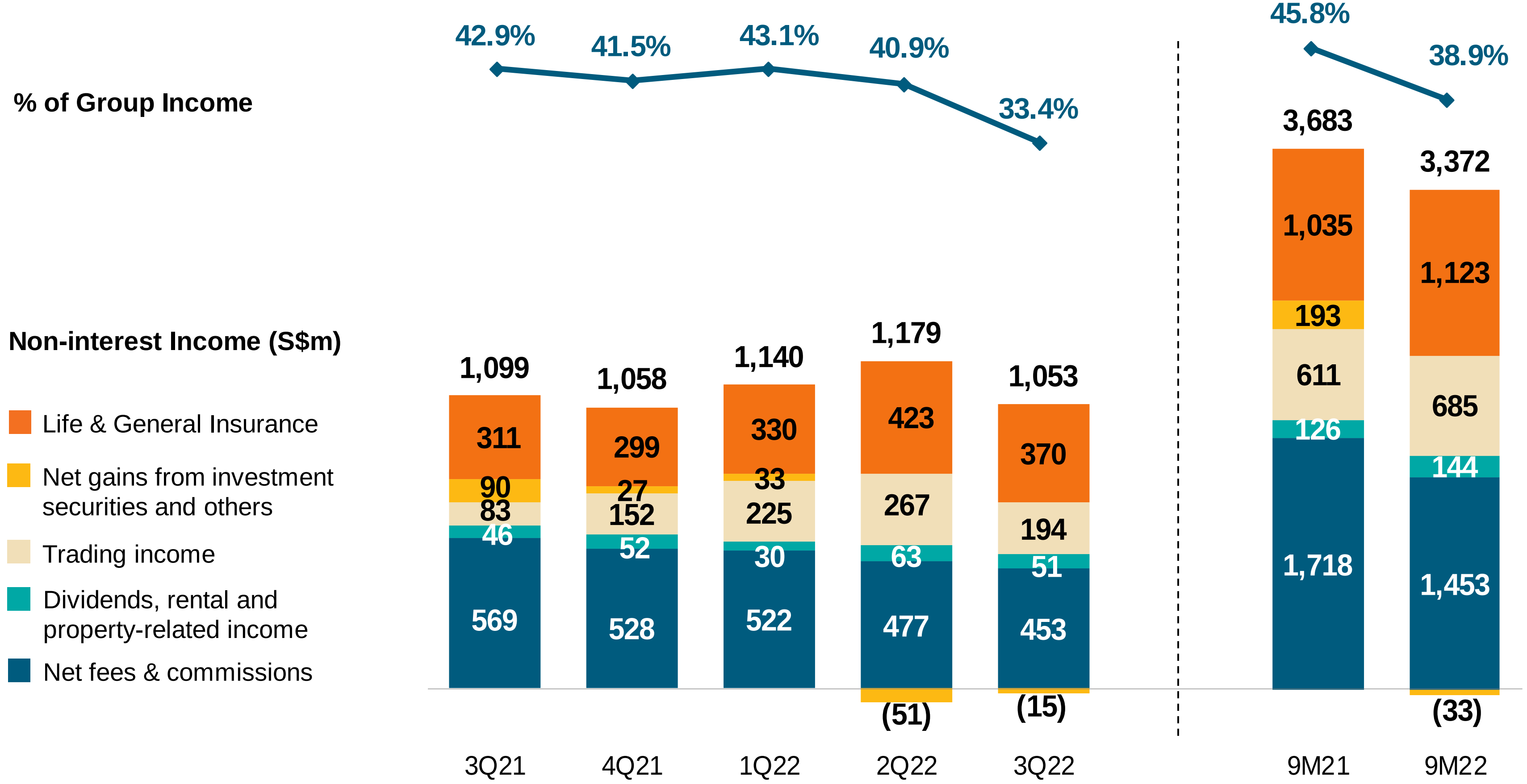
Non-interest Income



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

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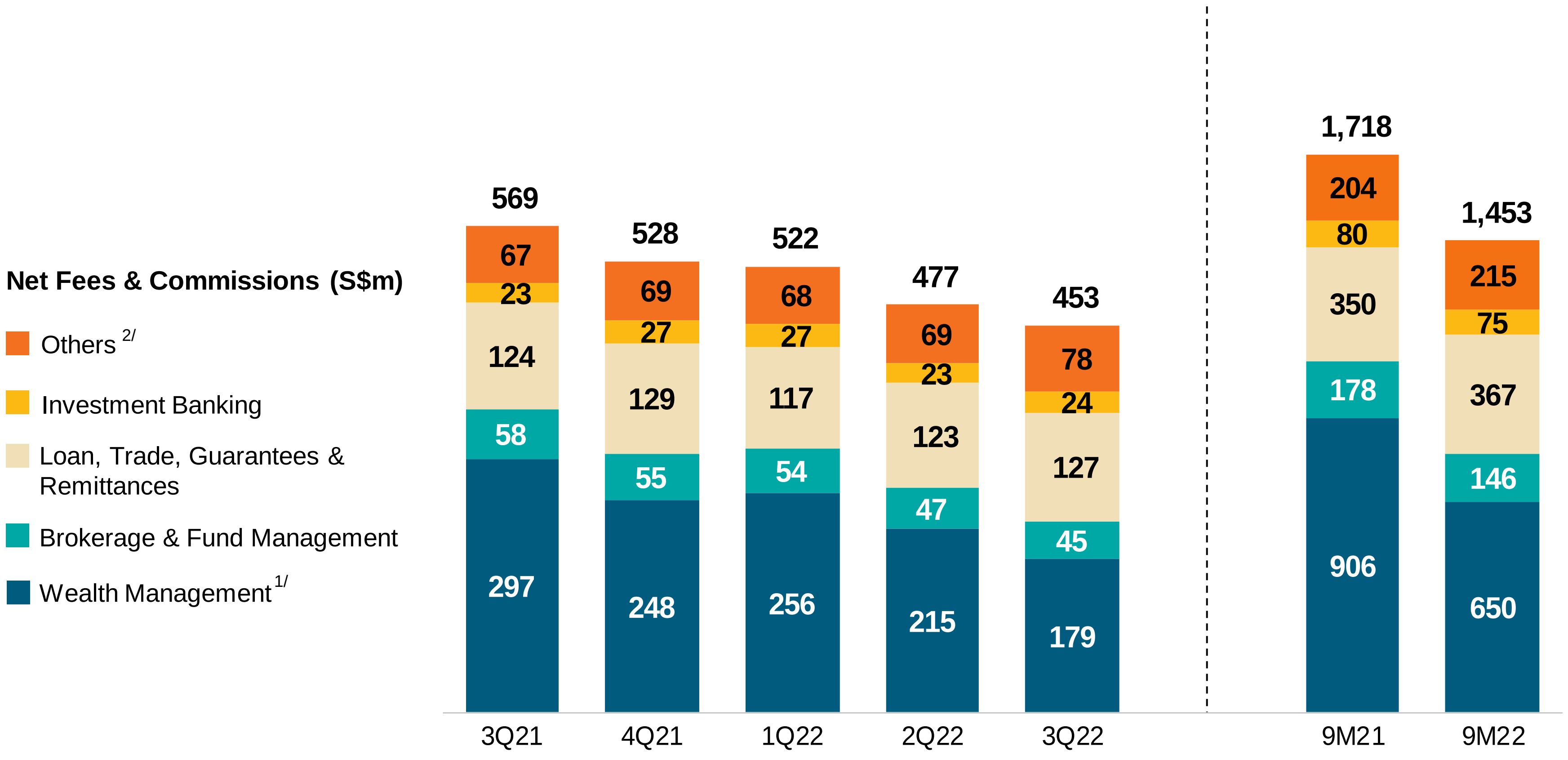
Net Fees & Commissions



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

- 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

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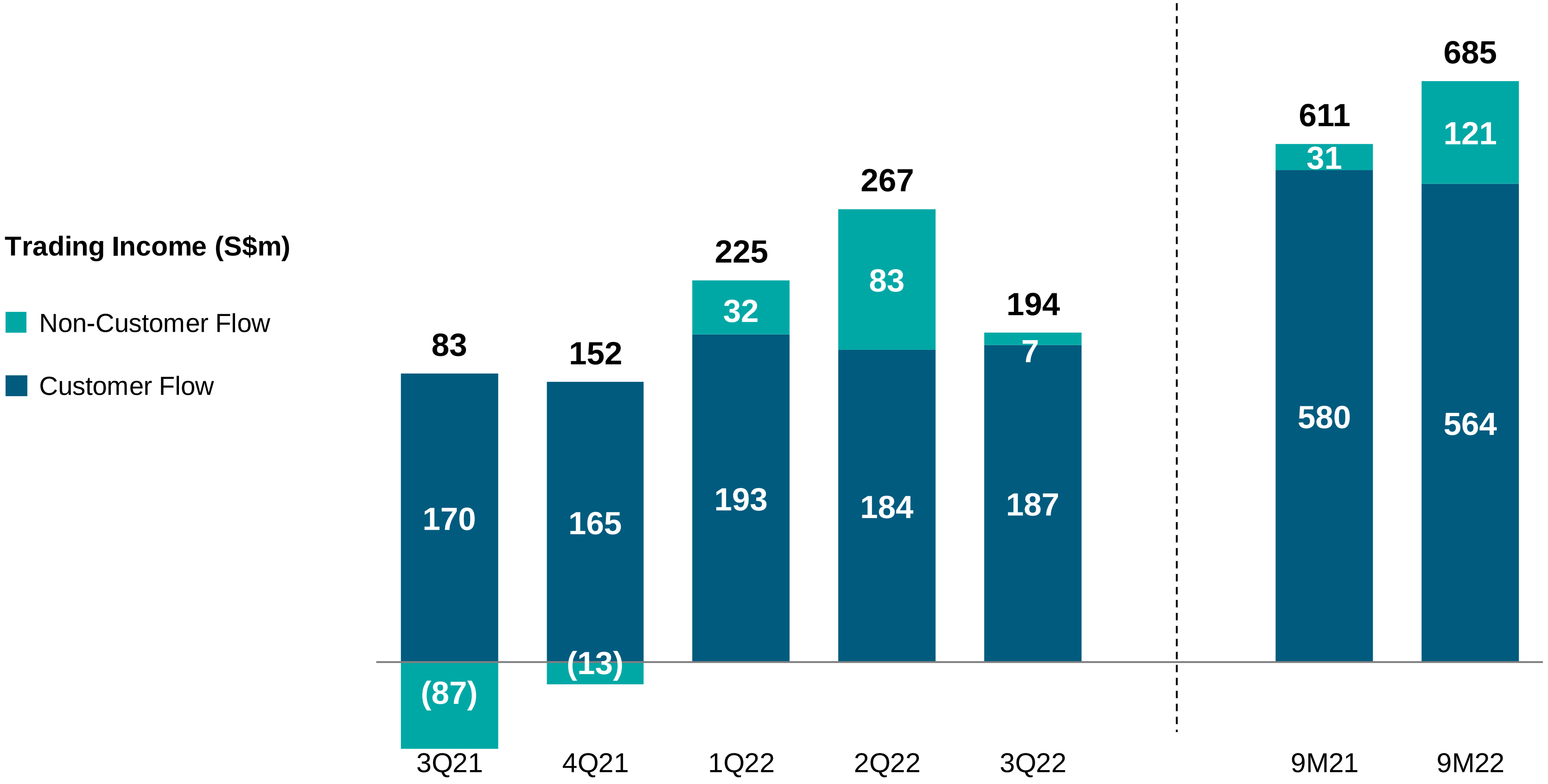
1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

Trading Income



9M22

YoY +12%

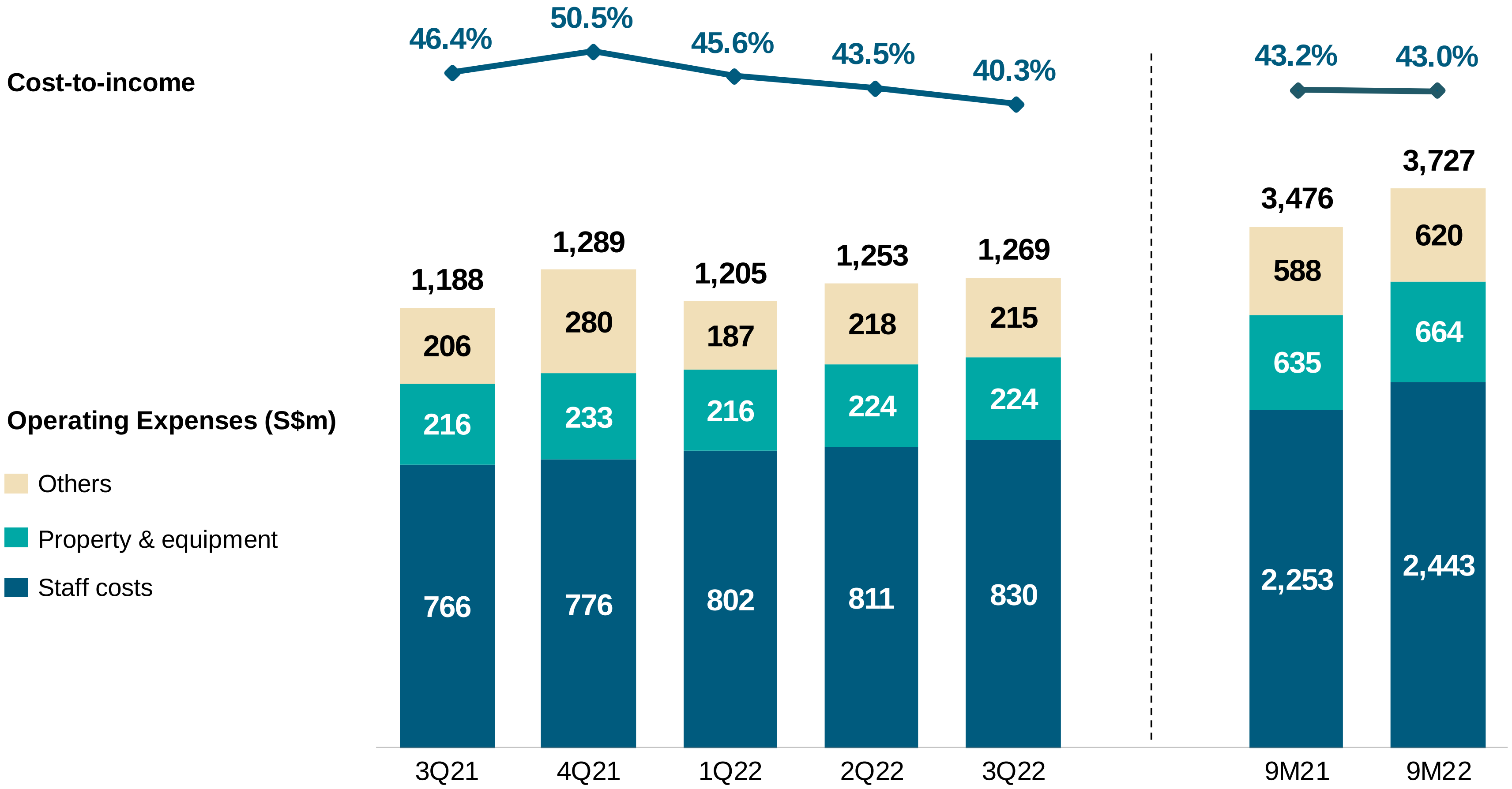
3Q22

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
YoY +7%

3Q22
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

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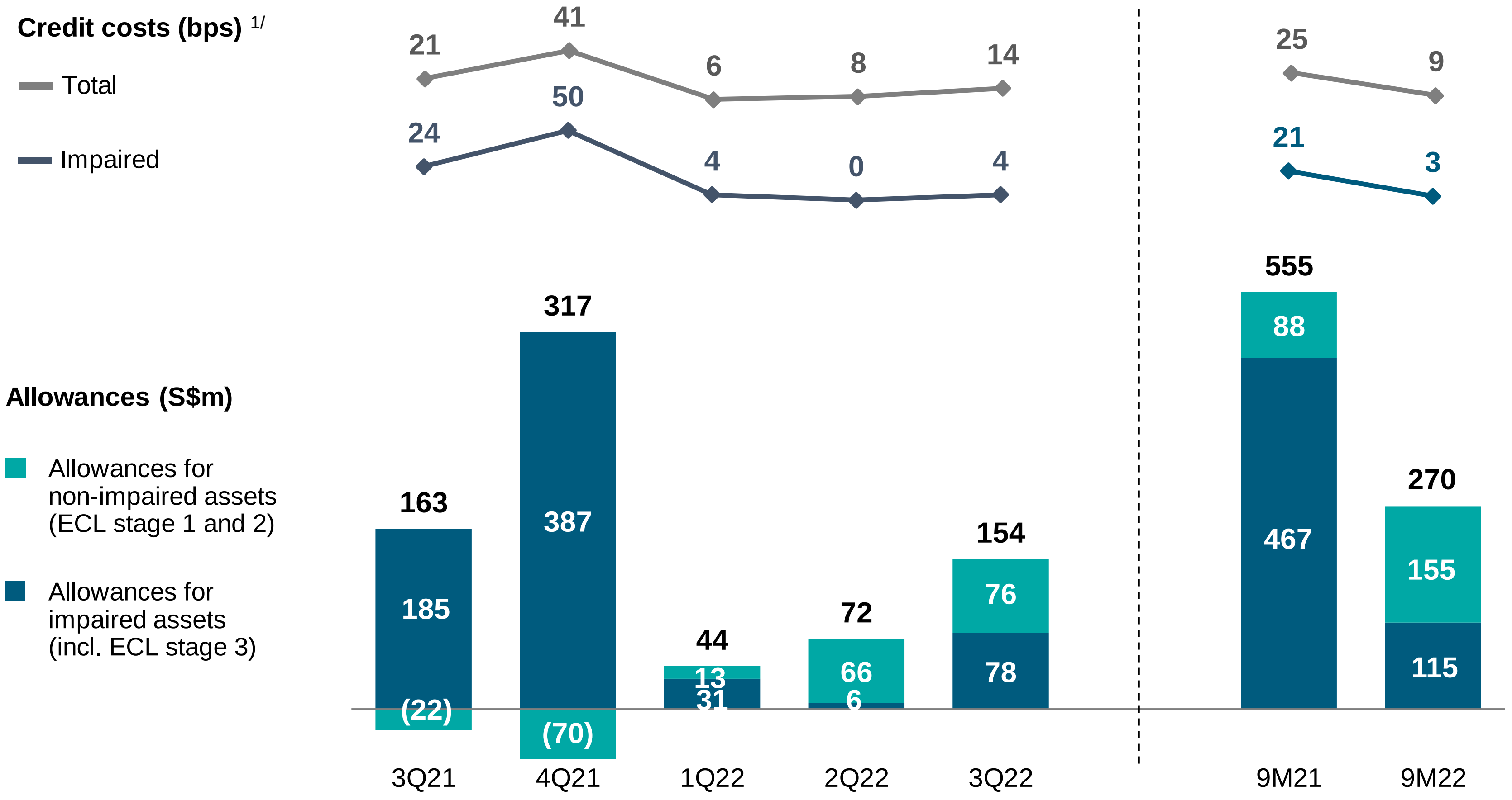
Allowances



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

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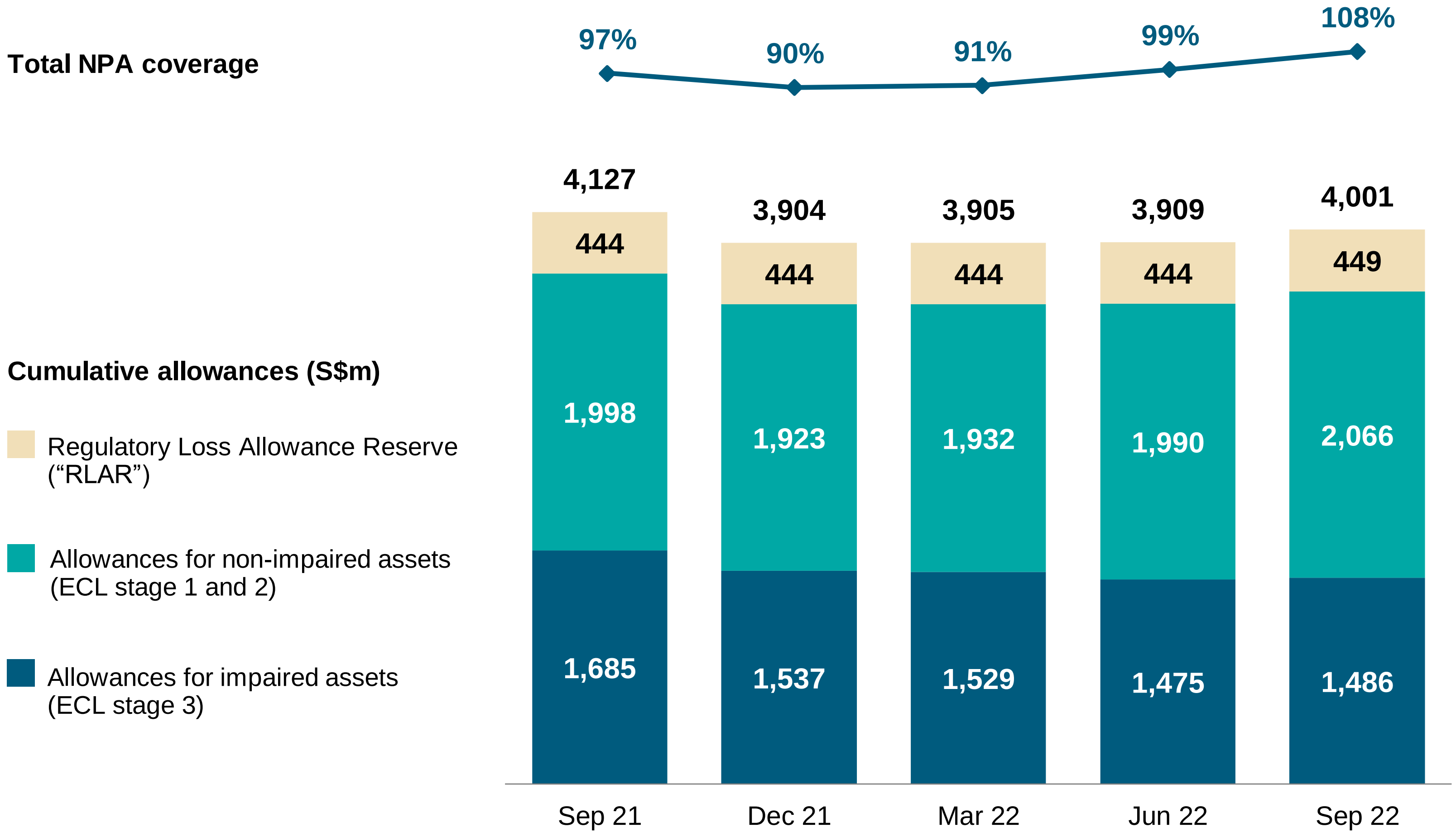
1/ Credit costs refer to allowances for loans as a percentage of average loans, on annualised basis.

Total Cumulative Allowances



Sep 22 | **YoY** -3% | **QoQ** +2%

- NPA coverage ratio rose to 108%

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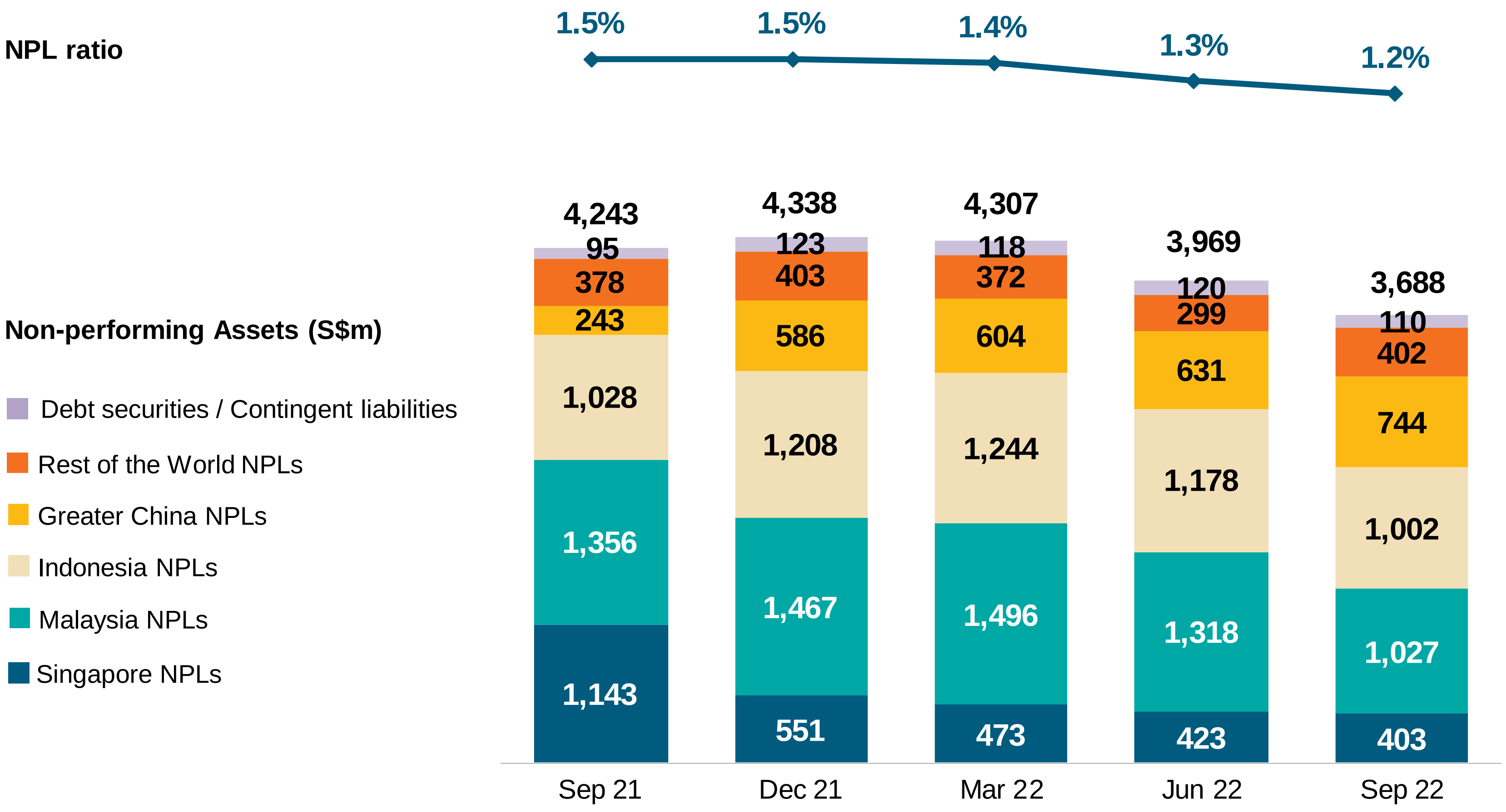
Asset Quality



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

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%

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

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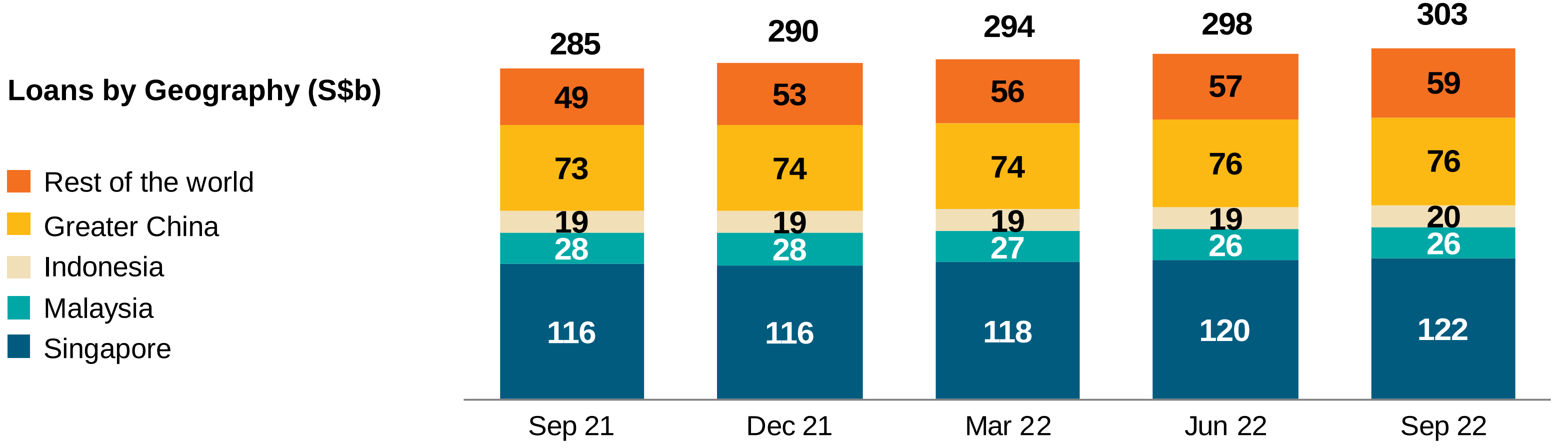
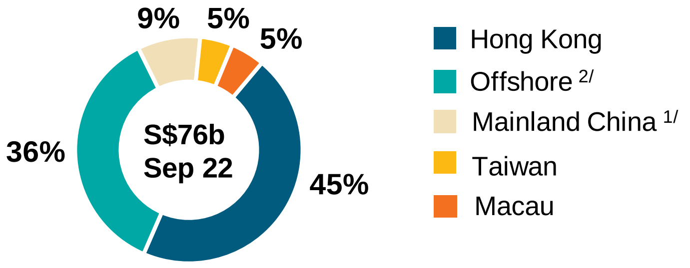
Customer Loans

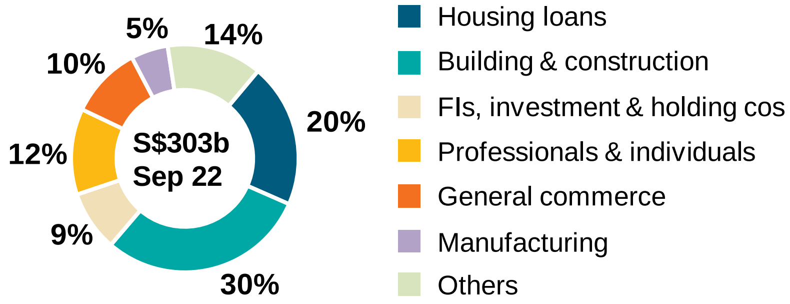
Loans by Geography (S$b)



Greater China Loans



Loans by Industry



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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.

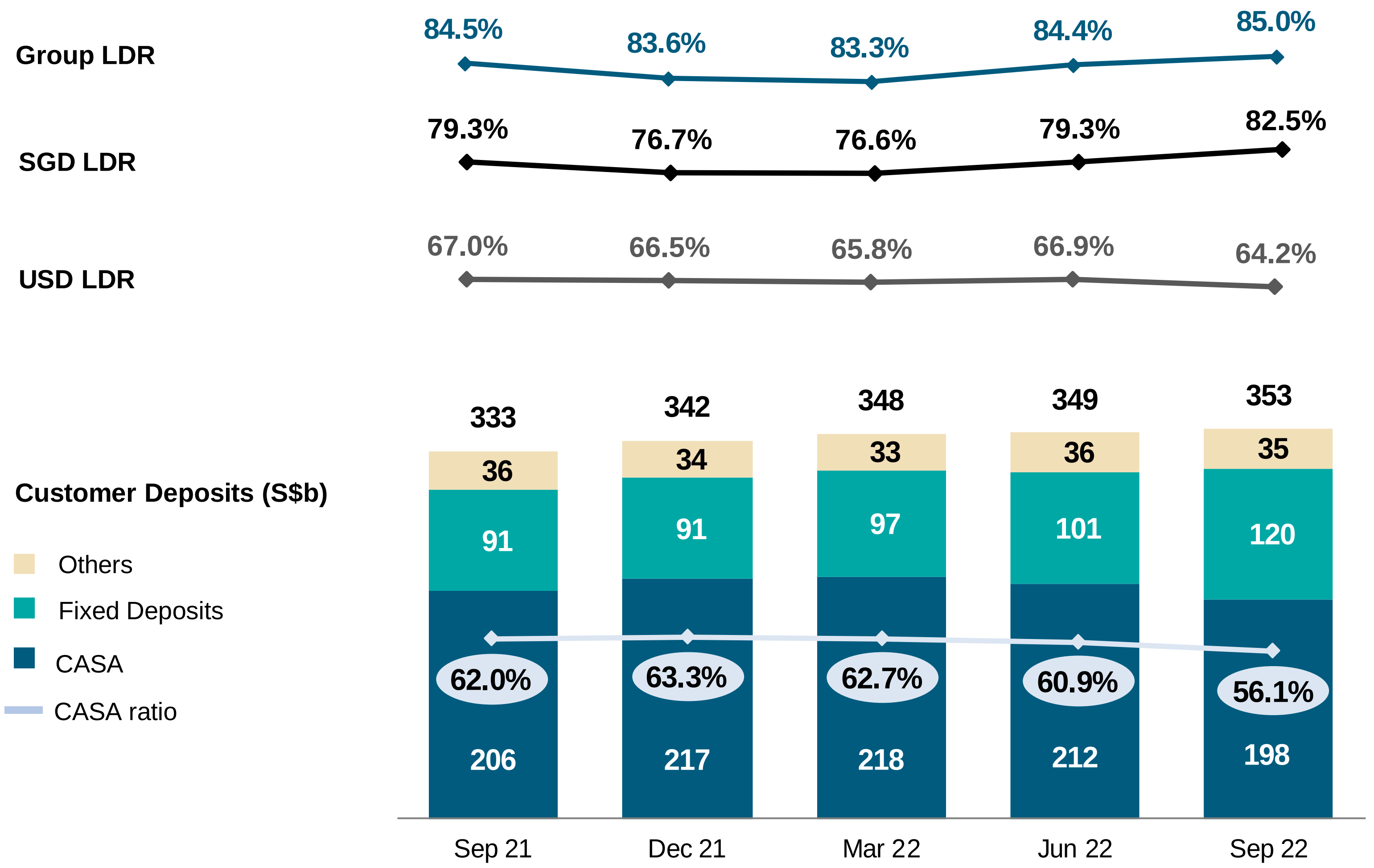
Sep 22

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

Customer Deposits



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

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

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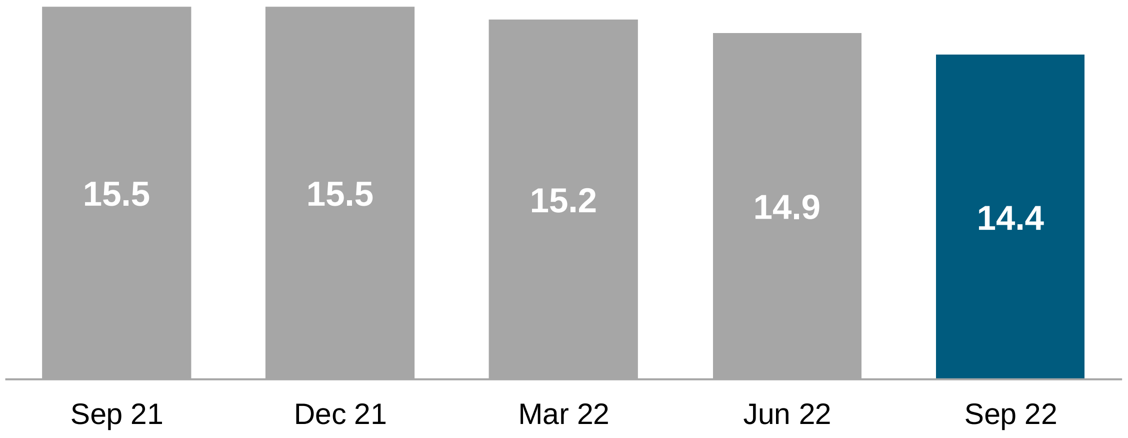
Capital

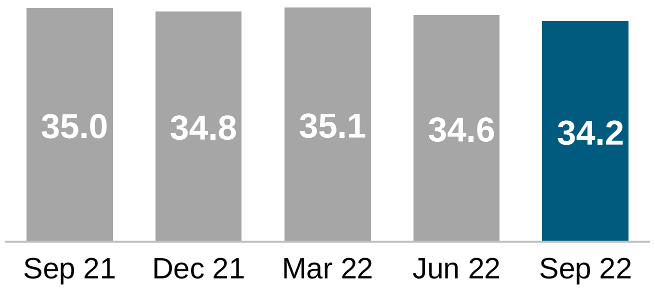
CET1 CAR (%)



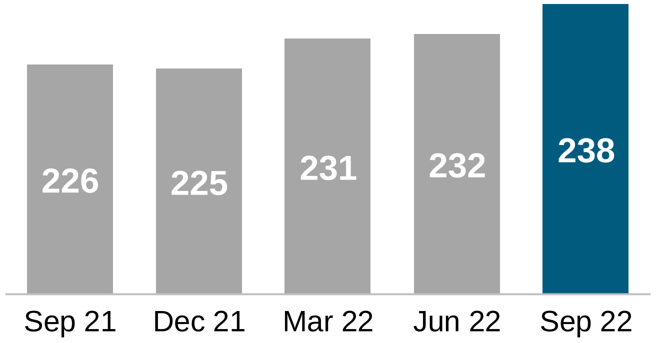
Sep 22 | **YoY** **-1.1ppt** | **QoQ** **-0.5ppt**

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

CET1 Capital (S$b)



RWA (S$b)



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Thank you

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