

# First Quarter 2018 Results Presentation

7 May 2018



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# Agenda

## Results Overview

## 1Q18 Group Performance Trends

## Major Accounting Policies Effective 1 January 2018

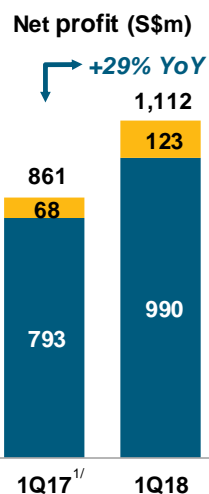
## Appendix: Performance of Major Subsidiaries

- Great Eastern Holdings
- OCBC Wing Hang
- OCBC Malaysia
- OCBC NISP

# 1Q18 Highlights

Net profit rose 29% YoY to S\$1.11b; return on equity higher at 11.8%

## Earnings



**Net Interest Income: S\$1.42b**

(1Q17 : S\$1.27b; +11%)

**Non-interest Income: S\$0.92b**

(1Q17<sup>1/</sup> : S\$0.85b; +8%)

**Operating Expenses: S\$1.03b**

(1Q17<sup>1/</sup> : S\$0.97b; +6%)

**Allowances: S\$0.01b**

(1Q17 : S\$0.17b; -93%)

**Net Profit: S\$1.11b**

(1Q17<sup>1/</sup> : S\$0.86b; +29%)

**ROE: 11.8%**

(1Q17<sup>1/</sup> : 9.6%)

➤ Robust YoY performance across the Group's franchise

- Net interest income grew 11% YoY from sustained asset growth and improved margins
- Wealth management income up 22% YoY
- Private banking AUM grew 19% YoY to US\$102b
- All major banking subsidiaries performed strongly

➤ Expenses down 4% QoQ and up 6% YoY

➤ Overall asset quality healthy; new NPA formation eased, with NPL ratio lower QoQ at 1.4%

## Assets and liabilities

**Customer Loans: S\$247b**

(Mar 17 : S\$225b; +10%)

**Customer Deposits: S\$289b**

(Mar 17 : S\$265b; +9%)

➤ Customer loans and deposits grew 10% and 9% YoY respectively (loans and deposits grew 12% each on a constant currency basis); LDR at 84.4%.

➤ Stable funding base, 79% derived from customer deposits

## Capital and liquidity

**CET1 ratio: 13.1%**

(Mar 17 : 12.2%<sup>2/</sup>)

**Leverage ratio: 7.0%**

(Mar 17 : 7.7%)

**All-currency LCR: 149%**

(1Q17 : 143%)

➤ Capital, liquidity and funding position remained strong

➤ Net stable funding ratio<sup>3/</sup> at 106%

1/ Figures for 1Q17 were restated in accordance with SFRS(I) and change in accounting policy for Great Eastern Holdings ("GEH").

Please refer to section on "Major Accounting Policies effective 1 January 2018" for details.

2/ Based on Basel III rules which came into full effect from 1 January 2018.

3/ Net stable funding ratio is computed based on MAS Notice 652 effective 1 January 2018.

# 1Q18 Group Performance

Net profit of S\$1.11b was up 29% YoY and 8% QoQ

OCBC Group	1Q18 S\$m	4Q17 S\$m	QoQ +/(-)%	1Q17 S\$m	YoY +/(-)%
Net interest income	1,415	1,424	(1)	1,272	11
Non-interest income	918	1,214	(24)	850	8
Total income	2,333	2,638	(12)	2,122	10
Operating expenses	(1,032)	(1,075)	(4)	(973)	6
<b>Operating profit</b>	<b>1,301</b>	<b>1,563</b>	<b>(17)</b>	<b>1,149</b>	<b>13</b>
Amortisation of intangibles	(25)	(26)	(1)	(26)	(4)
Allowances	(12)	(178)	(93)	(168)	(93)
Associates	125	28	340	114	9
Tax & NCI	(277)	(353)	(22)	(208)	33
<b>Net profit</b>	<b>1,112</b>	<b>1,034</b>	<b>8</b>	<b>861</b>	<b>29</b>

# 1Q18 Banking Operations Performance

Net profit *before GEH* contribution (“Banking Operations”) 25% higher YoY at S\$990m

Banking Operations	1Q18 S\$m	4Q17 S\$m	QoQ +/(-)%	1Q17 S\$m	YoY +/(-)%
Net interest income	1,397	1,403	-	1,248	12
Non-interest income	703	648	8	687	2
Total income	2,100	2,051	2	1,935	9
Operating expenses	(972)	(985)	(1)	(911)	7
<b>Operating profit</b>	<b>1,128</b>	<b>1,067</b>	<b>6</b>	<b>1,024</b>	<b>10</b>
Allowances	(12)	(176)	(93)	(164)	(92)
Associates	127	31	306	117	9
Amortisation, tax & NCI	(253)	(251)	1	(184)	38
<b>Net profit from banking operations</b>	<b>990</b>	<b>671</b>	<b>48</b>	<b>793</b>	<b>25</b>
<b>GEH net profit contribution</b>	<b>123</b>	<b>363</b>	<b>(66)</b>	<b>68</b>	<b>80</b>
<b>OCBC Group net profit</b>	<b>1,112</b>	<b>1,034</b>	<b>8</b>	<b>861</b>	<b>29</b>

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**1Q18 Group Performance Trends**

Major Accounting Policies Effective 1 January 2018

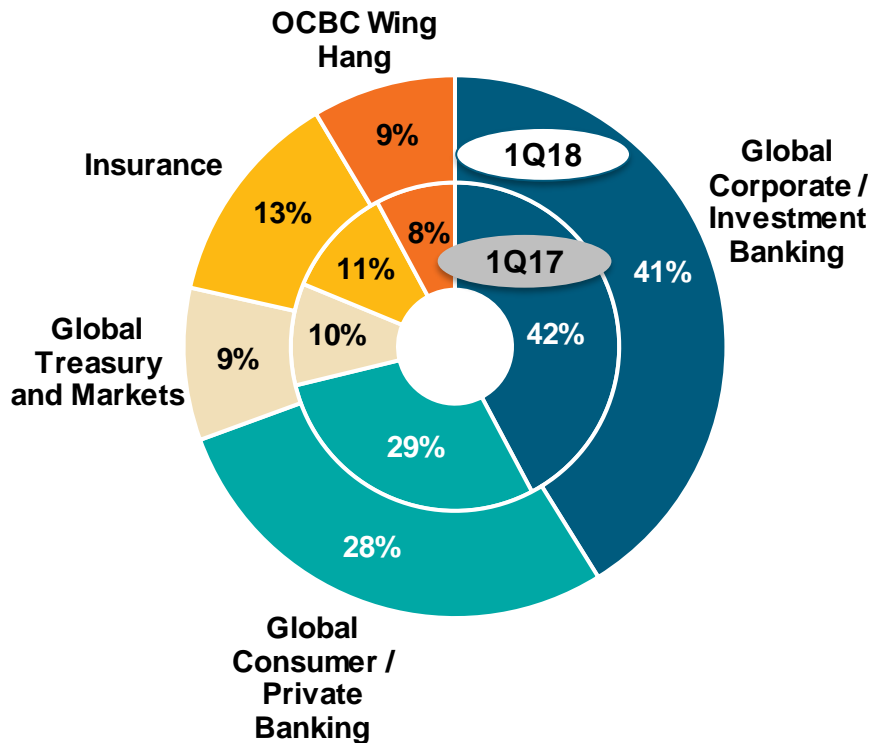
**Appendix: Performance of Major Subsidiaries**

- Great Eastern Holdings
- OCBC Wing Hang
- OCBC Malaysia
- OCBC NISP

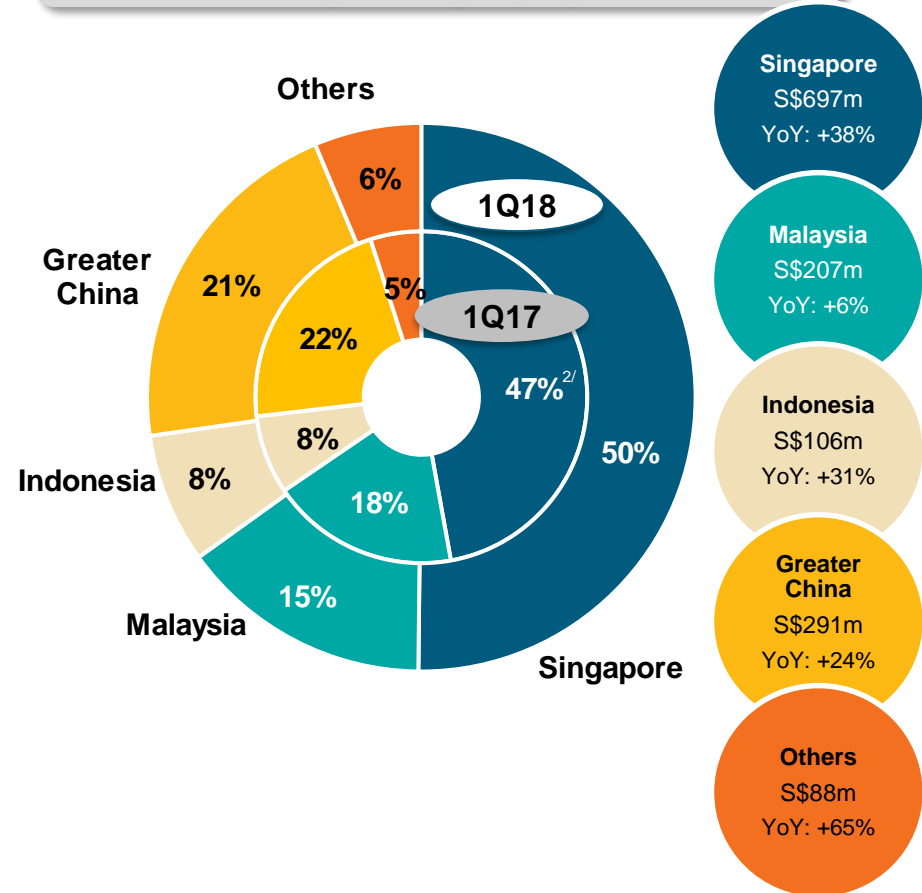
# Performance by geography and business

Earnings well-diversified across key geographies and business segments

1Q18 Operating Profit by Business<sup>1/</sup>



1Q18 Profit before Tax by Geography



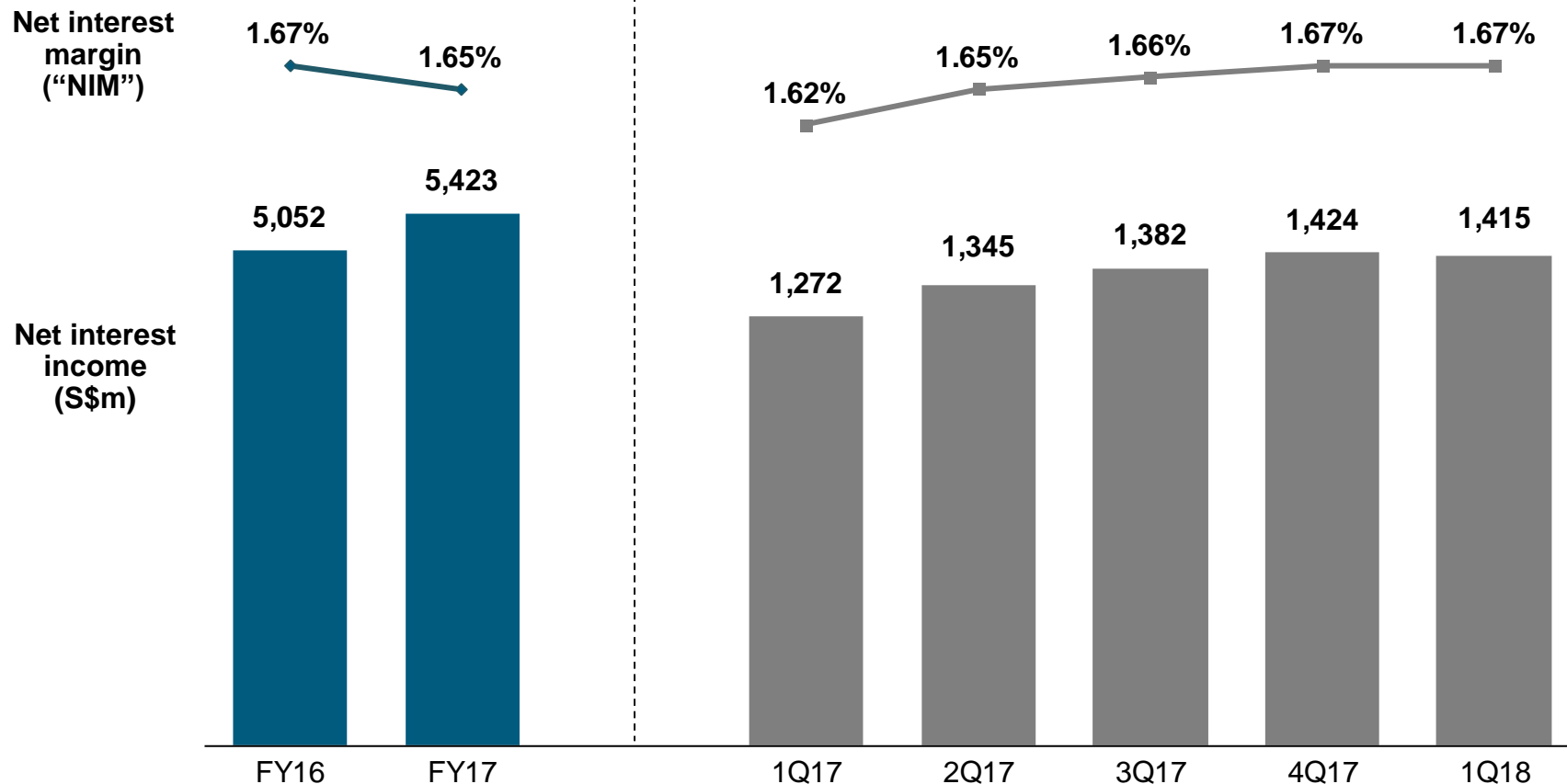
Note: Figures for 1Q17 were restated in accordance with SFRS(I) and change in accounting policy for GEH.

1/ Operating profit before allowances and amortisation. Excludes the Others segment, which comprises mainly property holding, investment holding and items not attributable to the business segments.

2/ PBT contribution from Singapore was 53% in 1Q17 before restatements for SFRS(I) and change in accounting policy for GEH.

# Net interest income

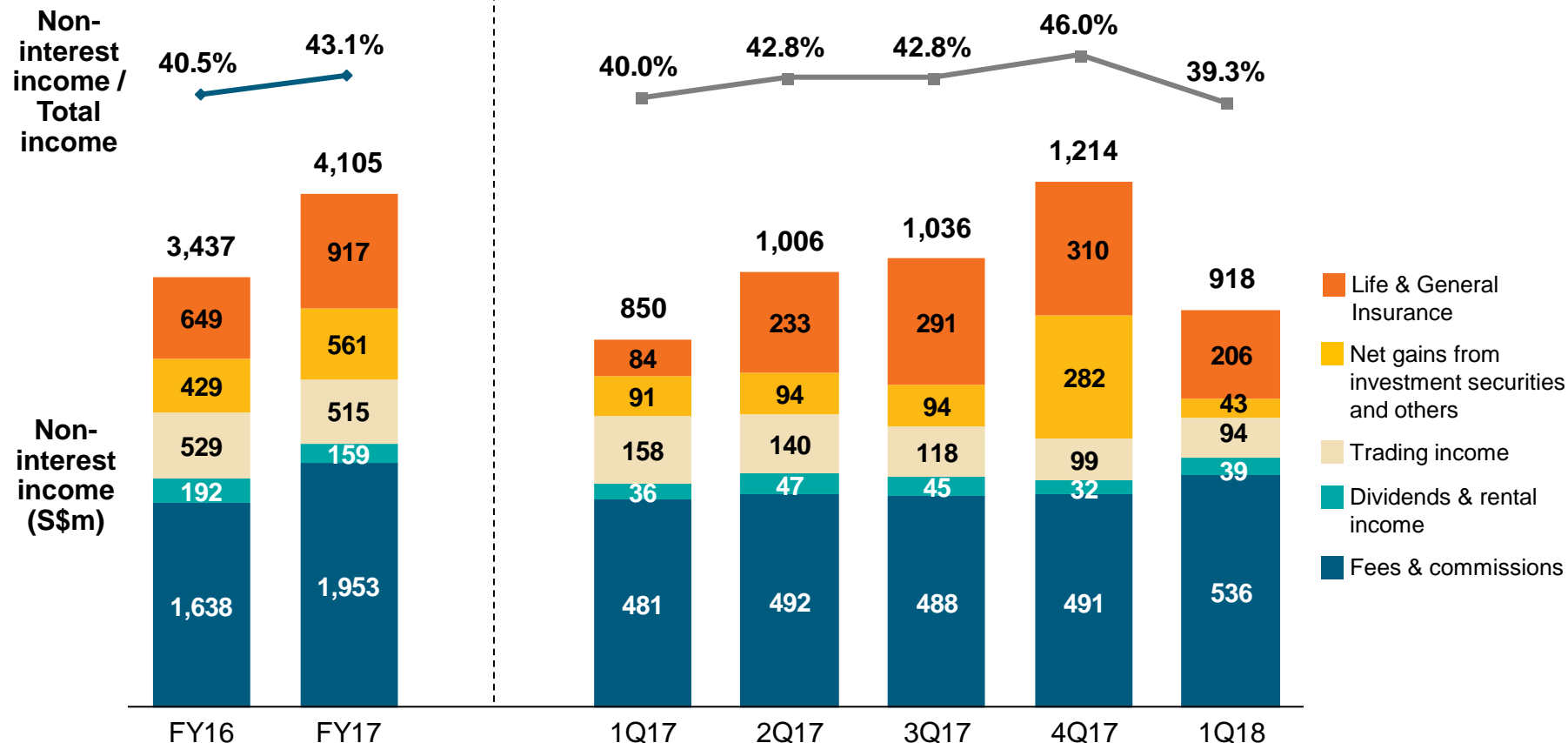
Net interest income rose 11% YoY, driven by robust asset growth and 5 bps rise in NIM





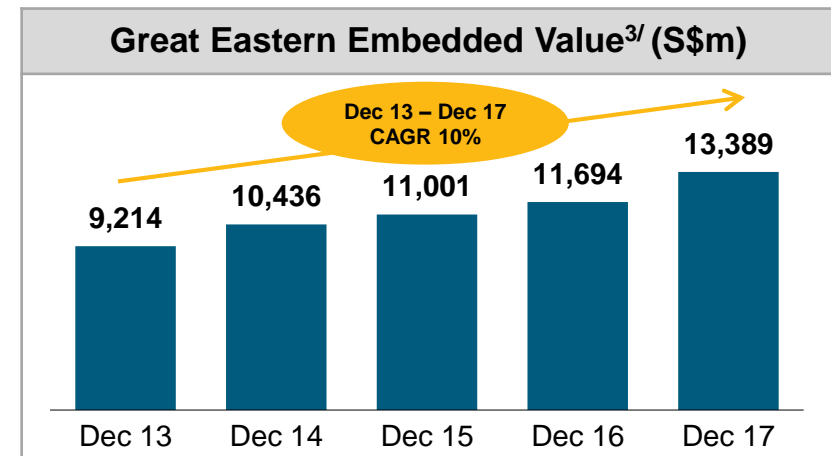
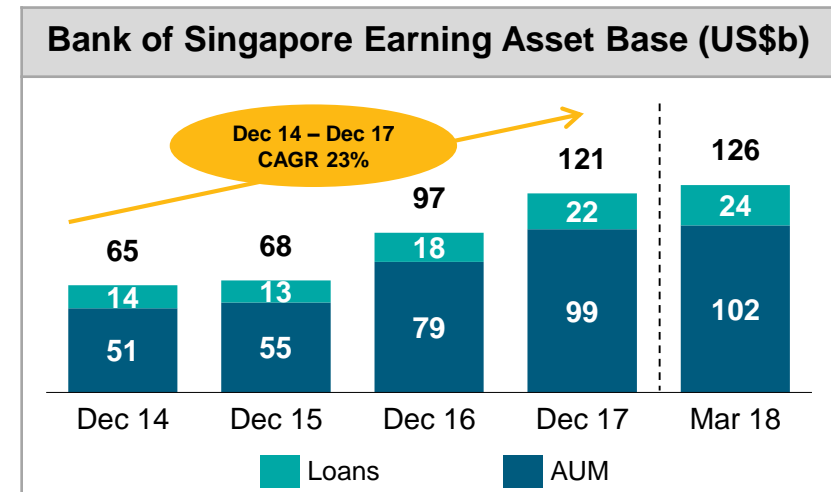
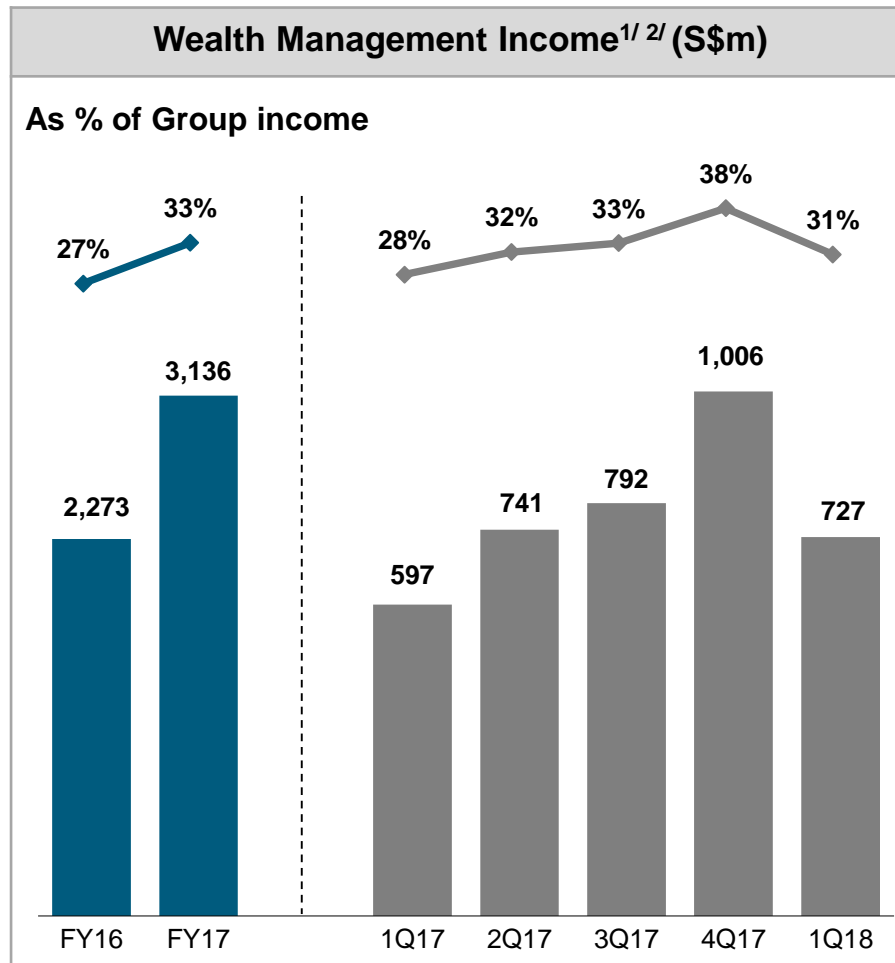
# Non-interest income

YoY non-interest income up 8% led by strong fee growth and higher insurance income; QoQ non-interest income reduced by 24% as the increase in fees was more than offset by lower insurance and investment income



# Wealth Management

Wealth management income rose 22% YoY across key customer segments;  
BOS' AUM grew 19% YoY to US\$102b



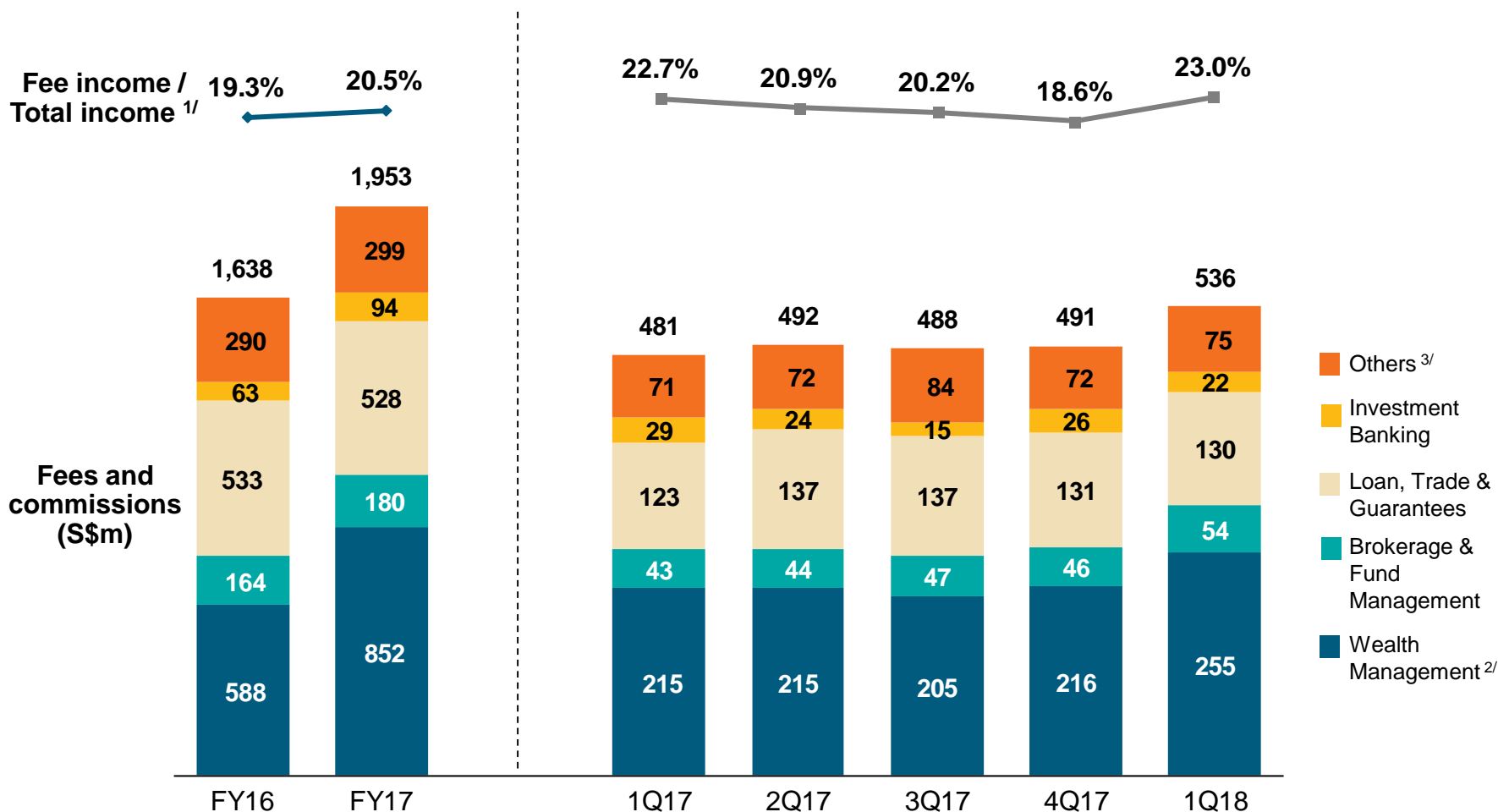
1/ Wealth management income comprises the consolidated income from insurance, asset management, stockbroking and private banking subsidiaries, plus the Group's income from the sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

2/ Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.

3/ An actuarial embedded value is a commonly used technique to estimate the economic value of the existing business of a life insurance company.

# Fees & Commissions

Fee income increased 11% YoY from broad-based growth across key segments



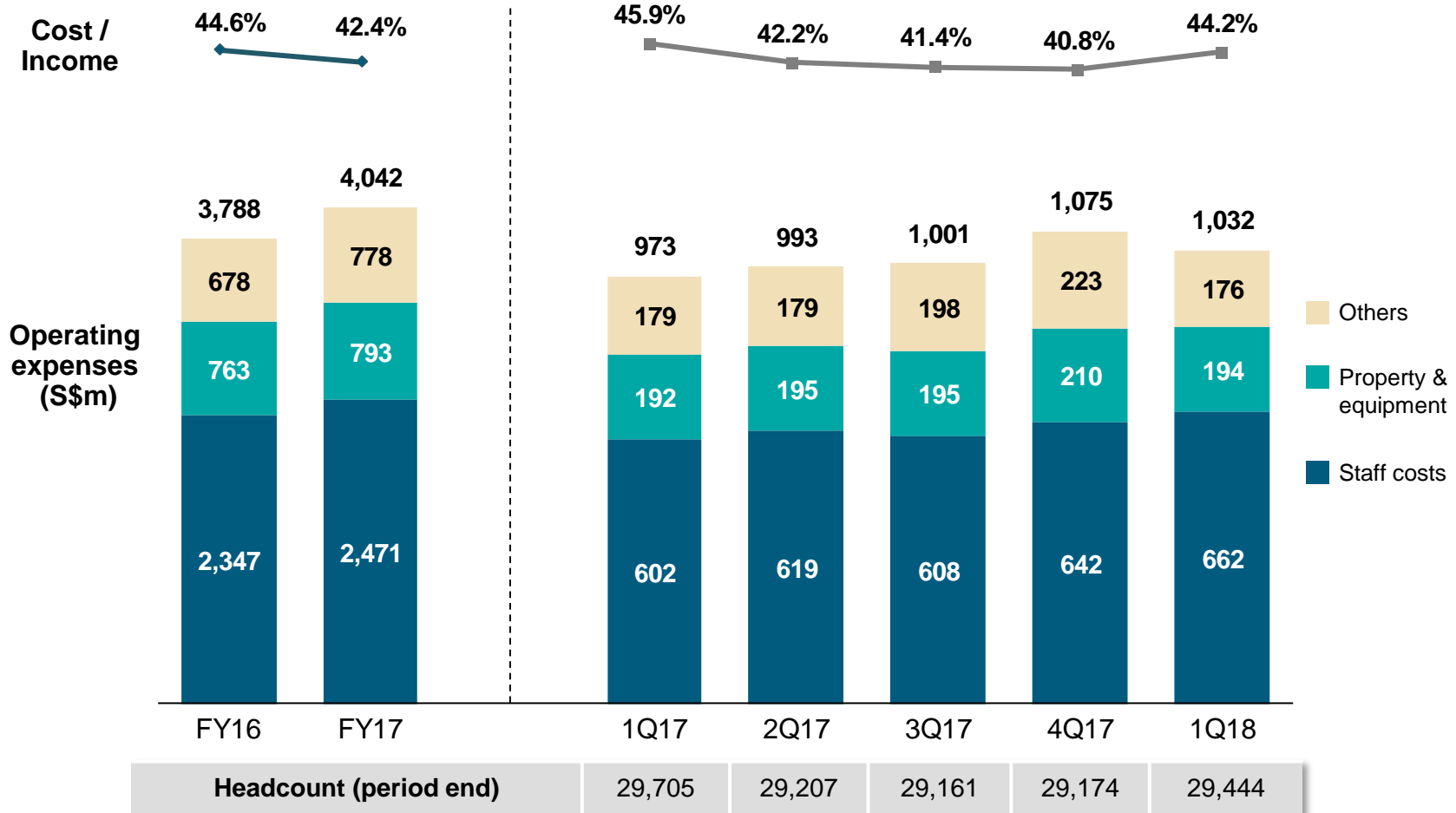
1/ Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.

2/ Mainly comprising income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

# Operating expenses

Expenses declined 4% QoQ as a result of effective cost management



# Allowances under SFRS(I) 9 and revised MAS 612

The Group complied with SFRS(I) 9 and revised MAS 612 requirements effective 1 January 2018

**As at 31 Dec 2017**

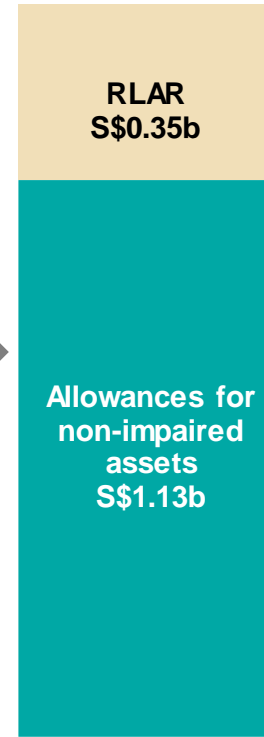


With effect from 1 January 2018, SFRS(I) 9 requires the Group to calculate credit loss allowances using a forward-looking expected credit loss (“ECL”) model. The difference between the Stage 1 and 2 ECL<sup>1/</sup> and MAS 612 Minimum Regulatory Loss Allowance (“MRLA”) <sup>2/</sup> is reported as Regulatory Loss Allowance Reserve (“RLAR”).

**As at 1 Jan 2018**



**As at 31 Mar 2018**



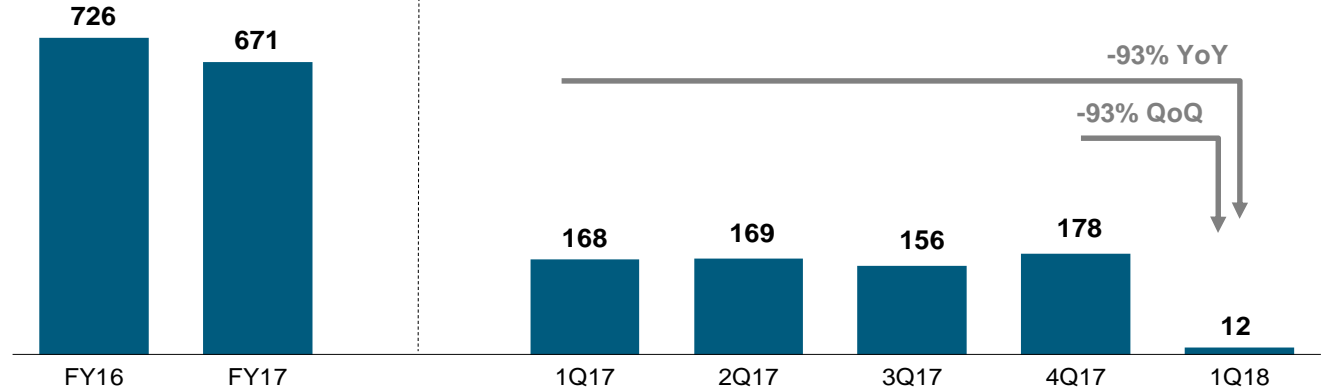
S\$1.48b

1/ Credit loss allowances for assets classified under stages 1 and 2 relate to non-impaired assets.  
 2/ Minimum regulatory loss allowance of 1% on non-credit impaired non-bank exposures net of eligible collaterals.

# Allowances

## Allowances lower QoQ and YoY

Allowances for loans and other assets (\$m)



### Allowances for loans and other assets (\$m)

Allowances for impaired loans <sup>1/</sup>	484	1,407
- Allowances for new & existing loans	666	1,632
- Write-backs <sup>3/</sup>	(126)	(161)
- Recoveries <sup>4/</sup>	(56)	(64)
Allowances for impaired other assets	70	50
Allowances for non-impaired loans <sup>2/</sup>	172	(786)
Allowances for non-impaired other assets	-	-
<b>Allowances for loans and other assets</b>	<b>726</b>	<b>671</b>

108	105	138	1,055	13
149	173	192	1,117	60
(31)	(53)	(32)	(45)	(33)
(10)	(15)	(22)	(17)	(14)
21	5	15	10	(2)
39	59	3	(887)	16
-	-	-	-	(15)
<b>168</b>	<b>169</b>	<b>156</b>	<b>178</b>	<b>12</b>

### As a % of avg. loans (bps) <sup>5/</sup>

Allowances for impaired loans	23	62
<b>Total loan allowances <sup>6/</sup></b>	<b>31</b>	<b>27</b>

20	19	24	178	2
27	29	24	28	<b>4</b>

1/ Referred to as specific allowances for periods prior to 1Q18.

2/ Referred to as portfolio allowances for periods prior to 1Q18.

3/ Write-backs of allowances for existing NPLs due to settlements and repayments.

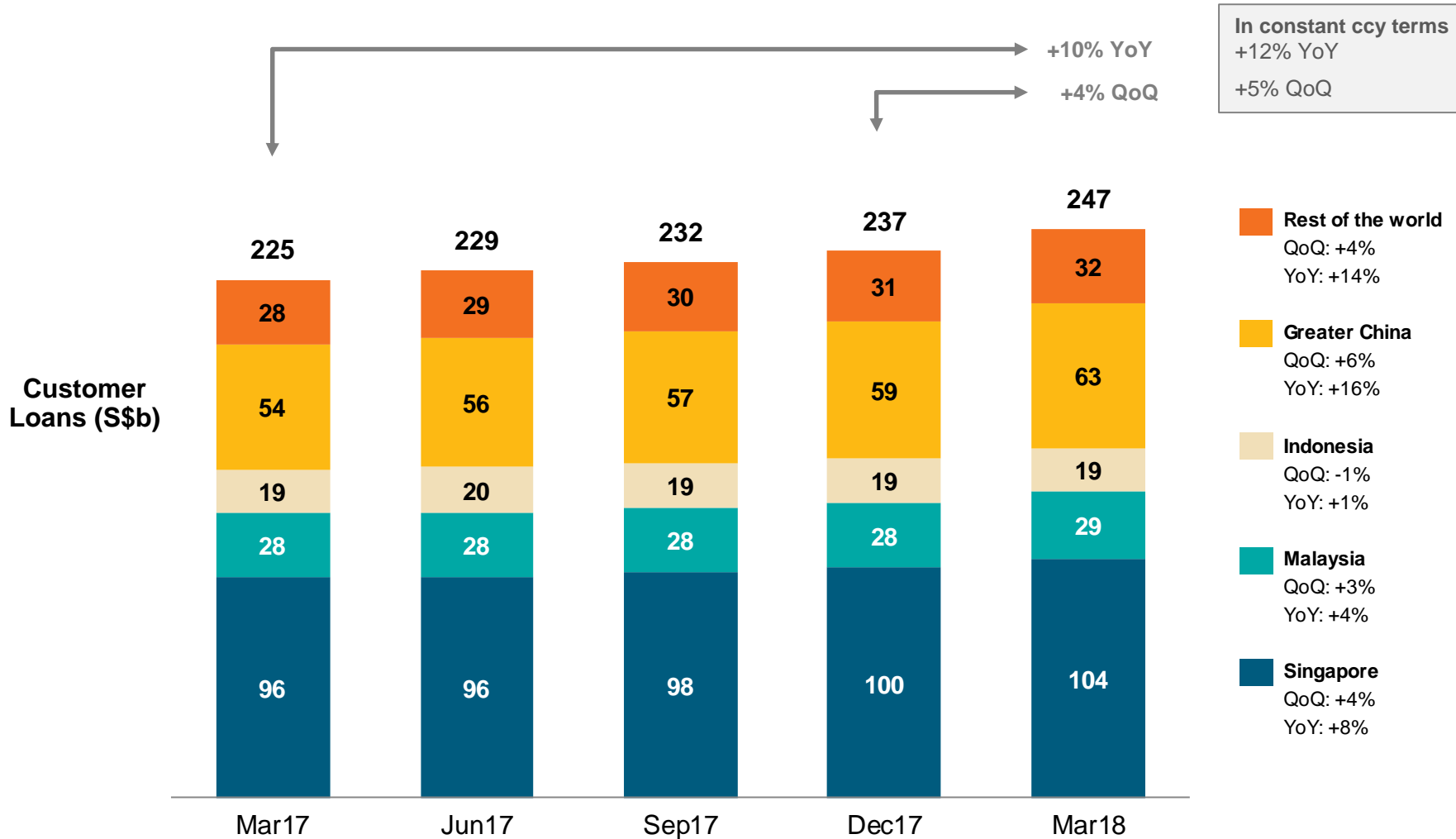
4/ Recoveries of loans that had been written off.

5/ Figures are computed on an annualised basis.

6/ Total loan allowances include allowances for impaired and non-impaired loans.

# Customer loans

Loans expanded 10% YoY to S\$247b across most industries and key markets



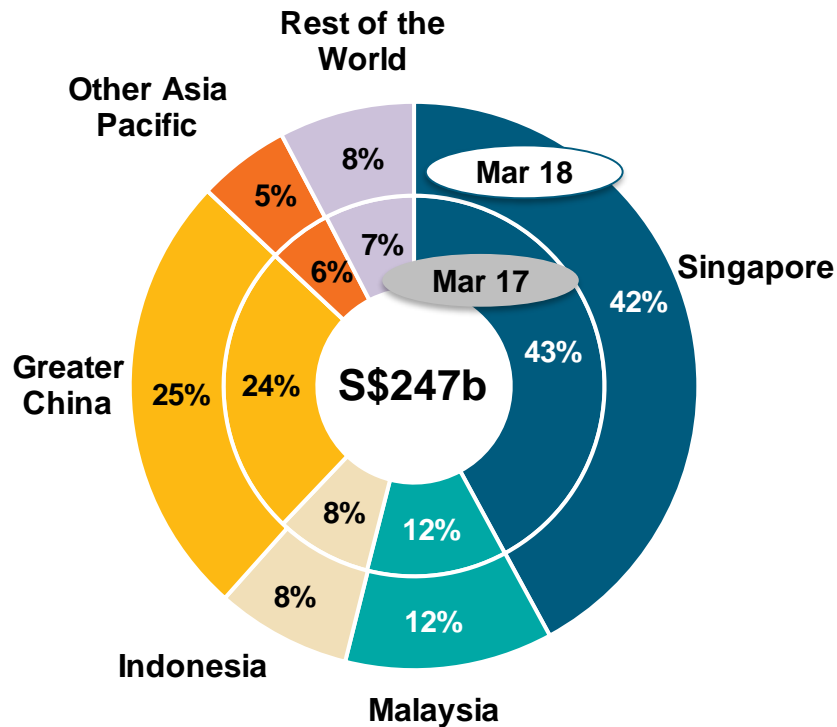
**OCBC Bank**

Note: Customer loans by Geography based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

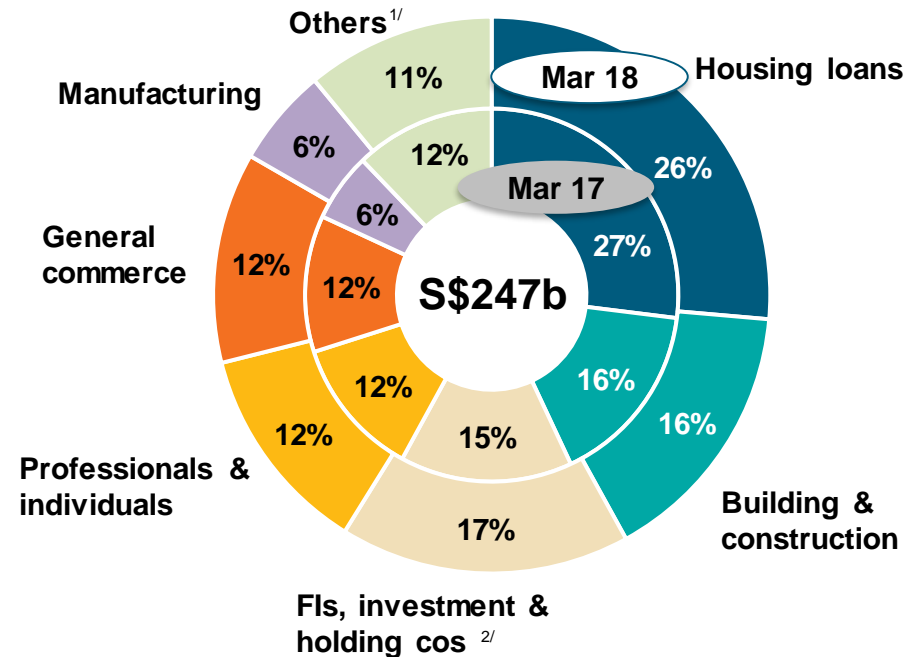
# Customer loans

Loan portfolio remained well-diversified

## Customer Loans by Geography



## Customer Loans by Industry



Note: Customer loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

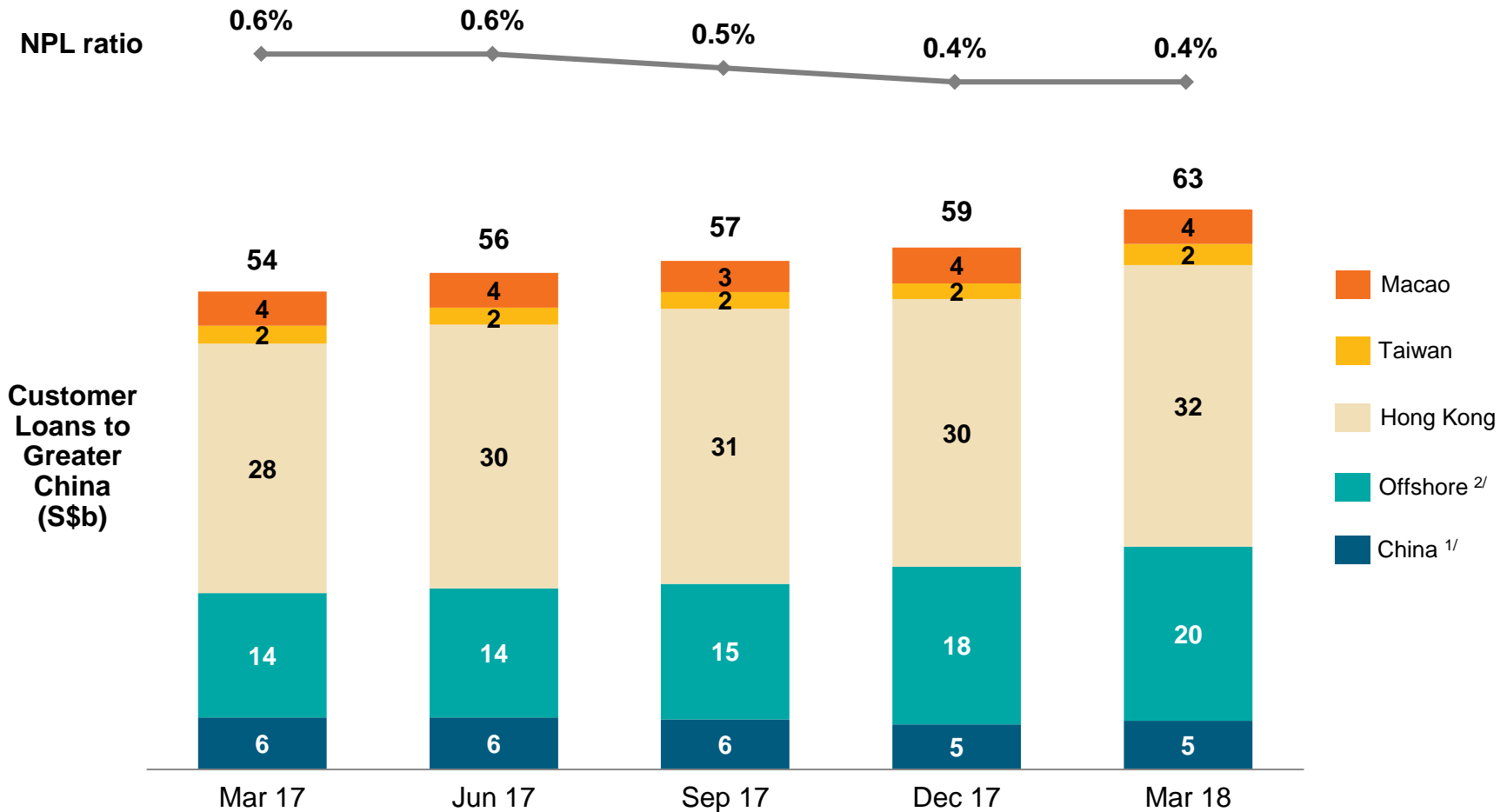
1/ Comprising the "Transport, storage & communication", "Agriculture, mining & quarrying" and "Others" industry groupings.

2/ Mainly comprises investment holding, finance, insurance and securities companies.



# Greater China Customer Loans

Loans up 16% YoY and 6% QoQ; NPL ratio remained low at 0.4%



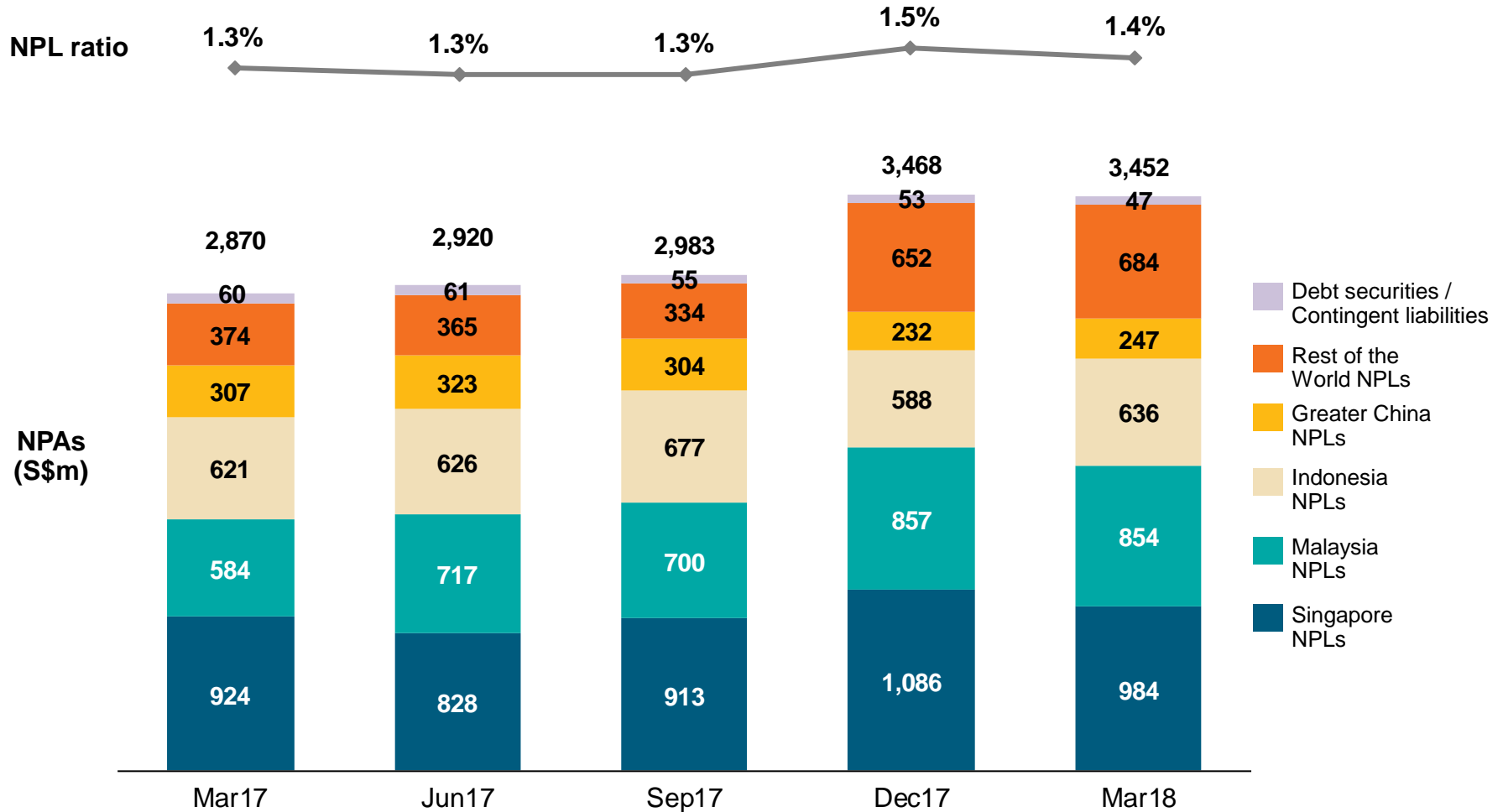
Note: Customer loans to Greater China is based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

1/ Relates to loans that are booked in China, where credit risks reside.

2/ Relates to loans that are booked outside of China, but with credit risks traced to China.

# Asset quality

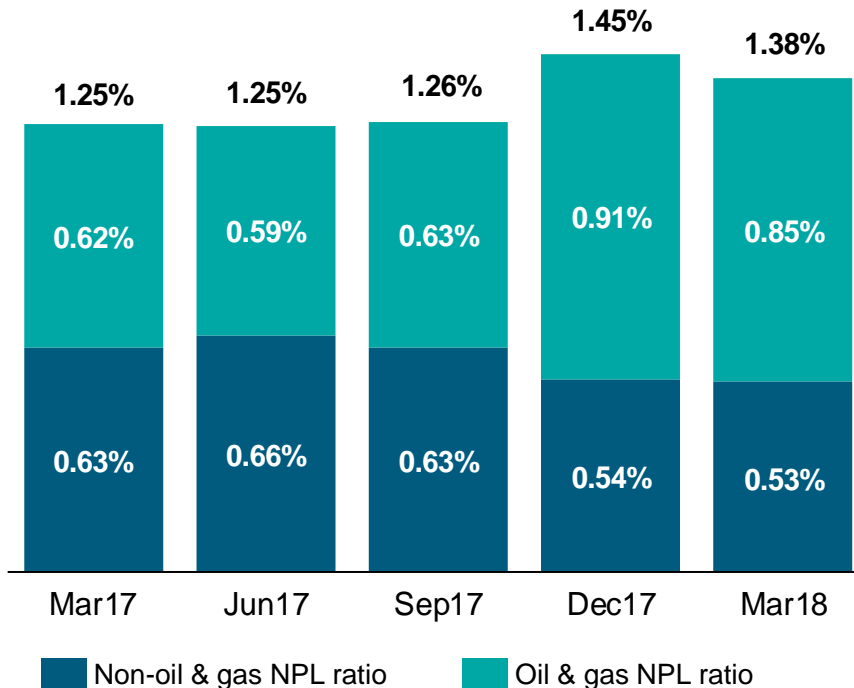
NPL ratio fell QoQ to 1.4%; NPA balances lower at S\$3.45b compared to the previous quarter



# NPL Ratio & Non-Performing Assets

NPL ratio fell QoQ mainly from a decline in the oil and gas NPL ratio; new NPA formation lower QoQ and YoY

## NPL ratio

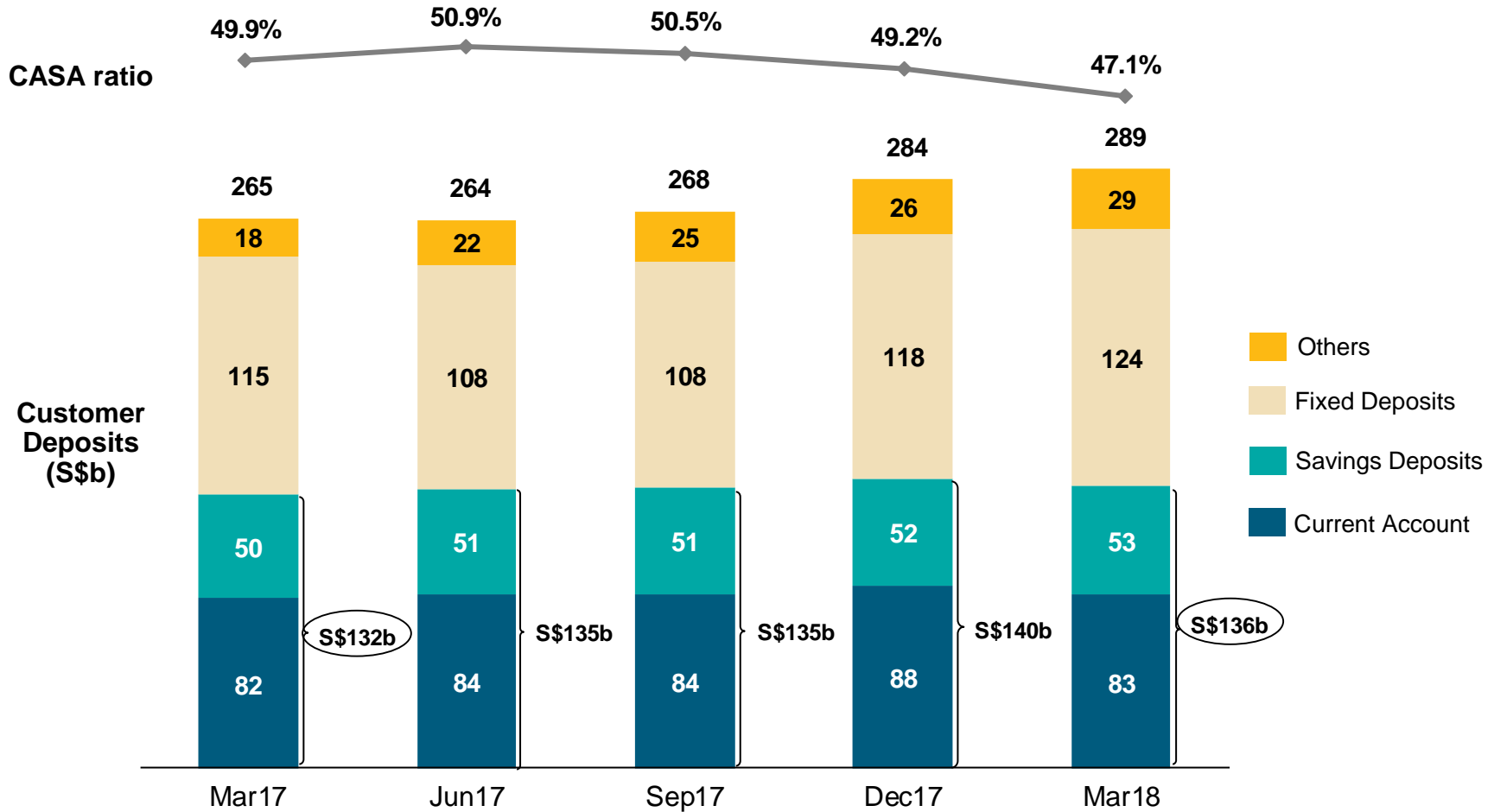


## NPAs

	1Q18 S\$m	4Q17 S\$m	1Q17 S\$m
Opening balance	3,468	2,983	2,886
New NPAs	297	1,355	391
Net recoveries/ upgrades	(274)	(334)	(270)
Write-offs	(39)	(536)	(137)
<b>Closing balance</b>	<b>3,452</b>	<b>3,468</b>	<b>2,870</b>

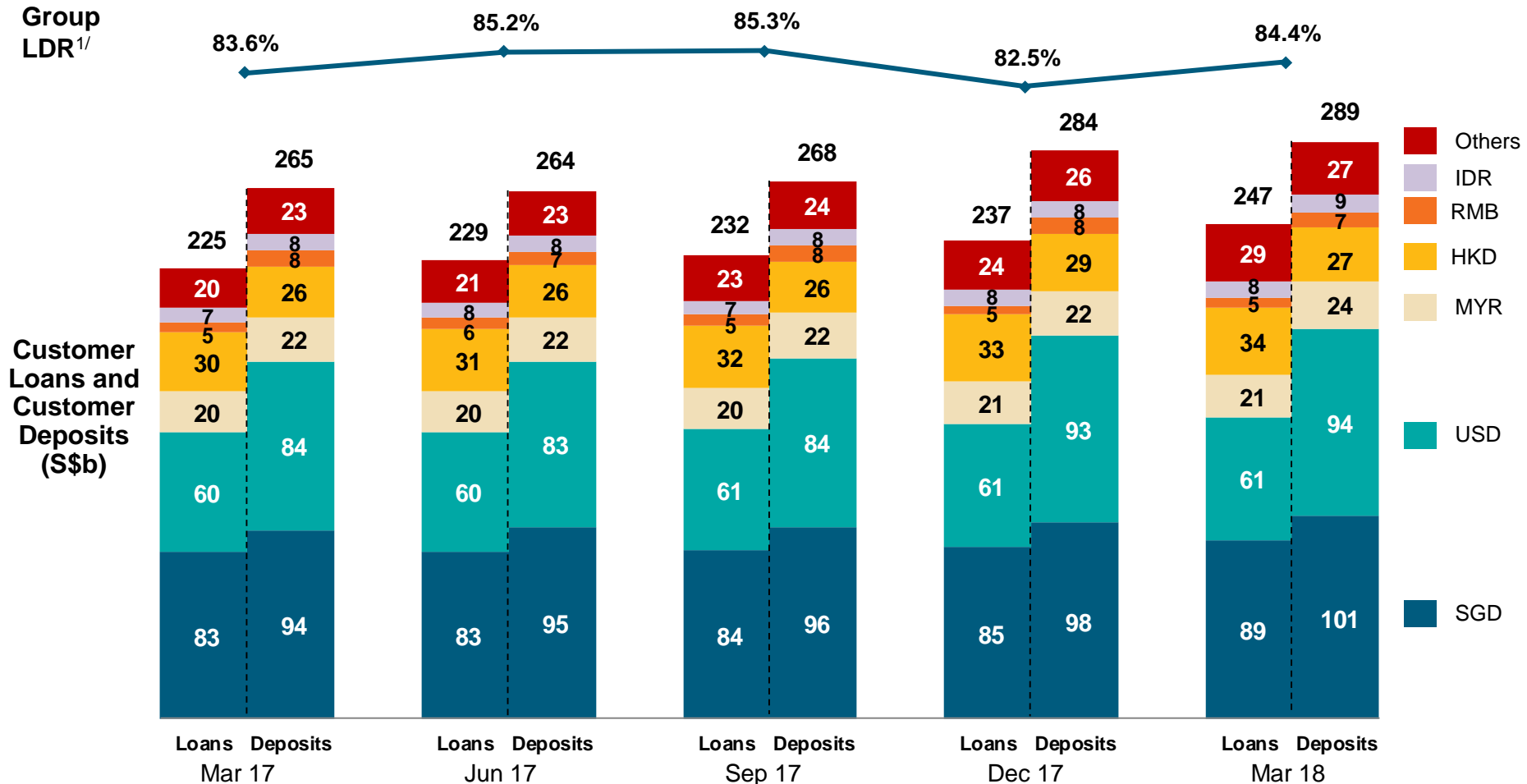
# Customer deposits

Customer deposits rose 2% QoQ and 9% YoY



# Loans-to-Deposits Ratio

Group LDR at 84.4%, as compared to 83.6% the year before



LDRs<sup>1/</sup>

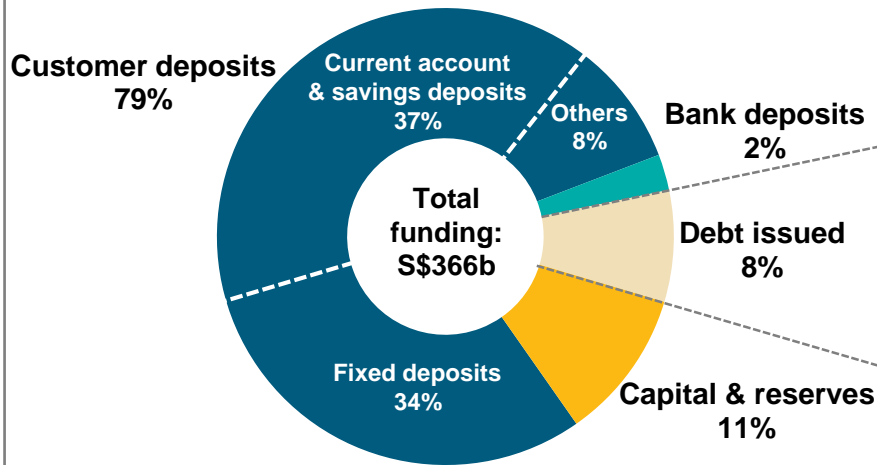
	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18
SGD	88.2%	87.4%	87.7%	87.5%	88.2%
USD	71.0%	72.0%	72.0%	65.8%	65.6%
RMB	65.8%	73.2%	69.0%	61.3%	74.2%

1/ Group LDRs based on net customer loans / customer deposits; LDRs by currency based on gross customer loans / customer deposits.

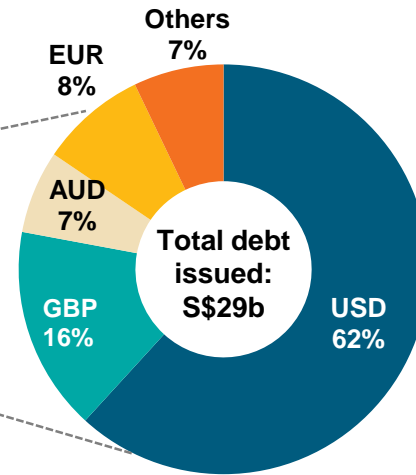
# Funding & Liquidity

Well-diversified funding mix; customer deposits accounted for 79% of total funding; LCR and NSFR comfortably above regulatory guidelines at 149% and 106% respectively

### Funding Composition as of 31 Mar 2018



### Wholesale Funding by Currency as of 31 Mar 2018



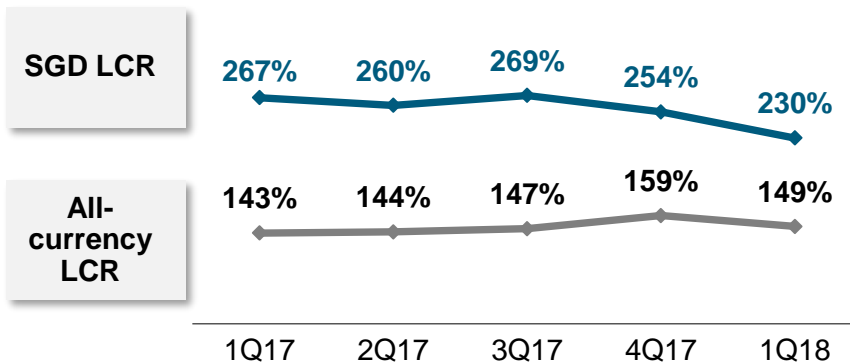
#### By Maturity:

≤ 1 year	70%
> 1 year	30%

### CASA by Major Currencies

S\$b	Mar 17	Dec 17	Mar 18
SGD	66	69	70
USD	37	38	35
MYR	6	6	6
HKD	10	11	11
IDR	3	3	3

### Average Liquidity Coverage Ratio

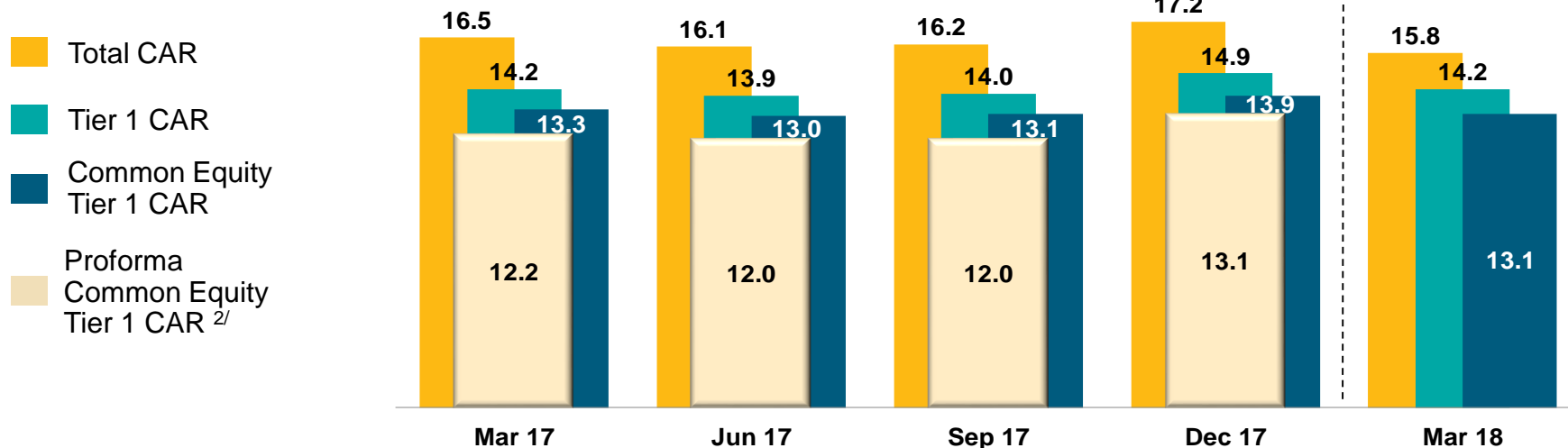


Note: Both Singapore dollar and all-currency LCRs were higher as compared to the regulatory requirements effective at each reporting date.

# Capital

Capital position remained strong and comfortably above regulatory requirements

## Capital Adequacy Ratios (%)



CET1 capital (\$m)	27,688	27,800	27,807	26,907	26,206
Tier 1 capital (\$m)	29,558	29,684	29,694	28,960	28,277
RWA (\$m)	207,224	212,527	211,372	193,082	198,817

Leverage ratio <sup>3/</sup> (%)	7.7	7.8	7.6	7.3	7.0
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1/ With full effect from 1 January 2018, capital ratios are computed based on Basel III rules. Capital ratios before 1 January 2018 were computed based on Basel III transitional arrangements.

2/ Proforma CET1 CAR were computed based on Basel III rules effective from 1 January 2018.

3/ Leverage ratio of 7.0% as at 31 March 2018 was well above the 3% minimum regulatory requirement.

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**Major Accounting Policies Effective 1 January 2018**

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# Major accounting policies effective 1 Jan 2018

- With effect from 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange (“SGX”) are required to apply a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”), to achieve full convergence with the International Financial Reporting Standards (“IFRS”).
- The major accounting standards impacting OCBC are:
  - SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
  - SFRS(I) 9 *Financial Instruments*
- The Group adopted the new financial reporting framework and applied all SFRS(I) with 1 January 2017 as the date of transition, and for SFRS(I) 9, with 1 January 2018 as the date of transition.
- For comparability to industry practices, GEH has changed its basis for the preparation of its financial statements from fund accounting to an enterprise wide accounting basis and aligned its income recognition policy with SFRS(I). 2017 comparative financials were restated for this accounting policy change.

# Effect of adopting SFRS(I) 1 and change in accounting policy for GEH

OCBC Group	4Q17	4Q17	Difference	1Q17	1Q17	Difference
	after	before		after	before	
	restatement	restatement	S\$m	restatement	restatement	S\$m
	S\$m	S\$m		S\$m	S\$m	
Net interest income	1,424	1,424	-	1,272	1,272	-
Non-interest income	1,214	1,205	9 <sup>1/</sup>	850	977	(127) <sup>1/</sup>
<b>Total income</b>	<b>2,638</b>	<b>2,629</b>	<b>9</b>	<b>2,122</b>	<b>2,249</b>	<b>(127)</b>
Operating expenses	(1,075)	(1,067)	(8) <sup>1/</sup>	(973)	(973)	(0) <sup>1/</sup>
<b>Operating profit</b>	<b>1,563</b>	<b>1,562</b>	<b>1</b>	<b>1,149</b>	<b>1,276</b>	<b>(127)</b>
Amortisation of intangibles	(26)	(26)	-	(26)	(26)	-
Allowances	(178)	(178)	-	(168)	(168)	-
Associates	28	28	-	114	114	-
Tax & NCI	(353)	(353)	(0)	(208)	(223)	15
<b>Net profit</b>	<b>1,034</b>	<b>1,033</b>	<b>1</b>	<b>861</b>	<b>973</b>	<b>(112)</b>

# Impact on adoption of SFRS(I)

## **SFRS(I) 1 *First Time Adoption of Singapore Financial Reporting Standards (International)***

- The Group has elected the optional exemption to reset its cumulative foreign currency translation reserves (“FCTR”) for all foreign operations to nil at the date of transition on 1 January 2017, as permitted by SFRS(I). As a result, cumulative translation loss of S\$0.9b (Bank: S\$0.1b) as at 1 January 2017 was reclassified from FCTR to Unappropriated Profit within Revenue Reserves.

## **SFRS(I) 9 *Financial Instruments***

- SFRS(I) 9 replaces the existing FRS 39 loan provisioning requirements as modified by MAS Notice 612 with a forward-looking expected credit loss (“ECL”) model. At transition to SFRS(I) 9, the Group’s accounting loss allowance was S\$1.13b, with non-distributable regulatory loss allowance reserve (“RLAR”) of S\$0.34b.
- Application of SFRS(I) 9 resulted in reclassification of certain financial assets held by the Group<sup>1/</sup> at transition:
  - S\$0.4b of available-for-sale (“AFS”) government treasury bills and debt securities were reclassified to amortised cost;
  - S\$0.2b of AFS debt securities were reclassified to fair value through profit or loss (“FVTPL”);
  - S\$0.3b of loans to customers carried at amortised cost were reclassified to FVTPL; and
  - S\$1.5b of AFS equity securities were reclassified to FVTPL, and S\$1.8b of AFS equity securities were reclassified to fair value through other comprehensive income (“FVOCI”).
- The Group has applied the hedge accounting requirements of SFRS(I) 9. There is no material impact on the financial statements.

<sup>1/</sup> Excluding life assurance fund investment assets

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# Subsidiaries' Performance

All major subsidiaries' earnings up YoY and contributed 32% to the Group's profit

	Key Metrics		YoY	
	1Q18	1Q17		
Great Eastern Holdings	Net profit <sup>1/</sup>	S\$91m	S\$153m	+68%
	NBEV	S\$101m	S\$111m	-9%
	NBEV margin	39.6%	43.6%	+4.0ppt
	TWNS	S\$280m	S\$231m	-17%
OCBC Wing Hang	Net profit	HKD484m	HKD626m	+29%
	Loans	HKD164b	HKD189b	+16%
	Deposits	HKD194b	HKD219b	+13%
OCBC Malaysia	Net profit	RM227m	RM244m	+7%
	Loans	RM71b	RM67b	-6%
	Deposits	RM71b	RM75b	+5%
OCBC NISP	Net profit	IDR563b	IDR663b	+18%
	Loans	IDR94t	IDR111t	+17%
	Deposits	IDR110t	IDR121t	+10%

<sup>1/</sup> Figures for 1Q17 were restated in accordance with SFRS(I) and change in accounting policy for GEH.

Note: "ppt" denotes percentage points.

# 1Q18 Great Eastern Holdings' performance

Net profit contribution rose 80% YoY to S\$123m

GEH	1Q18 S\$m	4Q17 S\$m	QoQ +/(-)%	1Q17 S\$m	YoY +/(-)%
Profit from insurance business	172	278	(38)	57	204
- Operating profit <sup>1/</sup>	159	163	(2)	121	32
- Non-operating (loss) / profit <sup>2/</sup>	(5)	84	(106)	(82)	94
- Others	18	31	(42)	18	-
Profit from Shareholders' Fund	2	219	(99)	68	(98)
<b>Profit from operations</b>	<b>174</b>	<b>497</b>	<b>(65)</b>	<b>125</b>	<b>39</b>
Allowances	0	(3)	(117)	(3)	(114)
Tax & NCI	(21)	(67)	(68)	(31)	(31)
<b>Net profit</b>	<b>153</b>	<b>427</b>	<b>(64)</b>	<b>91</b>	<b>68</b>
Group adjustments <sup>3/</sup>	(30)	(64)	(53)	(23)	31
<b>Net profit contribution to Group</b>	<b>123</b>	<b>363</b>	<b>(66)</b>	<b>68</b>	<b>80</b>

Note: Figures for 4Q17 and 1Q17 were restated in accordance with SFRS(I) and change in accounting policy for GEH. For comparison in constant currency terms, operating profit in foreign currencies for 1Q18 were translated using the corresponding monthly spot rate in 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.



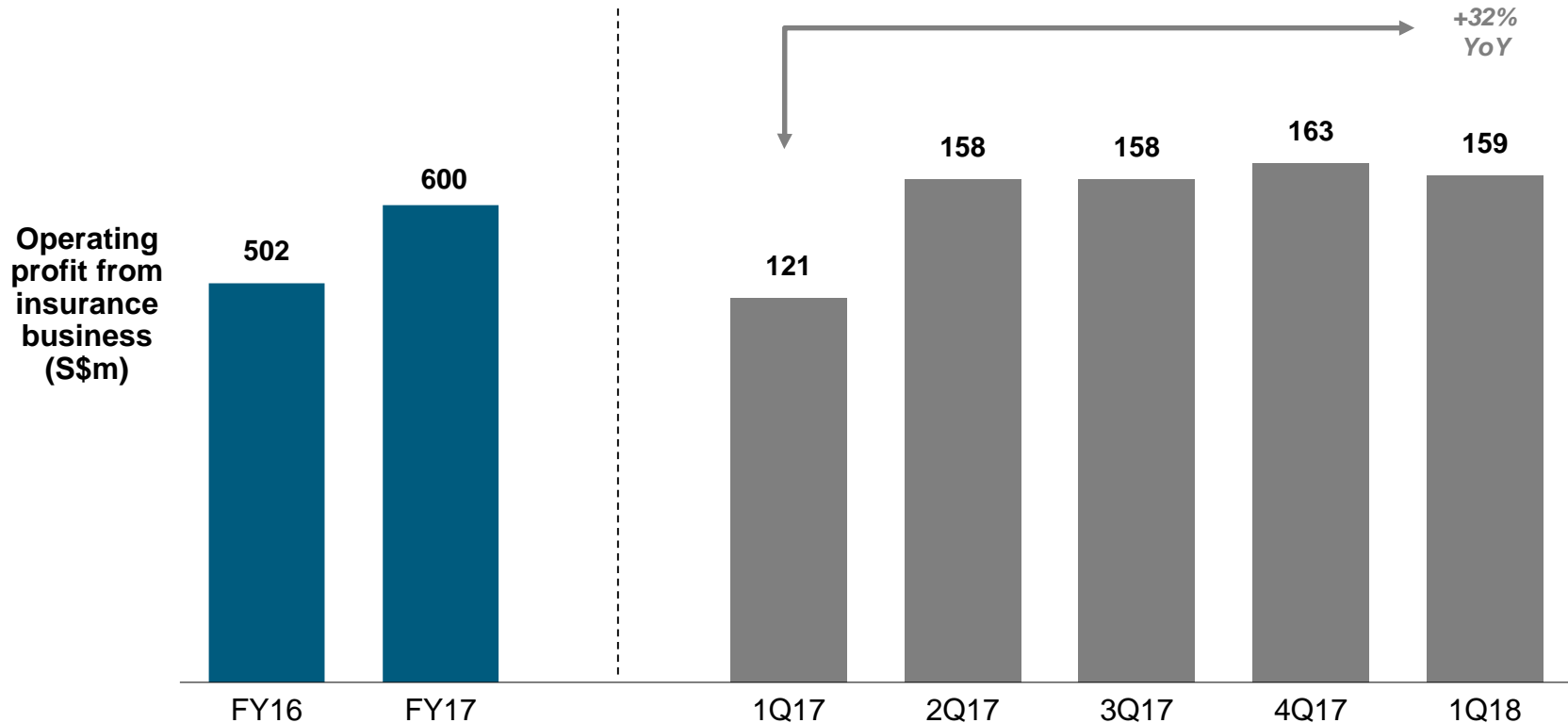
1/ Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).

2/ Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items.

3/ Primarily from adjustments made to amortisation for intangibles and non-controlling interests.

# GEH: Operating Profit

Operating profit up 32% YoY mainly driven by higher investment income and lower claims

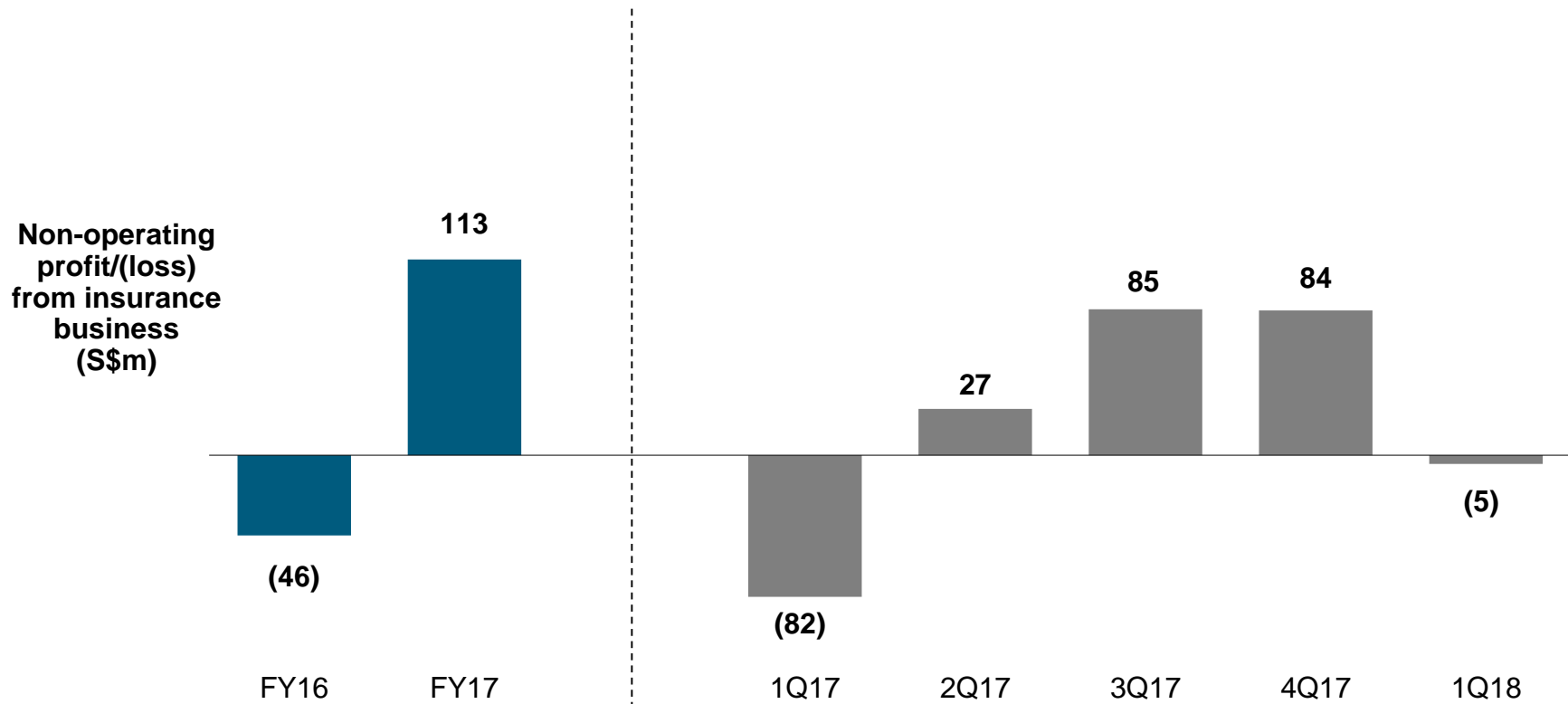


Note:

- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).
- Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.
- For comparison in constant currency terms, operating profit in foreign currencies for 1Q18 were translated using the corresponding monthly spot rate in 2017. Operating profit and non-operating profit in foreign currencies for FY16 were translated using exchange rates as at 31 December 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.

# GEH: Non-operating profit

Non-operating loss at S\$5m as gains from equities were more than offset by widening credit spreads



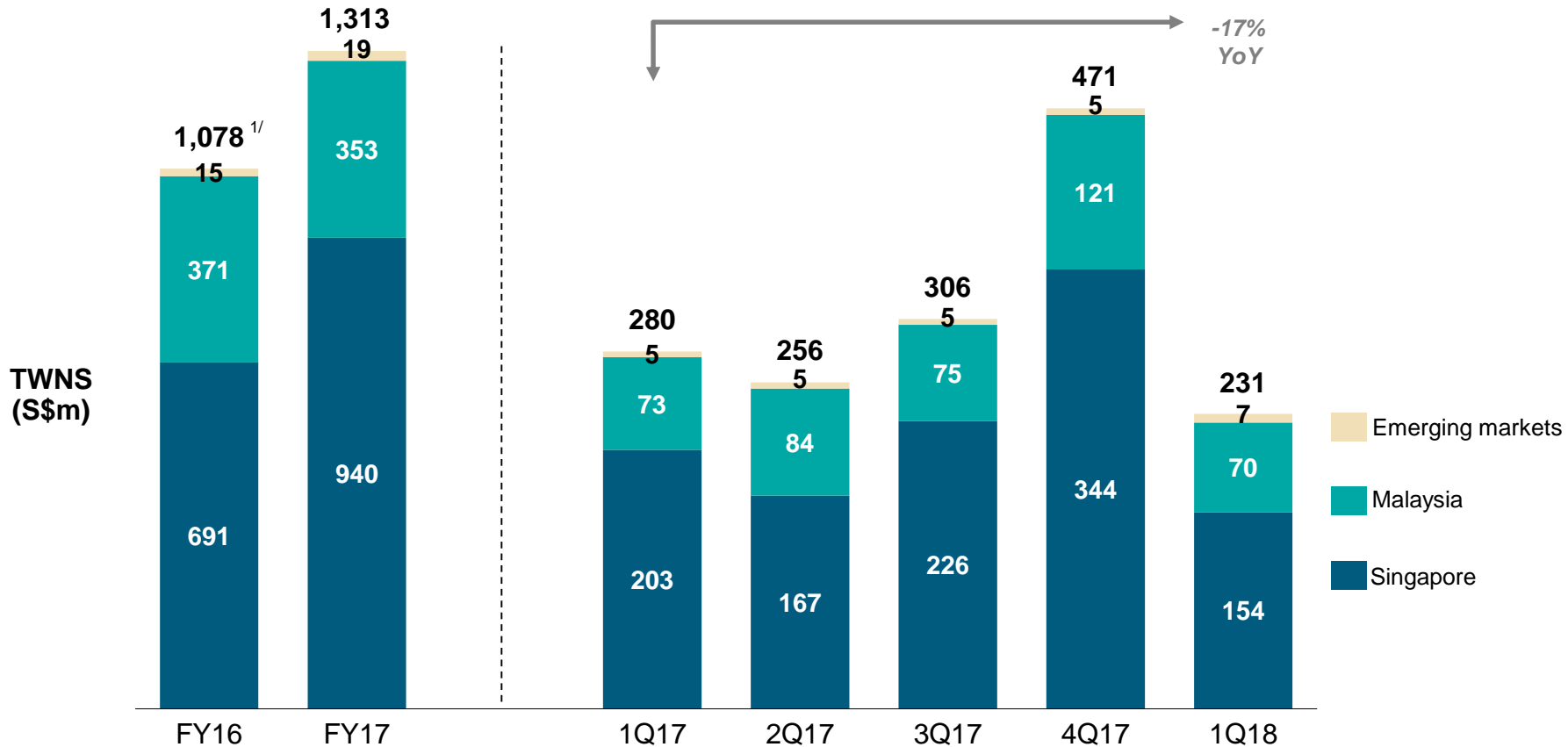
Note:

- Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items.
- Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.
- For comparison in constant currency terms, operating profit in foreign currencies for 1Q18 were translated using the corresponding monthly spot rate in 2017. Operating profit and non-operating profit in foreign currencies for FY16 were translated using exchange rates as at 31 December 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.



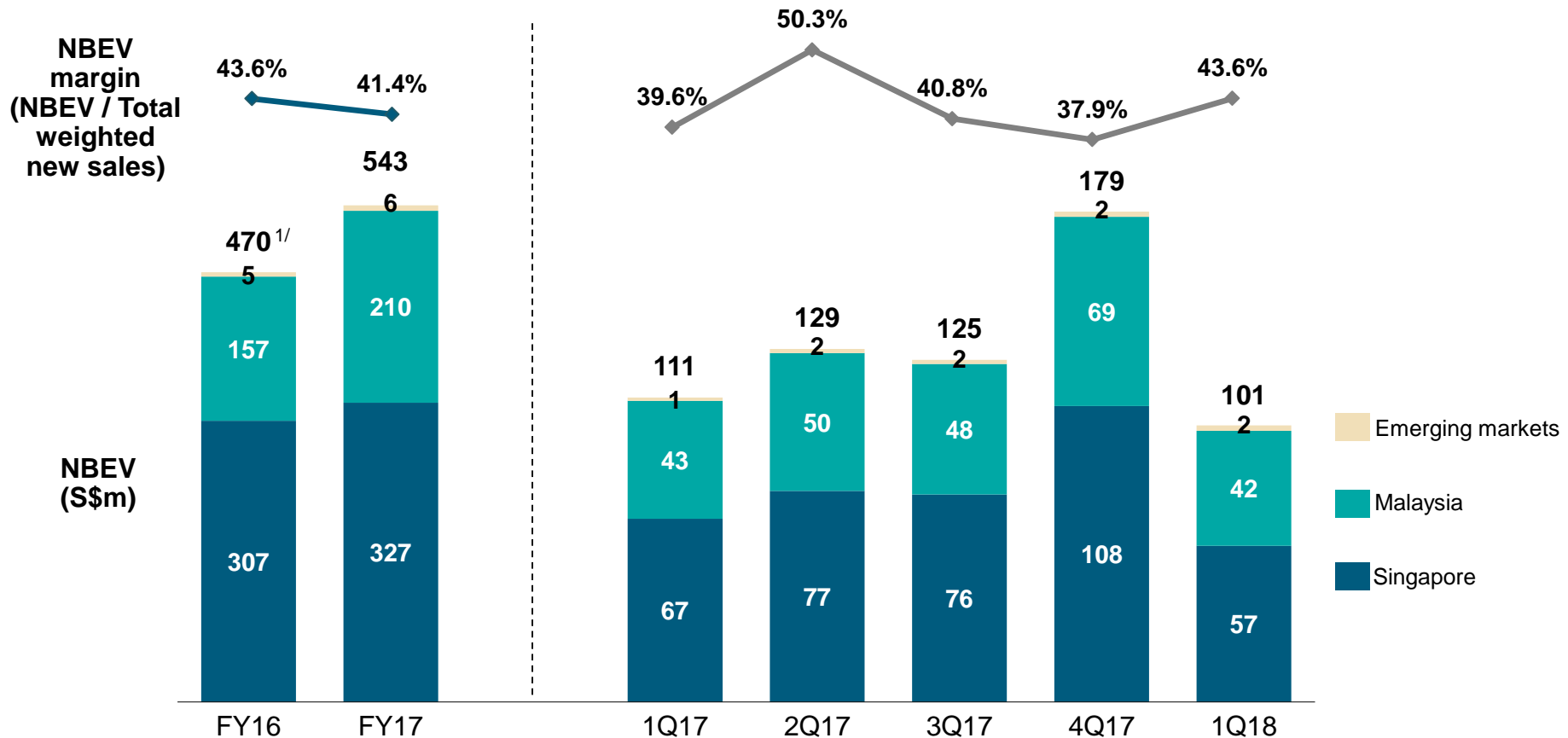
# GEH: Total weighted new sales

TWNS at S\$231m, lower YoY as 1Q17 saw comparatively stronger bancassurance sales



# GEH: New business embedded value

NBEV at S\$101m; NBEV margin rose to 43.6% from 39.6% a year ago driven by improved product mix



Note: For comparison in constant currency terms, NBEV in foreign currencies for 1Q18 have been translated using the corresponding monthly spot rate in 2017. NBEV figures for periods prior to 4Q17 have been restated to take into account revised actuarial assumptions implemented in 4Q17.

<sup>1/</sup> NBEV in foreign currencies for FY16 were translated using exchange rates as at 31 December 2017. NBEV for FY16 included NBEV from Group's investment in Vietnam up to June 2016.

# 1Q18 OCBC Wing Hang's performance

Net profit up 8% QoQ and 29% YoY to HKD626m

OCBC Wing Hang	1Q18 HKD m	4Q17 HKD m	QoQ +/(-)%	1Q17 HKD m	YoY +/(-)%
Net interest income	1,210	1,160	4	970	25
Non-interest income	232	248	(7)	275	(16)
Total income	1,442	1,408	2	1,245	16
Operating expenses	(723)	(779)	(7)	(708)	2
<b>Operating profit</b>	<b>719</b>	<b>629</b>	<b>14</b>	<b>537</b>	<b>34</b>
Allowances	(35)	43	181	(22)	60
Associates & gains on subordinated liabilities	24	17	40	51	(53)
<b>Profit before tax</b>	<b>708</b>	<b>689</b>	<b>3</b>	<b>566</b>	<b>25</b>
Tax	(82)	(107)	(24)	(82)	–
<b>Net profit – local reporting (HKD m)</b>	<b>626</b>	<b>582</b>	<b>8</b>	<b>484</b>	<b>29</b>

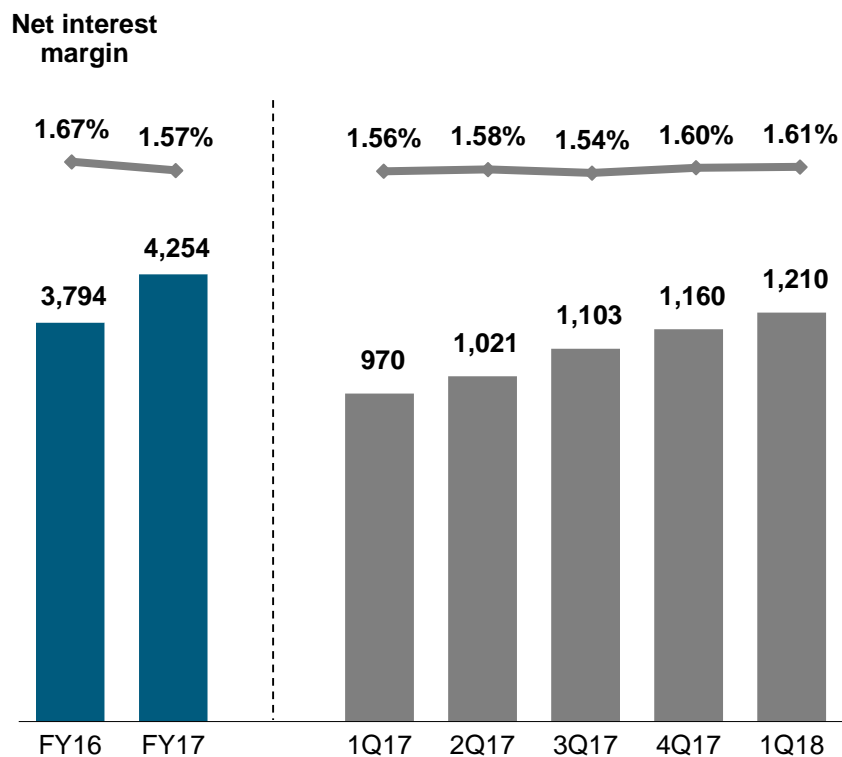
## Key ratios (%)

<b>Cost / Income</b>	<b>50.2</b>	<b>55.3</b>	<b>56.9</b>
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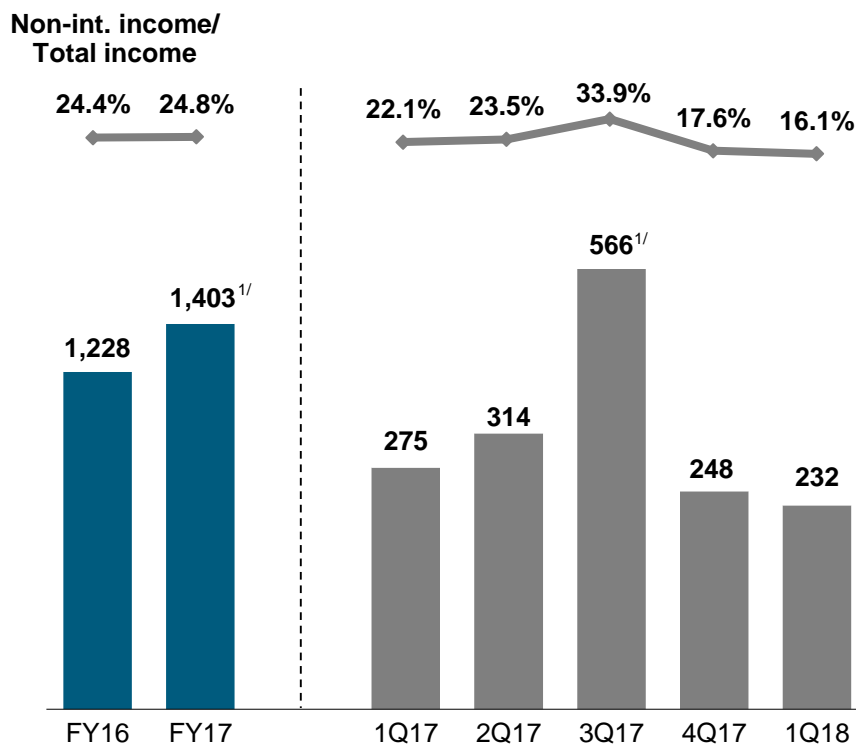
# OCBC Wing Hang: Revenue

Net interest income increased 25% YoY and NIM rose 5 bps; non-interest income at HKD232m

## Net interest income (HKD m)



## Non-interest income (HKD m)

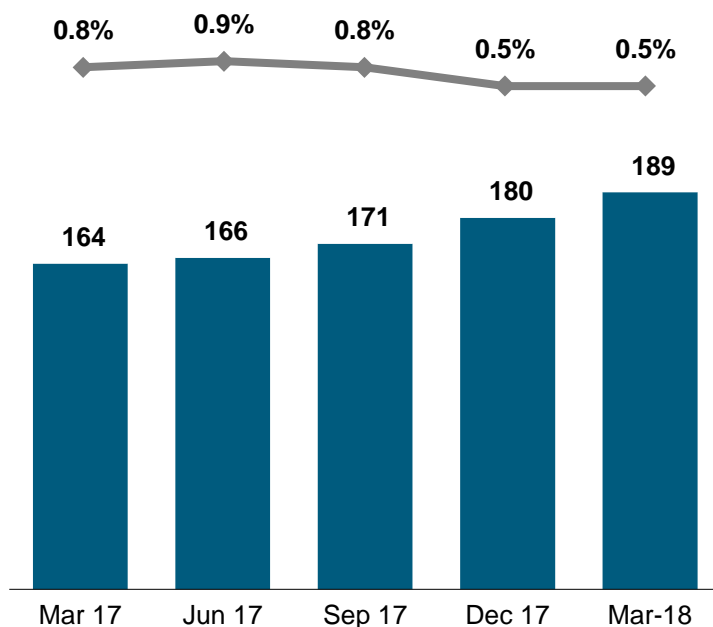


# OCBC Wing Hang: Loans & Deposits

Loans and deposits grew 16% and 13% YoY respectively; NPL ratio lower YoY at 0.5%

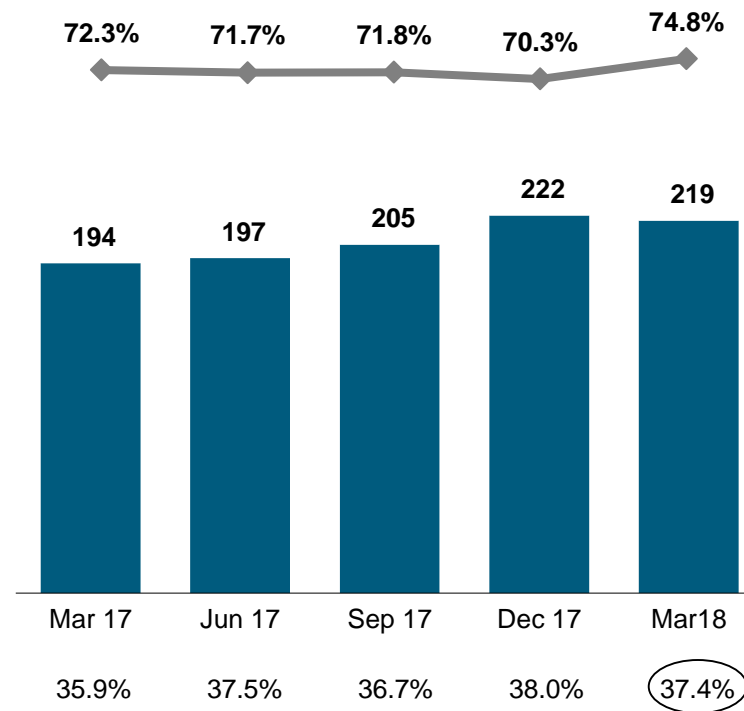
## Gross Loans (HKD b)

NPL ratio



## Deposits (HKD b)

Loans / Deposits <sup>1/</sup>



# 1Q18 OCBC Malaysia's Performance

Net profit rose up QoQ and YoY to RM244m

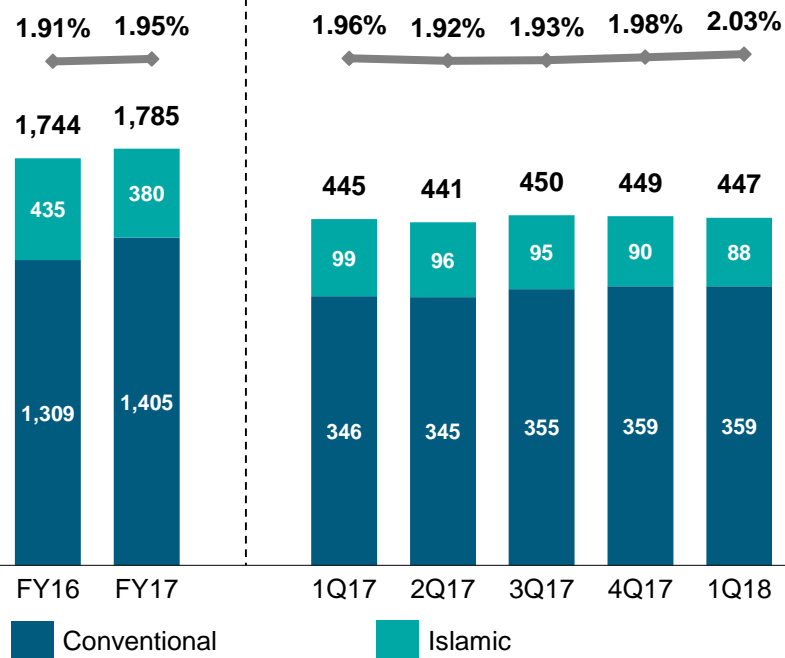
OCBC Malaysia	1Q18 RM m	4Q17 RM m	QoQ +/(-)%	1Q17 RM m	YoY +/(-)%
Net interest income	359	359	-	346	4
Islamic banking income <sup>1/</sup>	105	116	(9)	111	(5)
Non-interest / finance income	151	187	(19)	128	18
<b>Total income</b>	<b>615</b>	<b>662</b>	<b>(7)</b>	<b>585</b>	<b>5</b>
Operating expenses	(284)	(274)	4	(256)	11
<b>Operating profit</b>	<b>331</b>	<b>388</b>	<b>(15)</b>	<b>329</b>	<b>1</b>
Allowances	(7)	(62)	(89)	(28)	(75)
<b>Profit before tax</b>	<b>324</b>	<b>326</b>	<b>(1)</b>	<b>301</b>	<b>8</b>
Tax	(80)	(85)	(6)	(74)	8
<b>Net profit – local reporting (RM m)</b>	<b>244</b>	<b>241</b>	<b>1</b>	<b>227</b>	<b>7</b>
<b>Key ratios (%)</b>					
<b>Cost / Income</b>	<b>46.2</b>	<b>41.3</b>		<b>43.8</b>	
<b>CAR <sup>2/</sup></b>					
- CET 1	13.4	13.7		12.3	
- Tier 1	15.1	15.6		14.1	
- Total CAR	17.8	18.3		17.1	

# OCBC Malaysia: Revenue

Net interest/finance income up slightly YoY; NIM increased 7bps to 2.03%; non-interest/finance income rose 20% YoY

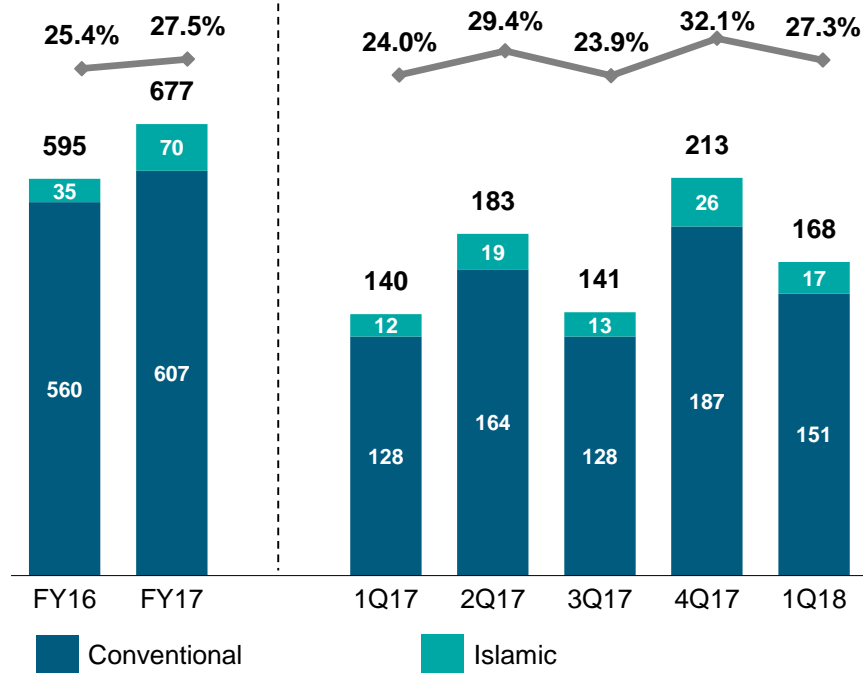
## Net interest/finance income (RM m)

Net interest/finance margin



## Non-interest/finance income<sup>1/</sup> (RM m)

Non-interest/finance income/ Total income



1/ Non-interest/finance income comprises net fee and commission income, net trading income and other operating income.

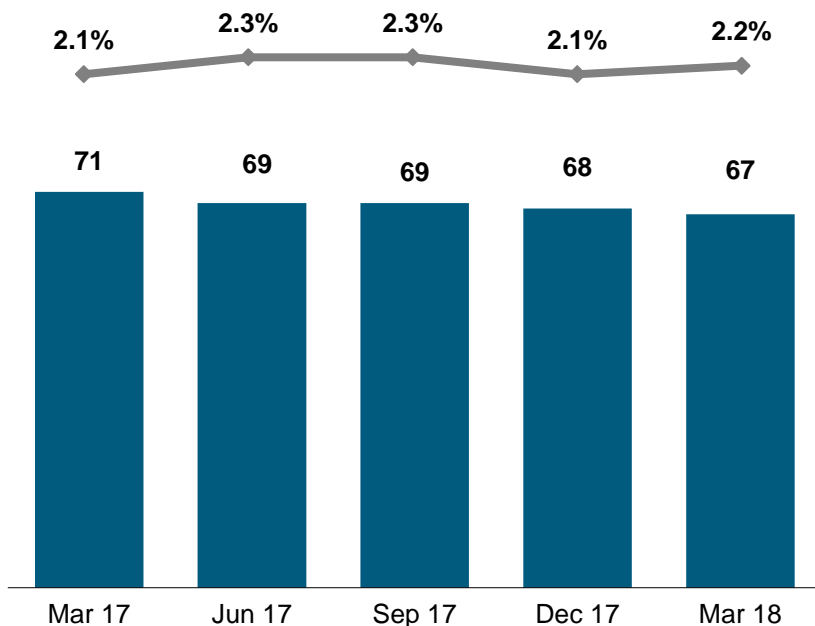
Note: Based on Bank Negara Malaysia's guidelines and Malaysian Financial Reporting Standards.

# OCBC Malaysia: Loans & Deposits

Customer loans at RM67b, with NPL ratio relatively stable at 2.2%; deposits up 5% YoY

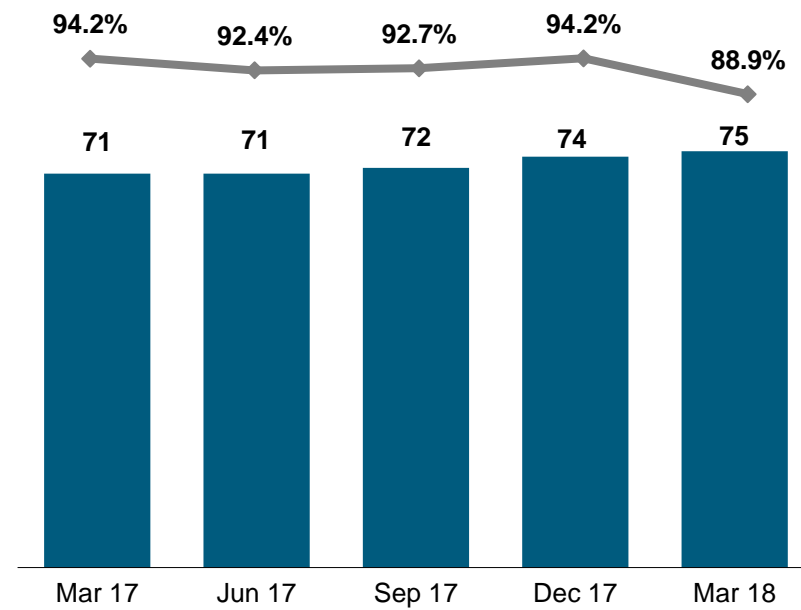
## Gross Loans (RM b)

NPL Ratio



## Deposits (RM b)

Loans / Deposits



CASA Ratio

32.6%    32.9%    30.5%    30.4%    29.2%



# 1Q18 OCBC NISP's performance

Net profit increased 18% YoY and 31% QoQ to IDR663b

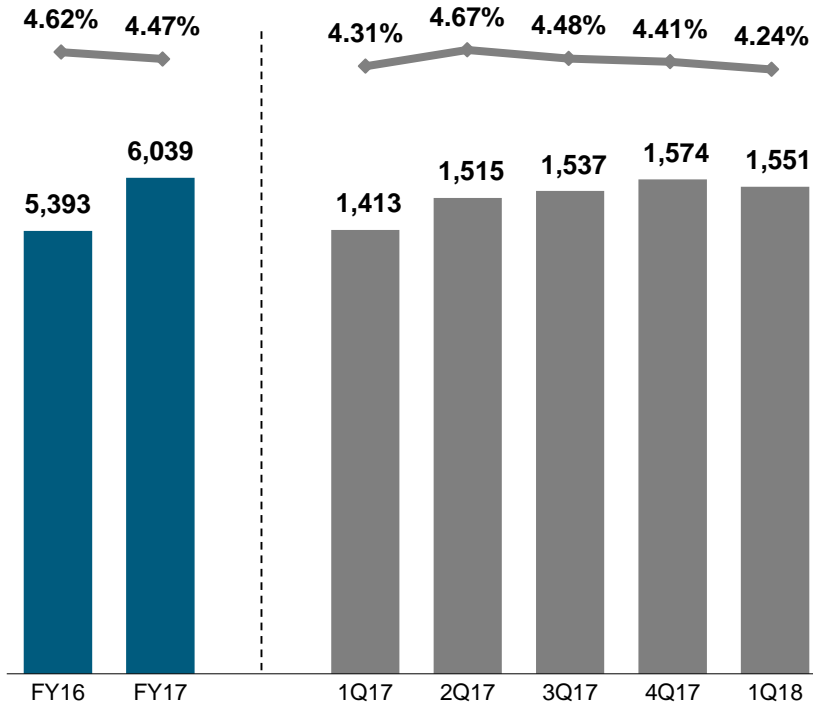
OCBC NISP	1Q18 IDR b	4Q17 IDR b	QoQ +/(-)%	1Q17 IDR b	YoY +/(-)%
Net interest income	1,551	1,574	(1)	1,413	10
Non-interest income	386	367	5	341	13
Total income	1,937	1,941	-	1,754	10
Operating expenses	(885)	(886)	-	(804)	10
<b>Operating profit</b>	<b>1,052</b>	<b>1,055</b>	-	<b>950</b>	<b>11</b>
Allowances	(175)	(387)	(55)	(205)	(15)
Non Operating Income	0	0	-	0	-
<b>Profit before tax</b>	<b>877</b>	<b>668</b>	<b>31</b>	<b>745</b>	<b>18</b>
Tax	(214)	(161)	33	(182)	18
<b>Net profit – local reporting (IDR b)</b>	<b>663</b>	<b>507</b>	<b>31</b>	<b>563</b>	<b>18</b>
<b>Key ratios (%)</b>					
<b>Cost / Income</b>	<b>45.7</b>	<b>45.6</b>		<b>45.8</b>	
<b>CAR</b>					
- CET 1	16.1	16.6		17.3	
- Tier 1	16.1	16.6		17.3	
- Total CAR	17.0	17.5		18.2	

# OCBC NISP: Revenue

Net interest income was 10% YoY higher while non-interest income rose 13%

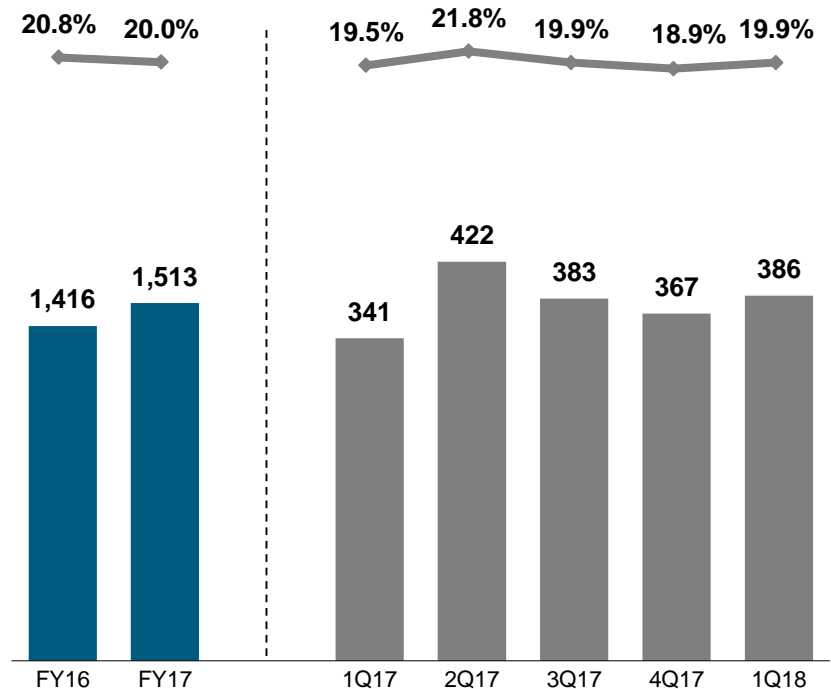
## Net interest income (IDR b)

Net interest margin



## Non-interest income (IDR b)

Non-int. income/  
Total income

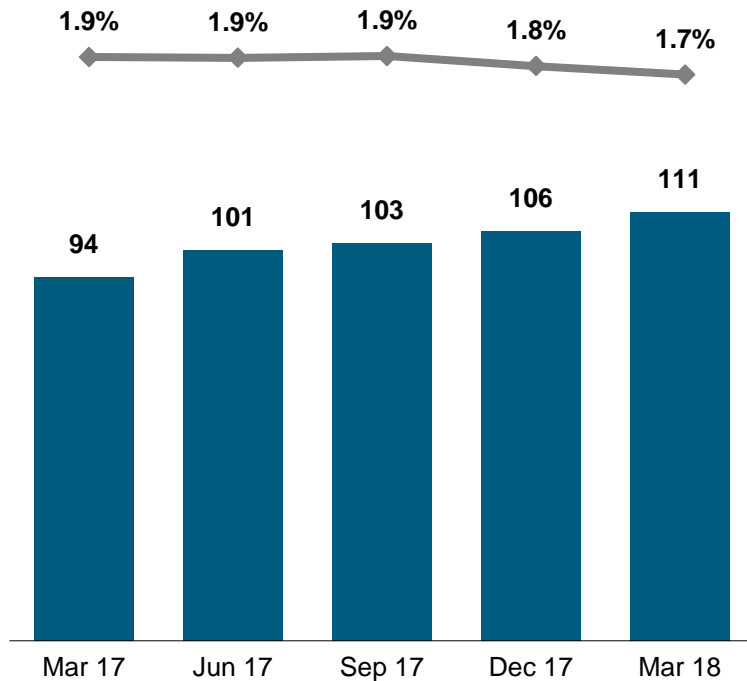


# OCBC NISP: Loans & Deposits

Loans grew 17% YoY, NPL ratio lower at 1.7%; deposits 10% higher compared to the previous year

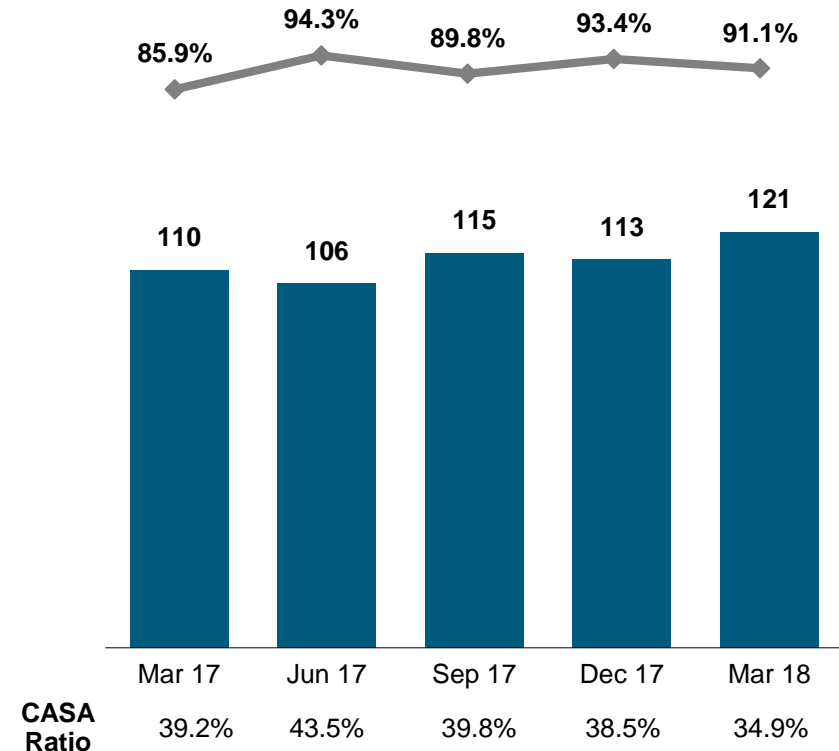
## Gross Loans (IDR t)

### NPL Ratio




## Deposits (IDR t)

### Loans / Deposits



### CASA Ratio

Period	CASA Ratio
Mar 17	39.2%
Jun 17	43.5%
Sep 17	39.8%
Dec 17	38.5%
Mar 18	34.9%



# **First Quarter 2018 Results**

## **Thank You**