

The Strengths of **One Group.**
The Power of **One Brand.**

First Half 2024 Results Presentation

Goh Chin Yee, Group Chief Financial Officer
2 August 2024



OCBC Financial Results



Agenda

01

Financial Highlights

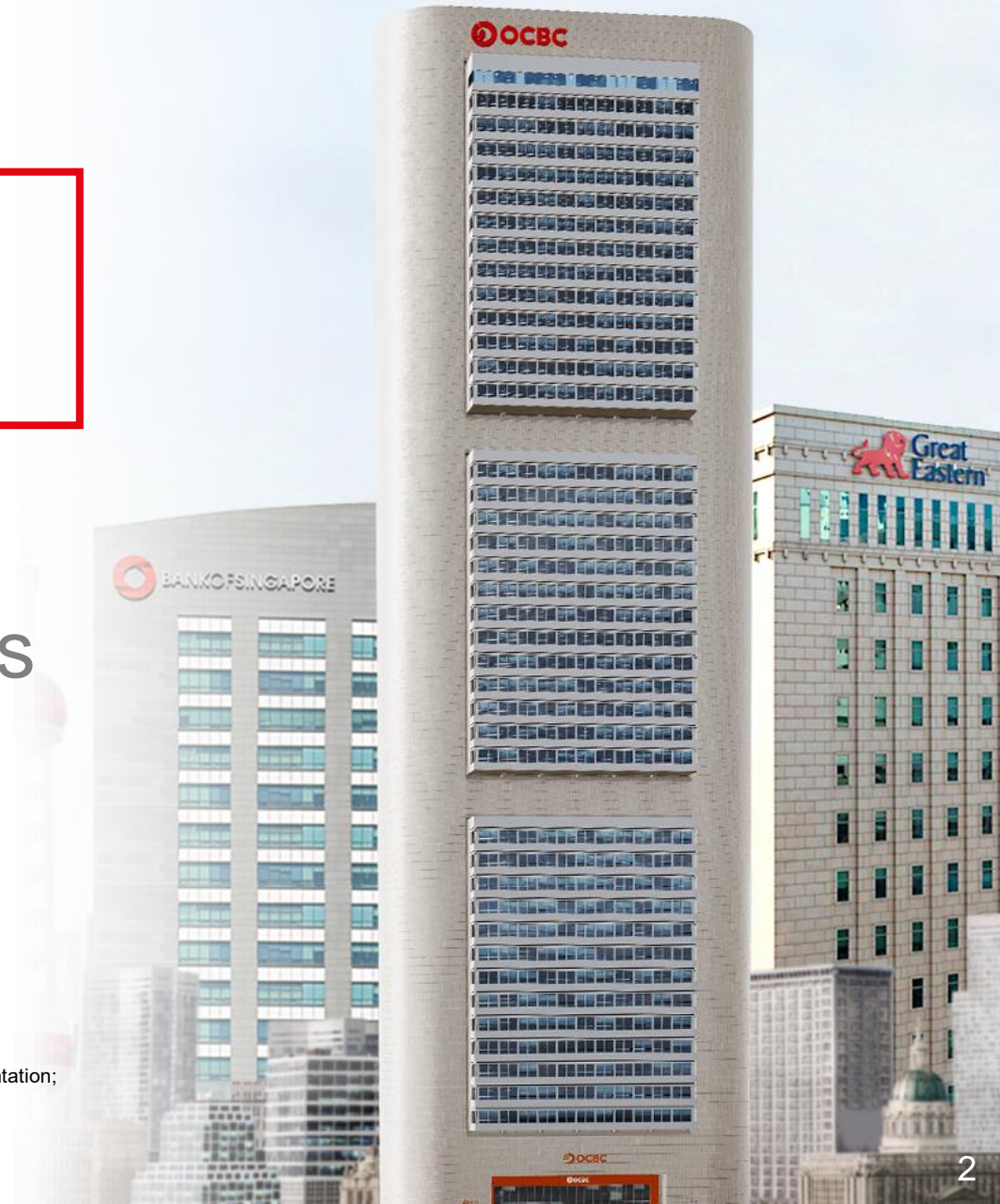
02

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.



Achieved record 1H24 earnings

**Group
Net Profit**

S\$3.93b

+9% YoY

**Banking
Operations
Net Profit**

S\$3.42b

+6% YoY

Dividend

44 cents

+4 cents YoY

EPS

(annualised)

S\$1.74

+9% YoY

ROE

(annualised)

14.5%

+0.2ppt YoY

Total Income

S\$7.26b

YoY

+7%

Net Interest Income (NII)

+3%

Non-Interest Income (Non-II)

+15%

Operating Expenses

S\$2.72b

+6%

Net Interest Margin

2.23%

-5bps

Credit Costs

15bps

-6bps

Customer Loans

S\$304b

+2%

(in constant currency terms)

+3%

Customer Deposits

S\$370b

-1%

NPL Ratio

0.9%

-0.2ppt

CET1 CAR

15.5%

+0.1ppt

- Total income crossed S\$7b for the first time
- NII grew 3% to a new high. Non-II up 15% from growth across fee, trading and insurance income
- CIR improved to 37.5%
- Resilient asset quality; NPL ratio lower at 0.9%, credit costs at 15bps
- Sustained YoY loan growth
- Healthy funding, liquidity and capital positions
- Interim dividend payout ratio at 50%

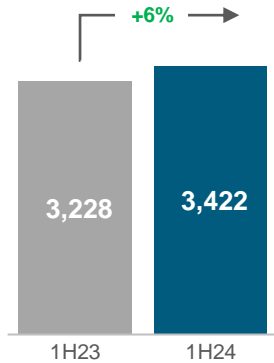
1H24 Group and Banking Operations net profit at new highs

(S\$m)	Group Performance					Banking Operations Performance				
	1H24	YoY	2Q24	YoY	QoQ	1H24	YoY	2Q24	YoY	QoQ
Net Interest Income	4,867	+3%	2,430	+2%	-	4,783	+3%	2,389	+1%	-
Non-Interest Income	2,388	+15%	1,199	+13%	+1%	1,638	+12%	822	+10%	+1%
Total Income	7,255	+7%	3,629	+5%	-	6,421	+5%	3,211	+4%	-
Operating Expenses	2,719	+6%	1,373	+3%	+2%	2,608	+6%	1,306	+4%	-
Operating Profit	4,536	+7%	2,256	+6%	-1%	3,813	+4%	1,905	+3%	-
Allowances	313	-14%	144	-43%	-14%	309	-11%	141	-44%	-16%
Net Profit	3,926	+9%	1,944	+14%	-2%	3,422	+6%	1,700	+10%	-1%

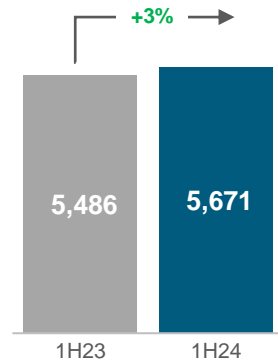
Resilient growth across key business pillars

Banking

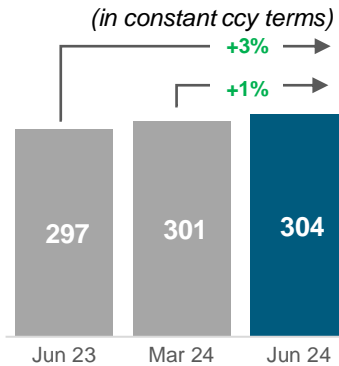
Net Profit (S\$m)



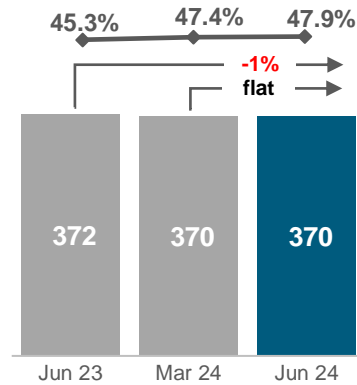
NII and Fee Income (S\$m)



Customer Loans (S\$b)

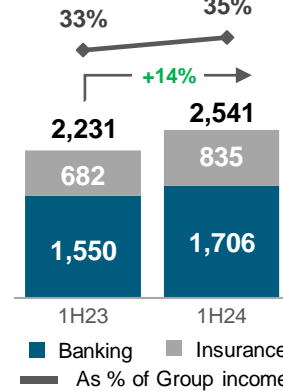


Customer Deposits (S\$b) and CASA ratio

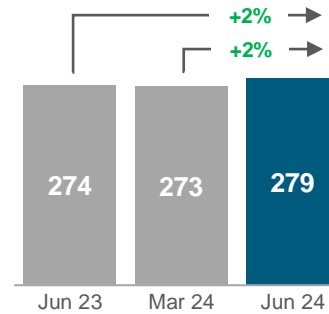


Wealth Management

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

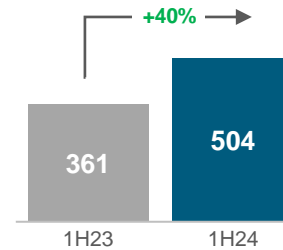


WM AUM (S\$b)

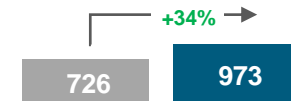


Insurance

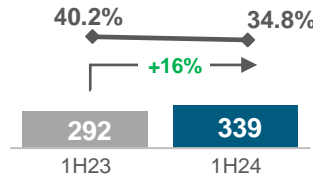
Profit contribution from GEH (S\$m)



Total Weighted New Sales (TWNS)(S\$m)



NBEV (S\$m) and Margin

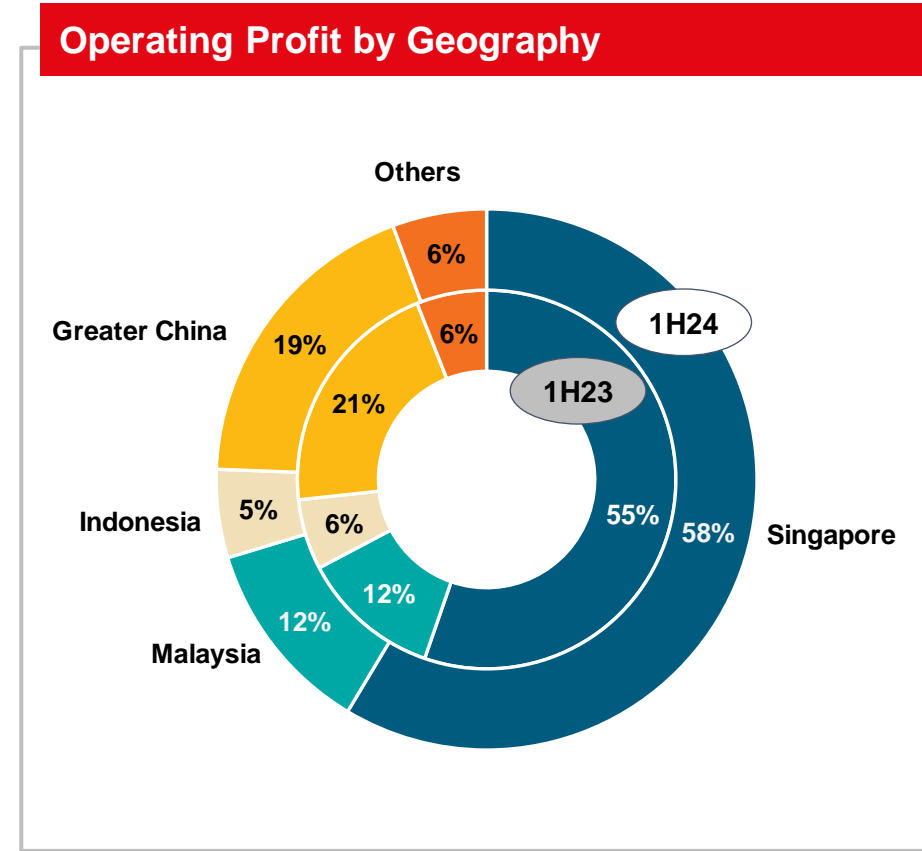
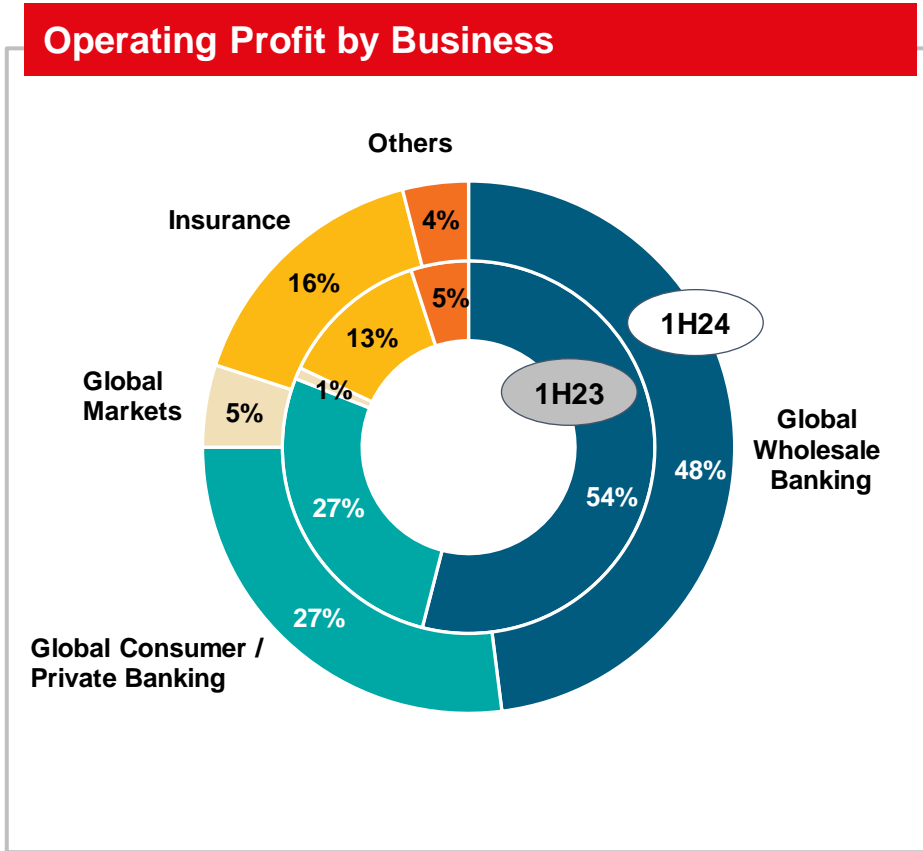


- Record profit for Banking Operations
- 1H24 WM income up 14% to new high; AUM at record level
- Insurance performance robust, profit contribution from GEH rose 40%. TWNS up 34%, underpinned by sustained sales momentum mainly from Singapore and Malaysia markets



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

Profit well-diversified across business and geography

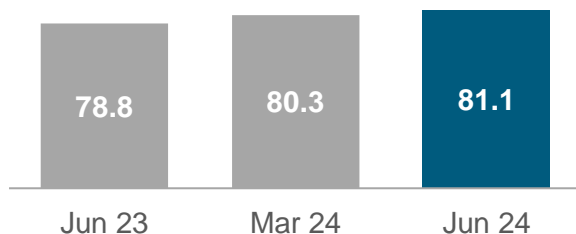


Note: Operating profit by business excluded associates.

Strong balance sheet with all regulatory ratios well above requirements

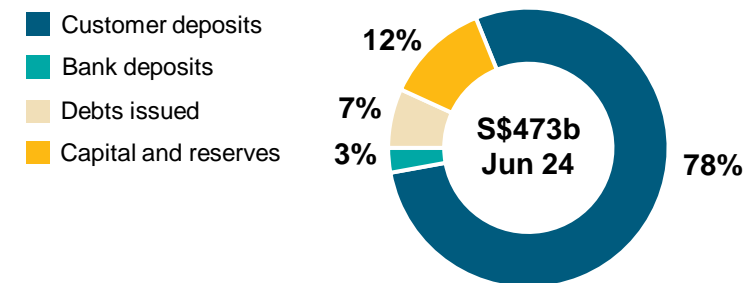
Loans-to-Deposits Ratio

Group LDR (%)



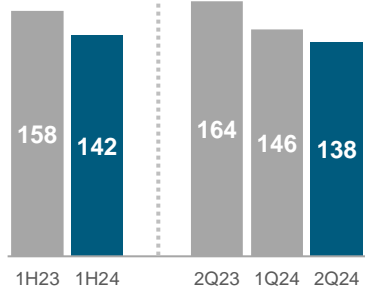
Funding

Composition (%)



Liquidity

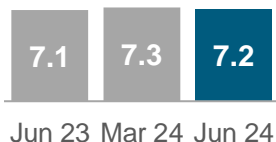
All-ccy LCR (%)



NSFR (%)

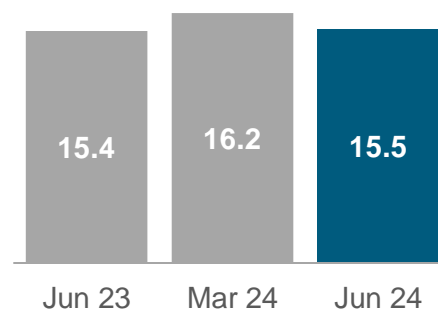


Leverage ratio (%)



Capital

CET1 CAR (%)



- Robust funding, liquidity and capital positions to support business growth
- Stable funding base mainly comprising customer deposits
- One of the world's most highly-rated banks, with Aa1 and AA- credit ratings from Moody's and Fitch/S&P respectively



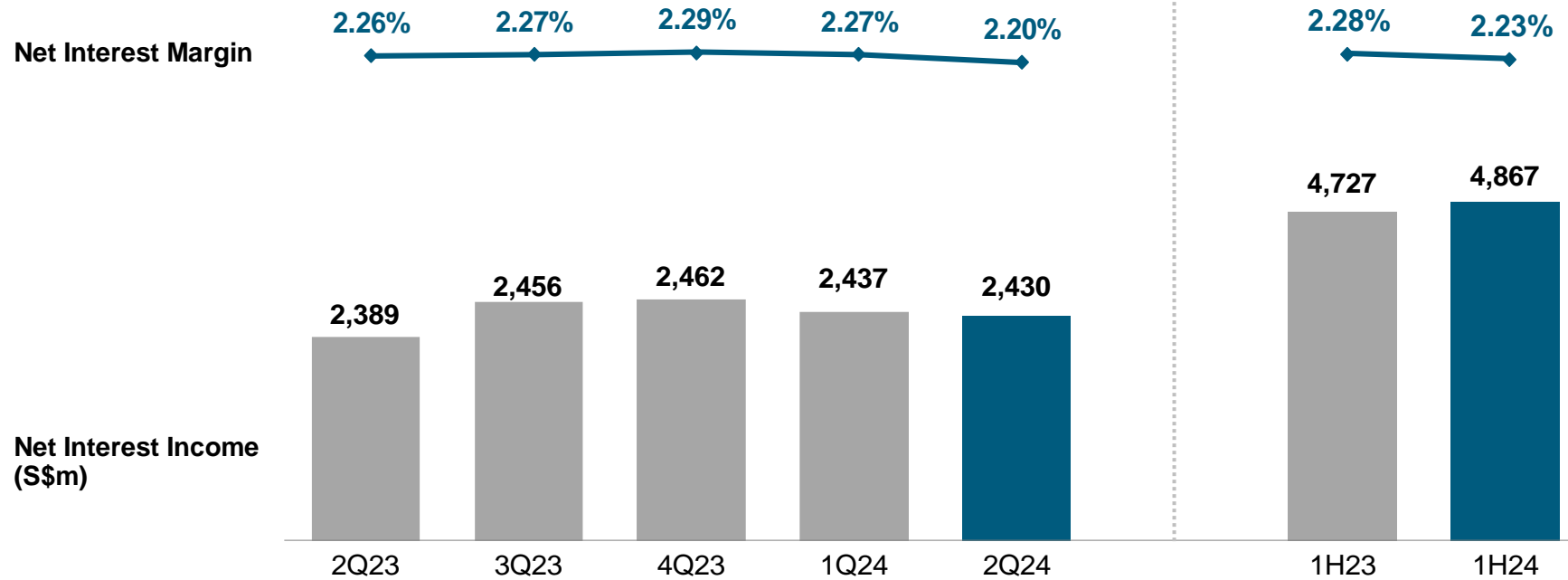
Agenda

01 Financial Highlights

02 Group Performance Trends



1H24 NII rose to a new high



Average IEA (S\$b)	424	429	427	432	445
Average Customer Deposits (S\$b)	370	371	363	364	370

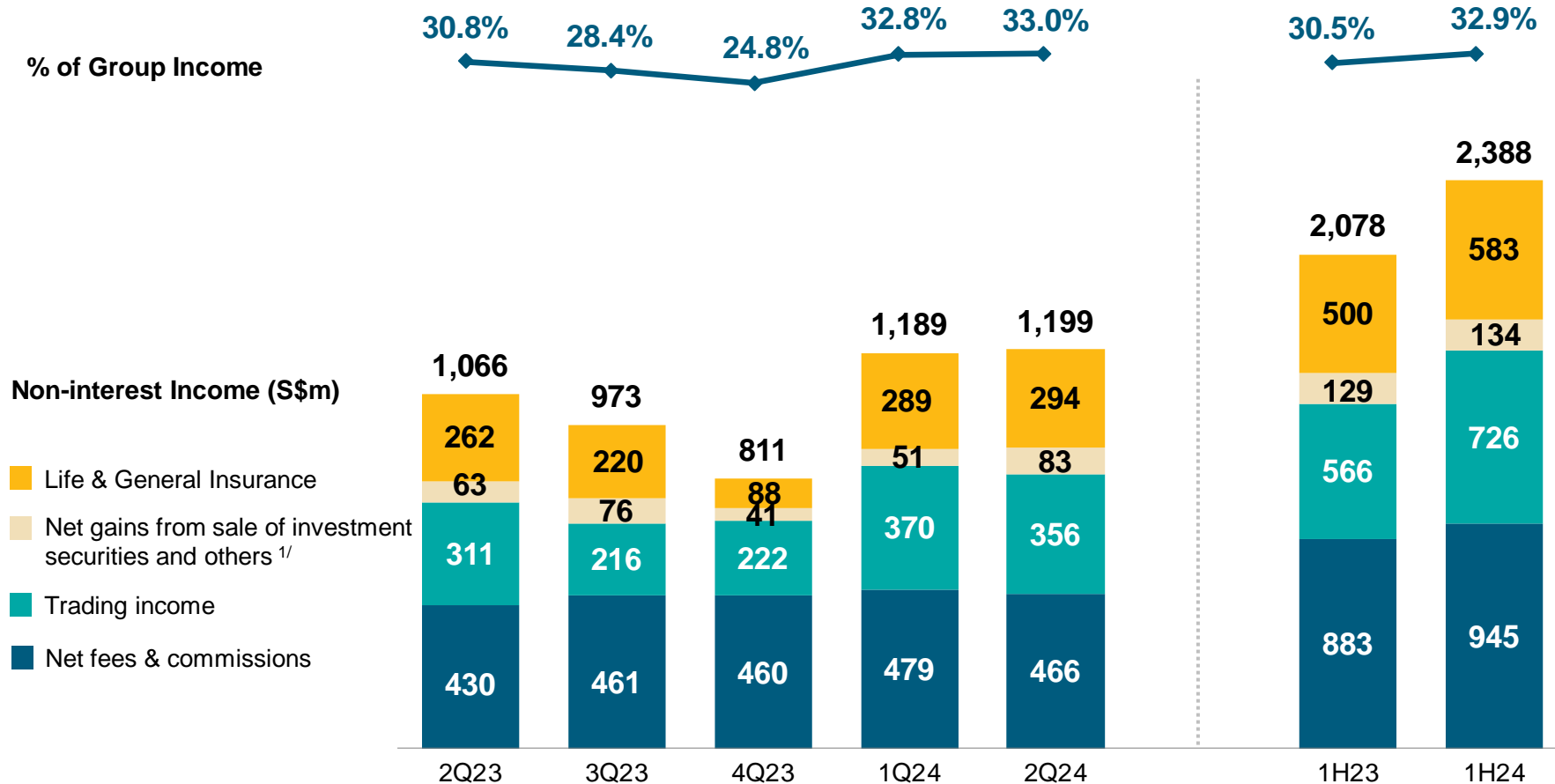
1H23	418
1H24	438

1H24	YoY +3%
2Q24	YoY +2%
	QoQ unchanged

- 1H24 NII rose to an all-time high. Average assets were up 5%, primarily from an increase in high quality assets which were income-accretive, but lower yielding as compared to customer loans. This mainly contributed to the 5bps moderation in NIM
- 2Q24 NII relatively stable QoQ, underpinned by a 3% asset growth and offset by lower NIM. Decline in NIM mainly from growth in lower-yielding high quality assets and tightening of loan yields alongside market rate movements



1H24 Non-II growth broad-based



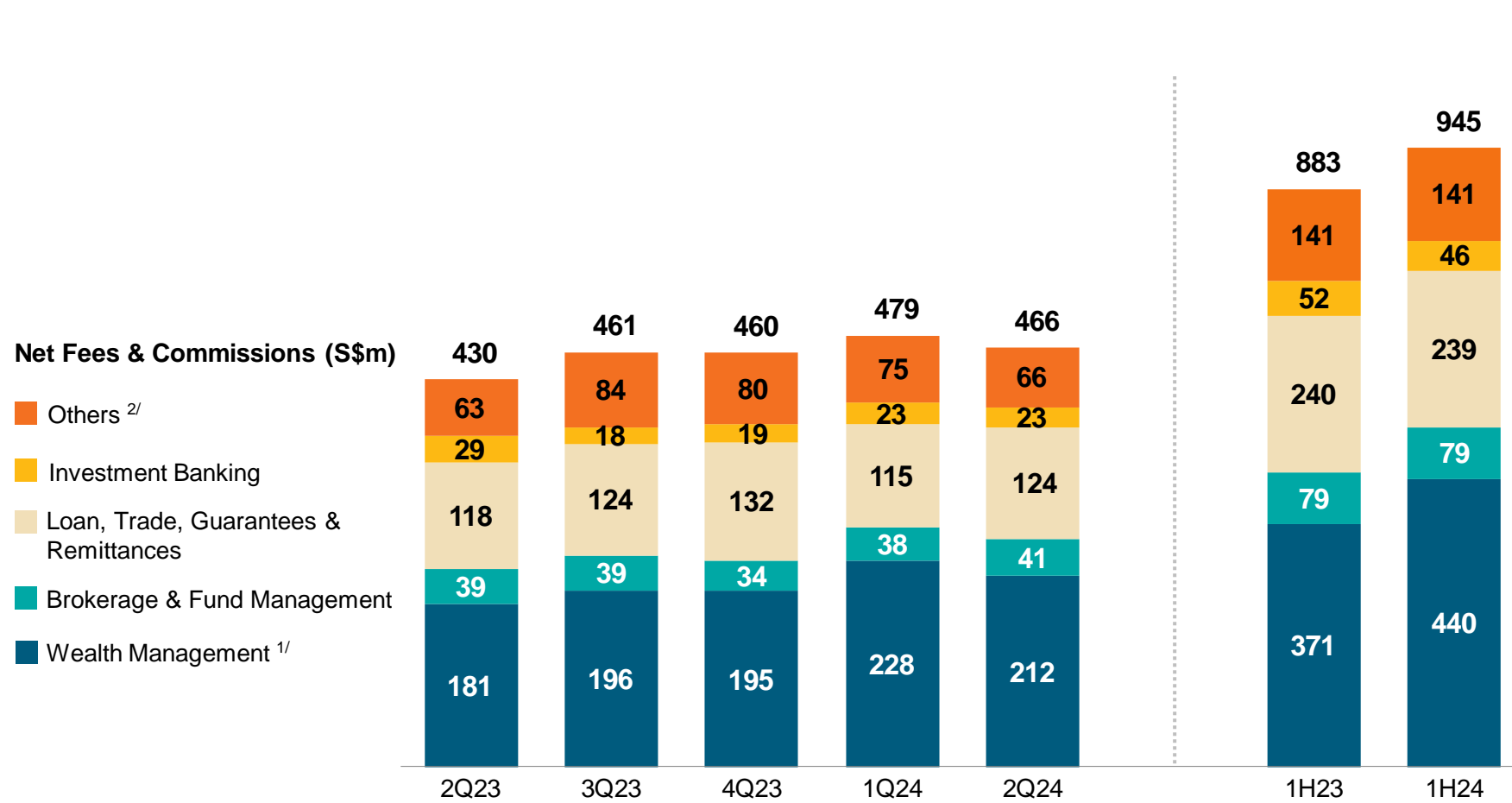
1H24		2Q24	
YoY	+15%	YoY	+13%
		QoQ	+1%

- 1H24 Non-II grew 15% YoY, driven by higher fee, trading and insurance income



^{1/} "Others" include disposal of properties, rental income and property-related income.

1H24 fee income grew 7% YoY



1H24		2Q24	
YoY	+7%	YoY	+8%
		QoQ	-3%

- 1H24 fee income boosted by higher wealth management fees, underpinned by strong traction across all wealth channels from an increase in customer activity



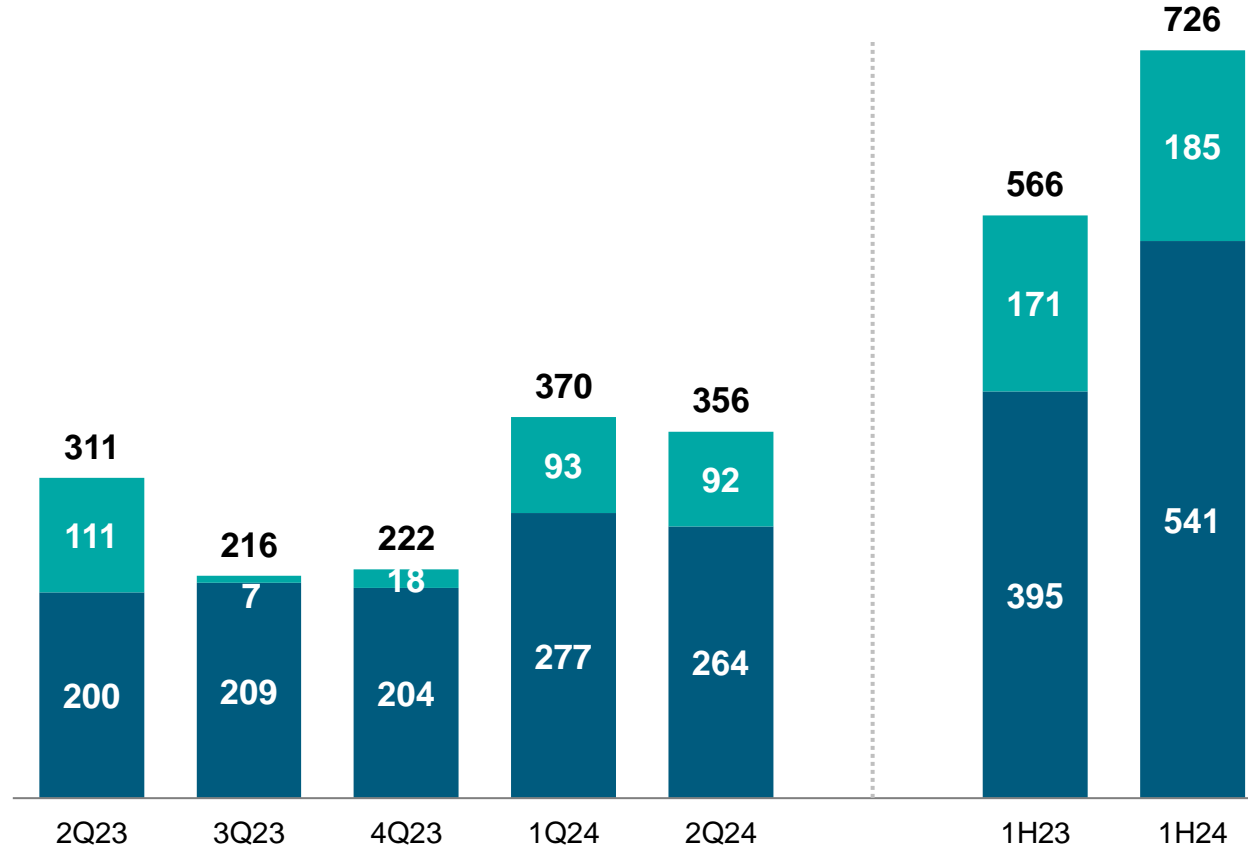
1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

1H24 trading income up 28% YoY to a record high

Trading Income (S\$m)

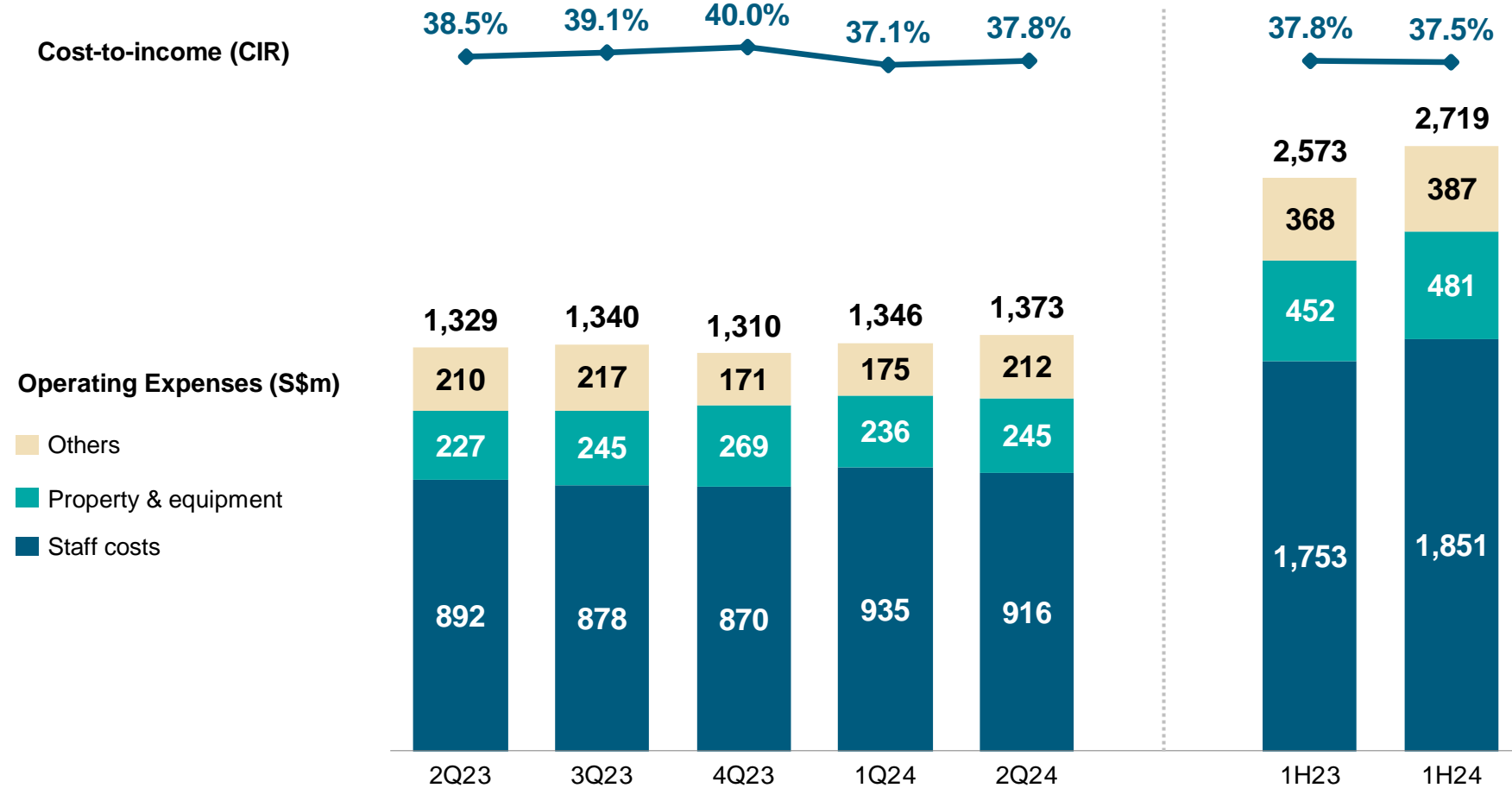
■ Non-Customer Flow
■ Customer Flow



1H24		2Q24	
YoY	+28%	YoY	+14%
		QoQ	-4%

- 1H24 trading income up 28%, driven by record customer flow income

1H24 operating expenses well controlled; CIR at 37.5%



1H24		2Q24	
YoY	+6%	YoY	+3%
		QoQ	+2%

- 1H24 expenses up 6%, mainly attributable to higher staff, IT-related and business promotion expenses
- CIR improved to 37.5% as income growth outpaced the rise in expenses

NPL ratio lower at 0.9%

Non-performing assets (NPAs)	2Q23	1Q24	2Q24	1H23	1H24
(S\$m)					
At start of period	3,329	2,901	3,040	3,486	2,901
Corporate/ Commercial Banking and Others					
New NPAs	184	239	108	225	340
Net recoveries/ upgrades	(159)	(78)	(121)	(317)	(192)
Write-offs	(50)	(60)	(97)	(70)	(157)
	(25)	101	(110)	(162)	(9)
Consumer Banking/ Private Banking	(37)	23	(31)	(51)	(8)
Foreign currency translation	8	15	2	2	17
At end of period	3,275	3,040	2,901	3,275	2,901
NPL Ratio (%)	1.1	1.0	0.9	1.1	0.9

Jun 24	YoY	-11%
	QoQ	-5%

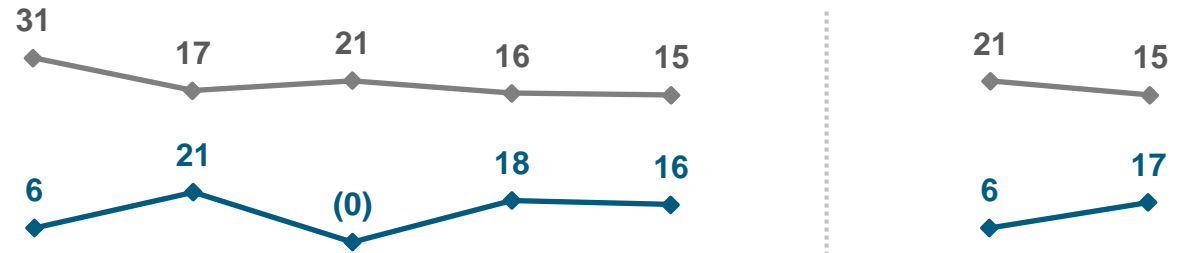
- Loan portfolio quality remained resilient. NPAs declined YoY and QoQ
- NPL ratio continued to trend downwards

1H24 allowances and credit costs lower YoY

Credit costs (bps) ^{1/}

— Total

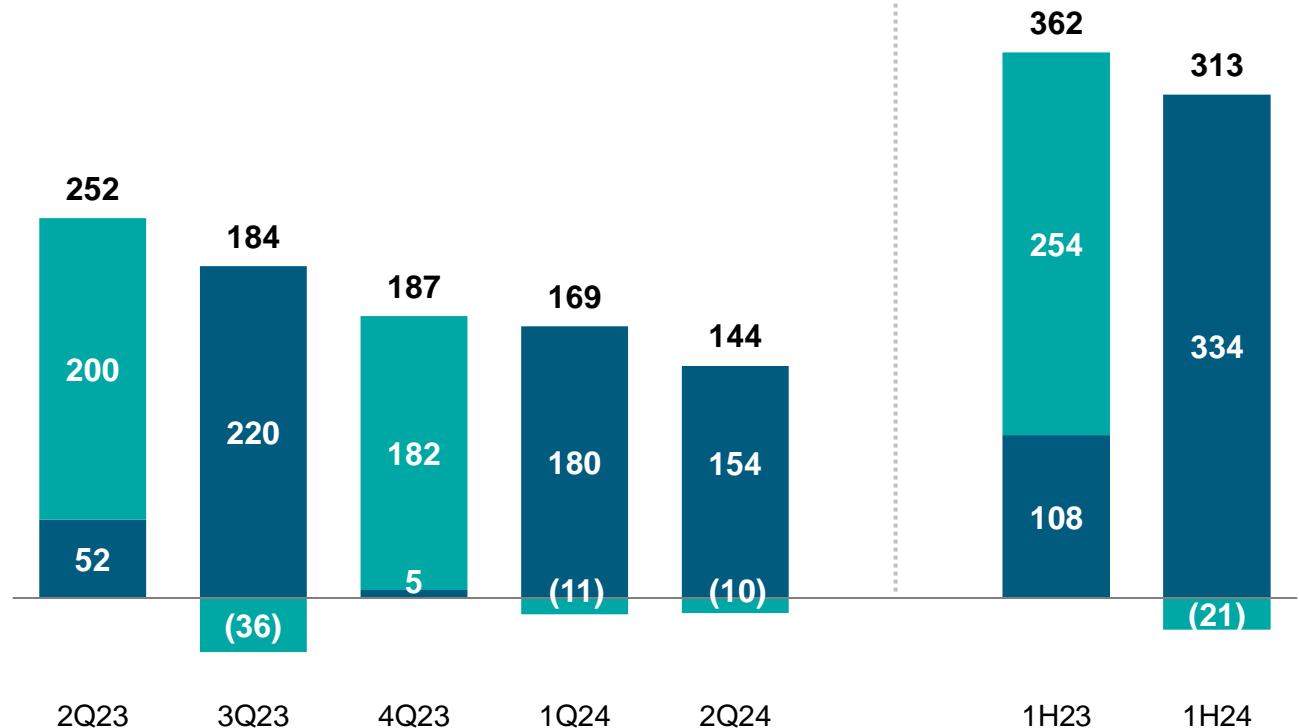
— Impaired



Allowances (\$m)

■ Allowances for non-impaired assets

■ Allowances for impaired assets



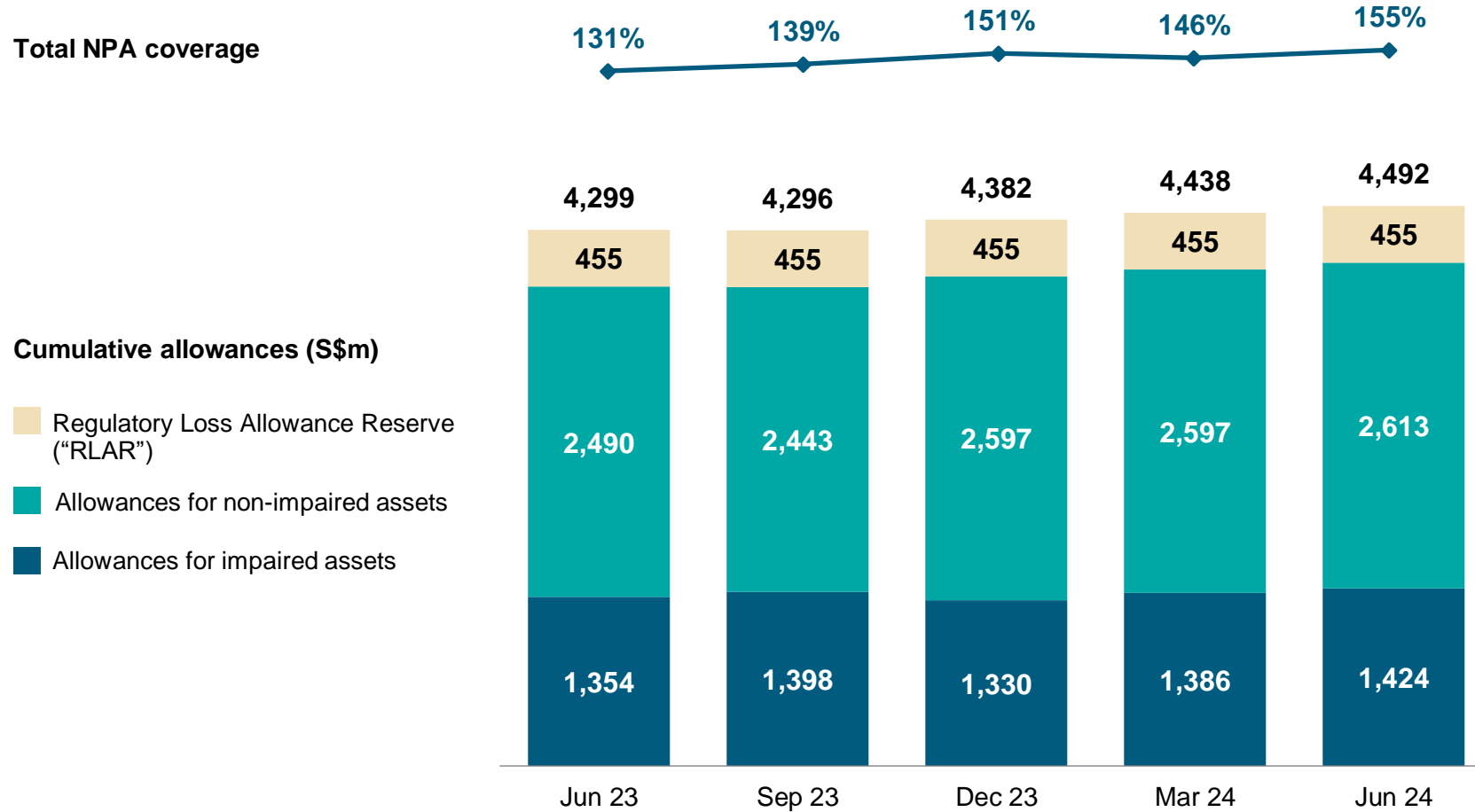
1H24		2Q24	
YoY	-14%	YoY	-43%
		QoQ	-14%

- Total credit costs for 1H24 lower YoY at an annualised 15bps
- 2Q24 allowances down QoQ driven by decline in allowances for impaired assets



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

NPA coverage ratio at 155%



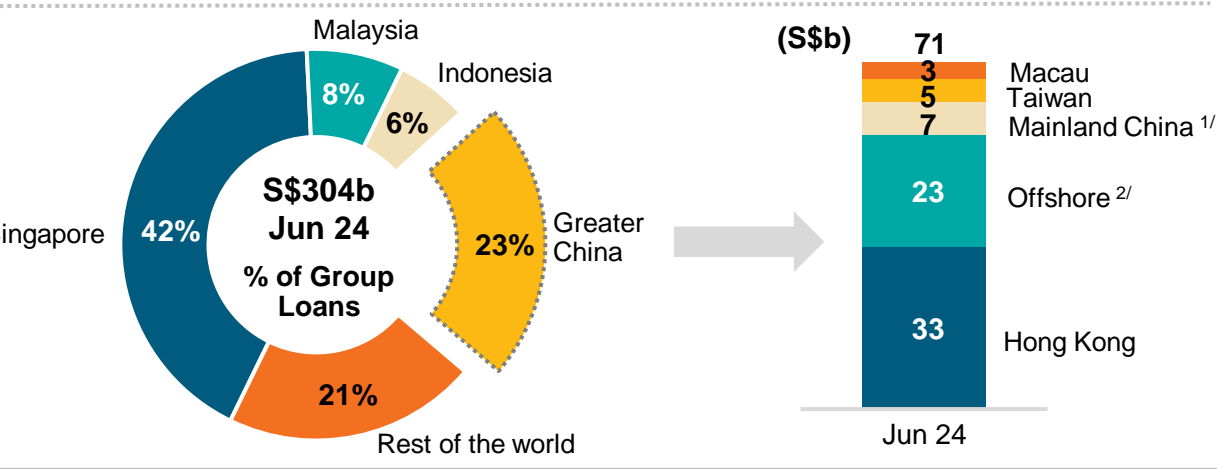
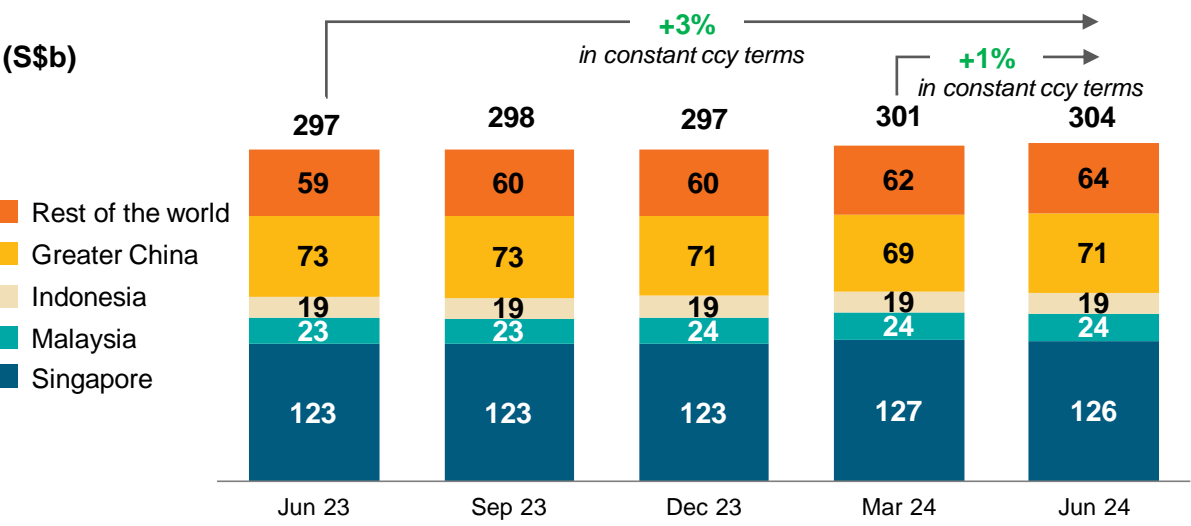
Jun 24 | YoY **+4%**
QoQ **+1%**

- NPA coverage ratio higher QoQ at 155%, mainly attributable to lower NPAs

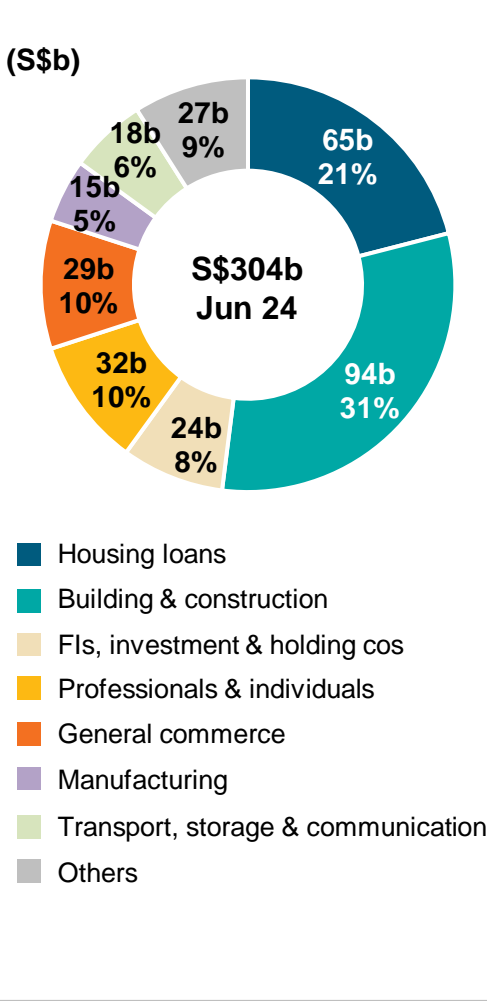


Loan growth sustained, up YoY and QoQ to S\$304b

Loans by Geography



Loans by Industry



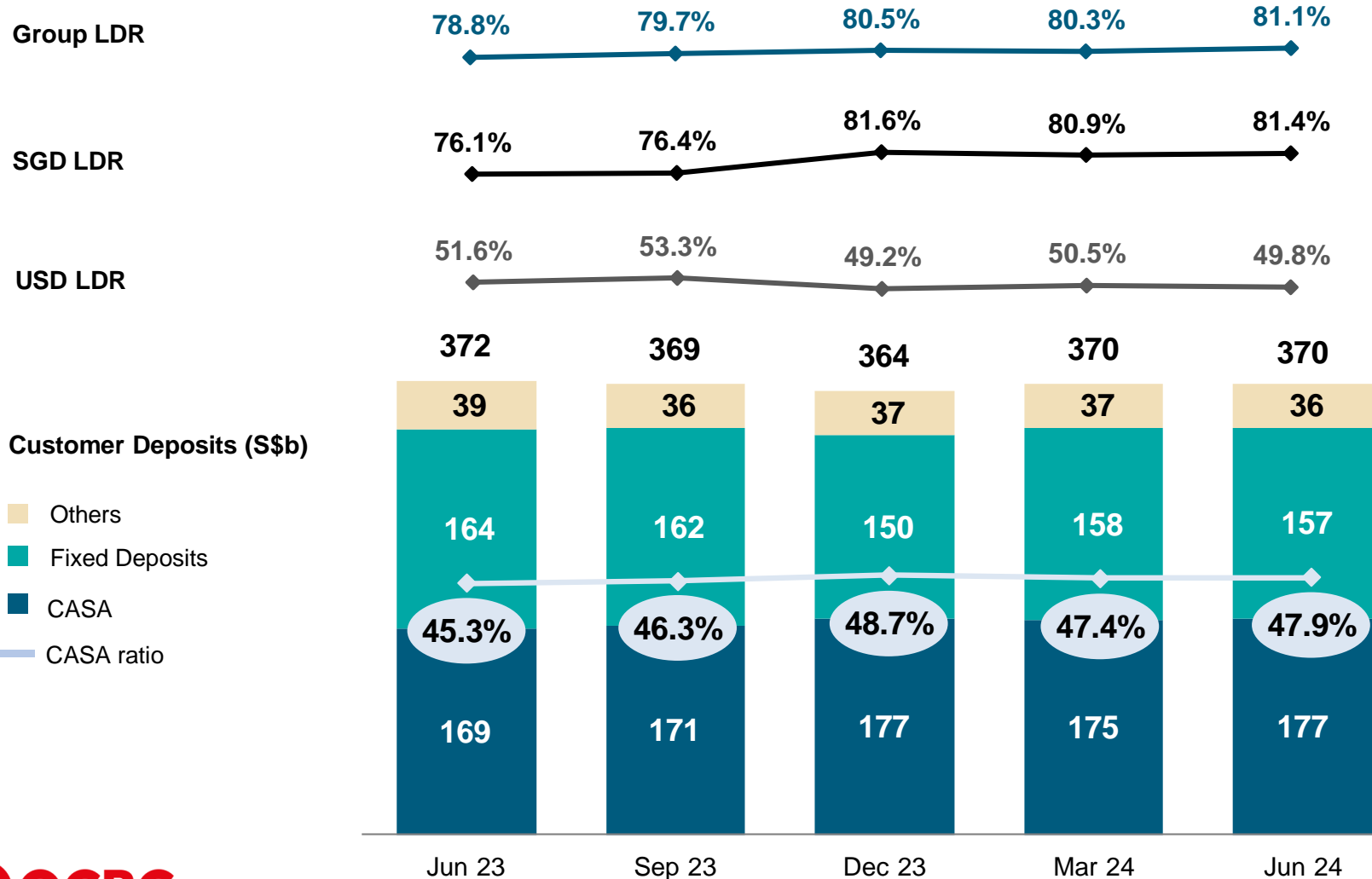
Jun 24 | YoY **+2%**
 | QoQ **+1%**

- YoY loan growth up 3% in constant currency terms, driven by both corporate loans and mortgages
- Corporate, SME and Consumer/Private Banking comprise 56%, 9% and 35% of loan book respectively
- CRE^{3/} office sector at 11% of Group loans, largely secured, average LTV 50%-60%; 2/3 in key markets of Singapore, Malaysia, Indonesia & Greater China, remainder largely in developed markets^{4/}



Notes: Loans by geography are based on where the credit risks reside.
 1/ Loans booked in Mainland China, where credit risks reside.
 2/ Loans booked outside of Mainland China, but with credit risks traced to China.
 3/ Commercial real estate ("CRE")
 4/ Includes Australia, United Kingdom and the United States.

Deposits stable QoQ, CASA ratio higher YoY and QoQ



Jun 24	YoY	-1%
	QoQ	unchanged

- Customer deposits were lower by 1% YoY mostly from a decline in higher-cost fixed deposits
- CASA ratio up YoY to 47.9%. CASA deposits rose 5% or S\$8b

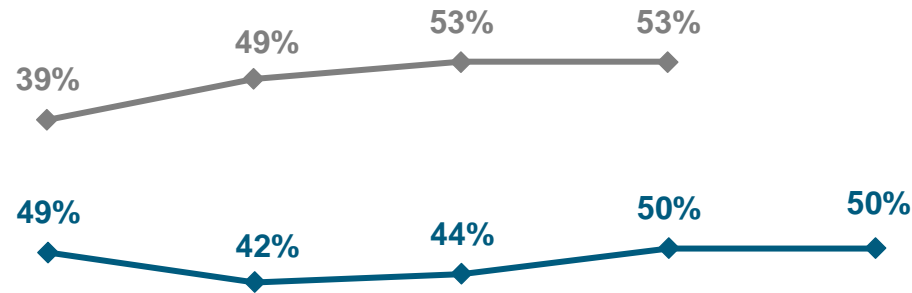


Interim dividend up 10% YoY to 44 cents

Dividend payout ratio

— Full Year

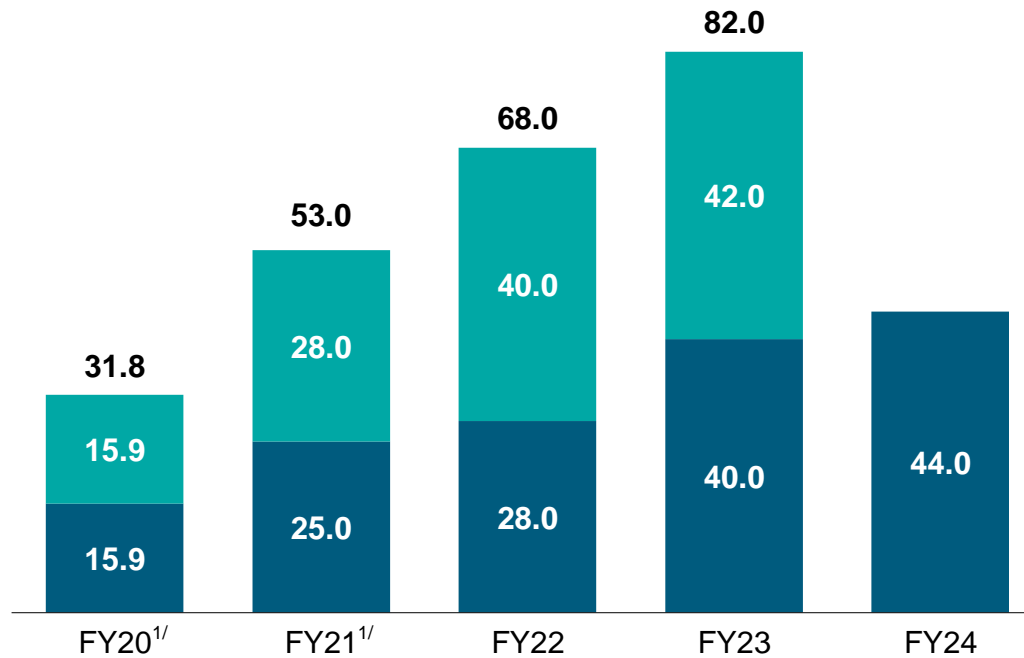
— Interim



DPS (cents)

■ Final dividend

■ Interim dividend



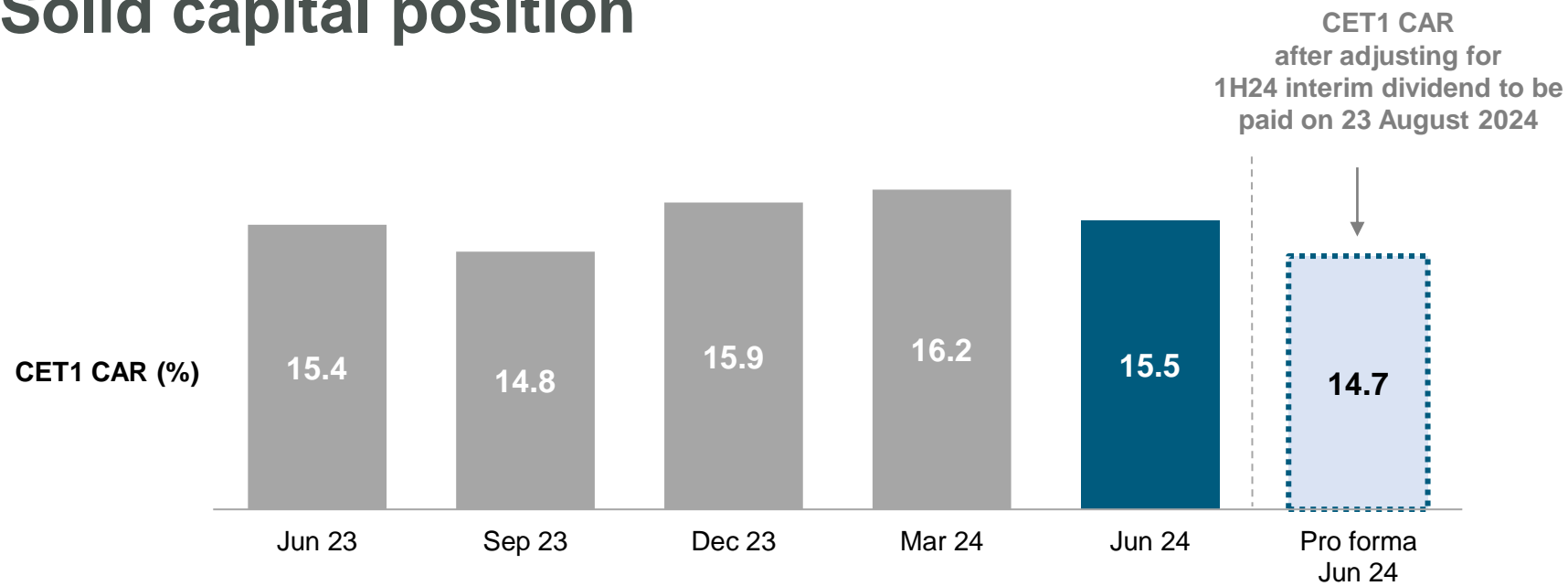
1H24 | YoY +10%

- Interim dividend up 4 cents or 10% YoY to 44 cents
- 50% payout ratio, similar to 1H23



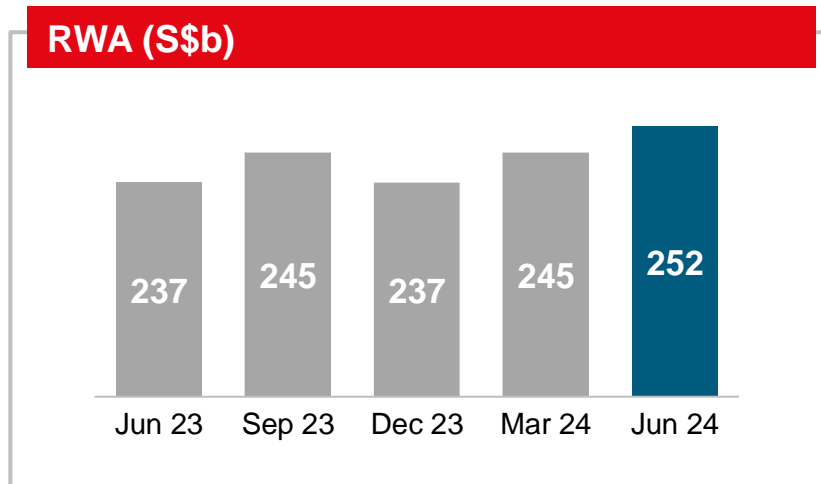
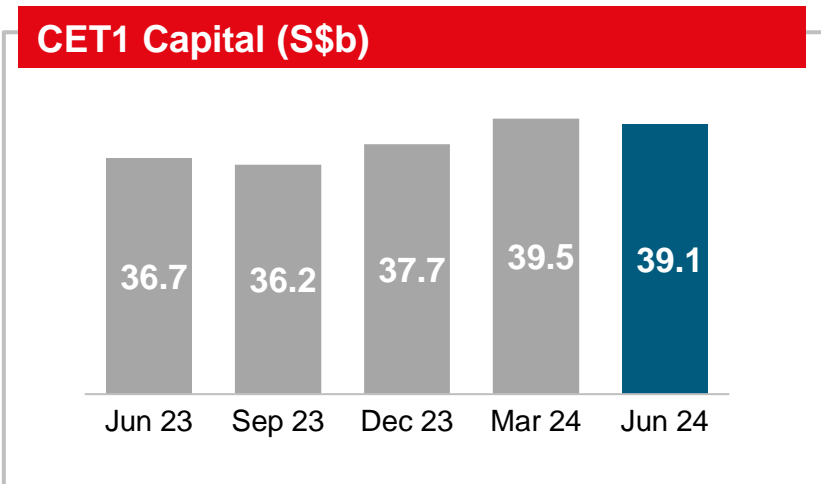
^{1/} In July 2020, the MAS called on locally-incorporated banks headquartered in Singapore to cap total dividends per share for FY20 at 60% of that for FY19. This aims to bolster the banks' resilience and capacity to support lending to customers while also meeting the needs of shareholders. In July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

Solid capital position



Jun 24	YoY	+0.1ppt
	QoQ	-0.7ppt

- CET1 CAR down QoQ as profit accretion from 2Q24 was more than offset by payment of FY23 final dividend and increase in RWA
- 1H24 interim dividend to be paid on 23 Aug 2024, lowering CET1 CAR by 0.8ppt on a pro forma basis



Thank you

Disclaimer: This presentation should be read as an overview of OCBC's current business activities and operating environment which may contain statements relating to OCBC's growth strategy and future business aspirations. This presentation contains "forward-looking statements", which are based on current expectations and projections about future events, and include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "plans", "could", "should", "predicts", "projects", "estimates", "foresees" or similar expressions or the negative thereof, as well as predictions, projections and forecasts of the economy or economic trends of the markets, which are not necessarily indicative of the future or likely performance of OCBC, and projections and forecasts of the performance of OCBC, which are not guaranteed. Such forward-looking statements, as well as those included in any other material discussed at the presentation, concern future circumstances and results and involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of OCBC to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions and estimates regarding OCBC and its subsidiaries' present and future business strategies and the environment in which OCBC or the OCBC Group will operate in the future. Forward-looking statements are not guarantees of future performance. These forward-looking statements speak only as at the date of this presentation, and none of the Company or any of its directors, agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any such forward-looking statements to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based or whether in the light of new information, future events or otherwise. Given the aforementioned risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. These statements should not be solely relied upon by investors or potential investors when making an investment decision. OCBC accepts no liability whatsoever with respect to the use of this document or its content.

