

First Half 2022 Results Presentation

3 August 2022



OCBC Financial Results



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Appendices: Major Subsidiaries' Results



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

1H22 Performance

Group Net Profit

S\$2.84b

**+7%
YoY**

Interim Dividend

28 cents

Total Income
S\$5.52b

**+1%
YoY**

Net Interest Income **+10%
YoY**

Non-Interest Income **-10%
YoY**

Operating Expenses
S\$2.46b

**+7%
YoY**

ROE (annualised)
11.0%

**+0.2ppt
YoY**

Net Interest Margin
1.63%

**+6bps
YoY**

Customer Loans
S\$298b

**+8%
YoY**

Customer Deposits
S\$349b

**+10%
YoY**

NPL Ratio
1.3%

**-0.2ppt
YoY**

Credit Costs
7bps

**-19bps
YoY**

CET1 CAR
14.9%

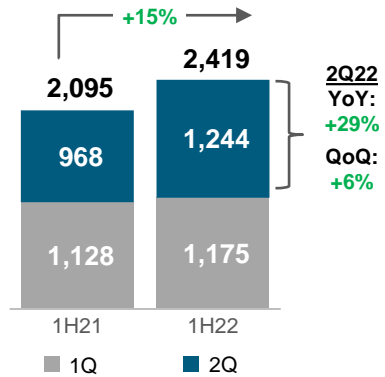
**-1.2ppt
YoY**

- Group 1H net profit at new high
- Net interest income at new high from asset growth and rise in NIM
- Non-interest income lower on decline in fee, investment and trading income
- Higher expenses largely driven by continued investments in talent and technology
- Sustained momentum in loans and deposits growth
- NPL ratio declined to 1.3% from 1.5% a year ago
- Credit costs lower at 7bps led by lower allowances for impaired loans
- Interim dividend up from 25 cents a year ago

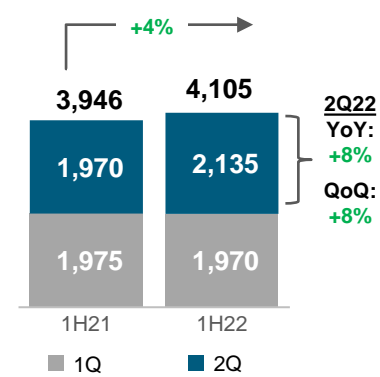
Financial Highlights

Banking

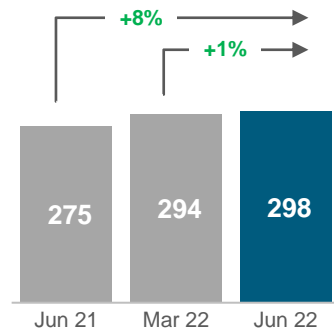
Net Profit (S\$m)



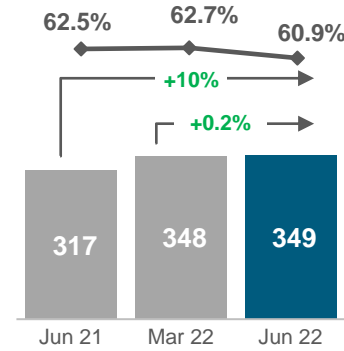
NII and Fee Income (S\$m)



Customer Loans (S\$b)

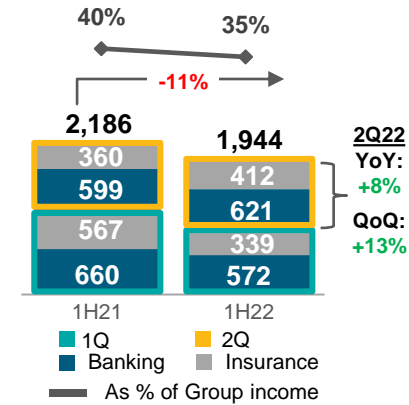


Customer Deposits (S\$b) and CASA ratio

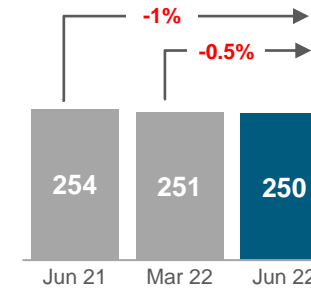


Wealth Management

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

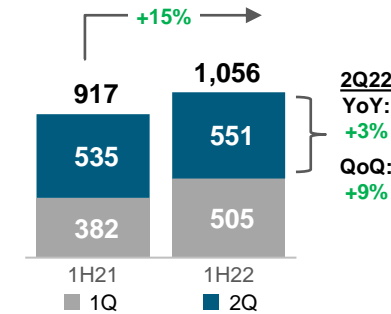


WM AUM (S\$b)

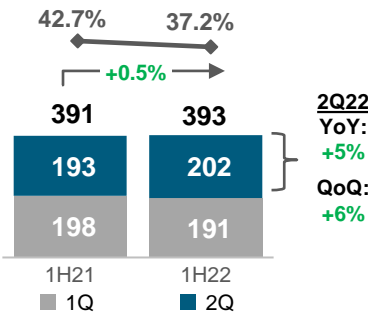


Insurance

Total Weighted New Sales (S\$m)



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

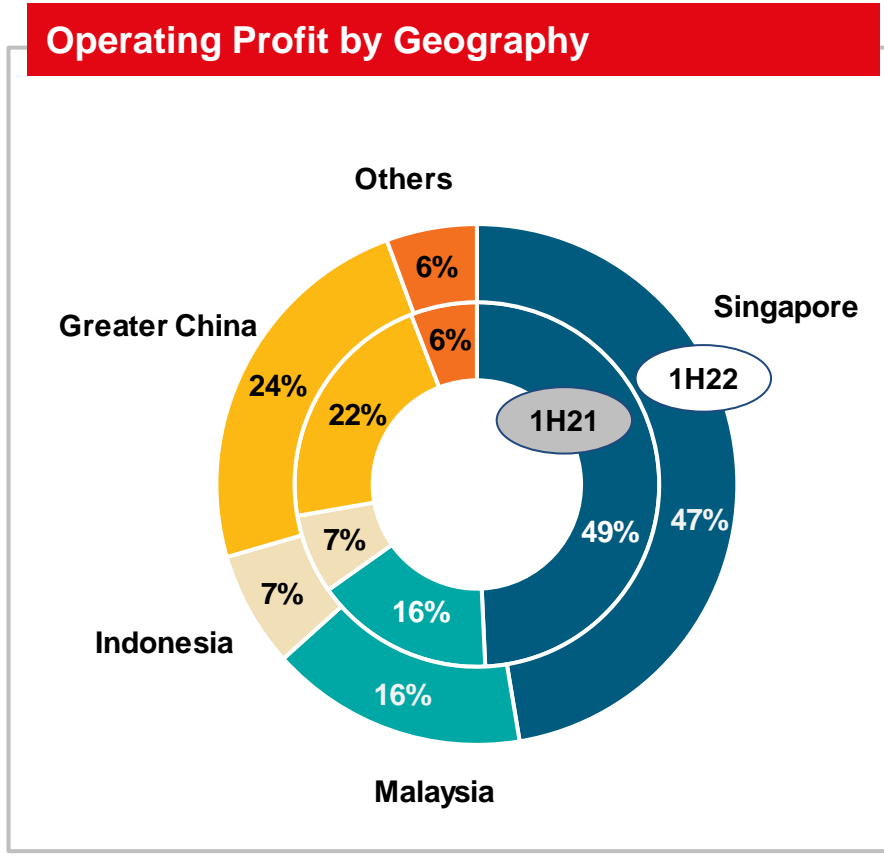
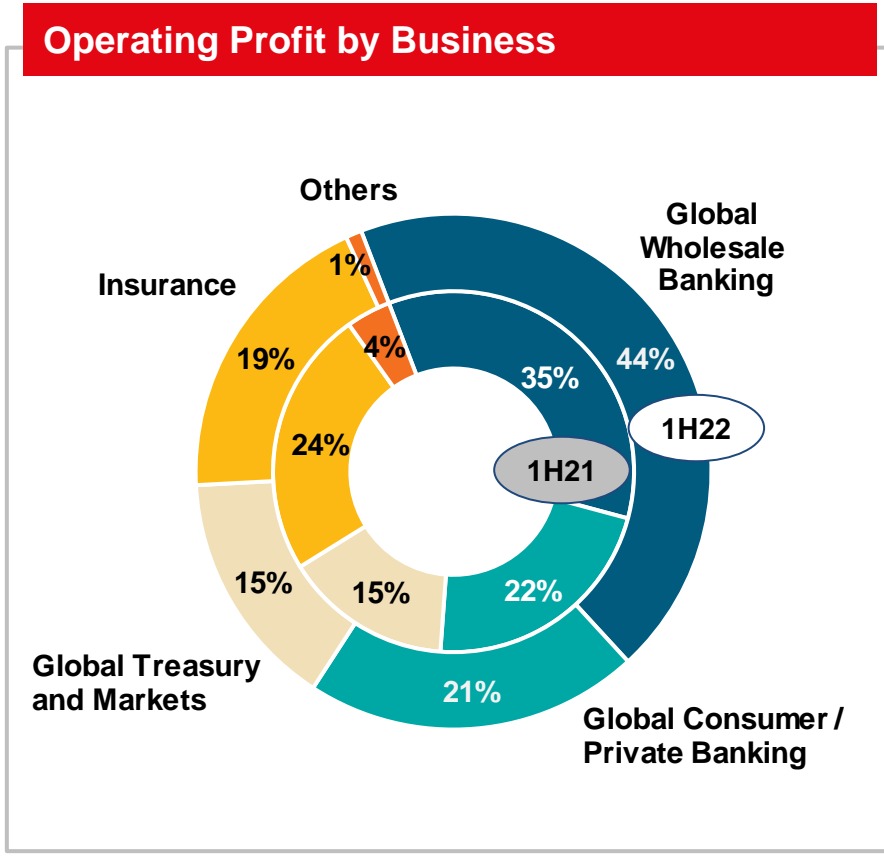


- Resilient performance across the Group's diversified franchise
- 2Q22 banking operations net profit rose YoY, underpinned by operating profit growth and fall in allowances
- 2Q22 WM income increased 8% YoY and 13% QoQ
- WM AUM lower YoY as net new money inflows were offset by a drop in market valuations
- Healthy growth in insurance business with 2Q22 TWNS and NBEV up YoY and QoQ



^{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

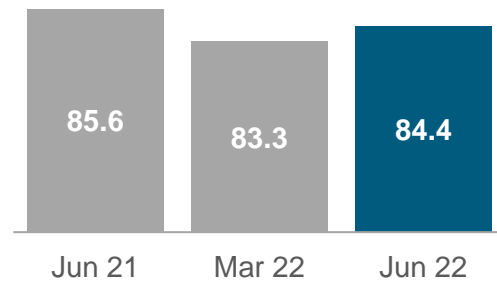


Note: Operating profit by business excluded associates.

Strong Balance Sheet Fundamentals

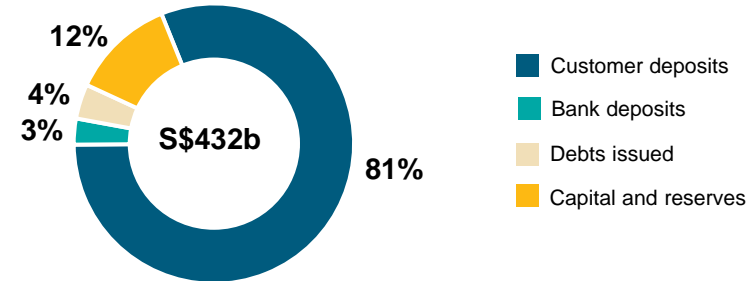
Loans-to-Deposits Ratio

Group LDR (%)



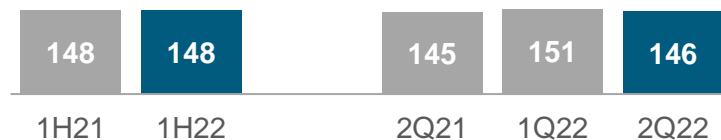
Funding

Composition as at Jun 22

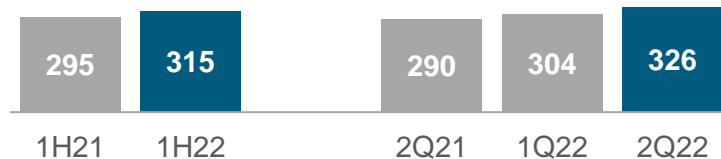


Liquidity

All-ccy LCR (%)

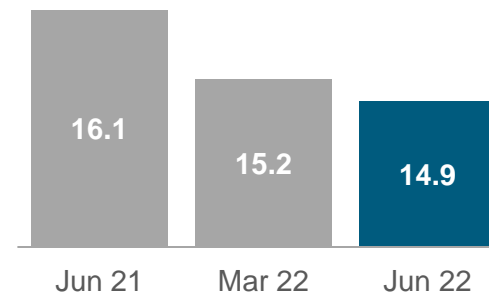


SGD LCR (%)



Capital

CET1 CAR (%)



- Sound funding, liquidity and capital positions provide flexibility to pursue growth and navigate uncertainties
- Stable funding mix with around 80% of funding from customer deposits
- NSFR at 117% and leverage ratio at 7.1%
- Regulatory ratios well above regulatory requirements



02

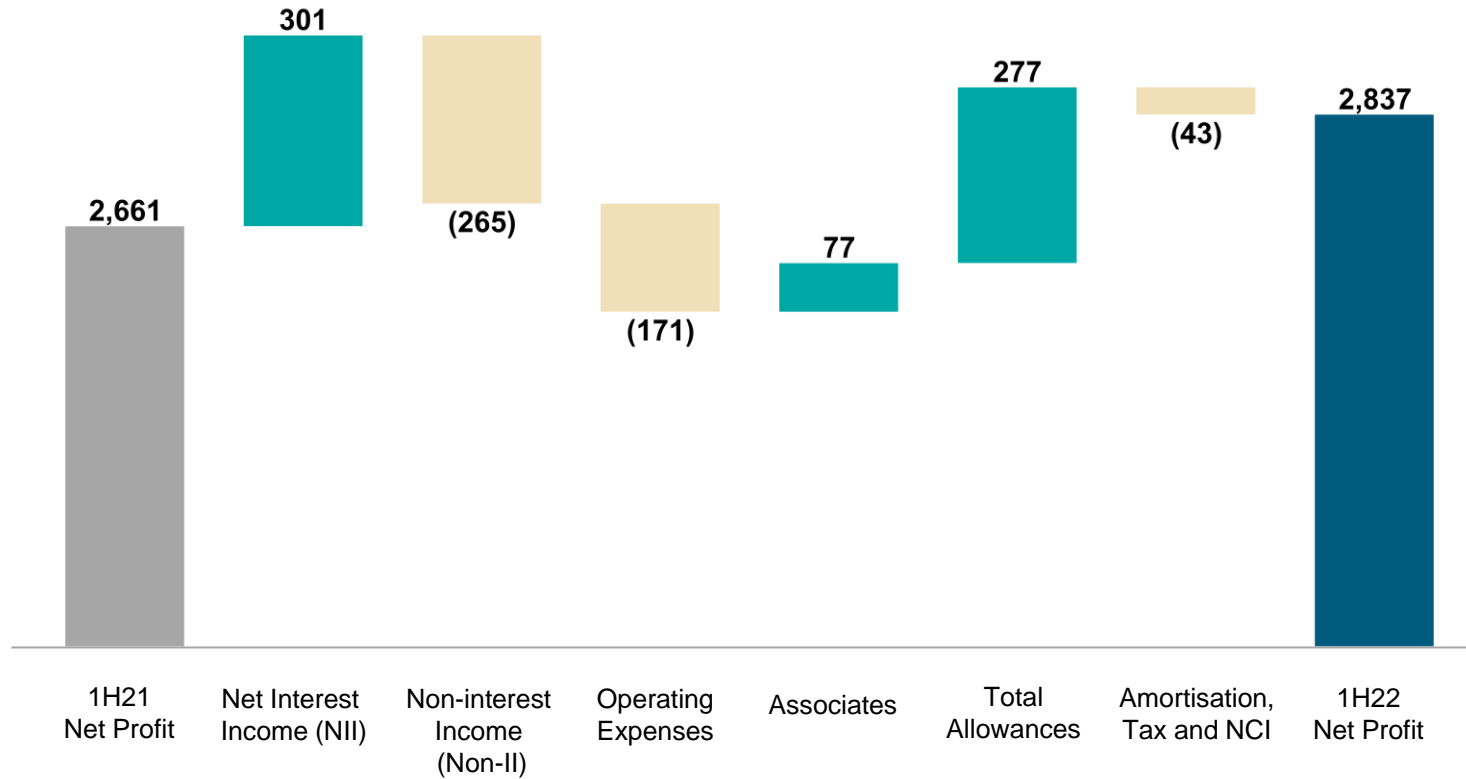
Group Net Profit

1H22 Group Net Profit

YoY Movement

(\$m)

■ Positive on net profit
■ Negative on net profit



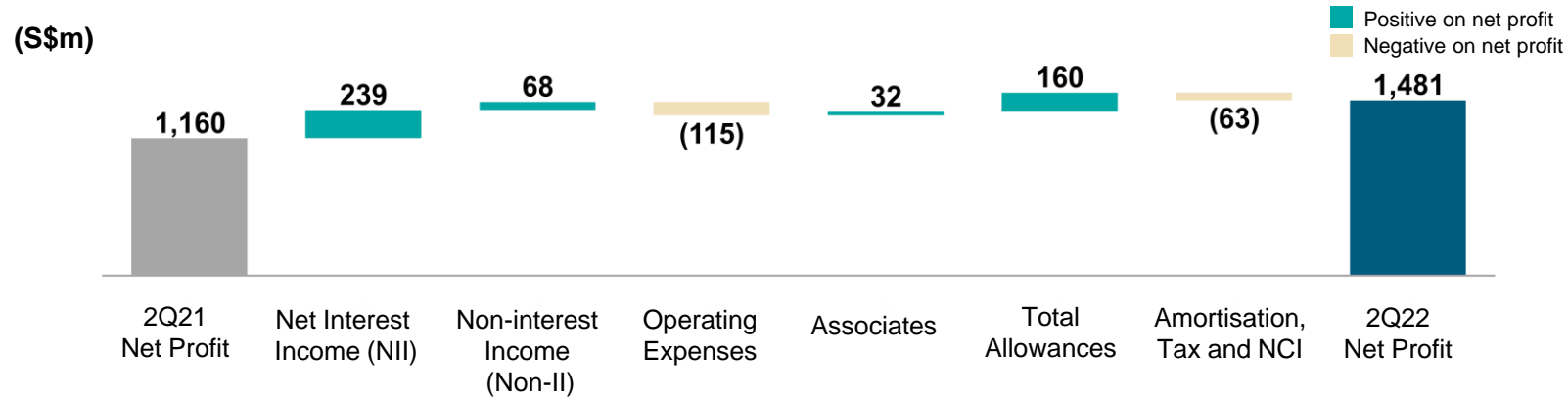
1H22

YoY +7%

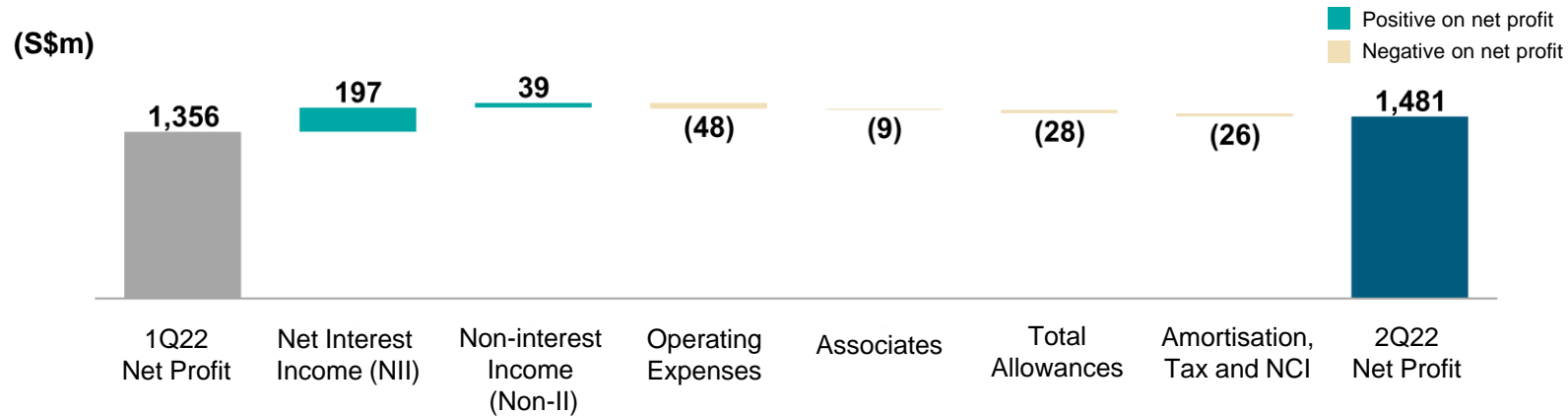
- NII up, driven by 6% increase in average asset balances and 6bps rise in NIM to 1.63%
- Non-II declined from a drop in fee, investment and trading income
- Increase in expenses led by rise in staff costs from salary increments and headcount growth, higher IT costs and business promotion expenses
- Allowances lower mainly due to a decline in allowances for impaired loans

2Q22 Group Net Profit

YoY Movement



QoQ Movement



2Q22

YoY +28%

QoQ +9%

YoY

- NII rose on asset growth and higher NIM
- Non-II higher from increase in trading income and life insurance profit
- Expenses up, cost-to-income ratio improved on positive operating jaws
- Allowances lower on comparatively better economic environment

QoQ

- Higher operating profit largely from rise in NII
- Allowances up on increase in allowances for non-impaired assets

Group Performance

OCBC Group	1H22 S\$m	1H21 S\$m	YoY +/(-)%	2Q22 S\$m	2Q21 S\$m	YoY +/(-)%	1Q22 S\$m	QoQ +/(-)%
Net interest income	3,203	2,902	10	1,700	1,461	16	1,503	13
Non-interest income	2,319	2,584	(10)	1,179	1,111	6	1,140	3
Total income	5,522	5,486	1	2,879	2,572	12	2,643	9
Operating expenses	(2,458)	(2,287)	7	(1,253)	(1,138)	10	(1,205)	4
Operating profit	3,064	3,199	(4)	1,626	1,434	13	1,438	13
Associates	499	422	18	245	213	15	254	(4)
Operating profit before allowances	3,563	3,621	(2)	1,871	1,647	14	1,692	11
Allowances for impaired assets	(37)	(283)	(87)	(6)	(131)	(96)	(31)	(82)
Allowances for non-impaired assets	(79)	(110)	(28)	(66)	(101)	(33)	(13)	432
Amortisation, tax and NCI	(610)	(567)	7	(318)	(255)	24	(292)	9
Net profit	2,837	2,661	7	1,481	1,160	28	1,356	9

Banking Operations Performance

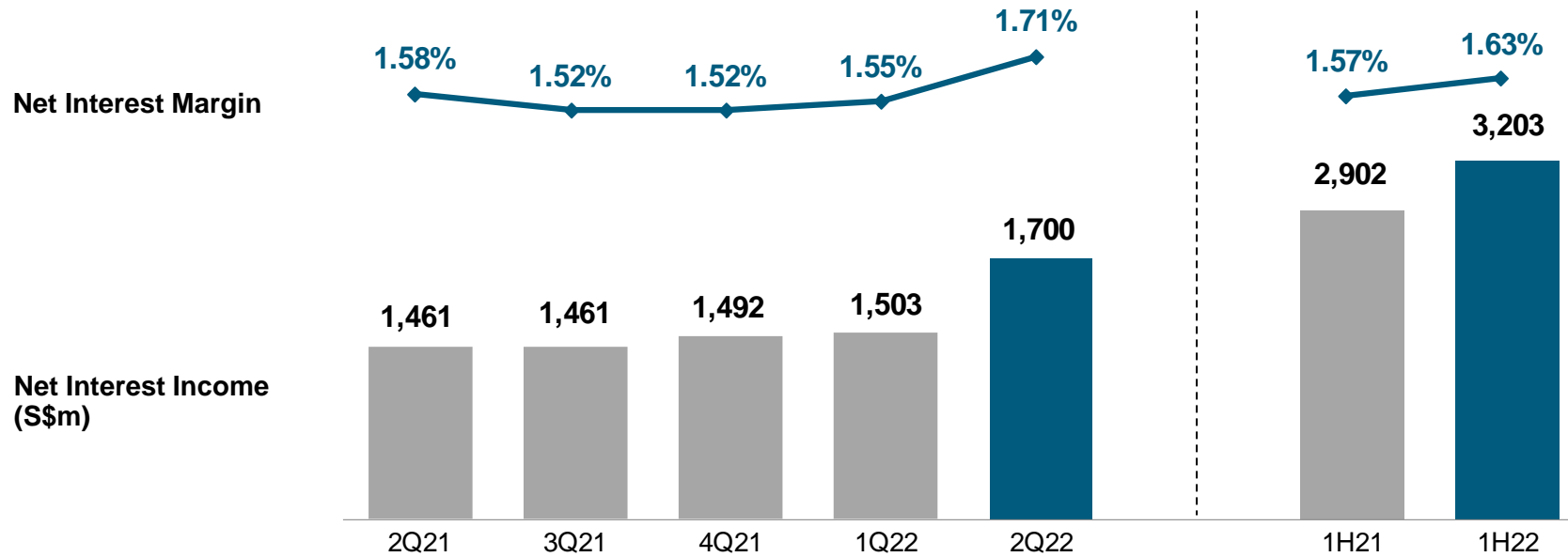
Banking Operations	1H22 S\$m	1H21 S\$m	YoY +/(-)%	2Q22 S\$m	2Q21 S\$m	YoY +/(-)%	1Q22 S\$m	QoQ +/(-)%
Net interest income	3,152	2,853	10	1,674	1,436	17	1,478	13
Non-interest income	1,620	1,706	(5)	794	775	2	826	(4)
Total income	4,771	4,559	5	2,468	2,212	12	2,304	7
Operating expenses	(2,290)	(2,137)	7	(1,161)	(1,061)	9	(1,129)	3
Operating profit	2,482	2,422	2	1,307	1,151	14	1,174	11
Associates	499	434	15	246	220	12	253	(3)
Operating profit before allowances	2,981	2,856	4	1,553	1,371	13	1,428	9
Allowances for impaired assets	(32)	(283)	(89)	(1)	(131)	(99)	(32)	(97)
Allowances for non-impaired assets	(79)	(107)	(27)	(66)	(100)	(34)	(13)	417
Amortisation, tax and NCI	(451)	(370)	22	(242)	(173)	40	(209)	16
Net profit from banking operations	2,419	2,095	15	1,244	968	29	1,175	6
GEH net profit contribution	419	565	(26)	237	192	23	182	30
OCBC Group net profit	2,837	2,661	7	1,481	1,160	28	1,356	9



03

Group Performance Trends

Net Interest Income

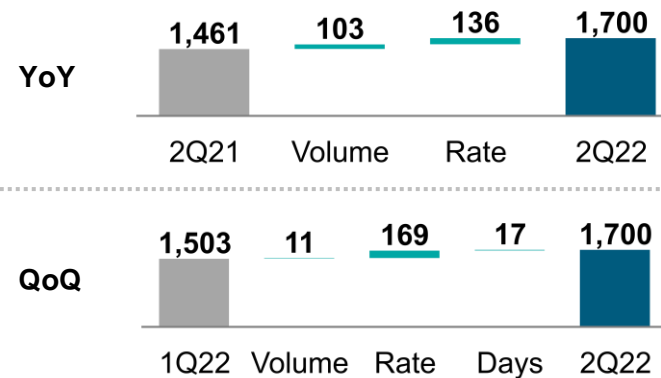
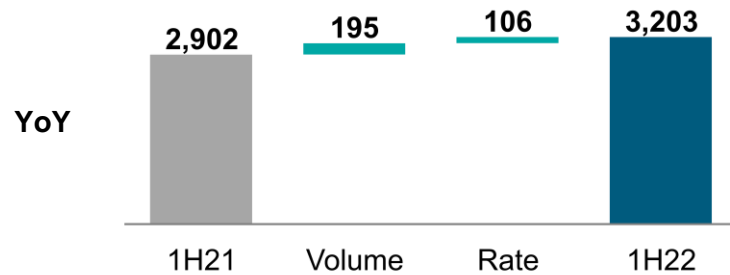


1H22		2Q22	
YoY	+10%	YoY	+16%
		QoQ	+13%

- 2Q22 NII up YoY and QoQ to new high, from asset growth and NIM expansion
- 2Q22 NIM climbed 13bps YoY and 16bps QoQ from rise in asset yields

Volume and Rate Analysis (S\$m)

■ Positive on NII
■ Negative on NII



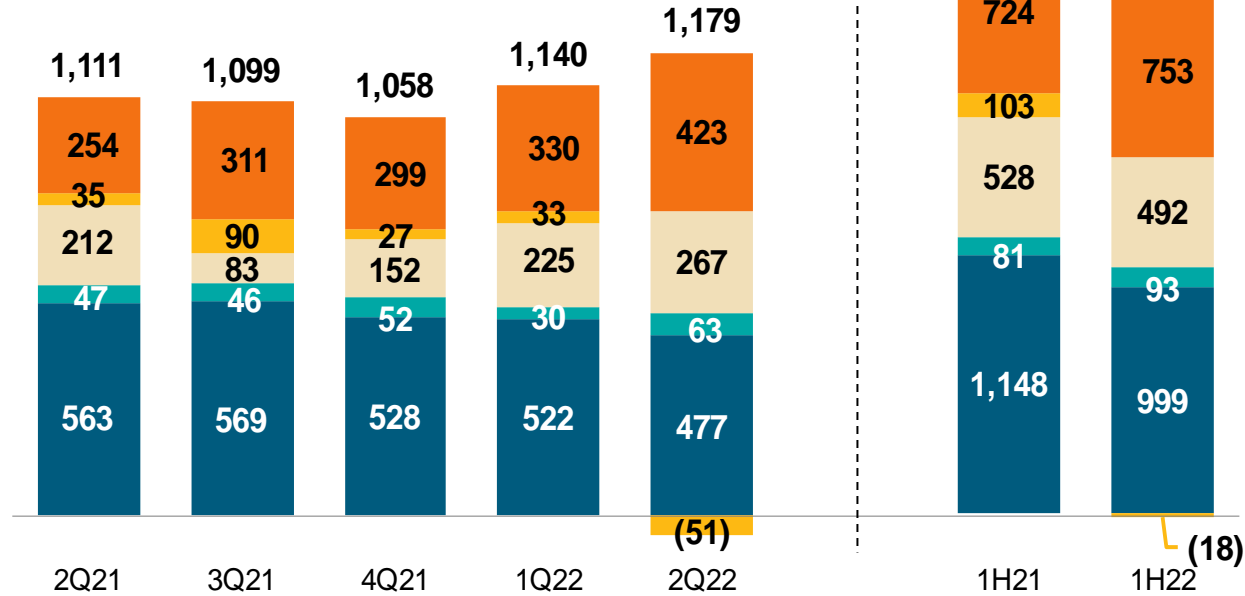
Non-interest Income

% 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



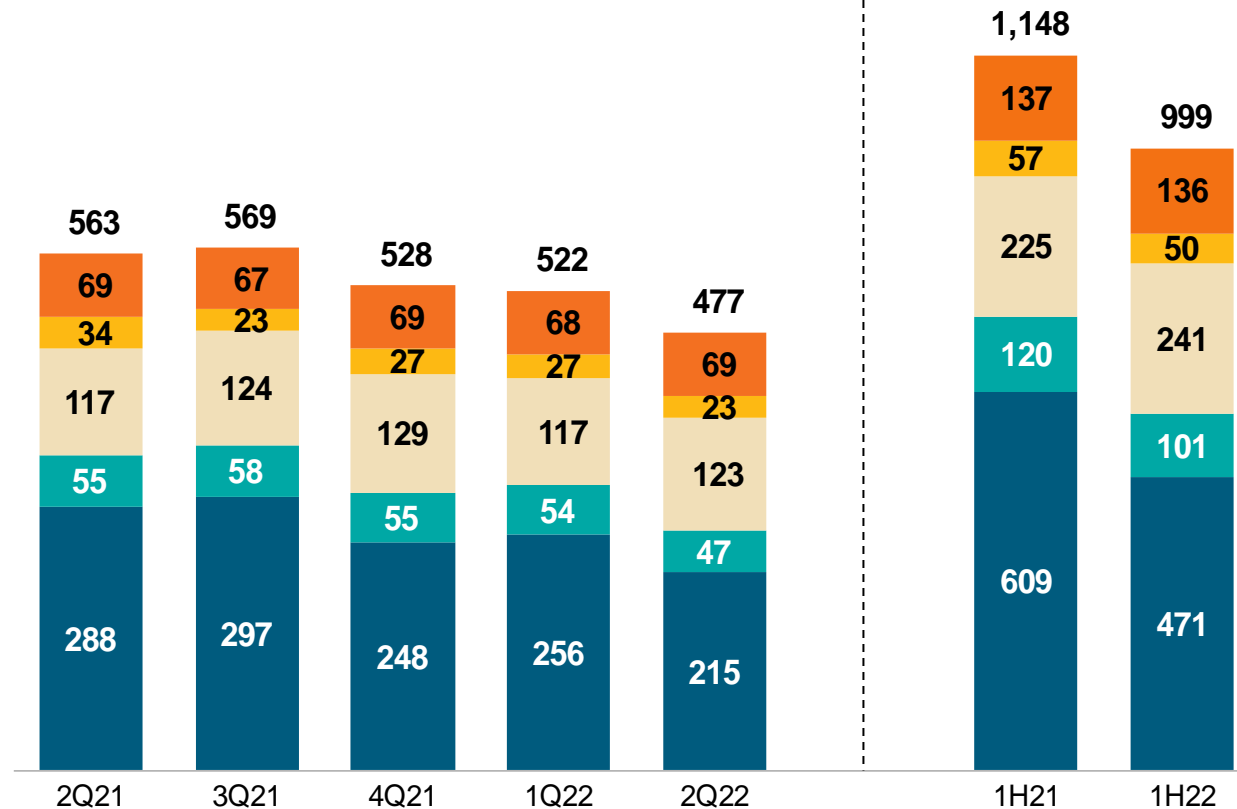
1H22		2Q22	
YoY	-10%	YoY	+6%
		QoQ	+3%

- 2Q22 non-II higher YoY, as increase in trading income and life insurance profit offset lower fee income and net realised losses from sale of investment securities
- Profit from life insurance for 2Q22 rose YoY largely due to higher operating profit and MTM gains in GEH's insurance funds from rising interest rates

Net Fees & Commissions

Net Fees & Commissions (S\$m)

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



1H22		2Q22	
YoY	-13%	YoY	-15%
		QoQ	-9%

- 2Q22 fee income declined YoY and QoQ mainly on lower WM, brokerage and investment banking fees in line with weaker investment appetite globally
- 2Q22 loan and trade-related fees grew YoY and QoQ, driven by higher lending and trade volumes



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.

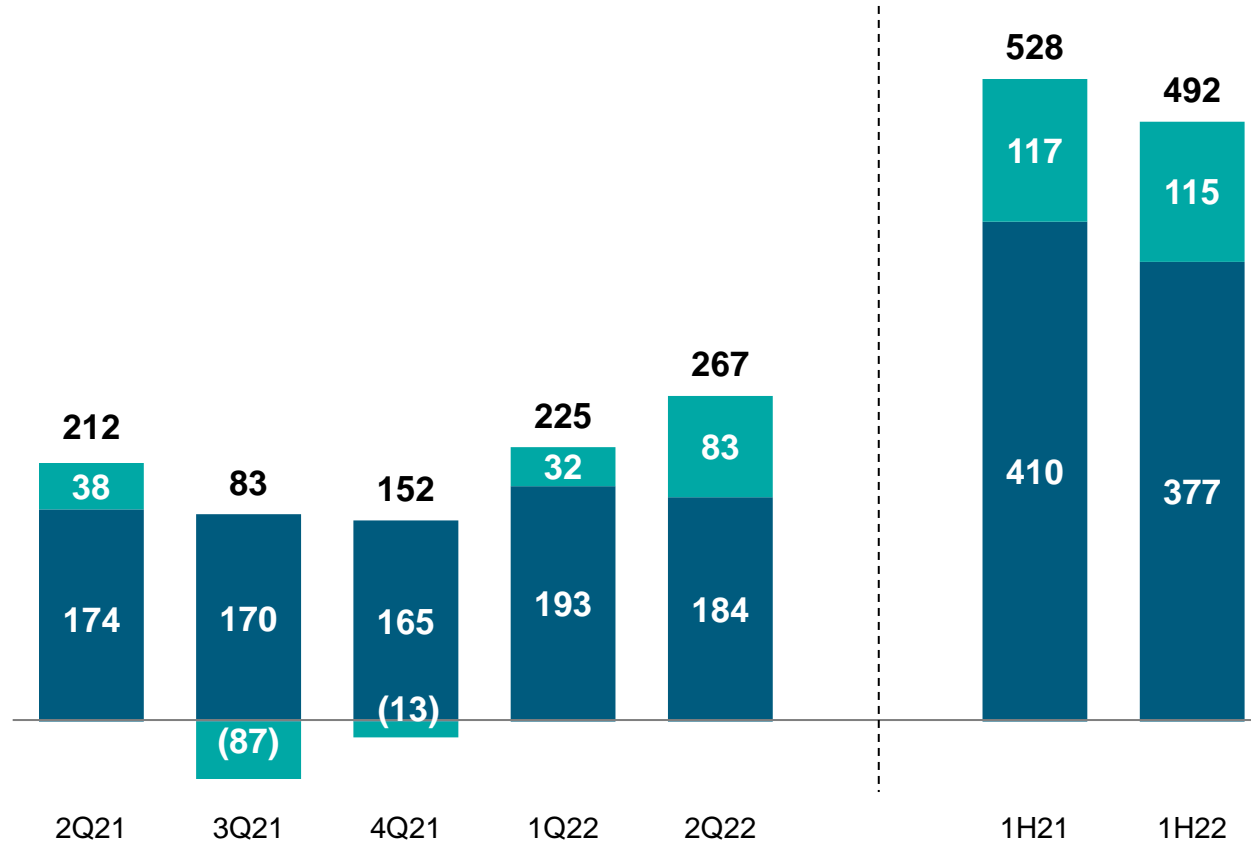
2/ "Others" includes credit card fees, service charges and other fee and commission income.

Trading Income

1H22		2Q22	
YoY	-7%	YoY	+26%
		QoQ	+19%

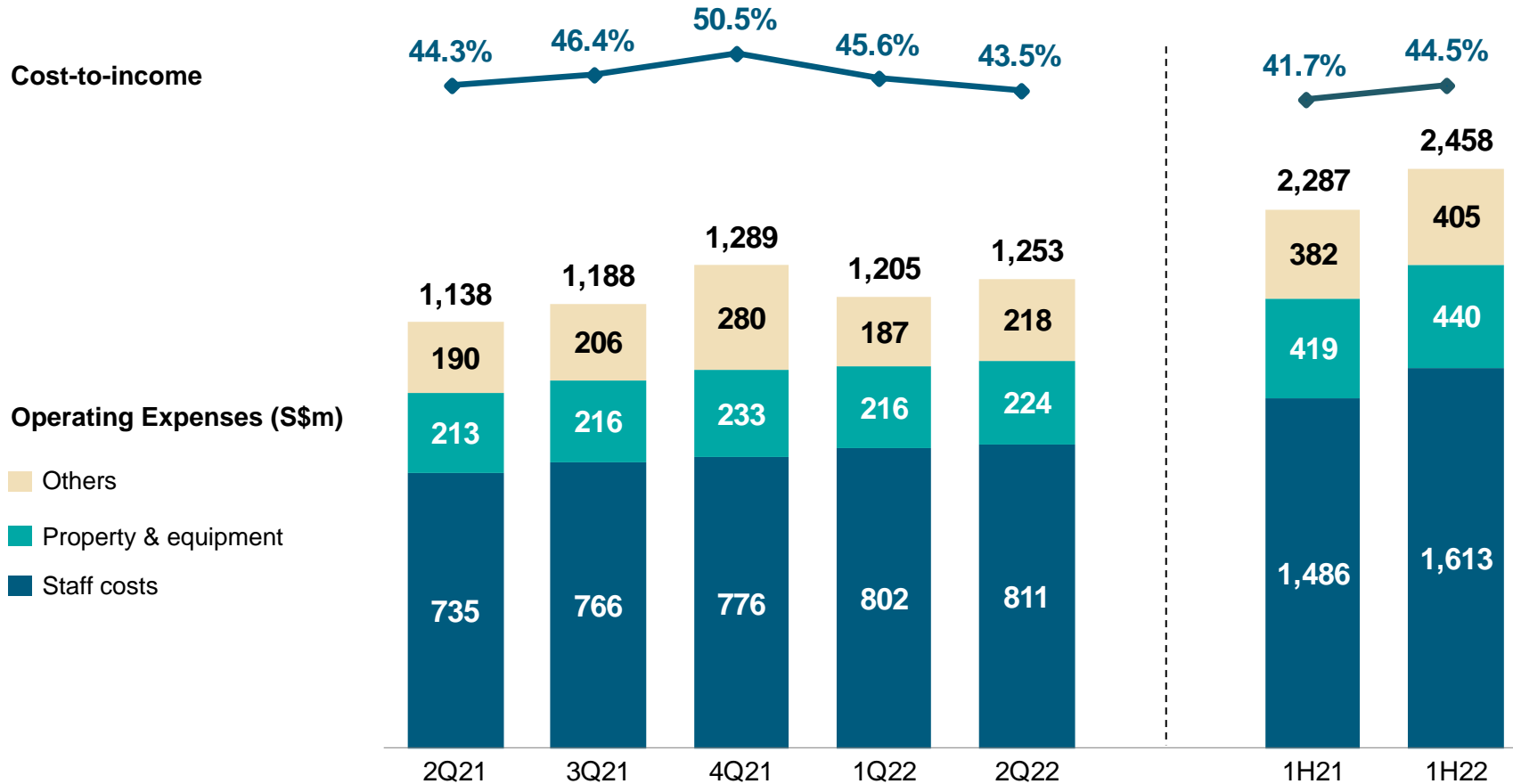
Trading Income (S\$m)

■ Non-Customer Flow
■ Customer Flow



- 2Q22 trading income up YoY from higher customer and non-customer flow treasury income

Operating Expenses



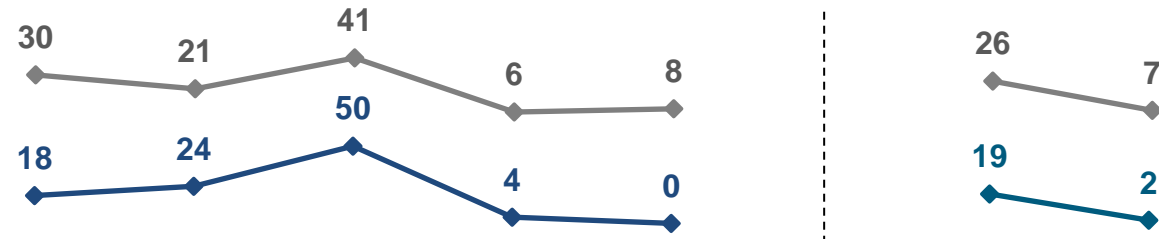
1H22		2Q22	
YoY	+7%	YoY	+10%
		QoQ	+4%

- 2Q22 expenses up YoY mainly due to:
 - Rise in staff costs from annual salary increments and increase in headcount to support growth
 - Higher investments in technology capabilities
 - Increase in business promotion costs associated with rise in business activity
- Cost-to-income ratio for 2Q22 decreased YoY and QoQ from positive operating jaws

Allowances

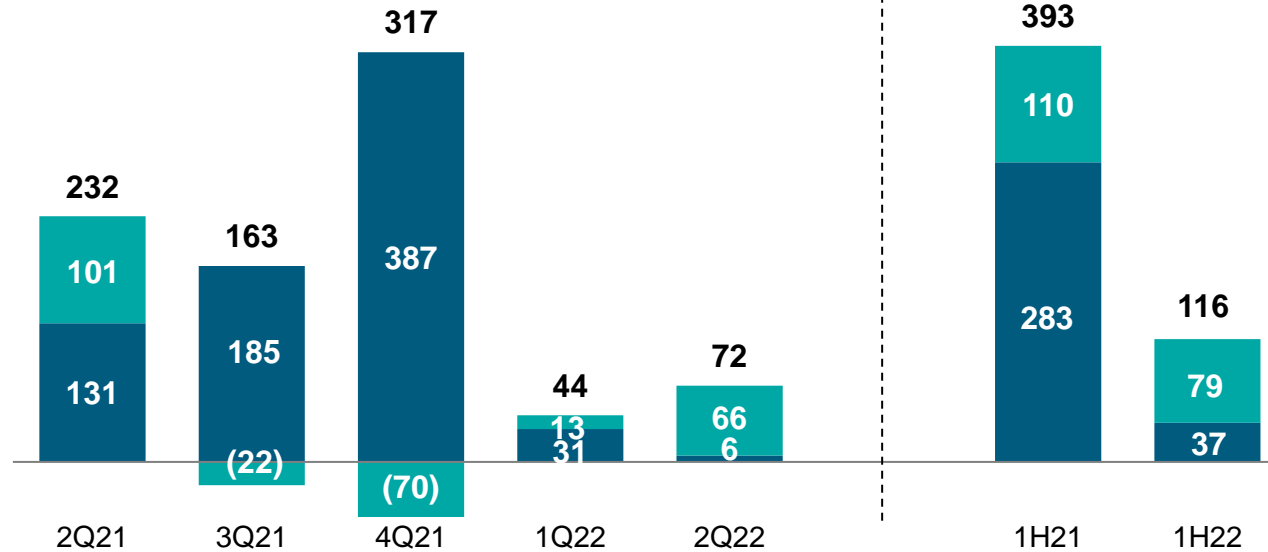
Credit costs (bps) ^{1/}

- Total
- Impaired



Allowances (\$m)

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



1H22
YoY -70%

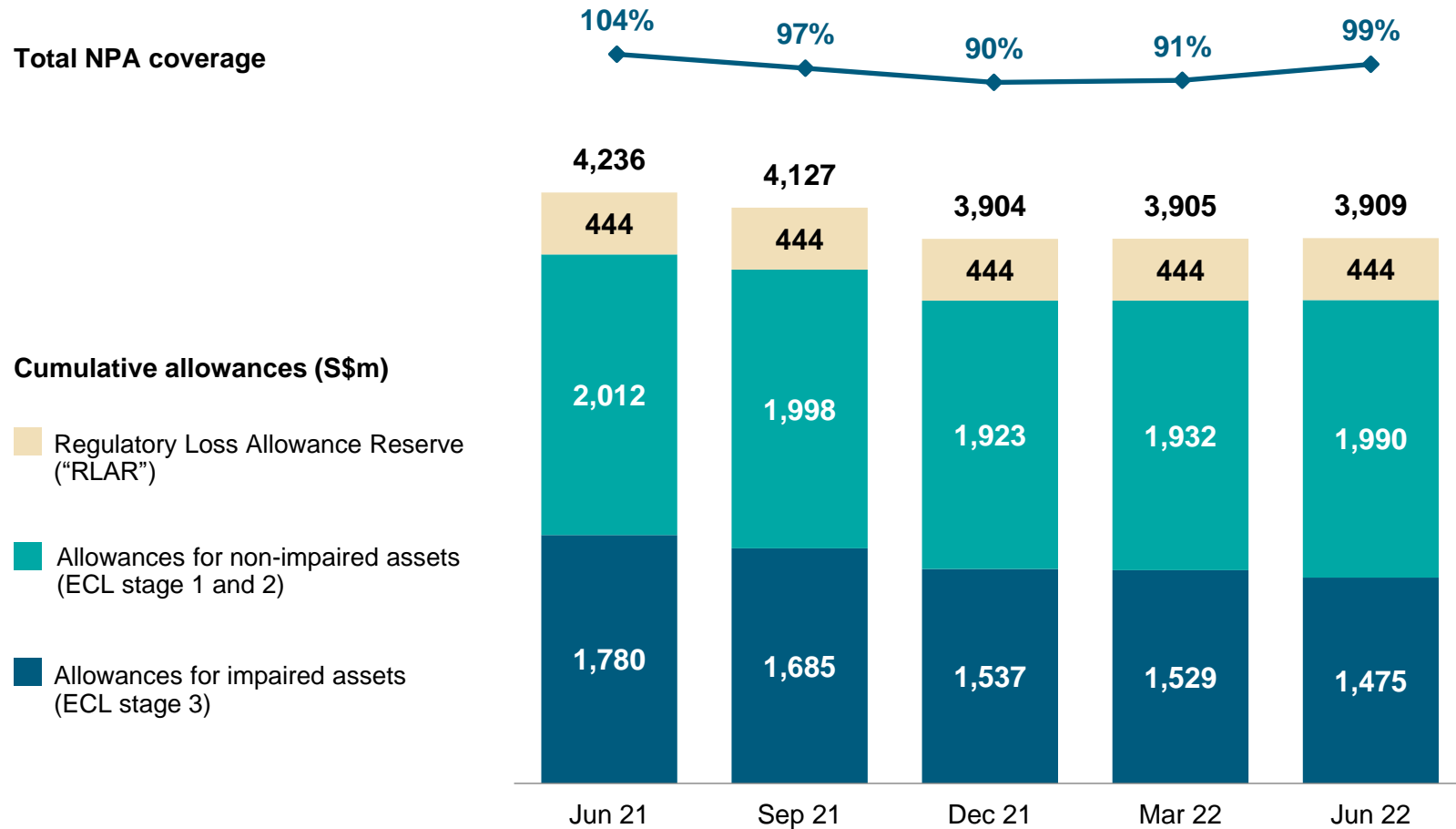
2Q22
YoY -69%
QoQ +64%

- 2Q22 credit costs lower YoY at 8bps from improved credit conditions compared to a year ago
- 2Q22 allowances for non-impaired assets mainly included allowances set aside for updates of MEVs in ECL model, partly offset by write-back from credit upgrades



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

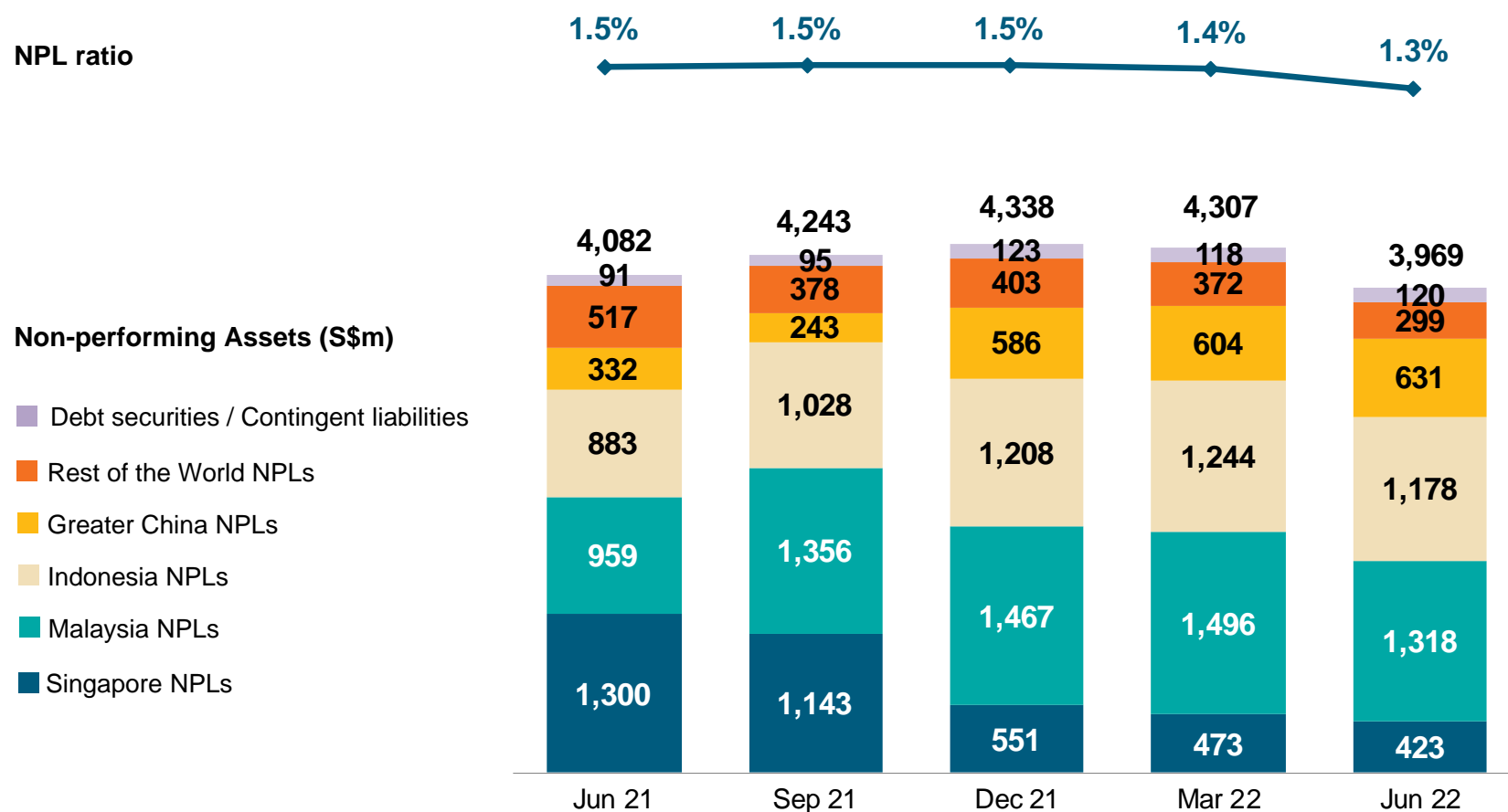
Total Cumulative Allowances



Jun 22 | YoY -8%
QoQ unchanged

- Total cumulative allowances largely unchanged QoQ in line with low net allowance charge
- NPA coverage ratio higher QoQ at 99% from decrease in NPAs

Asset Quality



Jun 22 | YoY -3%
QoQ -8%

- Overall asset quality continued to be sound
- NPL ratio decreased to 1.3%
- NPAs down QoQ as recoveries/upgrades more than offset new NPA formation

Asset Quality

\$m	2Q21	1Q22	2Q22	1H21	1H22
At start of period	4,027	4,338	4,307	4,005	4,338
New NPAs					
Corporate/ Commercial Banking and Others	459	161	102	601	206
Consumer Banking/ Private Banking	203	135	80	434	215
	662	296	182	1,035	421
Net recoveries/ upgrades					
Corporate/ Commercial Banking and Others	(172)	(139)	(237)	(415)	(319)
Consumer Banking/ Private Banking	(80)	(101)	(182)	(179)	(283)
	(252)	(240)	(419)	(594)	(602)
Write-offs					
Corporate/ Commercial Banking and Others	(324)	(41)	(58)	(339)	(99)
Consumer Banking/ Private Banking	(22)	(16)	(15)	(39)	(31)
	(346)	(57)	(73)	(378)	(130)
Foreign currency translation	(9)	(30)	(28)	14	(58)
At end of period	4,082	4,307	3,969	4,082	3,969

- New NPA formation in 2Q22 lower YoY and QoQ
- Higher recoveries/upgrades in 2Q22 from the corporate and consumer segments

Customer Loans

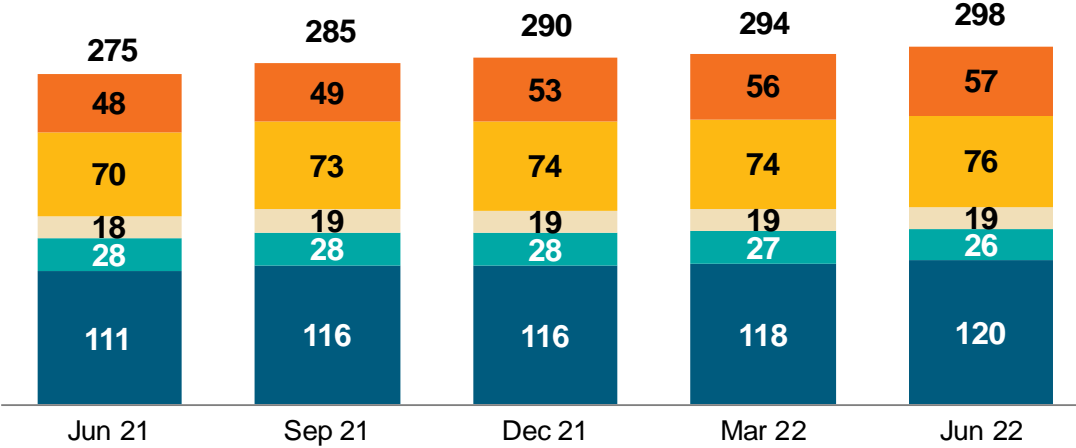
Jun 22

YoY +8%
+9% in constant ccy terms

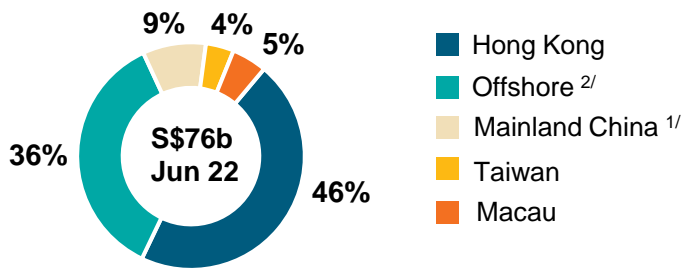
QoQ +1%
+1% in constant ccy terms

Loans by Geography (S\$b)

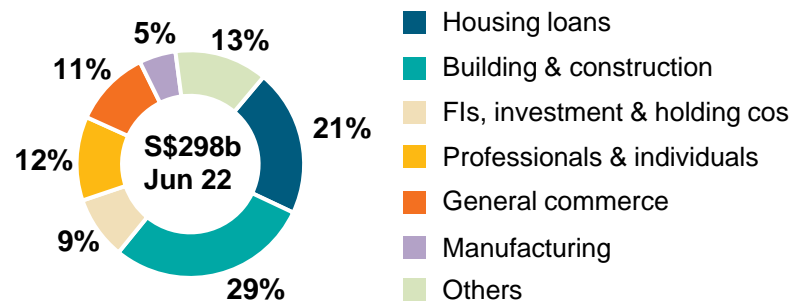
- Rest of the world
- Greater China
- Indonesia
- Malaysia
- Singapore



Greater China Loans



Loans by Industry

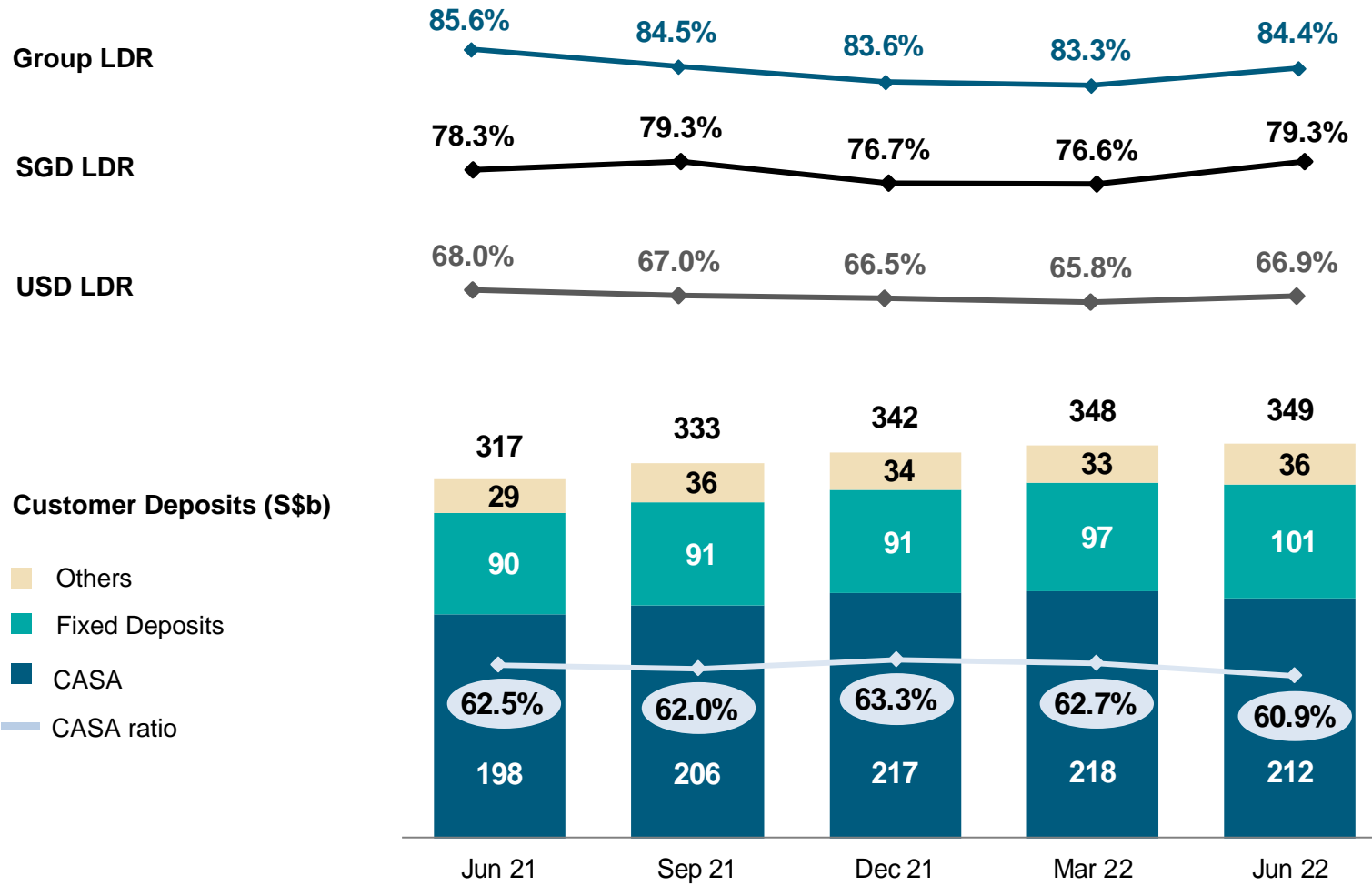


- YoY loan growth driven by Singapore, Indonesia Greater China, USA and UK
- Loans well-diversified
 - Corporate, SME and Consumer/Private Banking comprise 53%, 9% and 38% of loan book respectively
 - O&G sector made up 4% of loan book (1% OSV)
 - Commodities sector account for 4% of loan book



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

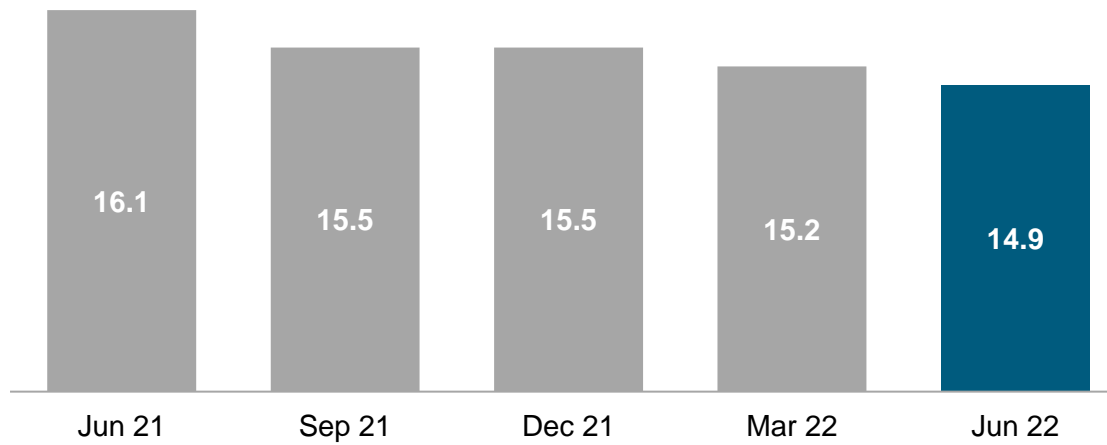


Jun 22 | YoY **+10%**
QoQ **+0.2%**

- Customer deposits rose YoY and QoQ
- Healthy liquidity position with comfortable LDR headroom

Capital

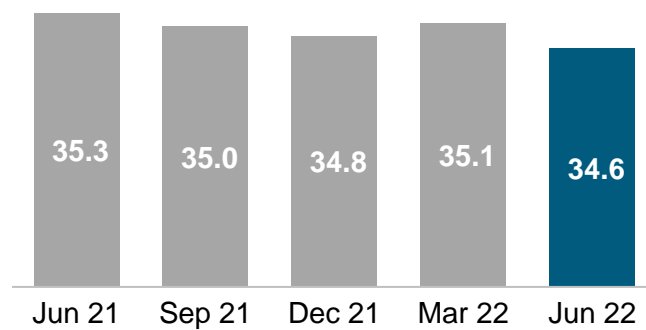
CET1 CAR (%)



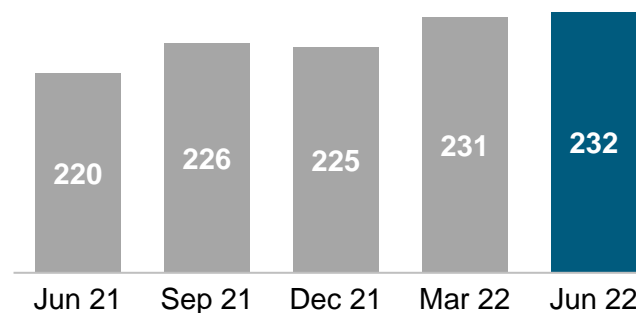
Jun 22 | YoY -1.2ppt
QoQ -0.3ppt

- CET1 ratio of 14.9%
- RWA higher YoY in line with loan growth

CET1 Capital (S\$b)



RWA (S\$b)

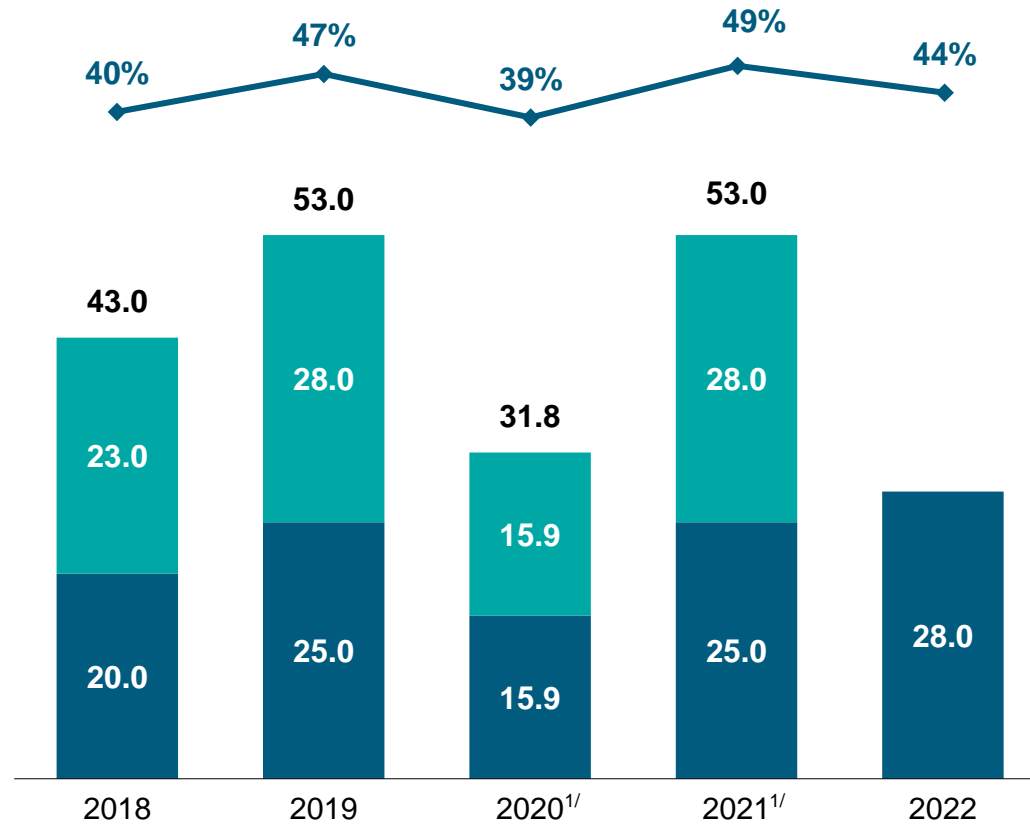


Dividend

Dividend payout ratio

DPS (cents)

- Final dividend
- Interim dividend



- Interim dividend of 28 cents per share, 12% higher than a year ago
- Payout ratio of 44%



^{1/} In July 2020, the MAS called on locally-incorporated banks headquartered in Singapore to cap total dividends per share for FY20 at 60% of that for FY19. This aims to bolster the banks' resilience and capacity to support lending to customers while also meeting the needs of shareholders. In July 2021, the dividend cap was lifted for the FY21 dividend.



04

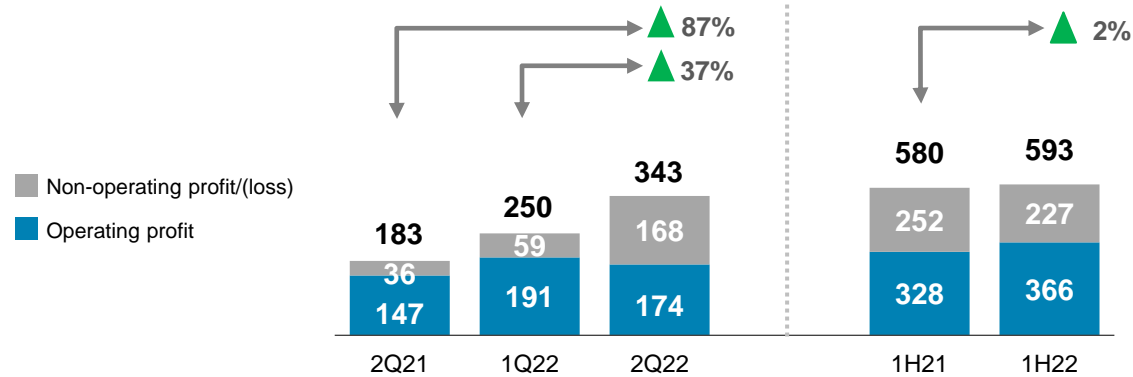
Appendices: Major Subsidiaries' Results

Great Eastern Holdings' Financial Highlights

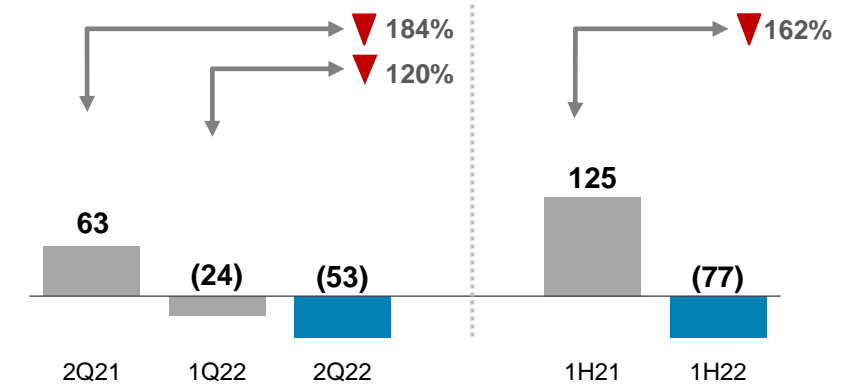
S\$m	1H22	1H21	YoY +/(-)%	2Q22	2Q21	YoY +/(-)%	1Q22	QoQ +/(-)%
Profit from insurance business	660	652	1	372	220	69	288	29
- Operating profit	366	328	11	174	147	19	191	(9)
- Non-operating profit	227	252	(10)	168	36	368	59	186
- Others	67	72	(8)	30	37	(19)	38	(23)
Profit from Shareholders' Fund	(77)	125	(162)	(53)	63	(184)	(24)	(120)
Profit from operations	583	777	(25)	319	283	13	264	21
Allowances (charge)/write-back	(5)	(3)	110	(5)	(1)	784	0	nm
Tax and NCI	(75)	(104)	(29)	(31)	(50)	(39)	(44)	(31)
Net profit	503	670	(25)	283	232	22	220	29
Group adjustments ^{1/}	(84)	(105)	(19)	(46)	(40)	15	(38)	20
Net profit contribution to Group	419	565	(26)	237	192	23	182	30

Great Eastern Holdings' Performance Trends

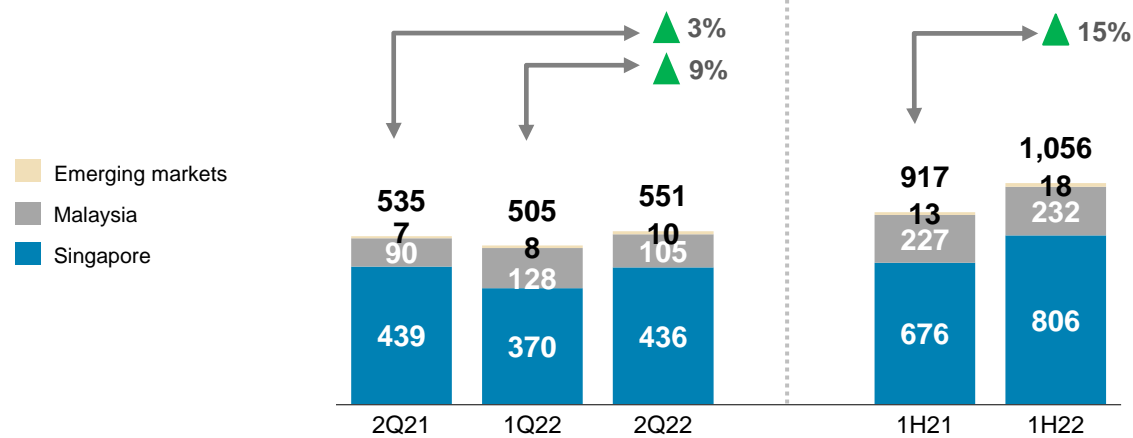
Profit from Insurance Business (S\$m)



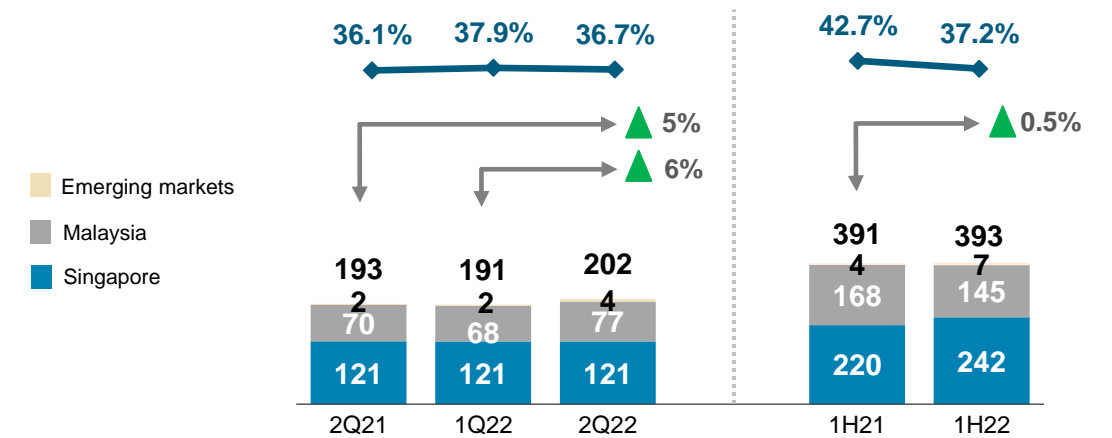
Profit from Shareholders' Fund (S\$m)



Total Weighted New Sales (S\$m)



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

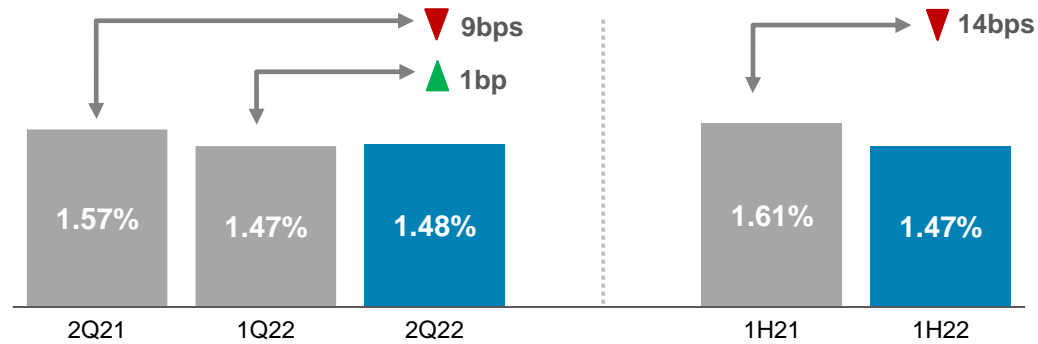


OCBC Wing Hang Hong Kong & Macau's Financial Highlights

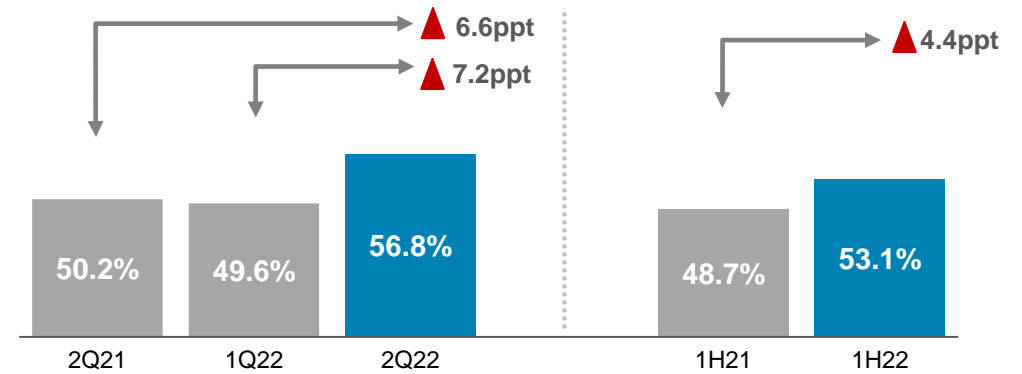
HKD m	1H22	1H21	YoY +/(-)%	2Q22	2Q21	YoY +/(-)%	1Q22	QoQ +/(-)%
Net interest income	1,709	1,787	(4)	868	882	(2)	841	3
Non-interest income	732	534	37	323	240	35	410	(21)
Total income	2,441	2,321	5	1,191	1,122	6	1,251	(5)
Operating expenses	(1,296)	(1,131)	15	(676)	(563)	20	(621)	9
Operating profit	1,145	1,190	(4)	515	559	(8)	630	(18)
Allowances (charge)/write-back	(191)	81	336	(159)	68	333	(32)	393
Associates	67	73	(7)	38	27	42	29	29
Profit before tax	1,021	1,344	(24)	394	654	(40)	627	(37)
Tax	(150)	(201)	(25)	(57)	(99)	(43)	(94)	(40)
Net profit – local reporting	871	1,143	(24)	337	555	(39)	533	(37)

OCBC Wing Hang Hong Kong & Macau Performance Trends

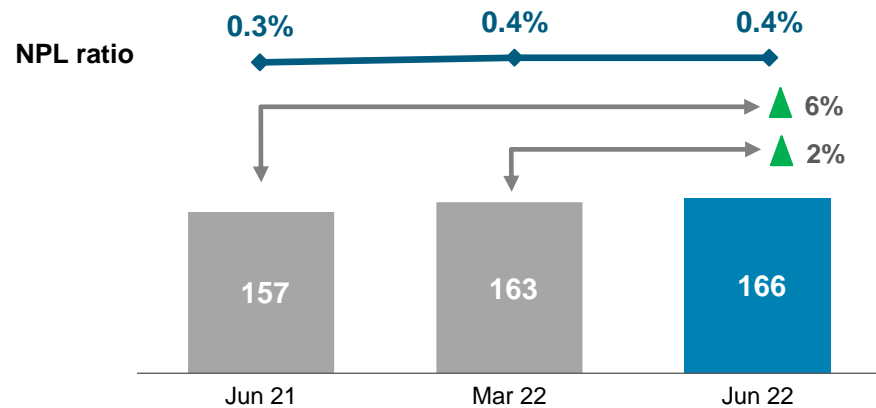
Net Interest Margin



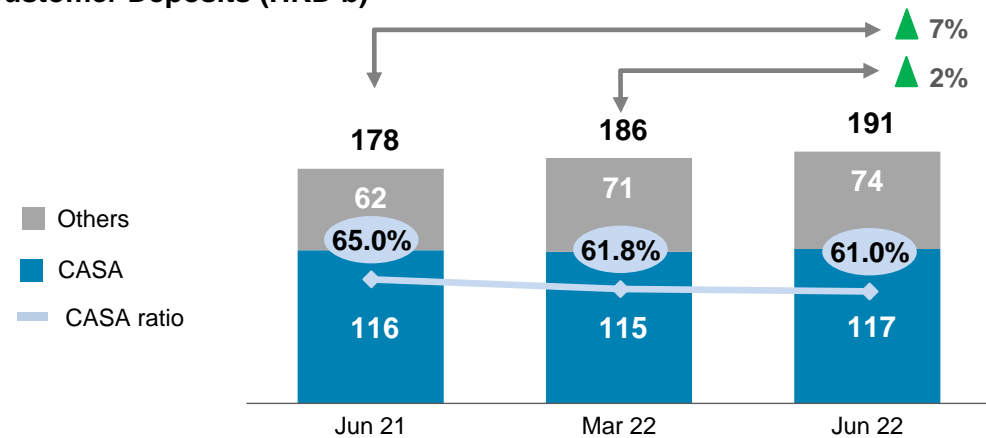
Cost-to-Income



Customer Loans (HKD b)



Customer Deposits (HKD b)

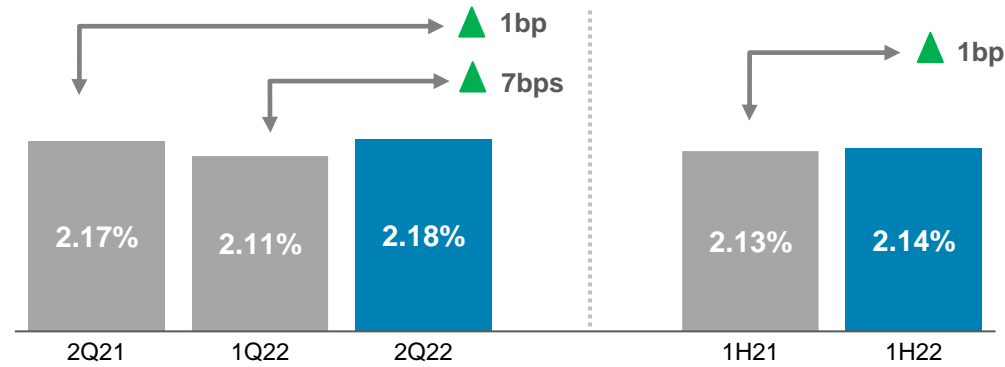


OCBC Malaysia's Financial Highlights

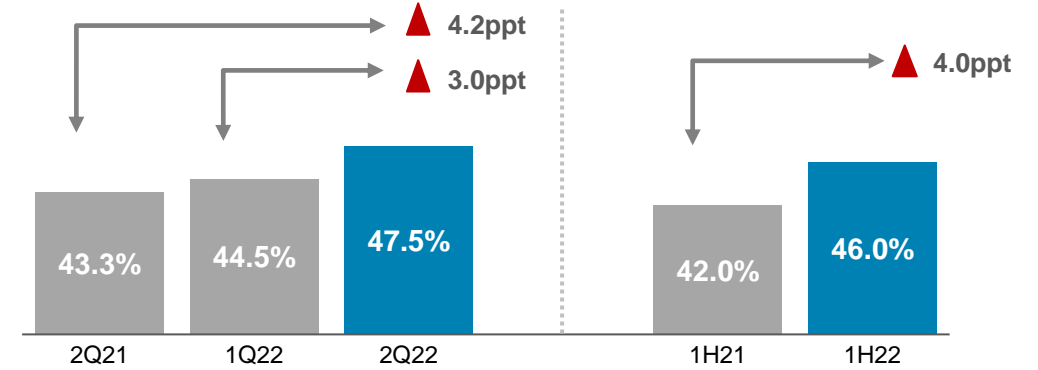
RM m	1H22	1H21	YoY +/(-)%	2Q22	2Q21	YoY +/(-)%	1Q22	QoQ +/(-)%
Net interest income	799	790	1	408	409	–	391	4
Islamic banking income ^{1/}	228	239	(5)	117	118	(1)	111	5
Non-interest / finance income	300	383	(22)	146	208	(30)	154	(5)
Total income	1,327	1,412	(6)	671	735	(9)	656	2
Operating expenses	(611)	(593)	3	(319)	(318)	–	(292)	9
Operating profit	716	819	(13)	352	417	(16)	364	(3)
Allowances write-back/(charge)	145	(249)	(158)	70	(246)	(128)	75	(7)
Profit before tax	861	570	51	422	171	147	439	(4)
Tax	(271)	(146)	86	(135)	(43)	214	(136)	(1)
Net profit – local reporting	590	424	39	287	128	124	303	(5)

OCBC Malaysia Performance Trends

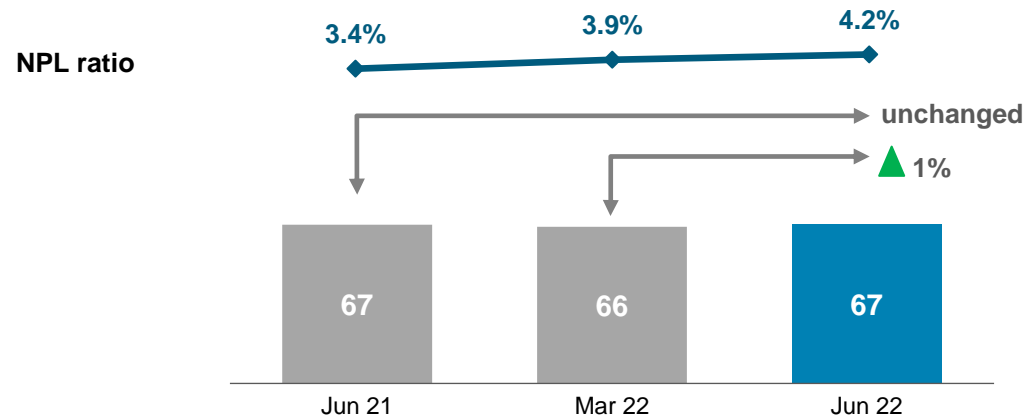
Net Interest Margin



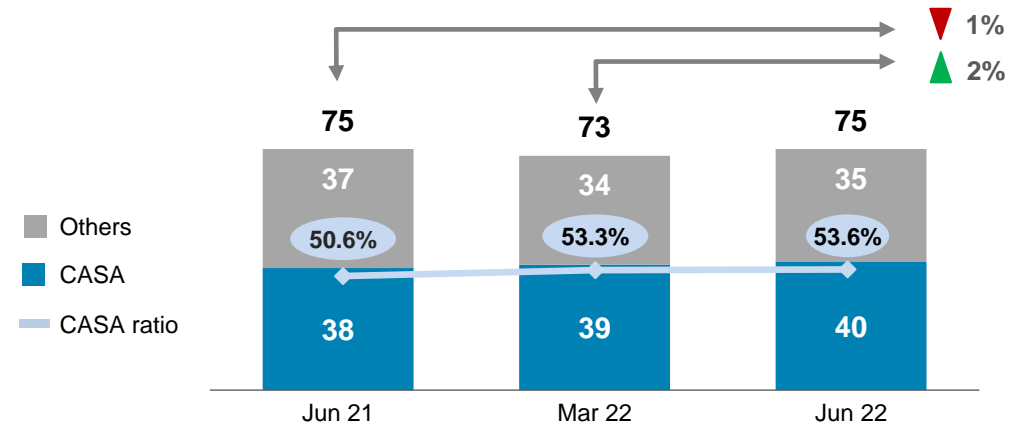
Cost-to-Income



Customer Loans (RM b)



Customer Deposits (RM b)

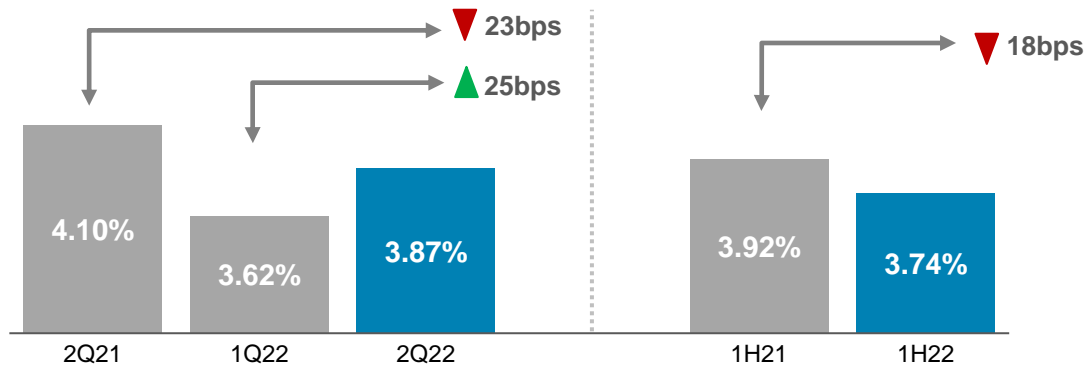


Bank OCBC NISP's Financial Highlights

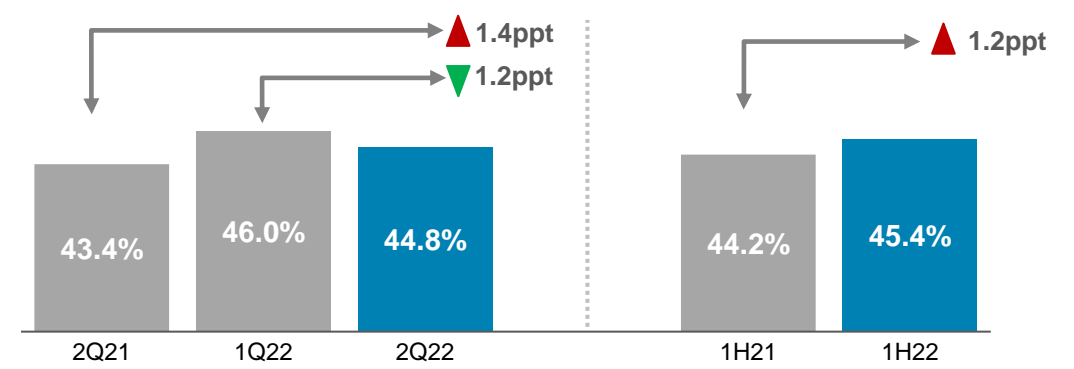
IDR b	1H22	1H21	YoY +/(-)%	2Q22	2Q21	YoY +/(-)%	1Q22	QoQ +/(-)%
Net interest income	4,034	3,870	4	2,076	1,960	6	1,957	6
Non-interest income	1,005	1,041	(3)	440	556	(21)	566	(22)
Total income	5,039	4,911	3	2,516	2,516	–	2,523	–
Operating expenses	(2,287)	(2,169)	5	(1,126)	(1,092)	3	(1,161)	(3)
Operating profit	2,752	2,742	–	1,389	1,424	(3)	1,362	2
Allowances	(659)	(786)	(16)	(84)	(122)	(31)	(575)	(85)
Non-operating income	2	1	33	1	0	177	1	107
Profit before tax	2,094	1,957	7	1,307	1,302	–	788	66
Tax	(445)	(484)	(8)	(278)	(344)	(19)	(167)	67
Net profit – local reporting	1,649	1,473	12	1,028	958	7	621	66

Bank OCBC NISP Performance Trends

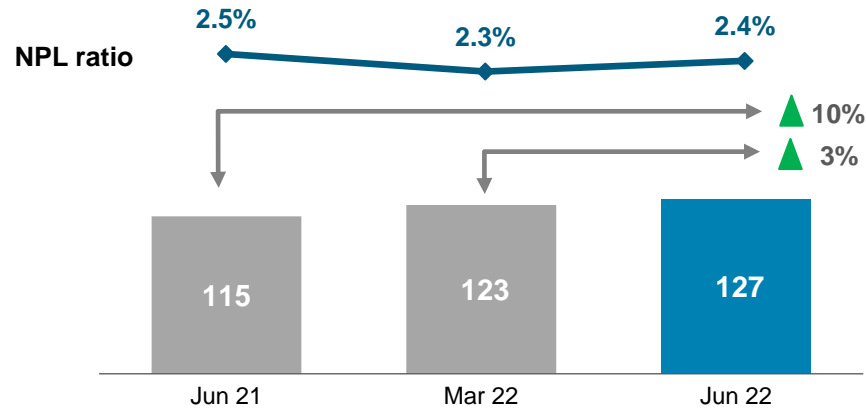
Net Interest Margin



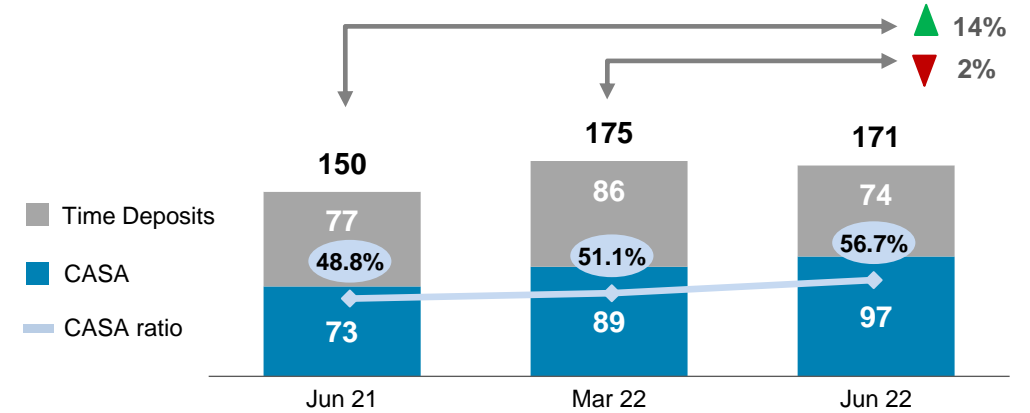
Cost-to-Income



Customer Loans (IDR t)



Customer Deposits (IDR t)





First Half 2022 Results Presentation

Thank You

