



First Quarter 2023 Results Highlights

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10 May 2023



Agenda

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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



Record 1Q23 performance

Group Net Profit	S\$1.88b	+39% YoY	+44% QoQ
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Banking Operations Net Profit	S\$1.68b	+43% YoY	+28% QoQ
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EPS <i>(annualised)</i>	S\$1.68	+38% YoY	+47% QoQ
ROE <i>(annualised)</i>	14.7%	+4.1ppt YoY	+4.7ppt QoQ

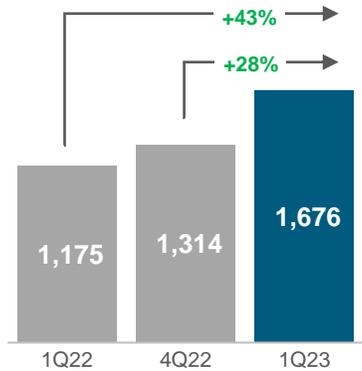
	YoY	QoQ
Total Income S\$3.35b	+27%	+12%
Net Interest Income (NII)	+56%	-2%
Non-Interest Income (Non-II)	-11%	+65%
Operating Expenses S\$1.24b	+3%	-4%
Net Interest Margin 2.30%	+75bps	-1bp
Credit Costs 12bps	+6bps	-23bps
Customer Loans S\$294b	unchanged +3%	unchanged +0.2%
Customer Deposits S\$367b	+5%	+5%
NPL Ratio 1.1%	-0.3ppt	-0.1ppt
CET1 CAR 15.9%	+0.7ppt	+0.7ppt
All-ccy LCR 152%	+1ppt	-7ppt

- Record quarterly net profit, ROE improved to 14.7%
- Broad-based growth drove total income to new high
- NII down from record 4Q22, mainly due to shorter quarter; NIM resilient at 2.30%
- Expenses lower QoQ, CIR at 37.1%
- Credit costs eased QoQ to 12bps
- Deposits up QoQ while loans largely unchanged
- Loan portfolio sound, NPL ratio at 1.1%
- Liquidity and capital positions remain strong

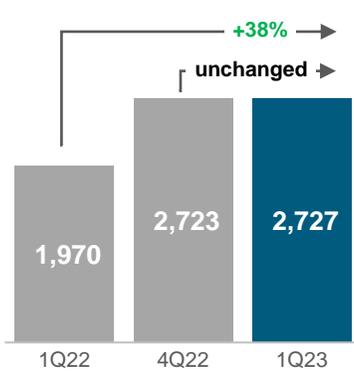
Financial highlights

Banking

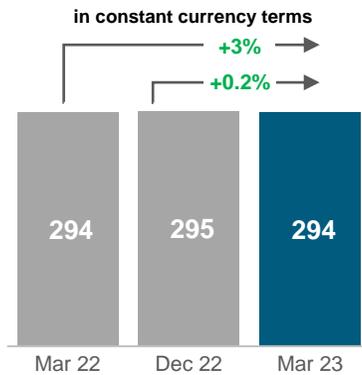
Net Profit (S\$m)



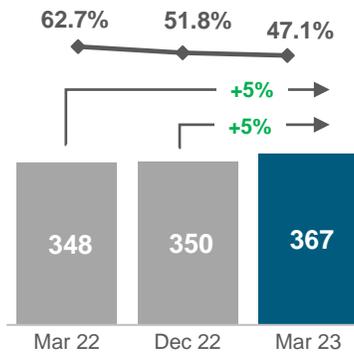
NII and Fee Income (S\$m)



Customer Loans (S\$b)

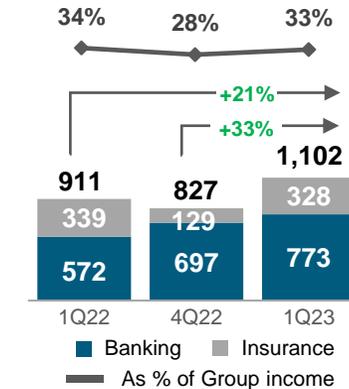


Customer Deposits (S\$b) and CASA ratio

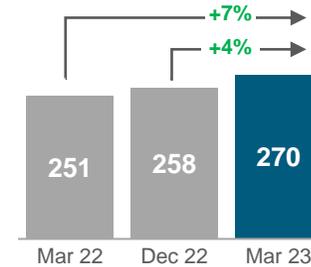


Wealth Management

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

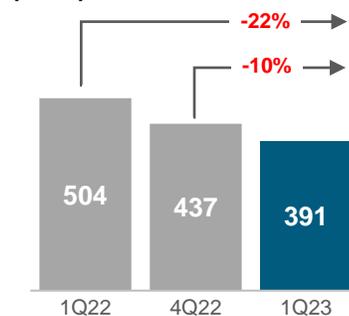


WM AUM (S\$b)

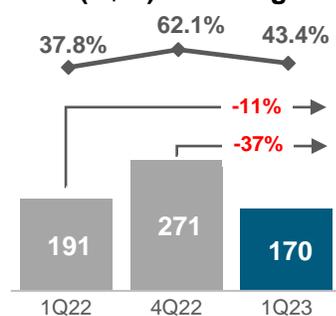


Insurance

Total Weighted New Sales (S\$m)



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



- Banking Operations net profit at new high
- Group WM income up QoQ and YoY, driven by record income from Banking Operations
- QoQ rise in AUM driven by continued net new money inflows and positive market valuation
- Insurance TWNS and NBEV declined YoY due to softer single premium sales from Singapore market; NBEV margin higher

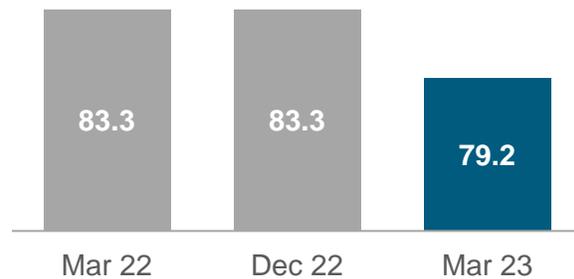


^{1/} Wealth Management income comprises the consolidated income from insurance, private banking, premier private client, premier banking, asset management and stockbroking.

Healthy balance sheet position

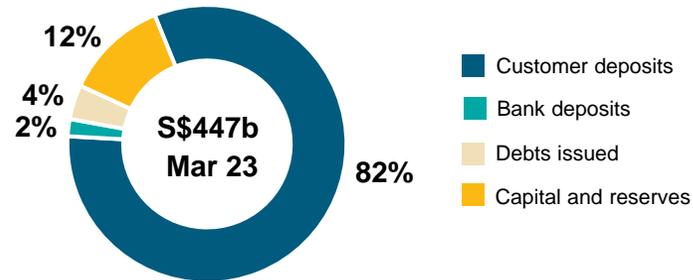
Loans-to-Deposits Ratio

Group LDR (%)



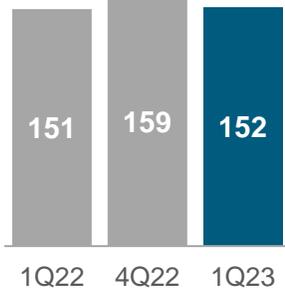
Funding

Composition (%)



Liquidity

All-ccy LCR (%)



NSFR (%)

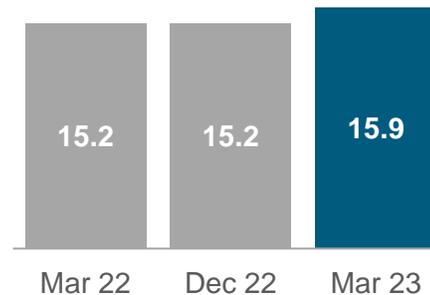


Leverage ratio (%)



Capital

CET1 CAR (%)



- Strong credit ratings of Aa1 from Moody's and AA- from both Fitch and S&P
- Stable funding mix, more than 80% from well-diversified customer deposit base
- Robust funding, liquidity and capital positions provide buffer for uncertainties and support growth
- All regulatory ratios well above requirements

02

Group Net Profit



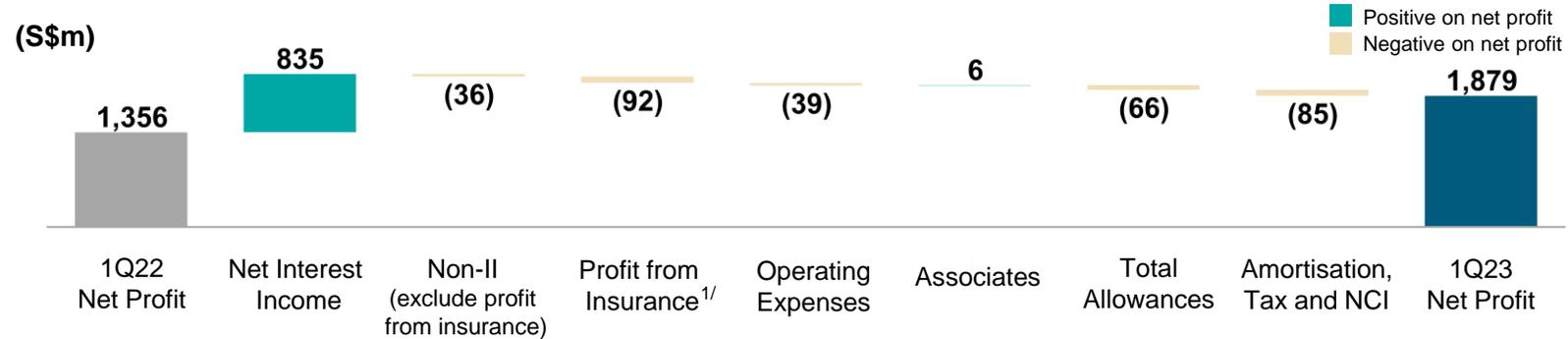
Group and Banking Operations Profit reached new highs

Group Performance			
(S\$m)	1Q23	YoY	QoQ
Total income	3,350	+27%	+12%
Operating Expenses	1,244	+3%	-4%
Operating Profit	2,106	+46%	+24%
Allowances	110	+151%	-65%
Net Profit	1,879	+39%	+44%

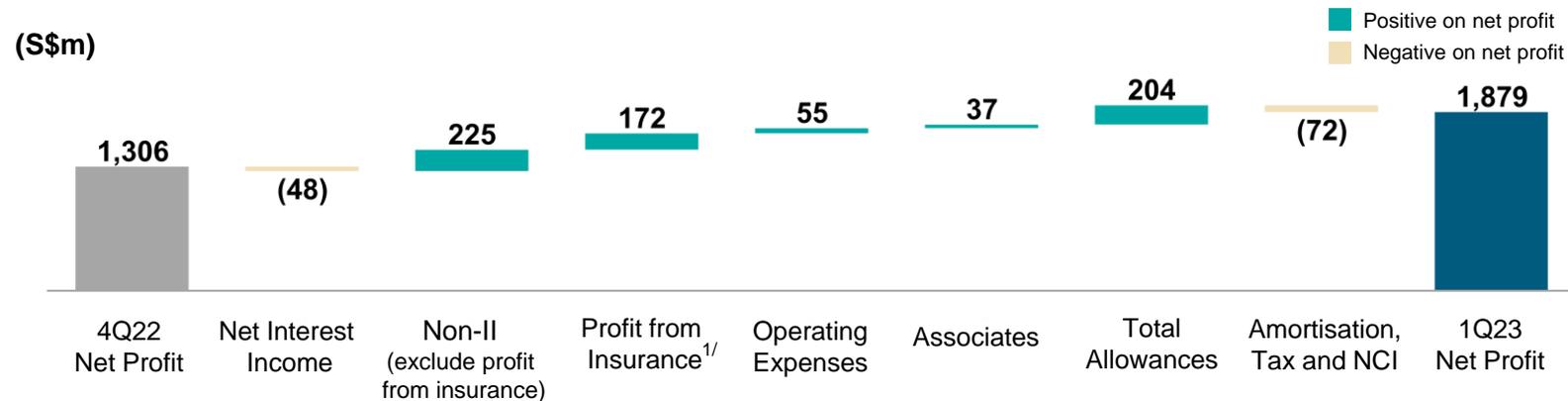
Banking Operations Performance			
(S\$m)	1Q23	YoY	QoQ
Total income	3,022	+31%	+5%
Operating Expenses	1,202	+6%	-
Operating Profit	1,820	+55%	+9%
Allowances	96	+116%	-70%
Net Profit	1,676	+43%	+28%

1Q23 Net Profit up QoQ and YoY to record S\$1.88b

YoY Movement



QoQ Movement



1Q23

YoY +39%

QoQ +44%

YoY

- Net profit higher mainly due to 56% rise in NII, underpinned by asset growth and 75bps NIM increase

QoQ

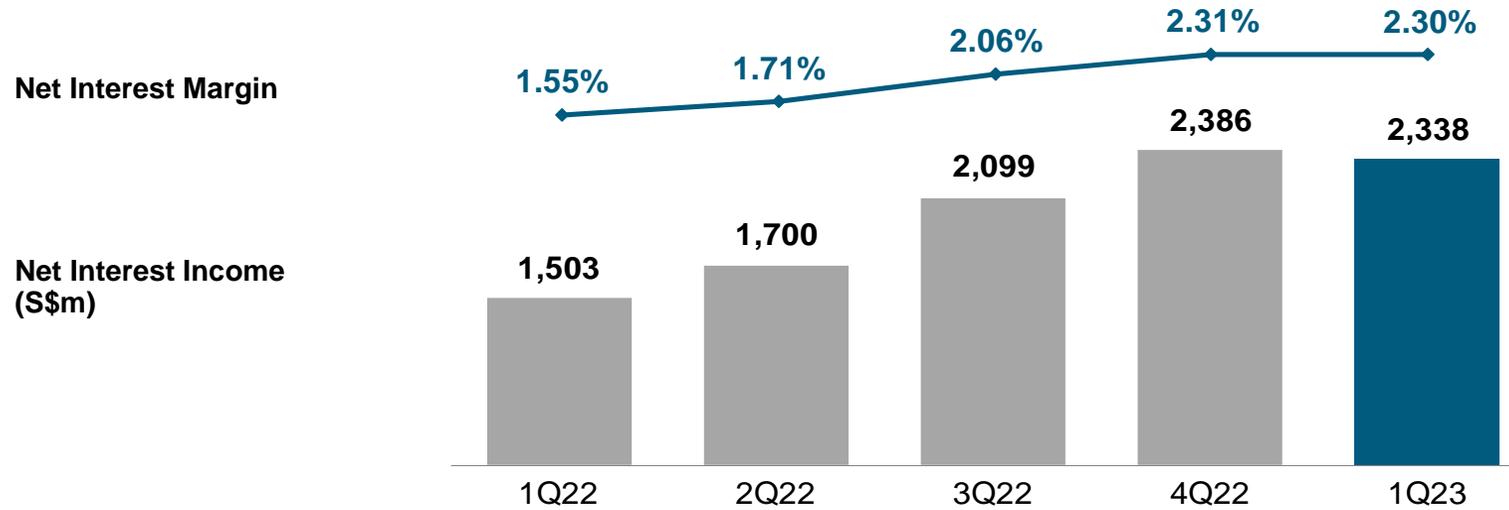
- Improved non-interest income, as well as lower expenses and allowances drove net profit to new high

03

Group Performance Trends



Net interest income at S\$2.34b, NIM at 2.30%

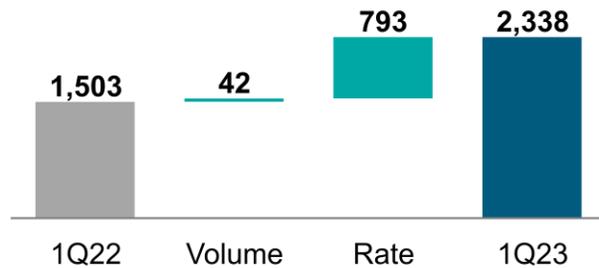


1Q23	YoY	+56%
	QoQ	-2%

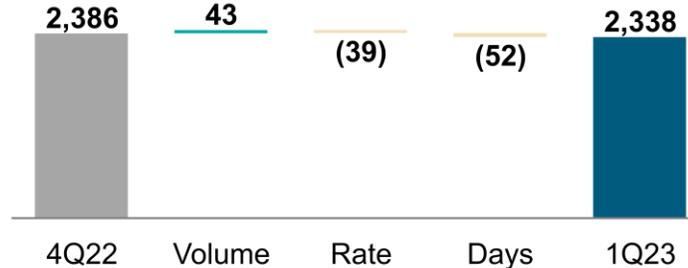
- NII higher YoY, from 5% growth in average assets and strong NIM expansion of 75bps
- NII largely unchanged QoQ, if adjusted for shorter-days effect for 1Q23
- NIM lower by 1bp QoQ as rise in asset yields was offset by higher funding costs and lower LDR

Volume and Rate Analysis (S\$m)

YoY



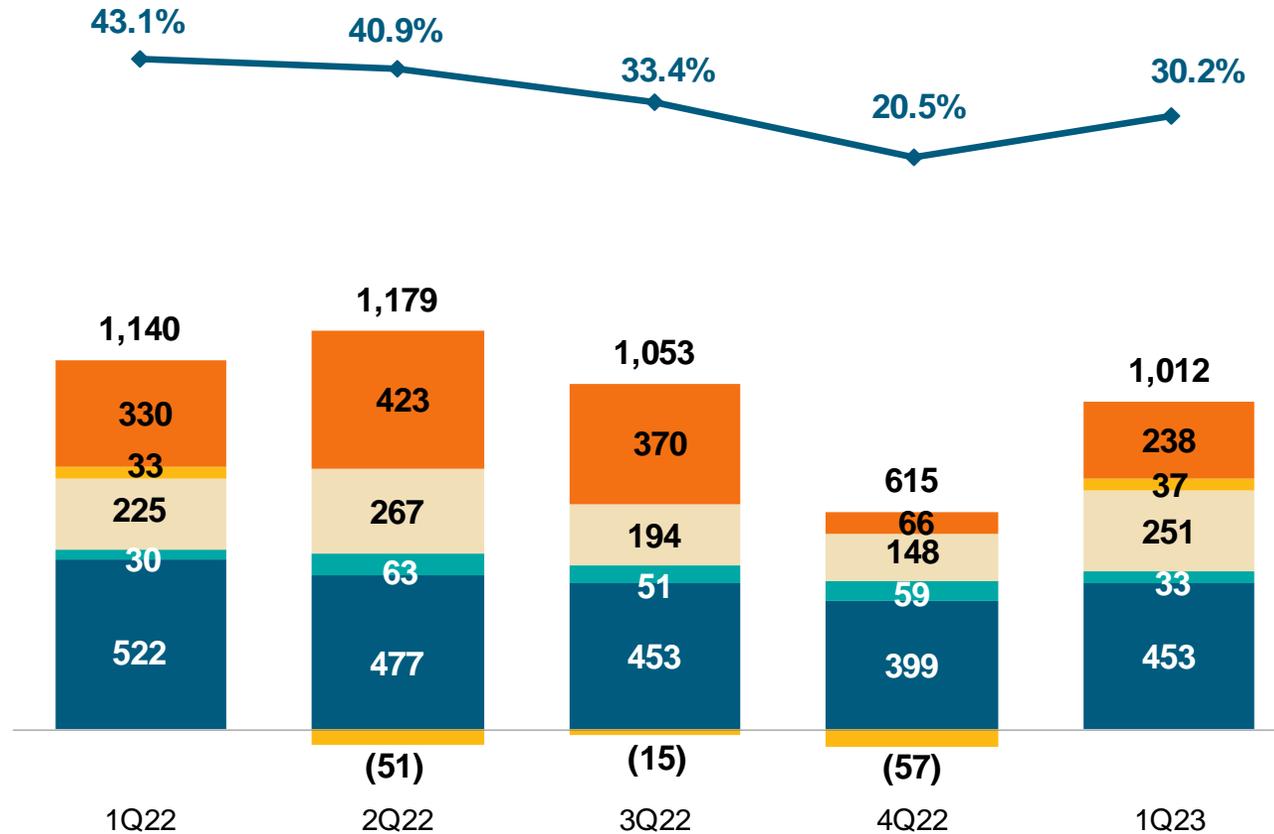
QoQ



Non-interest income up 65% QoQ

1Q23 | YoY -11%
QoQ +65%

% of Group Income



Non-interest Income (\$m)

- Life & General Insurance^{1/}
- Net gains from investment securities and others
- Trading income
- Dividends, rental and property-related income
- Net fees & commissions

- Non-II rose QoQ, supported by higher fee and trading income, as well as net realised gains from sale of investment securities
- Insurance profit of S\$238m from GEH reported based on SFRS(I) 17^{1/}



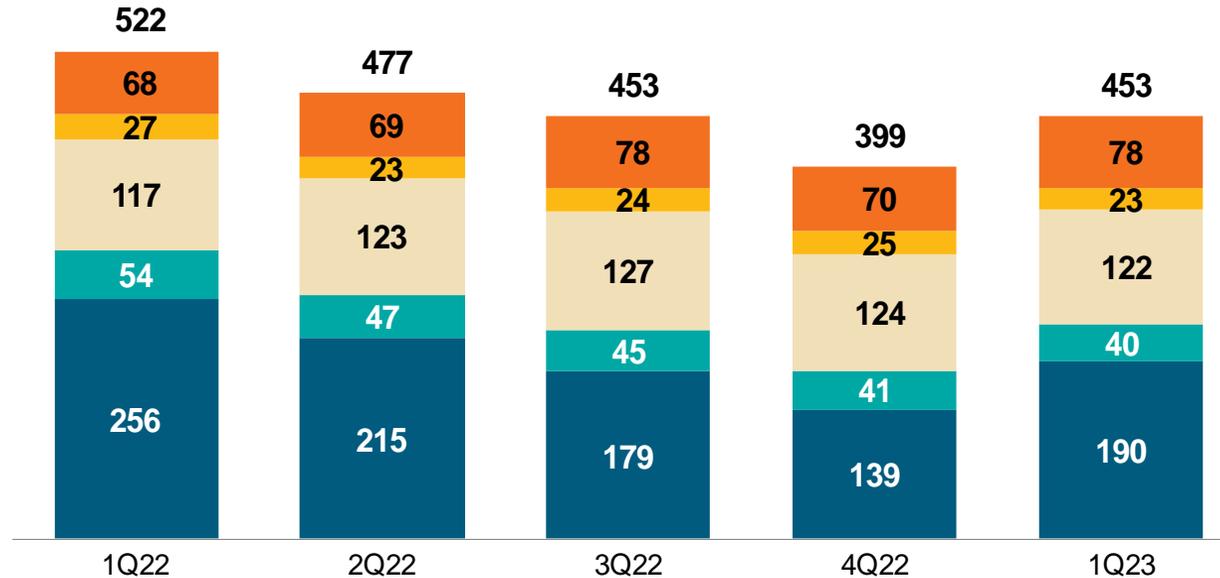
1/ 1Q23 based on SFRS(I) 17 and comparatives not restated.

Higher wealth management fees drove QoQ increase in fee income

1Q23 | YoY -13%
QoQ +14%

Net Fees & Commissions (\$m)

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



- Fee income rebounded 14% QoQ from stronger WM fees
- Sustained net new money inflows during quarter



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.

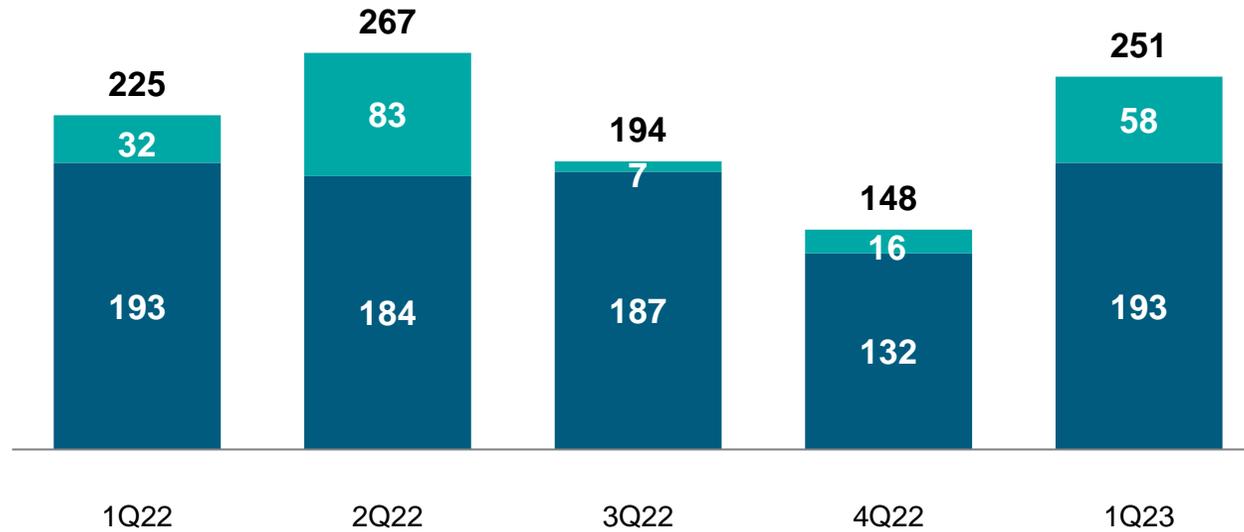
2/ "Others" includes credit card fees, service charges and other fee and commission income.

Trading income rose QoQ and YoY

1Q23 | YoY +12%
QoQ +69%

Trading Income (S\$m)

■ Non-Customer Flow
■ Customer Flow



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

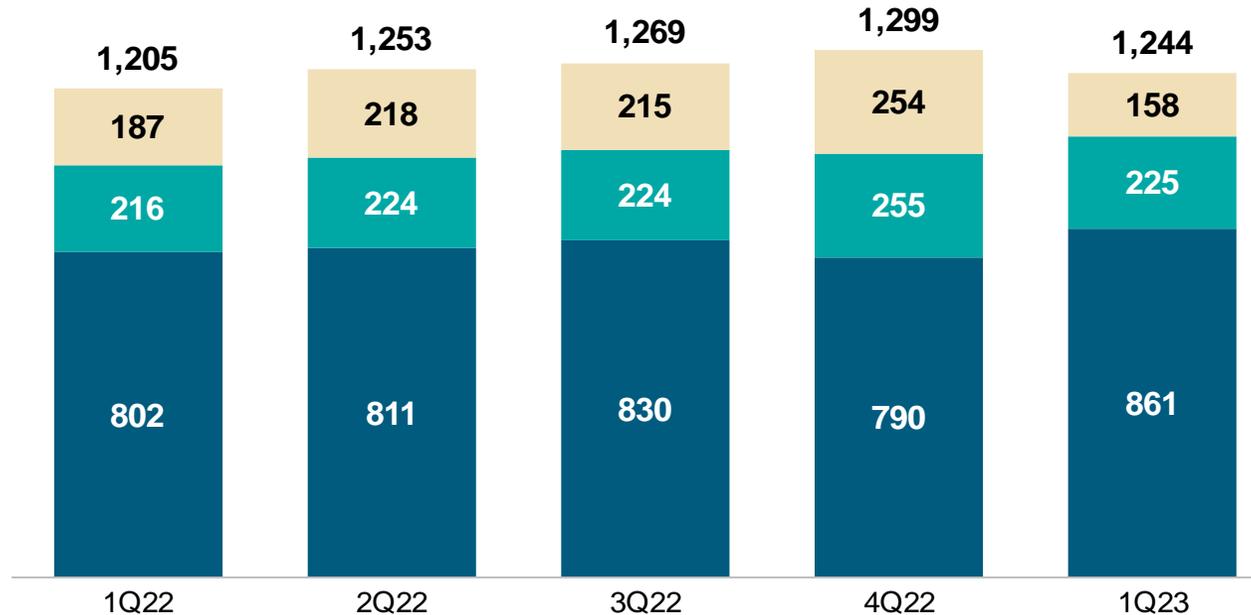
Strong cost discipline, operating expenses lower QoQ

Cost-to-income



Operating Expenses (S\$m)

- Others
- Property & equipment
- Staff costs



1Q23

YoY +3%
QoQ -4%

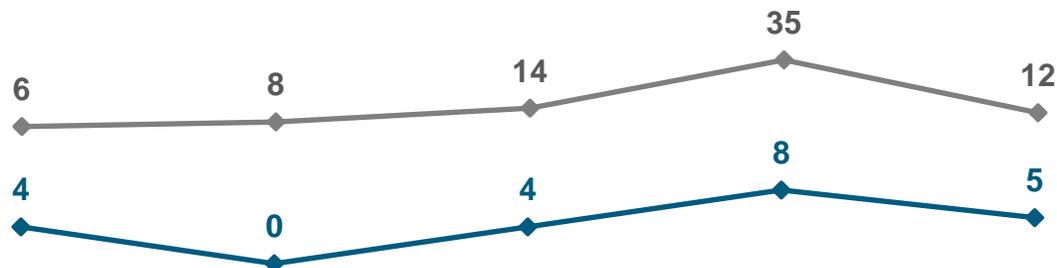
- Operating expenses lower QoQ, mainly from a decline in “other” expenses arising from the deduction of insurance-related expenses against insurance revenue, following GEH’s adoption of SFRS(I) 17
- Staff costs higher QoQ from continued investment in talent pool to drive business expansion
- Cost-to-income ratio below 40%

Allowances declined 65% QoQ

Credit costs (bps) ^{1/}

— Total

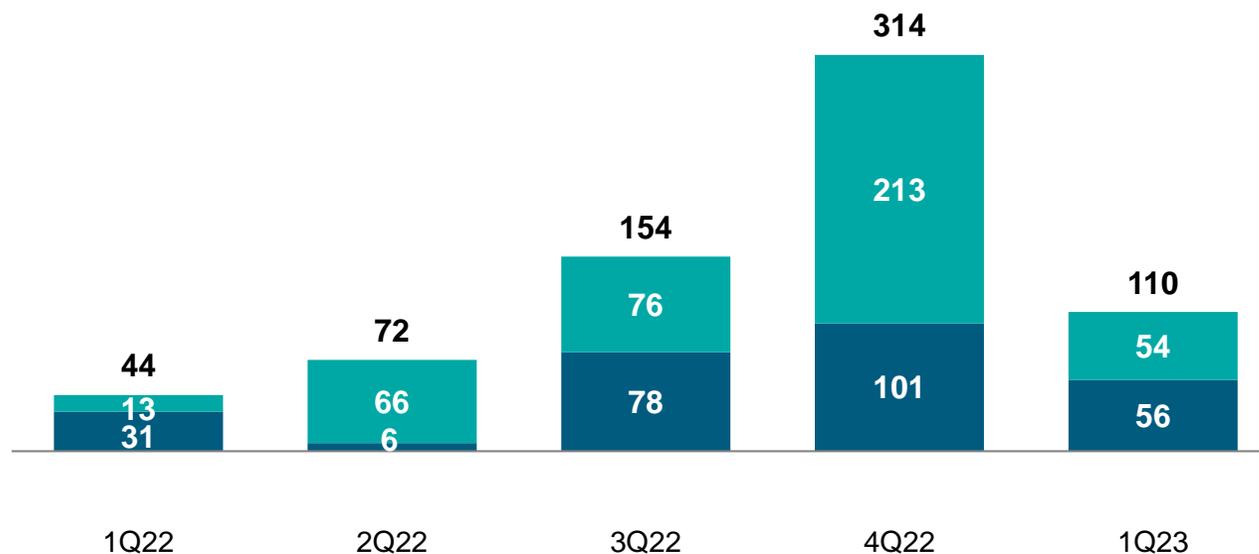
— Impaired



Allowances (\$m)

■ Allowances for non-impaired assets

■ Allowances for impaired assets



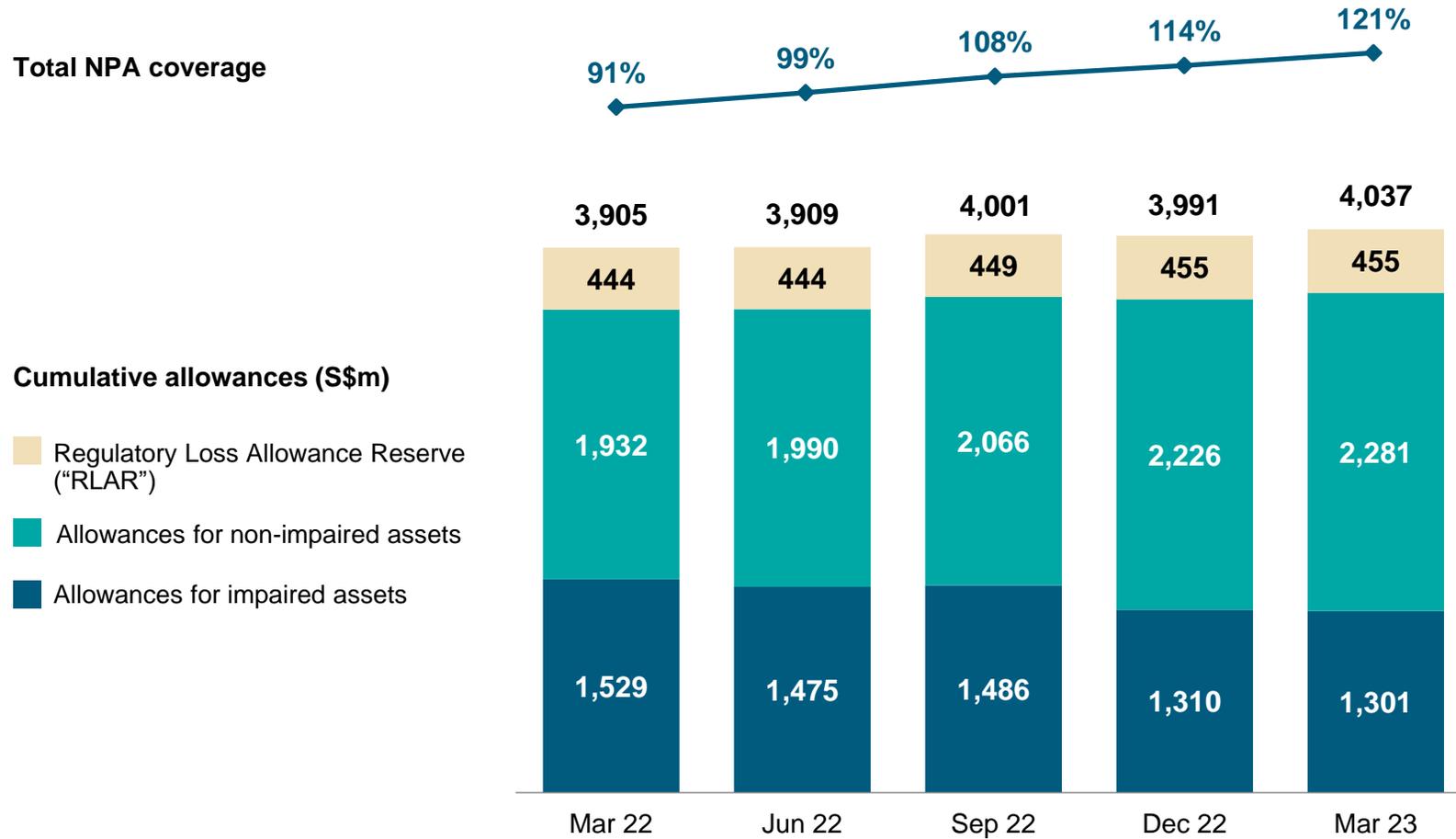
1Q23

YoY +151%
QoQ -65%

- Total allowances down QoQ from lower allowances set aside for both non-impaired and impaired assets
- Credit costs improved QoQ to 12bps

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

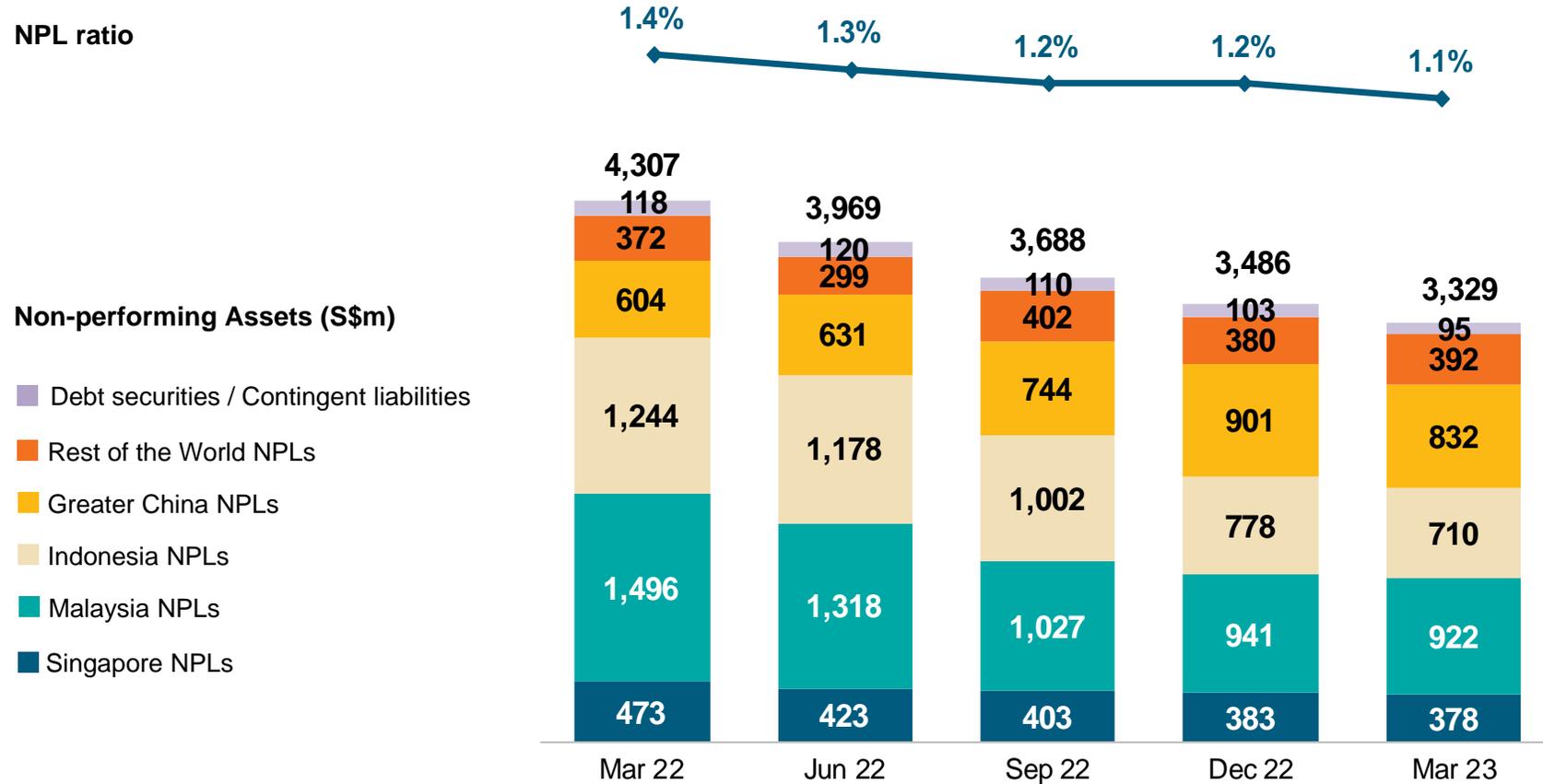
NPA coverage ratio further increased to 121%



Mar 23 | YoY +3%
QoQ +1%

- NPA coverage ratio improved from higher cumulative allowances and drop in NPAs

NPL ratio improved to 1.1%, asset quality resilient



Mar 23 | YoY -23%
QoQ -5%

- NPAs down QoQ across key markets
- NPL ratio declined sequentially over last 4 quarters

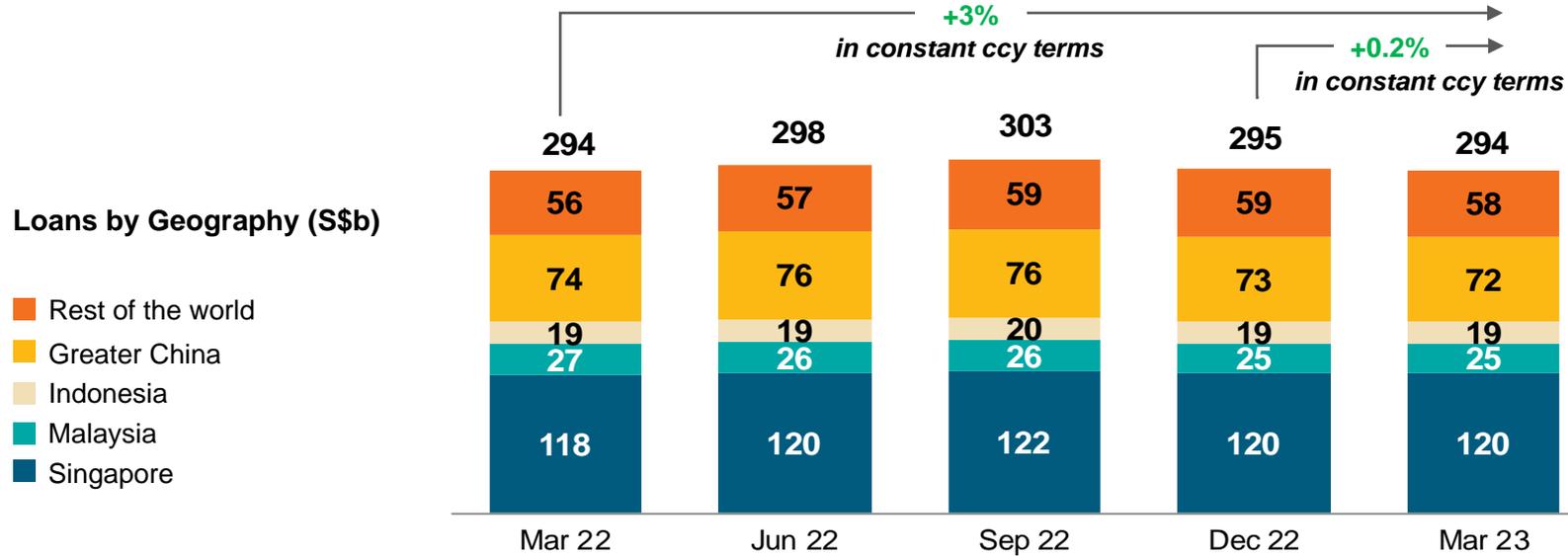
Note: NPAs by geography are based on where the credit risks reside.

NPAs declined QoQ and YoY

S\$m	1Q22	4Q22	1Q23
At start of period	4,338	3,688	3,486
New NPAs			
Corporate/ Commercial Banking and Others	161	242	54
Consumer Banking/ Private Banking	135	190	120
	296	432	174
Net recoveries/ upgrades			
Corporate/ Commercial Banking and Others	(139)	(166)	(141)
Consumer Banking/ Private Banking	(101)	(105)	(117)
	(240)	(271)	(258)
Write-offs			
Corporate/ Commercial Banking and Others	(41)	(199)	(50)
Consumer Banking/ Private Banking	(16)	(23)	(17)
	(57)	(222)	(67)
Foreign currency translation	(30)	(141)	(6)
At end of period	4,307	3,486	3,329

- Higher recoveries/ upgrades more than offset new NPA formation
- New NPA formation lower than 4Q22 across both corporate and consumer segments

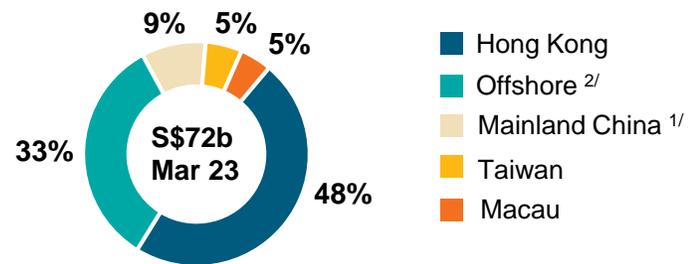
Loans rose 3% YoY in constant currency terms



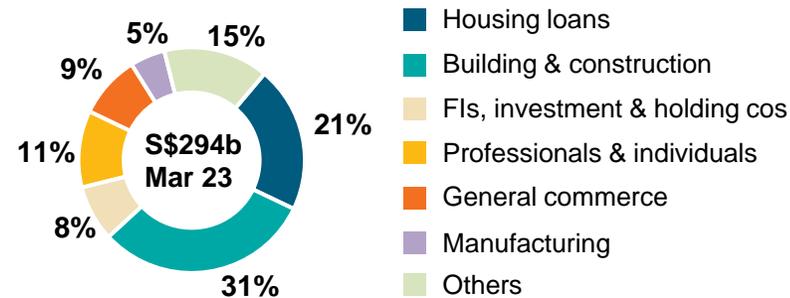
Mar 23 | YoY unchanged
QoQ unchanged

- Corporate, SME and Consumer/Private Banking comprise 54%, 10% and 37% of loan book respectively
- Sustainable financing loans rose 33% YoY to S\$32b, and accounted for 11% of Group loans
- Commercial real estate loan book resilient, largely lending to network customers in key markets

Greater China Loans

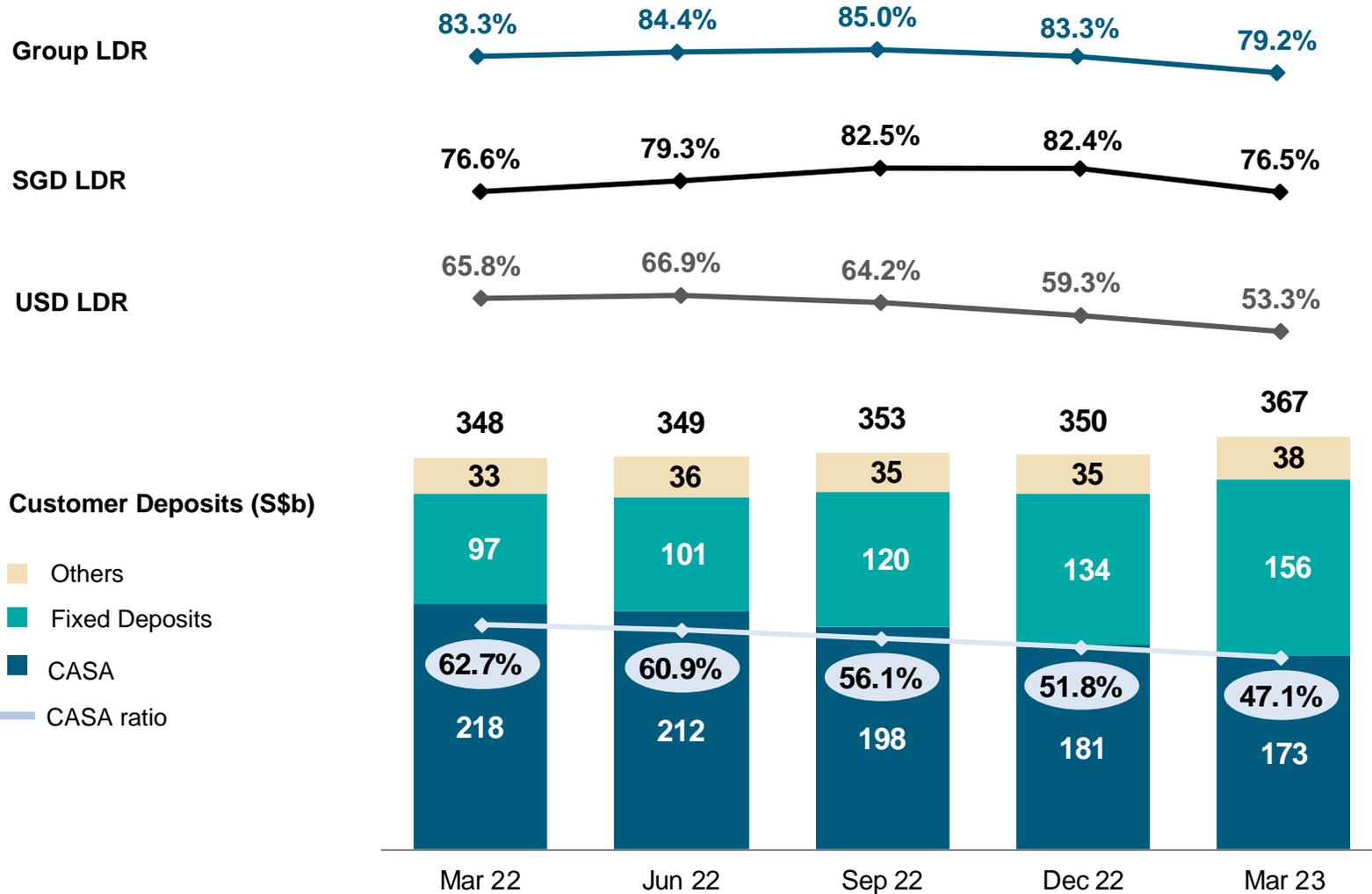


Loans by Industry



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.

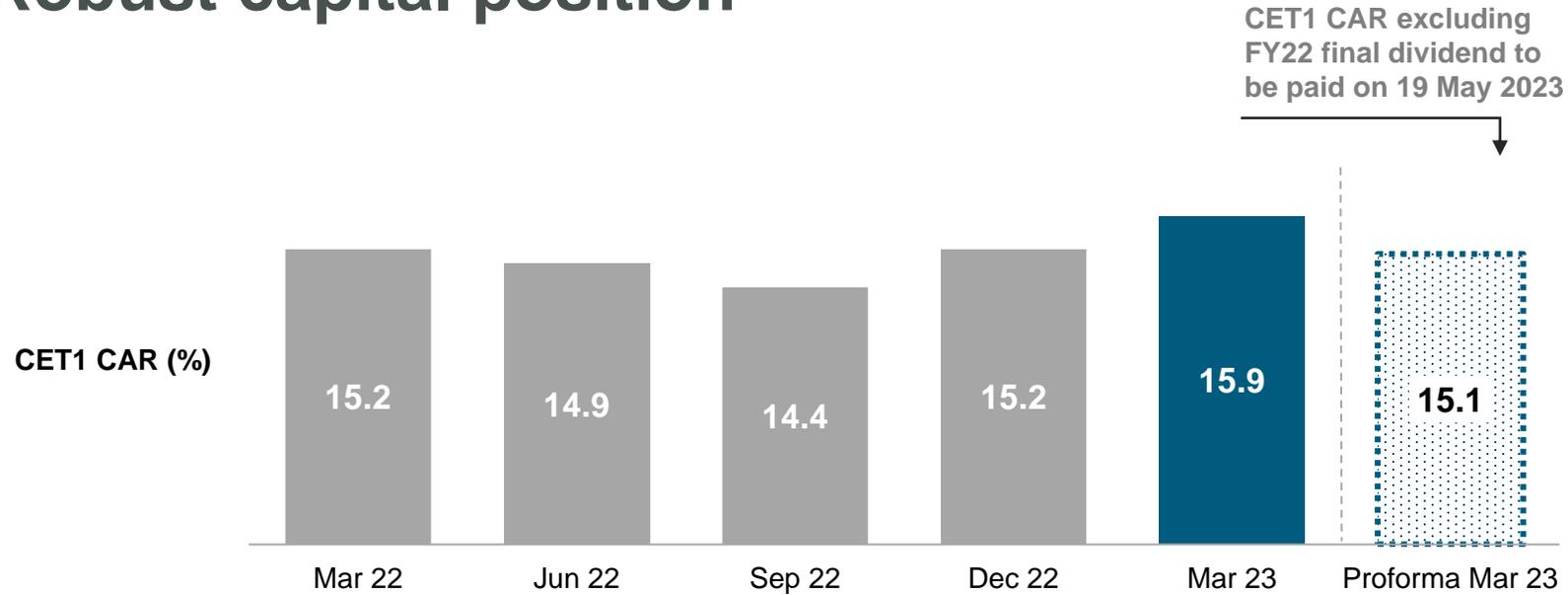
Deposits grew 5% QoQ and YoY



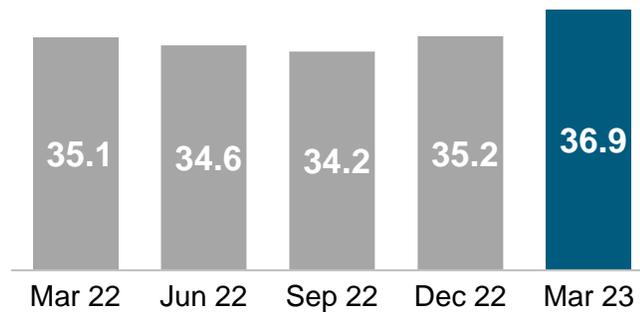
Mar 23 | YoY +5%
QoQ +5%

- QoQ and YoY rise in deposits underpinned by growth in fixed deposits, driven by new inflows and shift from CASA balances
- CASA ratio back to pre-Covid-19 level
- LDR below 80%, headroom supports growth

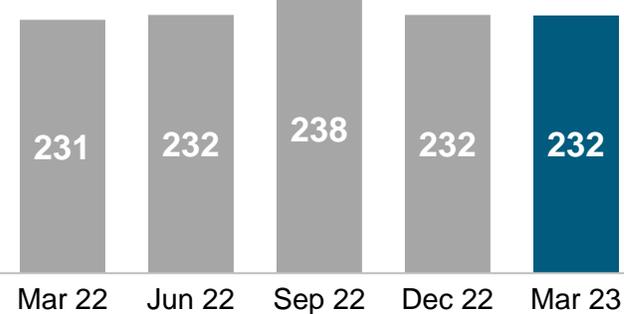
Robust capital position



CET1 Capital (S\$b)



RWA (S\$b)



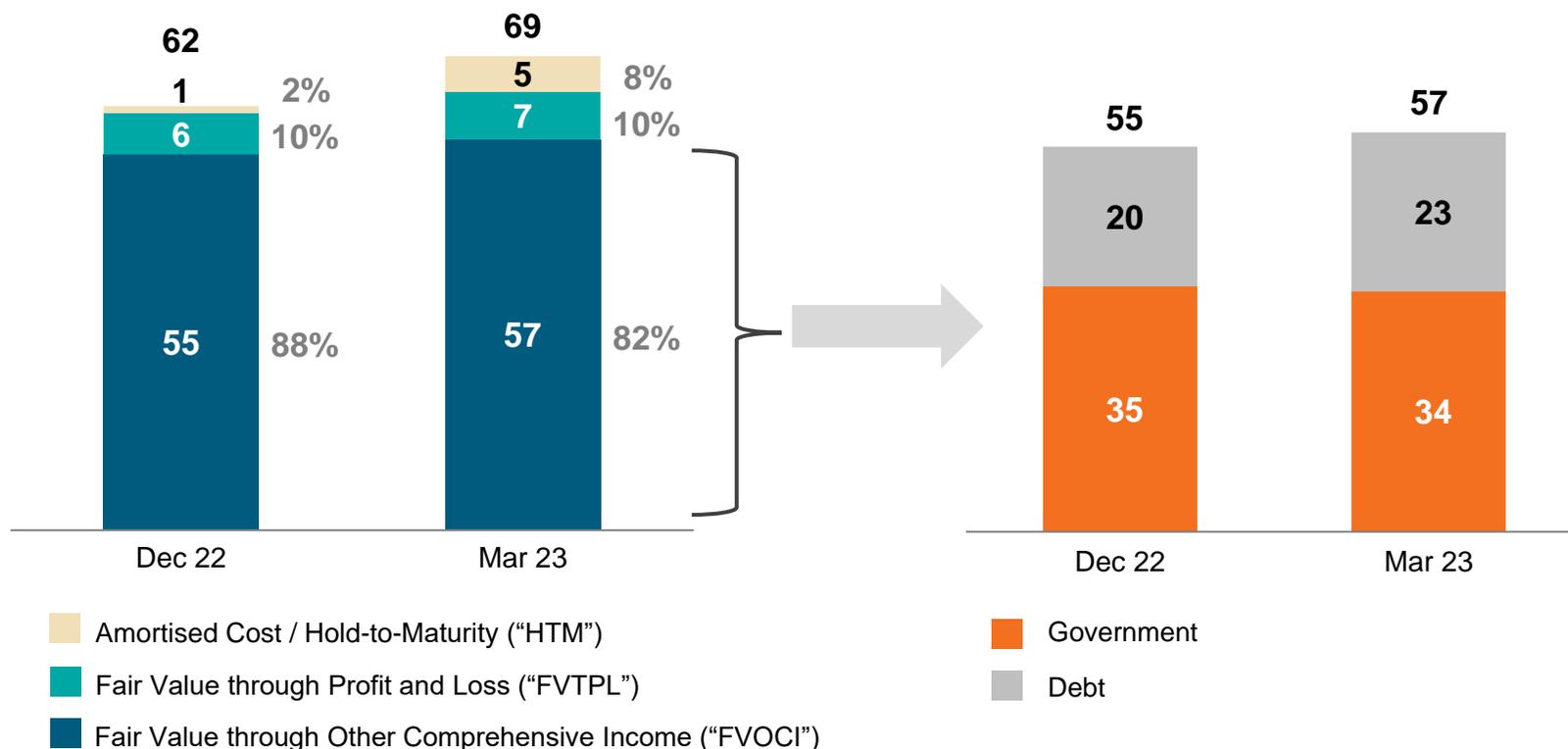
Mar 23 | YoY +0.7ppt
QoQ +0.7ppt

- 1Q23 profit accretion further strengthened CET1 ratio
- Payment of FY22 final dividend on 19 May 2023 to reduce CET1 CAR by 0.8ppt
- Strong capital to support business growth, navigate uncertainties and capture opportunities

Government and debt securities portfolio

Government and Debt Securities (S\$b)

FVOCI Government and Debt Securities (S\$b)



- YTD unrealised mark-to-market gains for FVOCI government and debt securities for 1Q23 was about S\$0.2b
- Average duration of overall government and debt securities portfolio between 1 to 2 years
- HTM portfolio of S\$5b, with insignificant mark-to-market effect

Thank you

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