

First Quarter 2022 Results Highlights

29 April 2022



OCBC Financial Results



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Agenda

01

Financial Highlights

02

Group Net Profit

03

Group Performance Trends



Note: - 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

Robust 1Q22 Performance

Group Net Profit

S\$1.36b

-10%
YoY

+39%
QoQ

Total Income
S\$2.64b

-9%
YoY

+4%
QoQ

Operating Expenses
S\$1.20b

+5%
YoY

-7%
QoQ

ROE (*annualised*)
10.6%

-1.8ppt
YoY

+3.1ppt
QoQ

Net Interest Margin

1.55%

-1bp
YoY

+3bps
QoQ

Customer Loans

S\$294b

+8%
YoY

+1%
QoQ

Customer Deposits

S\$348b

+10%
YoY

+2%
QoQ

NPL Ratio

1.4%

-0.1ppt
YoY

-0.1ppt
QoQ

Credit Costs

6bps

-16bps
YoY

-35bps
QoQ

CET1 CAR

15.2%

-0.3ppt
YoY

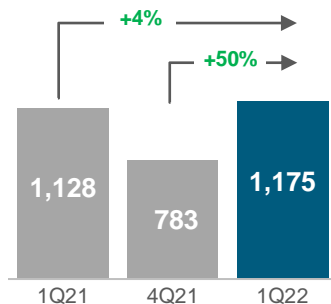
-0.3ppt
QoQ

- Group net profit up 39% QoQ with ROE higher at 10.6%
- QoQ income growth driven by higher net interest income, trading income and life insurance profit
- Expenses well-managed, down 7% from last quarter
- NIM rose 3bps QoQ to 1.55% from improved loan yields
- Loans and deposits continued to grow
- NPL ratio fell to 1.4%
- Credit costs substantially lower at 6bps
- Strong capital position with CET1 ratio at 15.2%

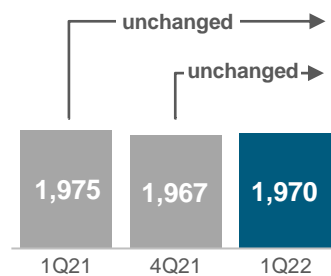
1Q22 Financial Highlights

Banking

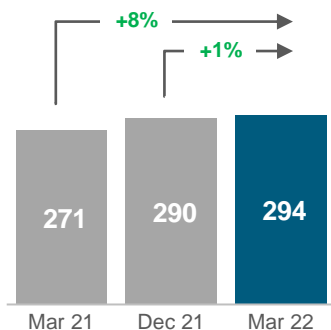
Net Profit (\$m)



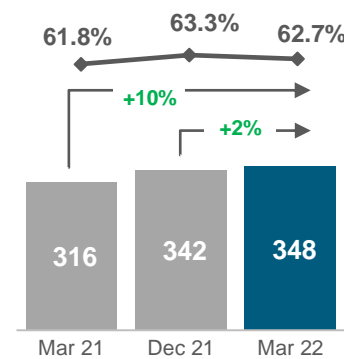
NII and Fee Income (\$m)



Customer Loans (\$b)

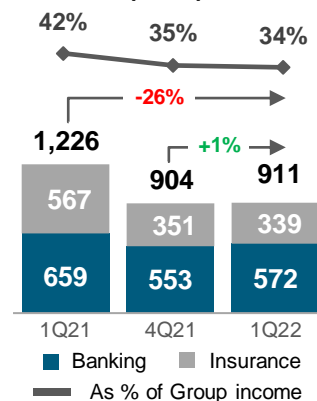


Customer Deposits (\$b) and CASA ratio

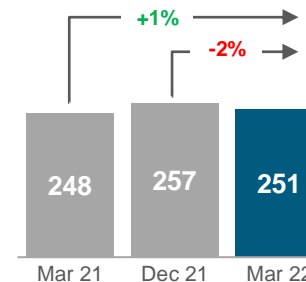


Wealth Management

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

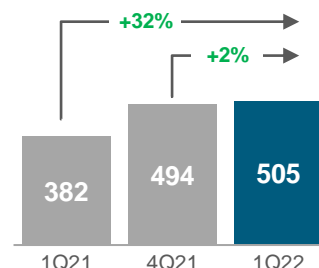


WM AUM (\$b)

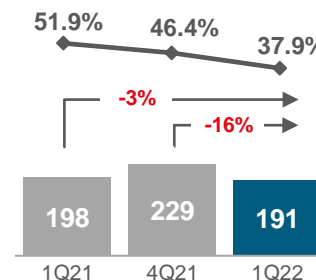


Insurance

Total Weighted New Sales (\$m)



New Business Embedded Value (\$m) and Margin

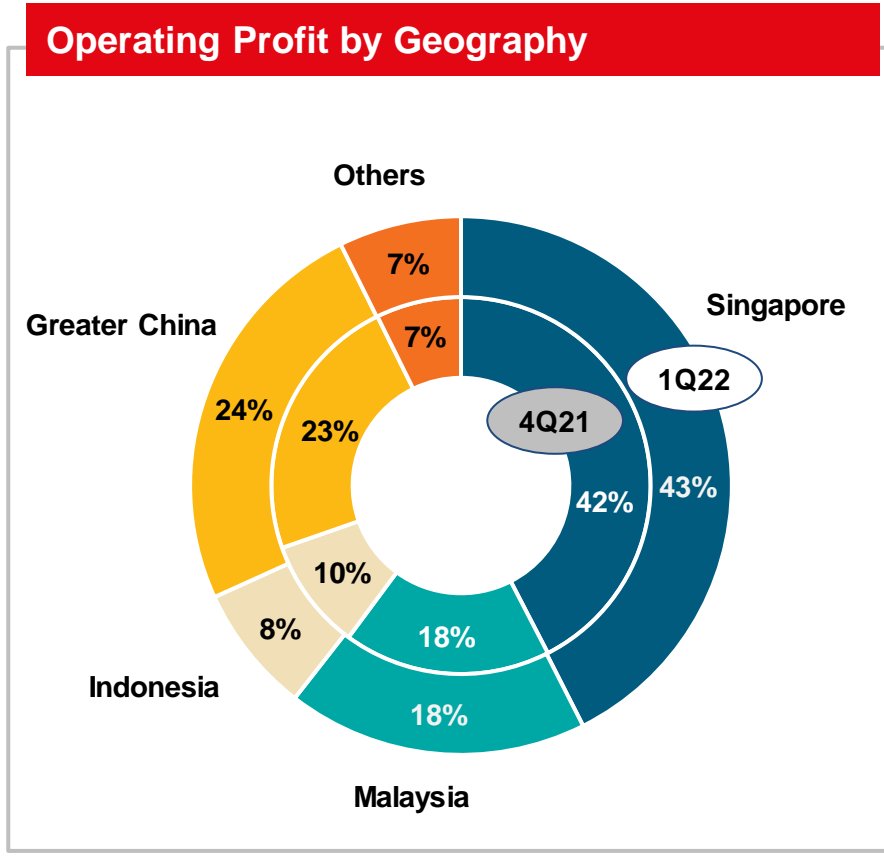
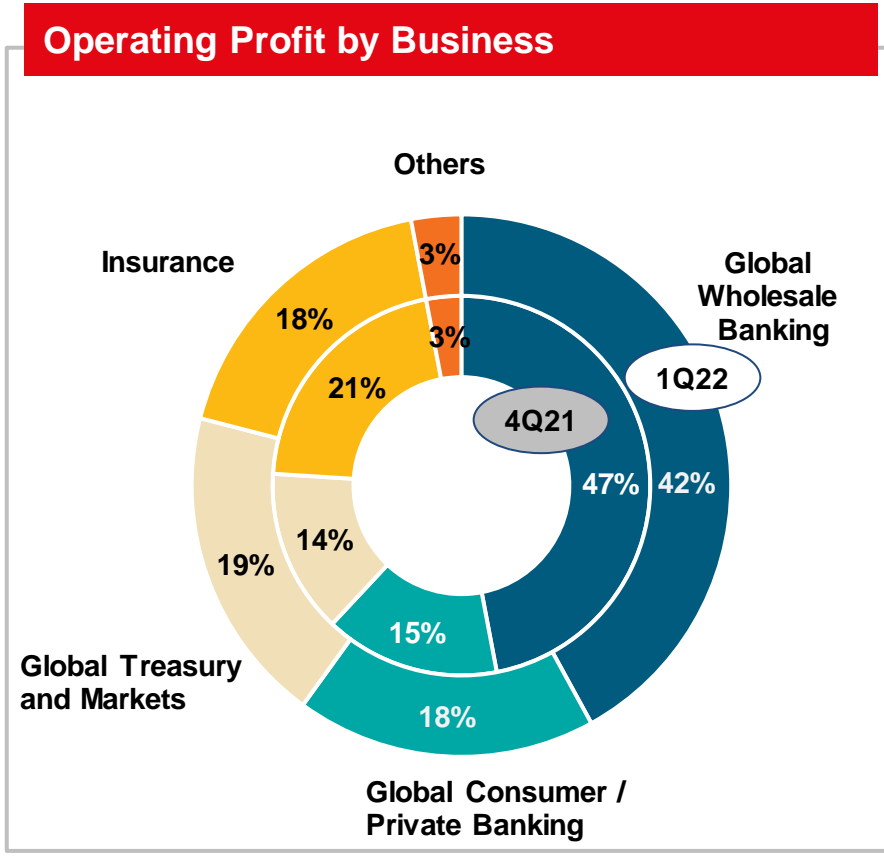


- Banking operations net profit rose 50% QoQ, supported by higher operating profit and sharp drop in allowances
- WM income higher QoQ amid soft operating environment
- Healthy insurance sales growth



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

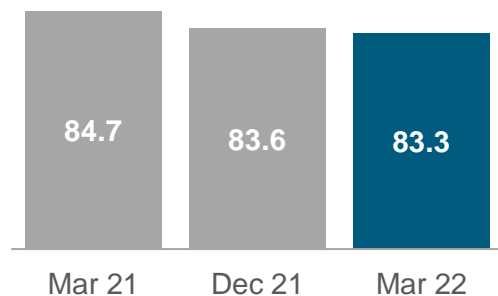
Diversified Franchise Across Business and Geography



Note: Operating profit by business excluded associates.

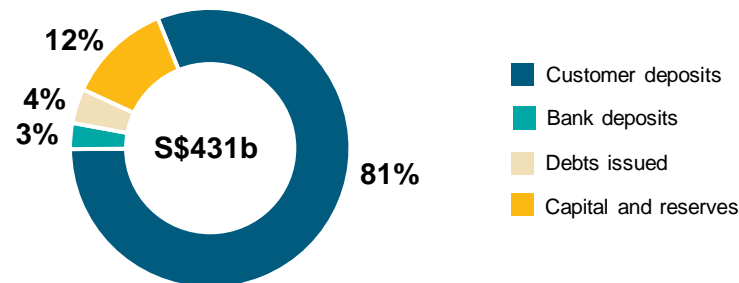
Strong Balance Sheet Fundamentals

Loans-to-Deposits Ratio (%)



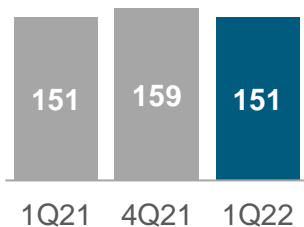
Funding

Composition as at Mar 22

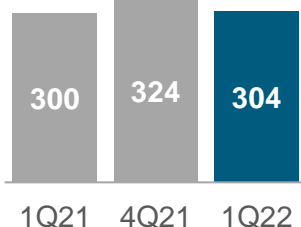


Liquidity

All-ccy LCR (%)

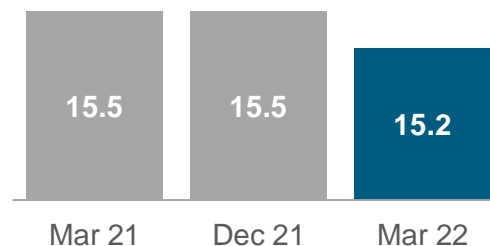


SGD LCR (%)



Capital

CET1 CAR (%)



- Robust funding, liquidity and capital positions to support growth
- Well-diversified funding mix with customer deposits accounting for around 80% of funding
- NSFR at 118% and leverage ratio at 7.2%
- Regulatory ratios comfortably above regulatory requirements

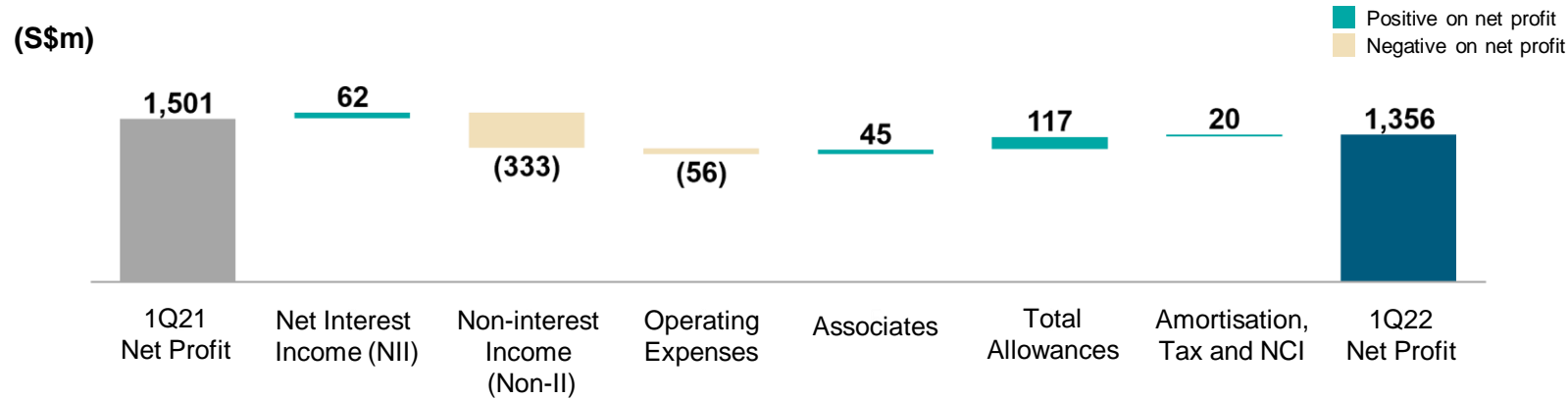


02

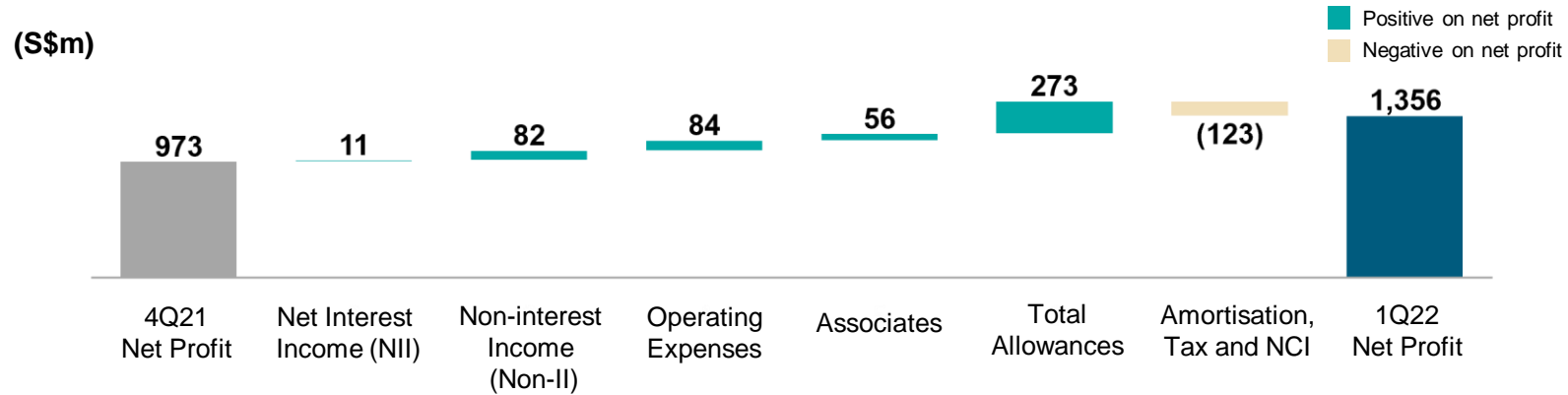
Group Net Profit

1Q22 Group Net Profit

YoY Movement



QoQ Movement



1Q22

YoY -10%

QoQ +39%

YoY

- Higher NII led by loan growth, while Non-II lower against strong 1Q21
- Expenses up, led by rise in staff costs
- Lower allowances associated with improved economic environment

QoQ

- Non-II growth led by higher trading income and insurance income
- Expenses lower from decline in discretionary spending and absence of 4Q21's operational charges
- Allowances down due to sizeable allowances set aside for corporate loans last quarter

Group Performance

OCBC Group	1Q22	1Q21	YoY	4Q21	QoQ
	S\$m	S\$m	+/(-)%	S\$m	+/(-)%
Net interest income	1,503	1,441	4	1,492	1
Non-interest income	1,140	1,473	(23)	1,058	8
Total income	2,643	2,914	(9)	2,550	4
Operating expenses	(1,205)	(1,149)	5	(1,289)	(7)
Operating profit	1,438	1,765	(19)	1,261	14
Associates	254	209	22	198	29
Operating profit before allowances	1,692	1,974	(14)	1,459	16
Allowances for impaired assets	(31)	(152)	(79)	(387)	(92)
Allowances (charge)/write-back for non-impaired assets	(13)	(9)	28	70	118
Amortisation, tax and NCI	(292)	(312)	(6)	(169)	73
Net profit	1,356	1,501	(10)	973	39

Banking Operations Performance

Banking Operations	1Q22 S\$m	1Q21 S\$m	YoY +/(-)%	4Q21 S\$m	QoQ +/(-)%
Net interest income	1,478	1,417	4	1,467	1
Non-interest income	826	931	(11)	733	13
Total income	2,304	2,347	(2)	2,200	5
Operating expenses	(1,129)	(1,077)	5	(1,198)	(6)
Operating profit	1,174	1,271	(8)	1,002	17
Associates	253	214	18	203	25
Operating profit before allowances	1,428	1,485	(4)	1,205	18
Allowances for impaired assets	(32)	(152)	(79)	(387)	(92)
Allowances (charge)/write-back for non-impaired assets	(13)	(8)	62	68	119
Amortisation, tax and NCI	(209)	(197)	6	(103)	103
Net profit from banking operations	1,175	1,128	4	783	50
GEH net profit contribution	182	373	(51)	190	(5)
OCBC Group net profit	1,356	1,501	(10)	973	39



03

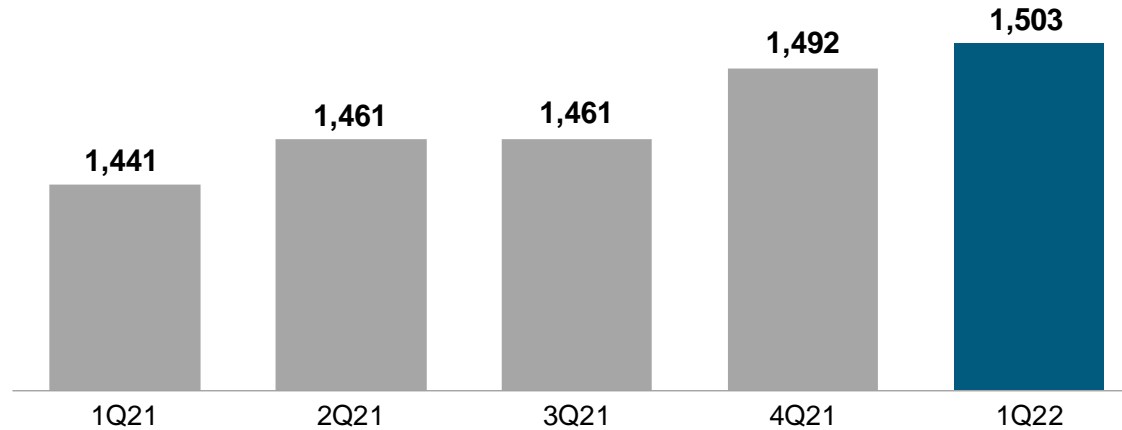
Group Performance Trends

Net Interest Income

Net Interest Margin



Net interest income (\$m)

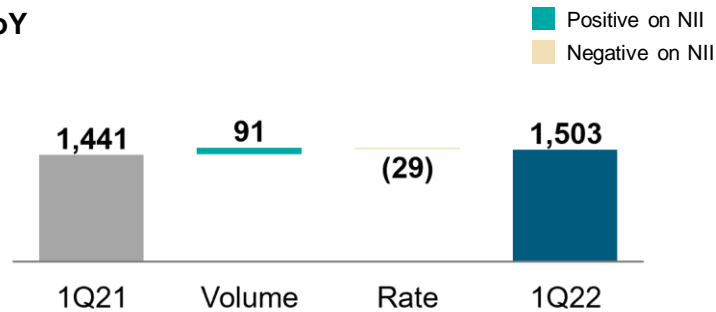


1Q22 | YoY +4%
QoQ +1%

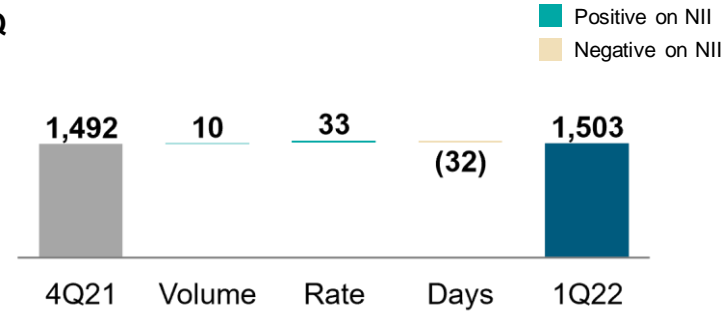
- NII up QoQ from asset growth and margin expansion
- NIM increased 3bps QoQ from improved loan yields which outpaced a rise in deposit costs

Volume and Rate Analysis (\$m)

YoY

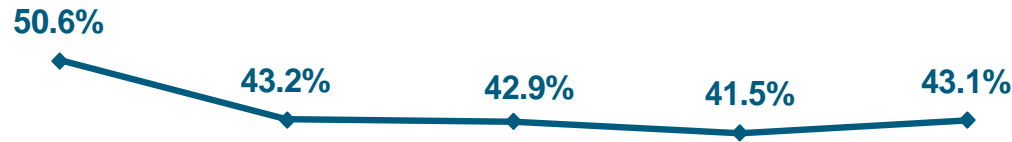


QoQ



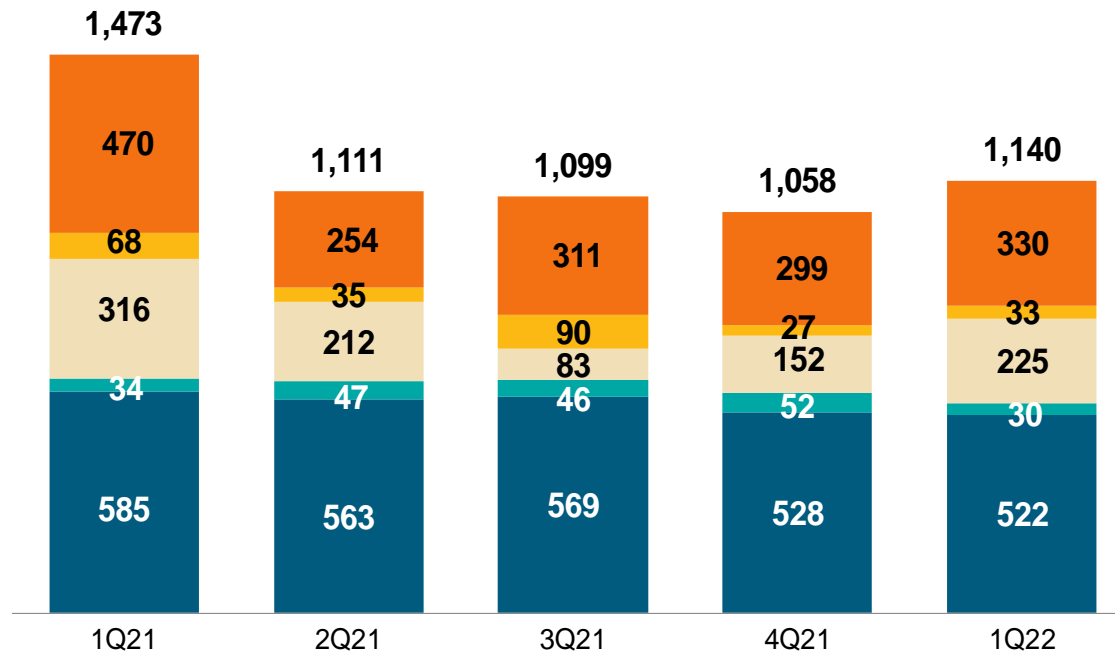
Non-interest Income

% 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



1Q22

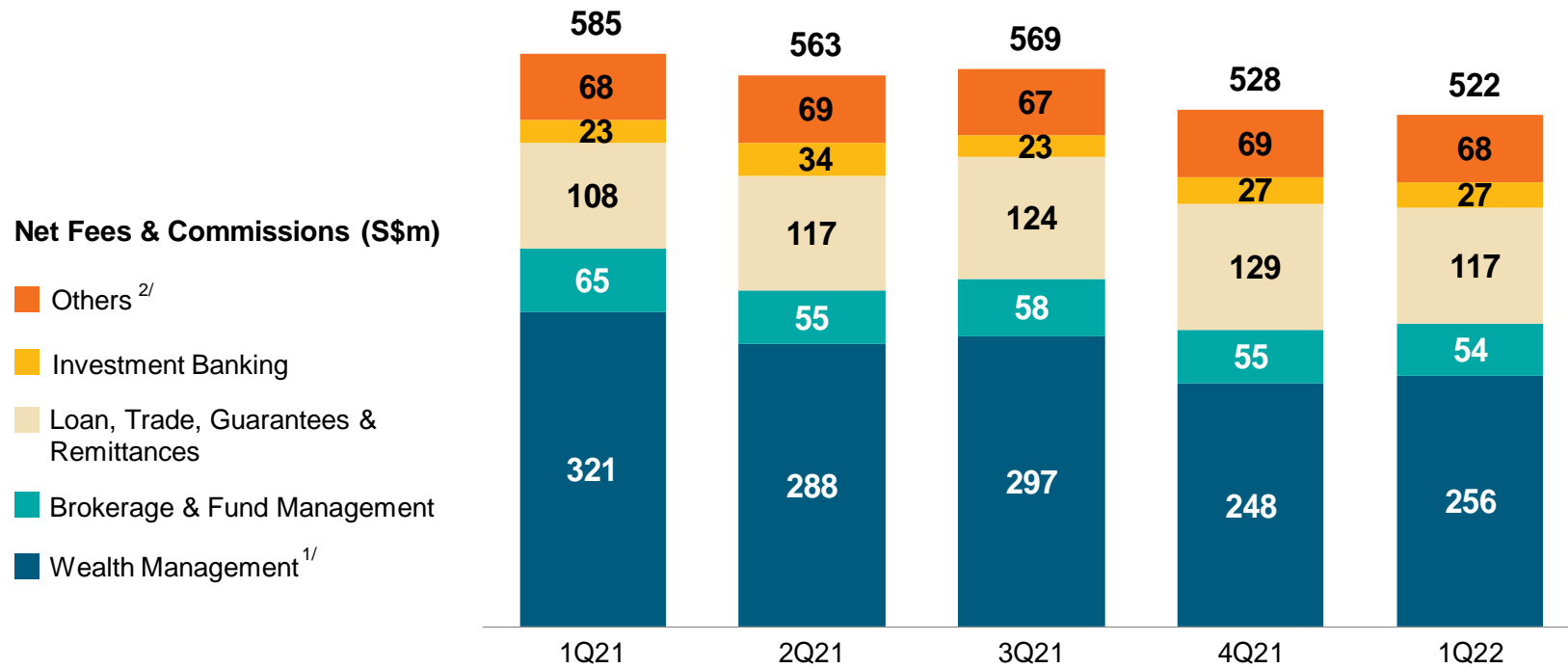
YoY -23%

QoQ +8%

- Non-interest income lower YoY due to exceptionally strong market environment in 1Q21
- QoQ increase driven by a rise in trading income and higher insurance profit

Net Fees & Commissions

1Q22 | YoY -11%
QoQ -1%



- 1Q22 fee income down from last year's high
- Fees declined marginally QoQ due to lower credit card, loan and trade-related fees which offset higher WM and brokerage fees

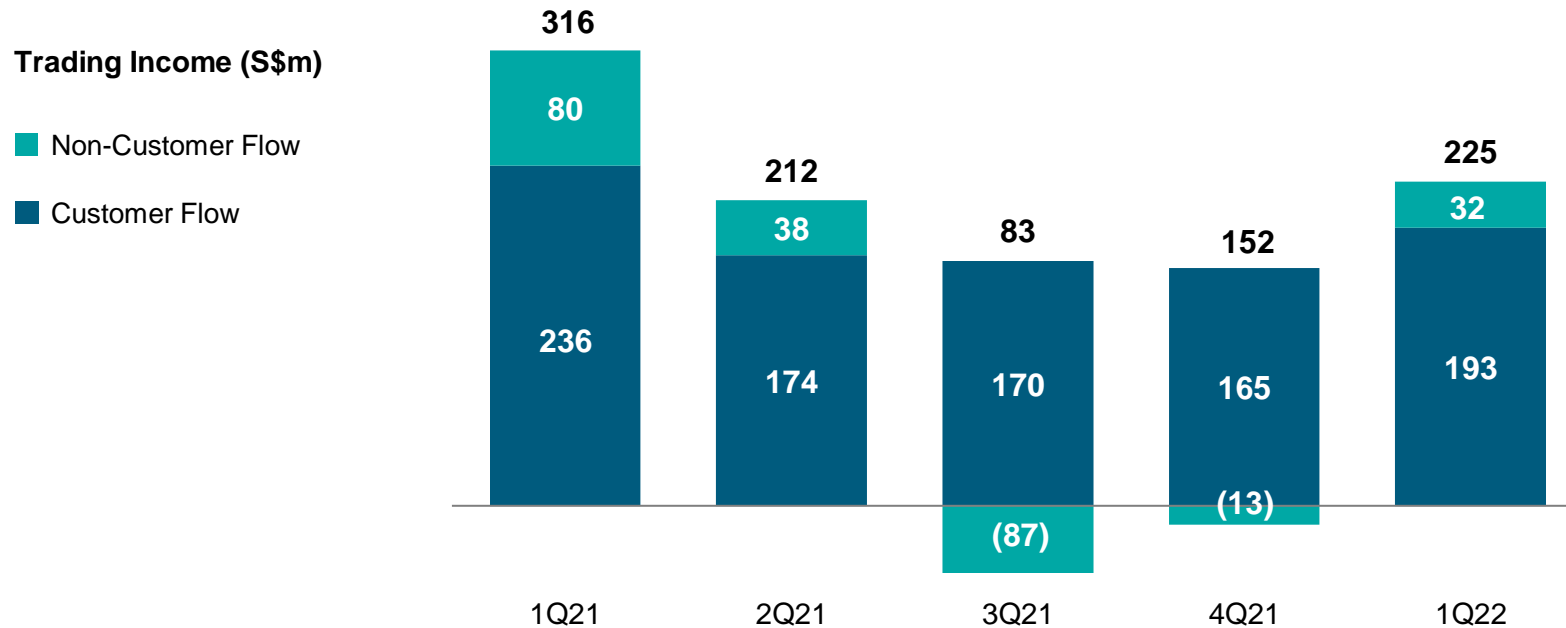


1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

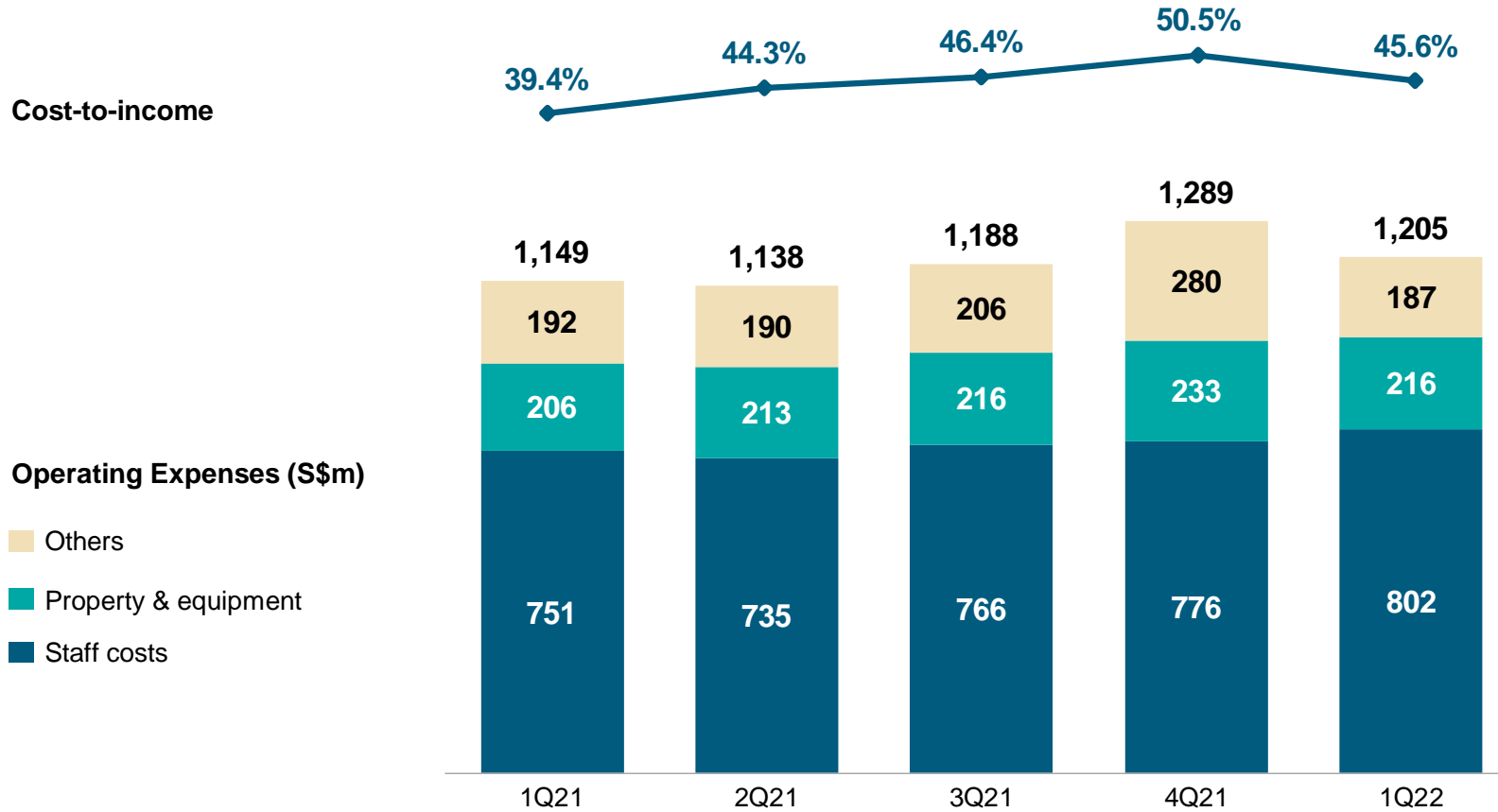
Trading Income

1Q22 | YoY -29%
QoQ +48%



- Trading income up QoQ driven by higher customer and non-customer flow treasury income

Operating Expenses



1Q22 | YoY +5%
QoQ -7%

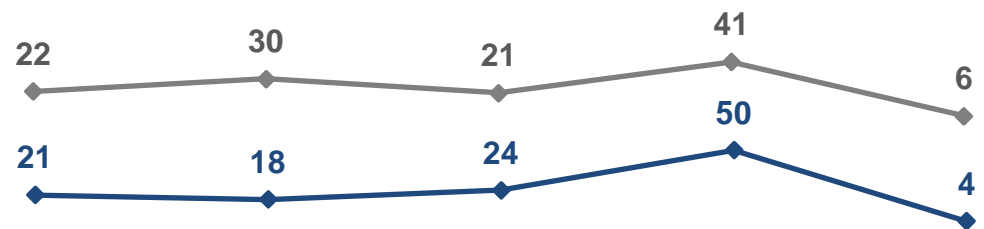
- 1Q22 expenses higher YoY mainly due to increased staff costs
- Against the previous quarter, costs fell largely due to lower discretionary spending and absence of operational charges

Allowances

Credit costs (bps) ^{1/}

— Total

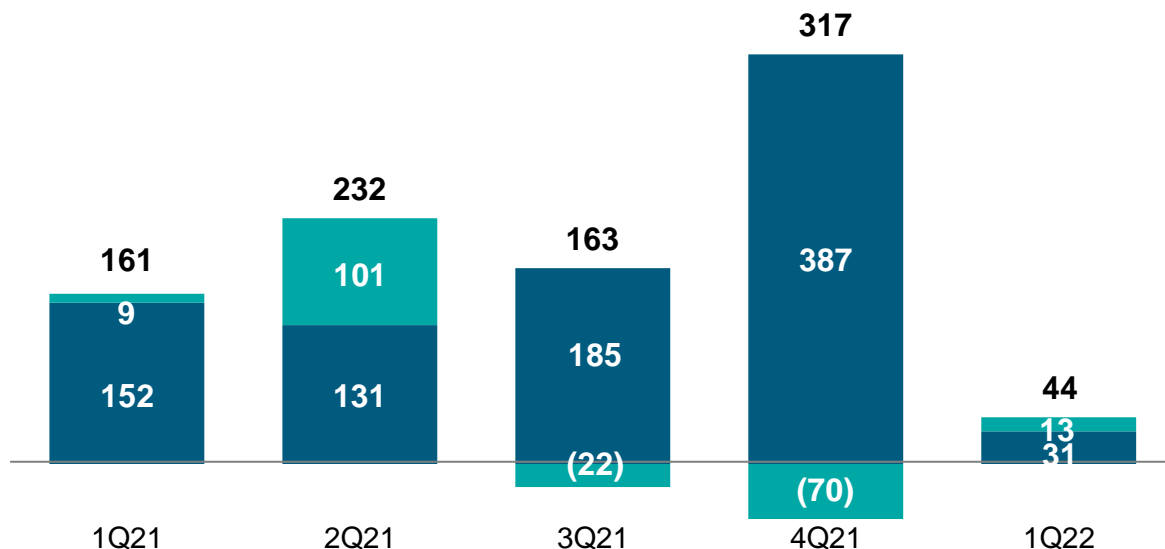
— Impaired



Allowances (\$m)

■ Allowances for non-impaired assets (ECL stage 1 and 2)

■ Allowances for impaired assets (incl. ECL stage 3)



1Q22

YoY -73%

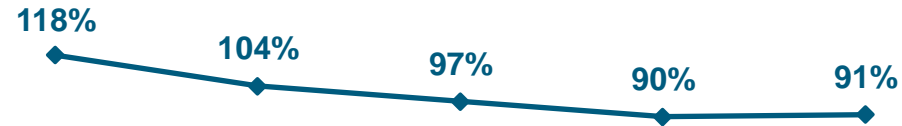
QoQ -86%

- Credit costs eased to 6bps from improving credit environment

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

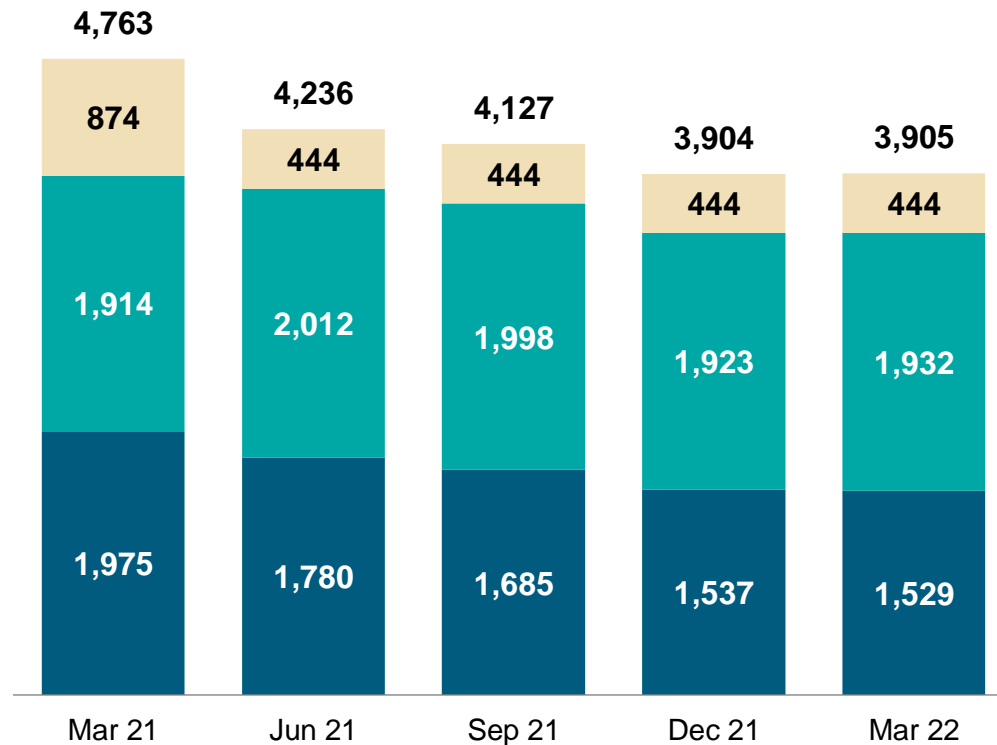
Total Cumulative Allowances

Total NPA coverage



Cumulative allowances (\$m)

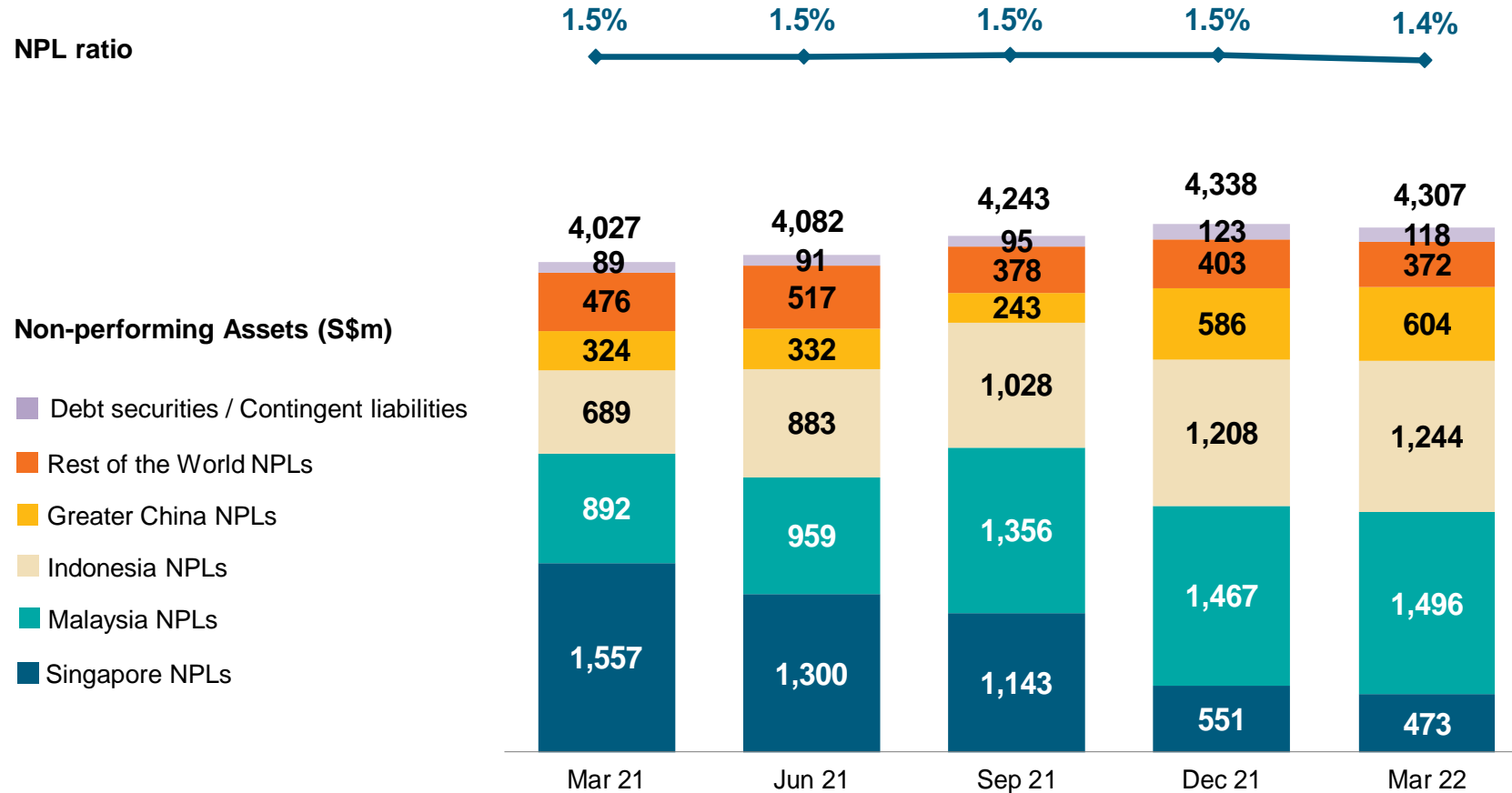
- Regulatory Loss Allowance Reserve ("RLAR")
- Allowances for non-impaired assets (ECL stage 1 and 2)
- Allowances for impaired assets (ECL stage 3)



Mar 22 | YoY **-18%**
QoQ **unchanged**

- Total cumulative allowances largely unchanged QoQ in line with low net allowances charge

Asset Quality



Mar 22 | YoY +7%
QoQ -1%

- Overall asset quality remained healthy
- Total NPAs down slightly QoQ, partly due to recoveries and write-offs in the OSV sector in Singapore
- NPL ratio lower at 1.4%



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

Asset Quality

S\$m	1Q21	4Q21	1Q22
At start of period	4,005	4,243	4,338
New NPAs			
Corporate/ Commercial Banking and Others	144	808	161
Consumer Banking/ Private Banking	231	249	135
	375	1,057	296
Net recoveries/ upgrades			
Corporate/ Commercial Banking and Others	(245)	(273)	(139)
Consumer Banking/ Private Banking	(99)	(98)	(101)
	(344)	(371)	(240)
Write-offs			
Corporate/ Commercial Banking and Others	(15)	(542)	(41)
Consumer Banking/ Private Banking	(17)	(20)	(16)
	(32)	(562)	(57)
Foreign currency translation	23	(29)	(30)
At end of period	4,027	4,338	4,307

- New NPA formation lower QoQ

Customer Loans

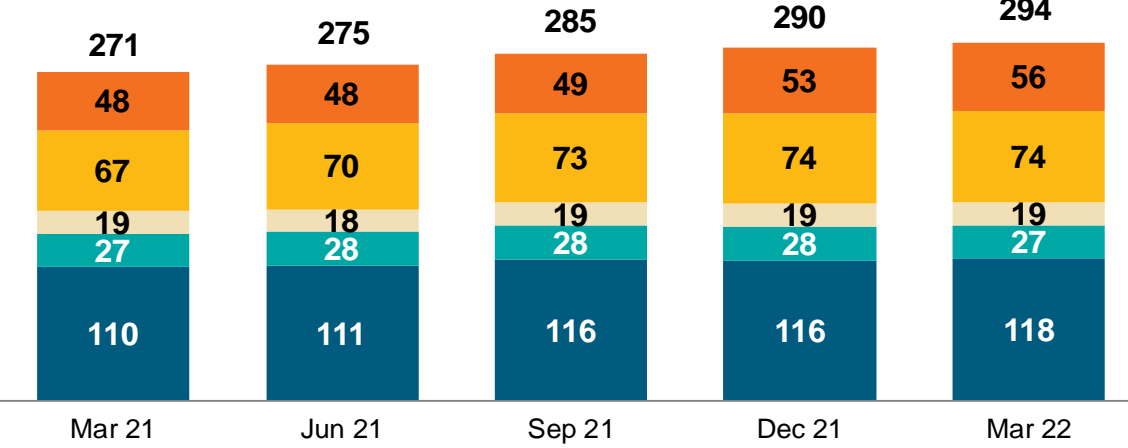
Mar 22

YoY +8%
+9% in constant ccy terms

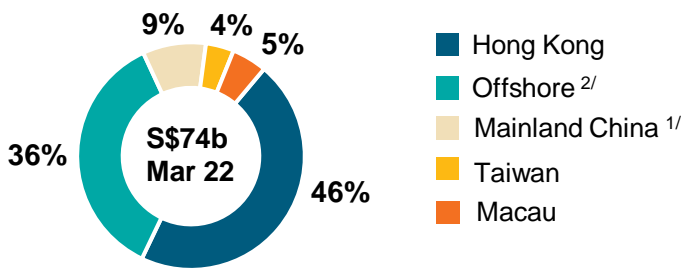
QoQ +1%
+2% in constant ccy terms

Loans by Geography (S\$b)

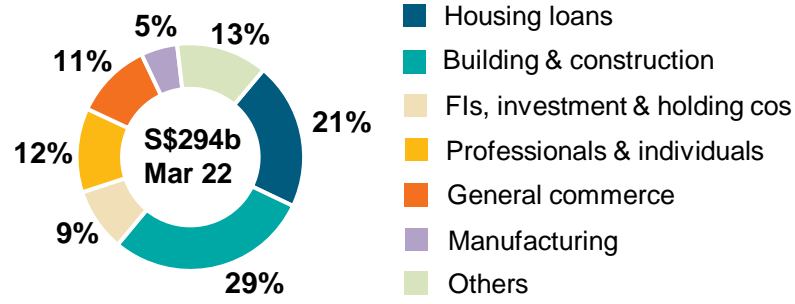
- Rest of the world
- Greater China
- Indonesia
- Malaysia
- Singapore



Greater China Loans



Loans by Industry

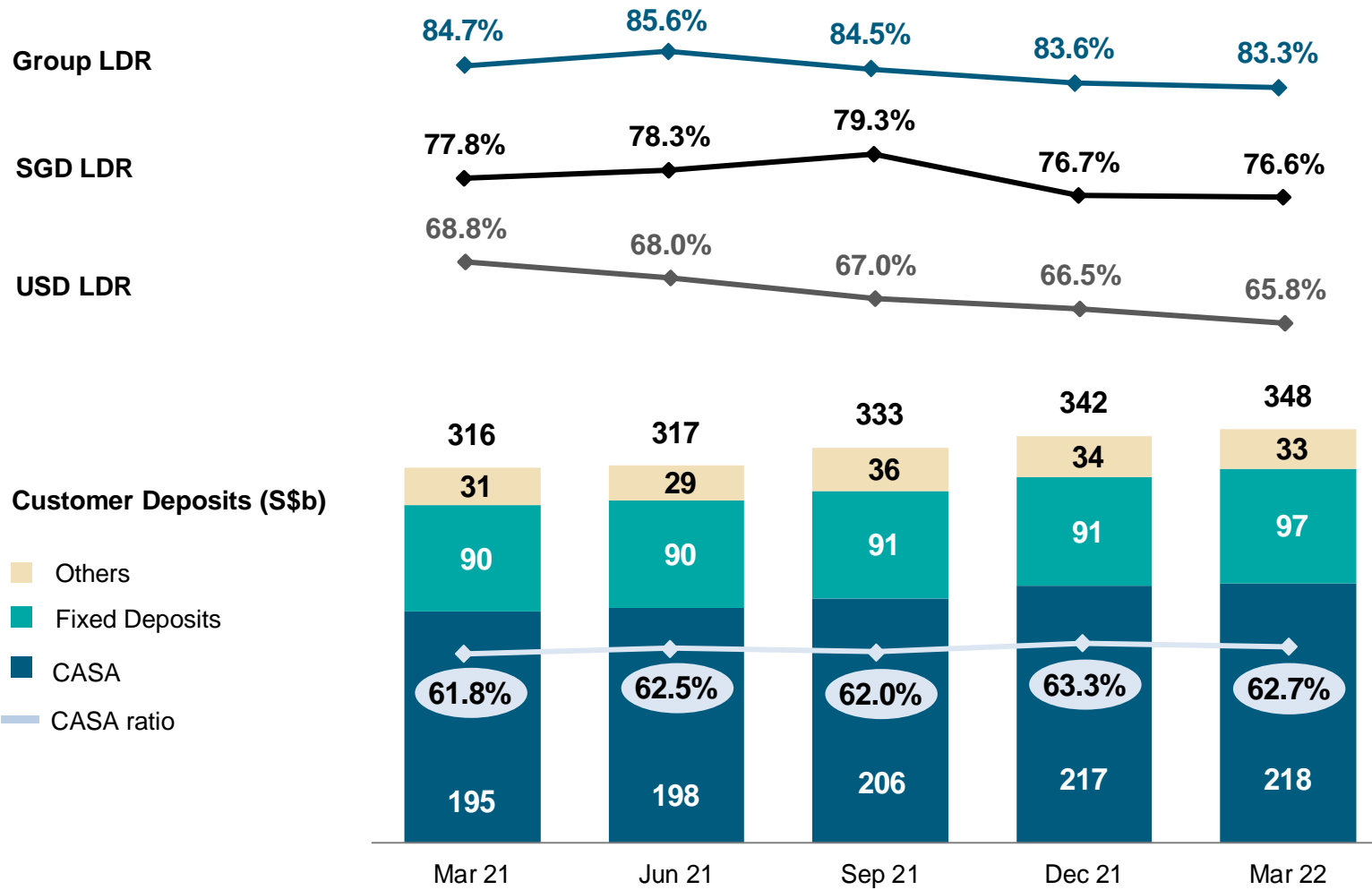


- QoQ loan growth driven by Singapore, UK, Australia and USA
- Europe (ex-UK) lending made up <1% of total loans
- Loans well-diversified
 - Corporate, SME and Consumer/Private Banking comprise 52%, 10% and 38% of loan book respectively
 - O&G sector made up 5% of loan book (1% OSV)
 - Commodities sector account for 4% of loan book



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

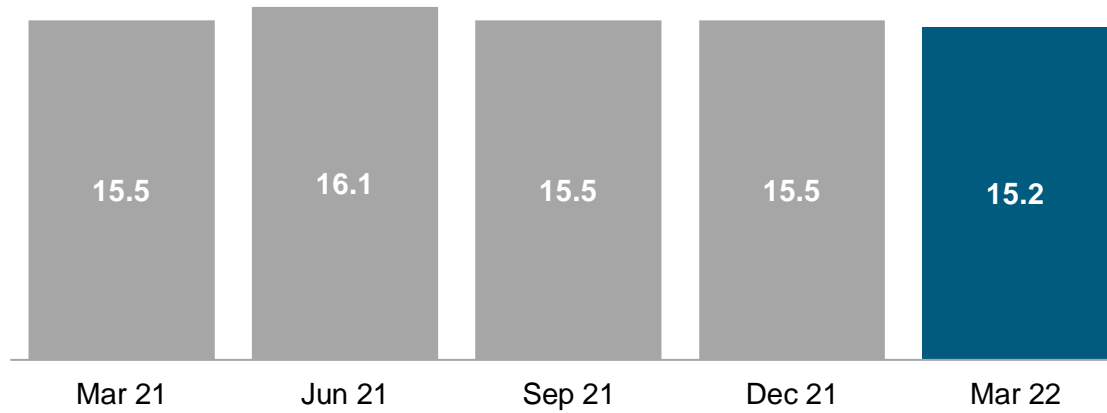


Mar 22 | YoY +10%
QoQ +2%

- Ample liquidity to support loan growth
- Customer deposits rose YoY led by higher CASA deposits
- QoQ increase in customer deposits mainly driven by fixed deposits growth
- CASA ratio at 62.7%

Capital

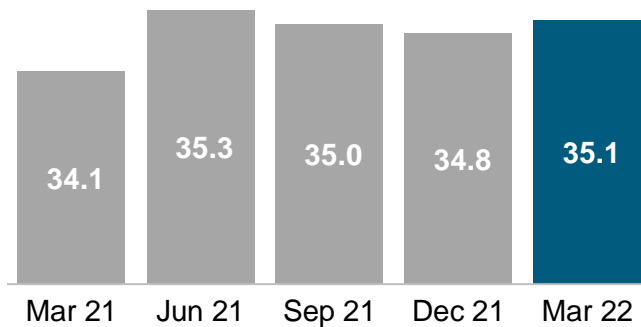
CET1 CAR (%)



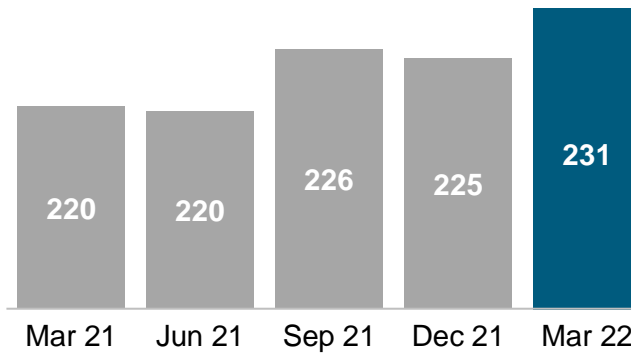
Mar 22 | YoY -0.3ppt
QoQ -0.3ppt

- Strong capital position with CET1 ratio at 15.2% to support strategic growth initiatives
- Higher RWA YoY in line with loan growth

CET1 Capital (S\$b)



RWA (S\$b)





First Quarter 2022 Results Highlights

Thank You

