

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

## First Quarter 2024 Results Highlights

Goh Chin Yee, Group Chief Financial Officer  
10 May 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.

# Record 1Q24 performance

<b>Group Net Profit</b>	<b>S\$1.98b</b>	+5% YoY	+22% QoQ
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<b>Banking Operations Net Profit</b>	<b>S\$1.72b</b>	+3% YoY	+15% QoQ
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<b>EPS</b> <i>(annualised)</i>	<b>S\$1.76</b>	+5% YoY	+24% QoQ
<b>ROE</b> <i>(annualised)</i>	<b>14.7%</b>	unchanged YoY	+2.3 ppt QoQ

	YoY	QoQ
<b>Total Income</b>		
<b>S\$3.63b</b>	+8%	+11%
Net Interest Income (NII)	+4%	-1%
Non-Interest Income (Non-II)	+17%	+47%
<b>Operating Expenses</b>		
<b>S\$1.35b</b>	+8%	+3%
<b>Net Interest Margin</b>		
<b>2.27%</b>	-3bps	-2bps
<b>Credit Costs</b>		
<b>16bps</b>	+4bps	-5bps
<b>Customer Loans</b>		
<b>S\$301b</b> <small>(in constant currency terms)</small>	+2%	+1%
<b>Customer Deposits</b>		
<b>S\$370b</b>	+1%	+2%
<b>NPL Ratio</b>		
<b>1.0%</b>	-0.1ppt	unchanged
<b>CET1 CAR</b>		
<b>16.2%</b>	+0.3ppt	+0.3ppt

- Total income and net profit at new quarterly high, ROE rose QoQ to 14.7%
- CIR improved QoQ to 37.1% on positive operating jaws
- Sound asset quality, credit costs at 16bps
- Loans and deposits higher
- Strong funding, liquidity and capital positions

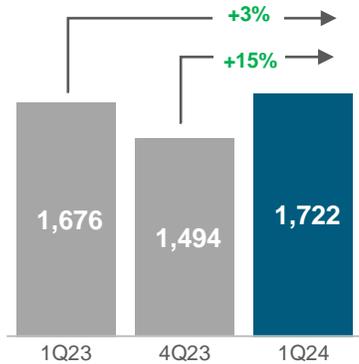
# Group and Banking Operations net profit at new high

(S\$m)	Group Performance			Banking Operations Performance		
	1Q24	YoY	QoQ	1Q24	YoY	QoQ
Net Interest Income	2,437	+4%	-1%	2,394	+4%	-1%
Non-Interest Income	1,189	+17%	+47%	816	+14%	+18%
Total Income	3,626	+8%	+11%	3,210	+6%	+3%
Operating Expenses	1,346	+8%	+3%	1,302	+8%	-1%
Operating Profit	2,280	+8%	+16%	1,908	+5%	+7%
Allowances	169	+53%	-9%	168	+76%	-10%
Net Profit	1,982	+5%	+22%	1,722	+3%	+15%

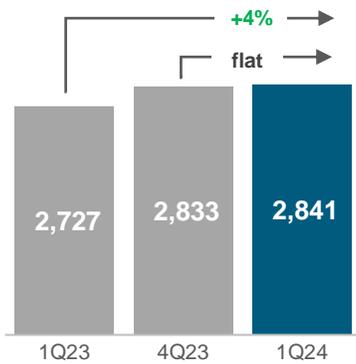
# Robust performance across franchise

## Banking

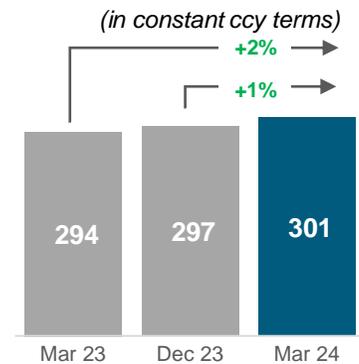
Net Profit (S\$m)



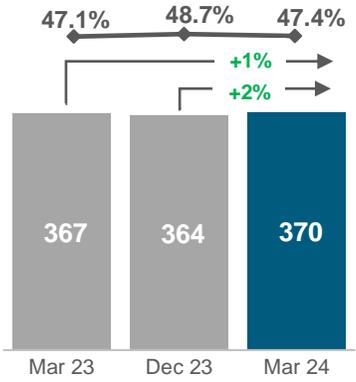
NII and Fee Income (S\$m)



Customer Loans (S\$b)

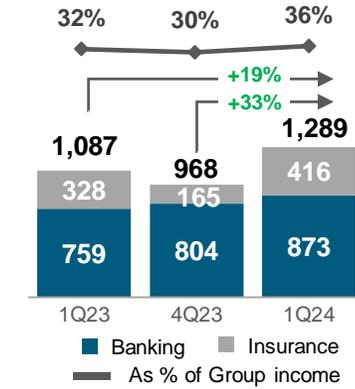


Customer Deposits (S\$b) and CASA ratio

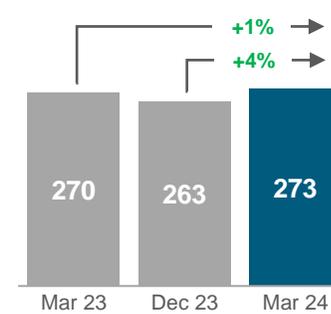


## Wealth Management

WM Income (S\$m)<sup>1/</sup>

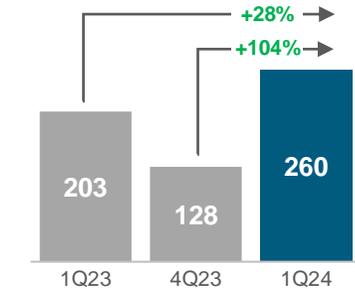


WM AUM (S\$b)



## Insurance

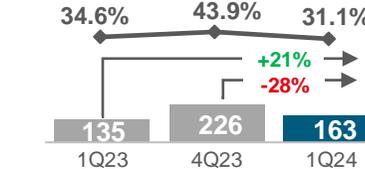
Profit contribution from GEH (S\$m)



Total Weighted New Sales (S\$m)



NBEV (S\$m) and Margin



- Banking Operations profit at record high
- WM income and AUM higher
- GEH profit contribution significantly higher QoQ, supported by better investment performance and improved claims experience
- Insurance TWNS rose QoQ, driven by increased single premium sales in Singapore; and up YoY, underpinned by strong performance across GEH's core distribution channels

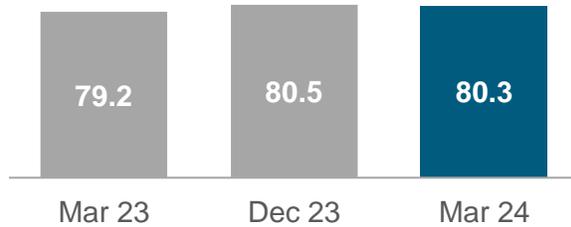


<sup>1/</sup> Wealth Management income comprises the consolidated income from insurance, private banking, premier private client, premier banking, asset management and stockbroking.

# Strong balance sheet position

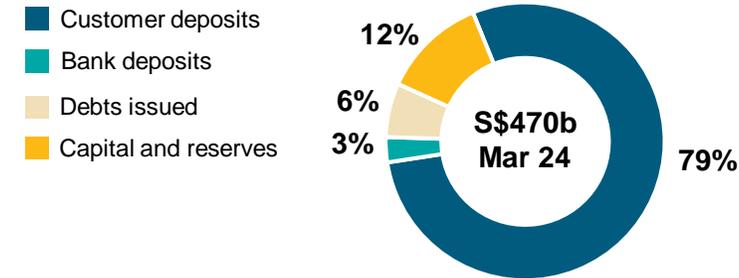
## Loans-to-Deposits Ratio

Group LDR (%)



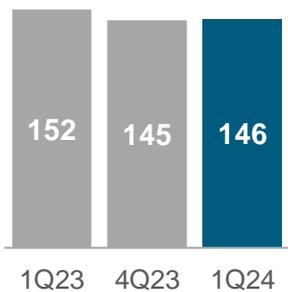
## Funding

Composition (%)



## Liquidity

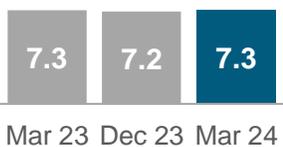
All-ccy LCR (%)



NSFR (%)

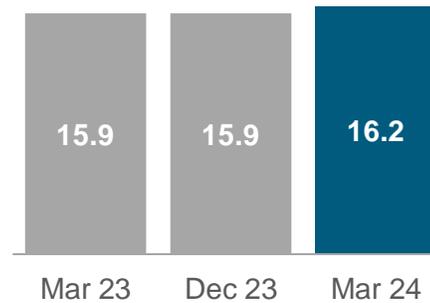


Leverage ratio (%)



## Capital

CET1 CAR (%)



- Stable funding mix, close to 80% from customer deposits
- Healthy funding, liquidity and capital positions to support business growth, all regulatory ratios well above requirements
- Aa1 and AA- credit ratings from Moody's and Fitch/S&P respectively

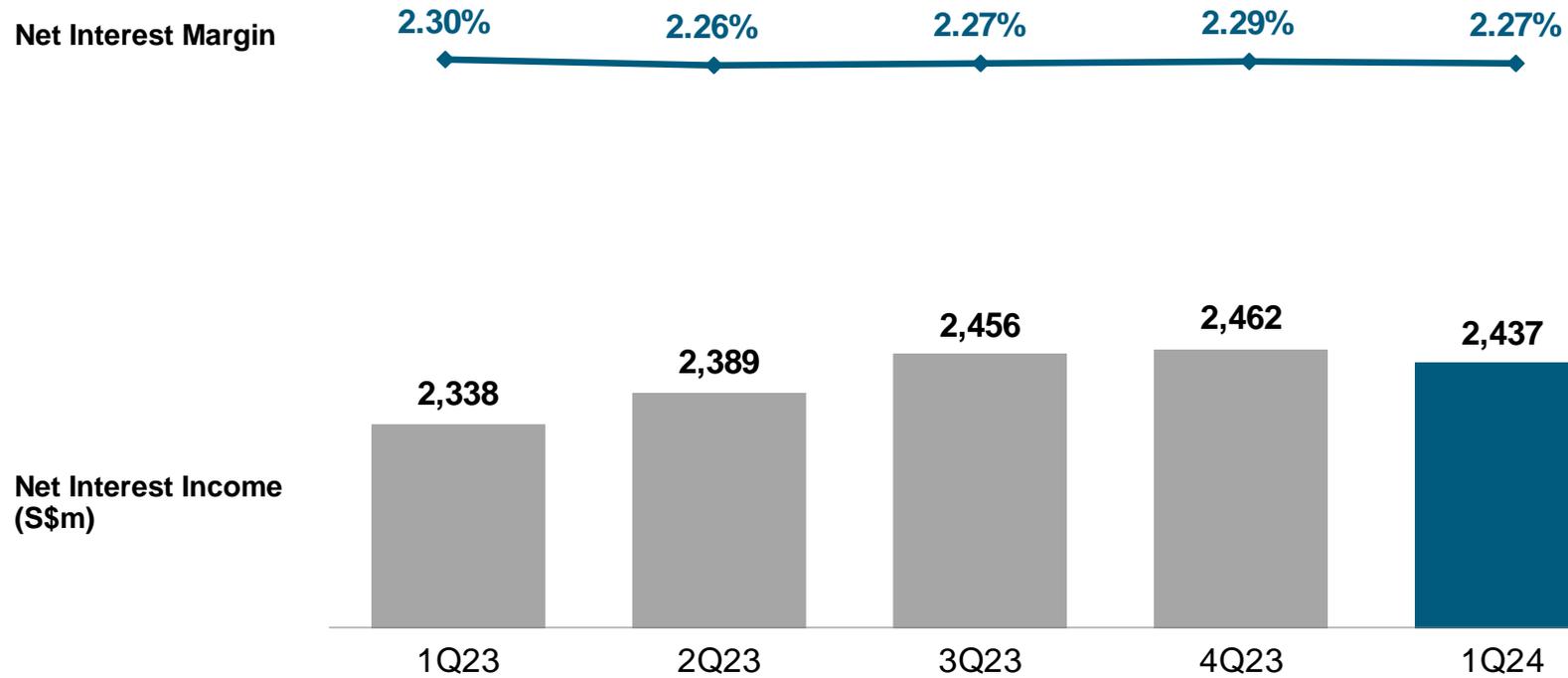
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# NII up 4% YoY, NIM at 2.27%



Average IEA (S\$b)	412	424	429	427	432
Average Customer Deposits (S\$b)	353	370	371	363	364

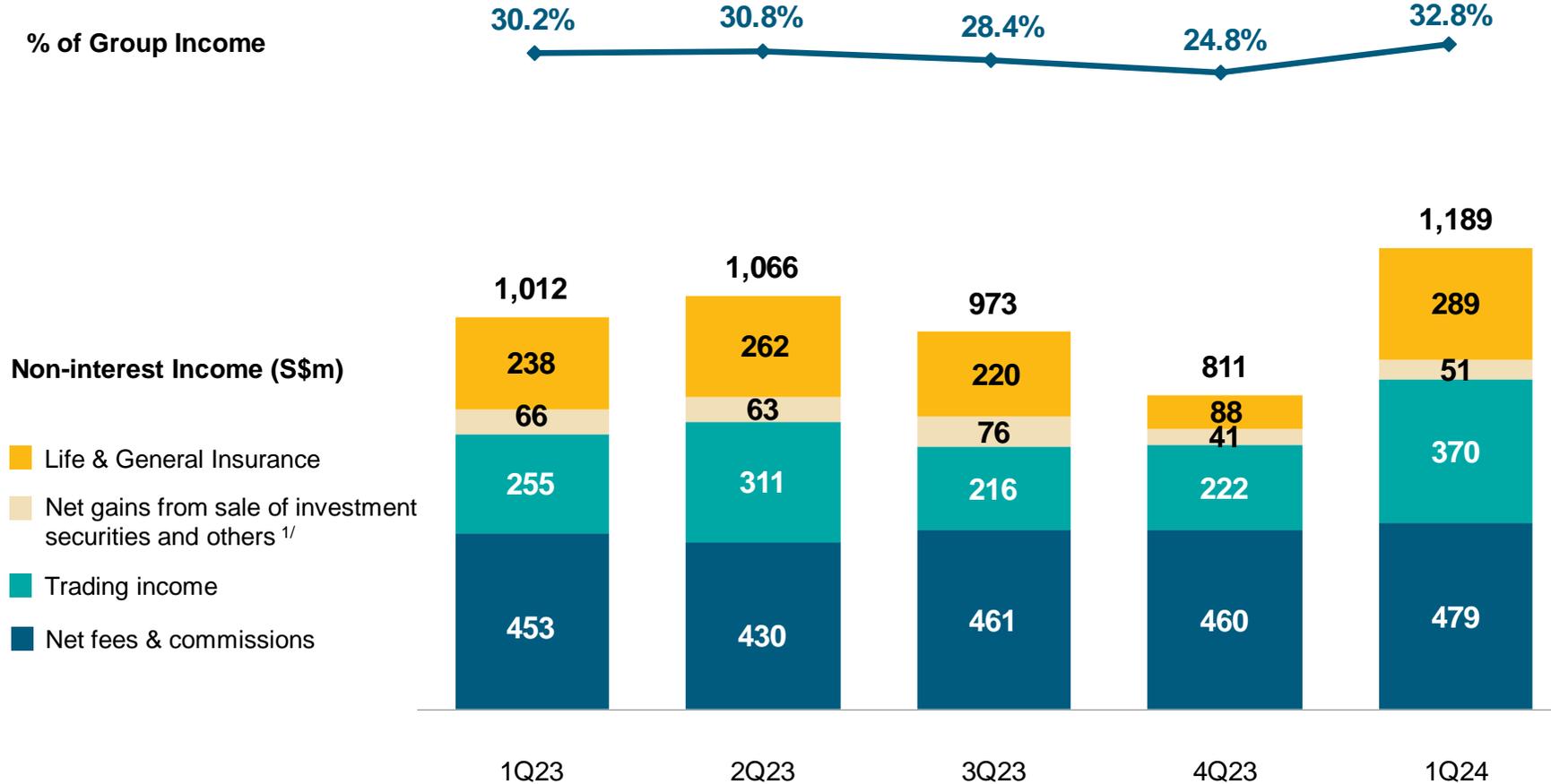
**1Q24** | YoY +4%  
QoQ -1%

- NII rose 4% YoY as 5% average asset growth more than offset 3bps decline in NIM
- Adjusted for shorter-days impact in 1Q24, NII steady against 4Q23's record level, as 1% average asset growth offset lower NIM
- NIM moderated by 2bps QoQ, as higher asset yields outpaced by rise in funding costs

# Non-II rebounded QoQ and YoY

**1Q24** | YoY **+17%**  
QoQ **+47%**

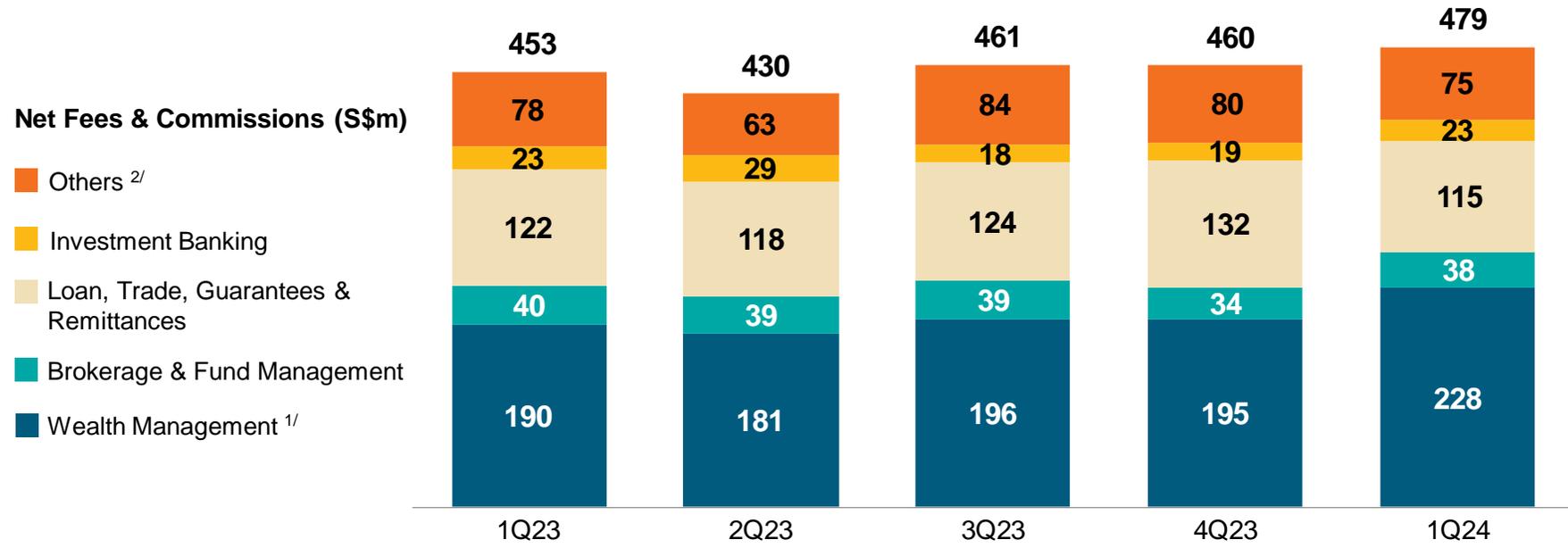
- Non-II stronger QoQ and YoY, driven by growth across fee, trading and insurance income



<sup>1/</sup> "Others" include disposal of properties, rental income and property-related income.

# Fee income highest in past four quarters

**1Q24** | YoY **+6%**  
QoQ **+4%**



■ Fee income up QoQ and YoY, underpinned by growth in wealth management fees driven by increased customer activities

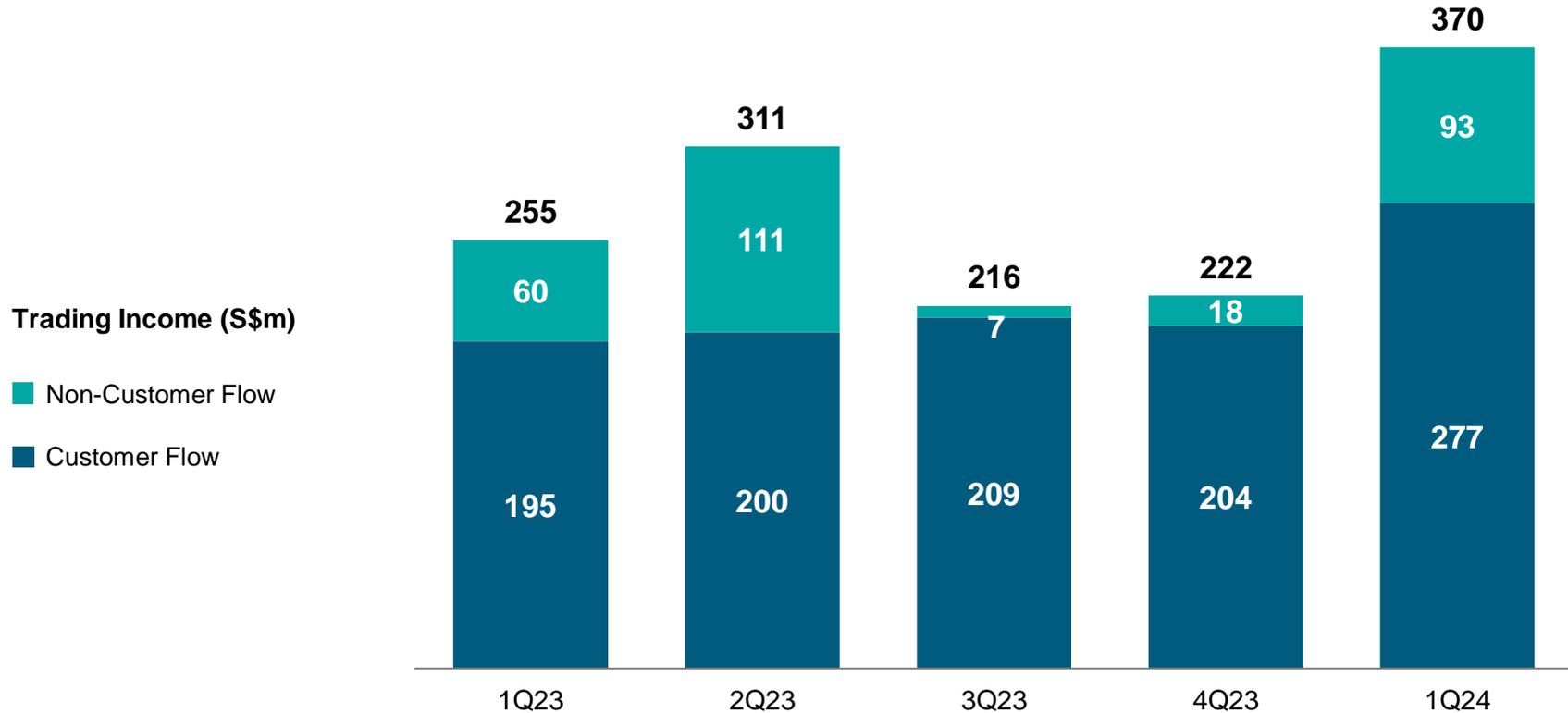


1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

# Trading income rose to quarterly high

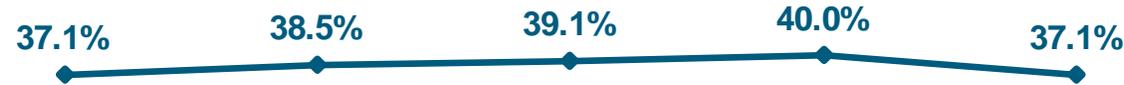
**1Q24** | YoY **+45%**  
 QoQ **+67%**



- Strong increase in trading income driven by record customer flow income and improved non-customer flow income

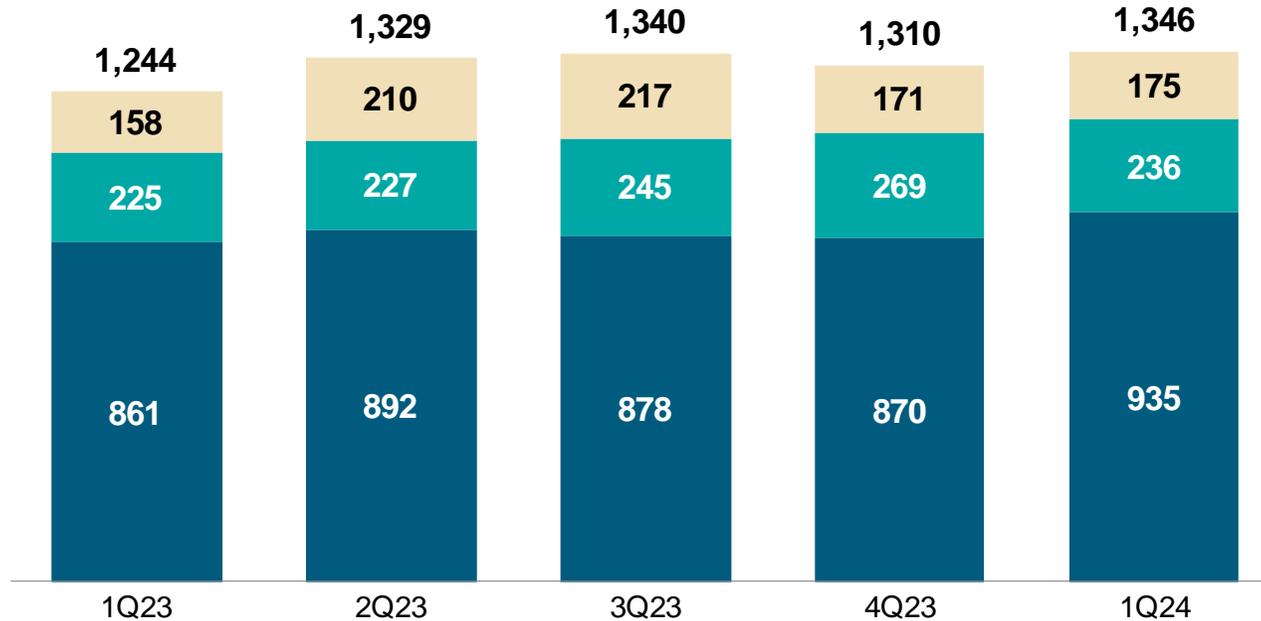
# Costs well controlled, CIR below 40%

Cost-to-income (CIR)



Operating Expenses (S\$m)

- Others
- Property & equipment
- Staff costs



1Q24

YoY +8%  
QoQ +3%

- CIR improved QoQ to 37.1% as income growth outpaced increase in expenses
- QoQ rise in expenses led by increased staff costs, attributable to higher variable compensation associated with income growth

# NPL ratio stable at 1.0%

Non-performing assets (NPAs)			
\$m	1Q23	4Q23	1Q24
At start of period	3,486	3,095	2,901
<b>Corporate/ Commercial Banking and Others</b>			
New NPAs	54	54	239
Net recoveries/ upgrades	(141)	(60)	(78)
Write-offs	(50)	(58)	(60)
	<b>(137)</b>	<b>(64)</b>	<b>101</b>
<b>Consumer Banking/ Private Banking</b>	<b>(14)</b>	<b>(92)</b>	<b>23</b>
<b>Foreign currency translation</b>	<b>(6)</b>	<b>(38)</b>	<b>15</b>
At end of period	<b>3,329</b>	<b>2,901</b>	<b>3,040</b>
NPL Ratio (%)	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>

Mar 24 | YoY -9%  
QoQ +5%

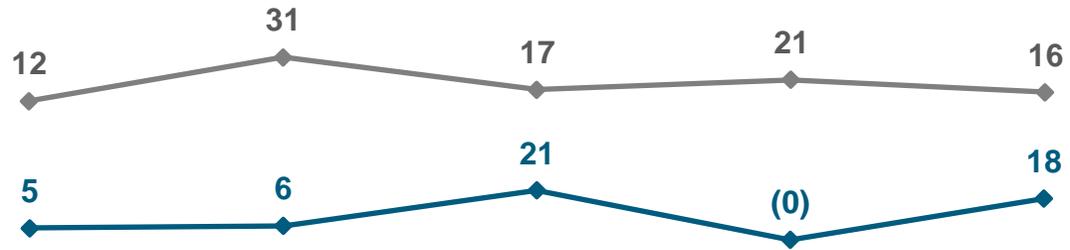
- Loan portfolio quality remained sound
- NPL ratio improved YoY and unchanged QoQ

# Allowances down 9% QoQ

Credit costs (bps) <sup>1/</sup>

— Total

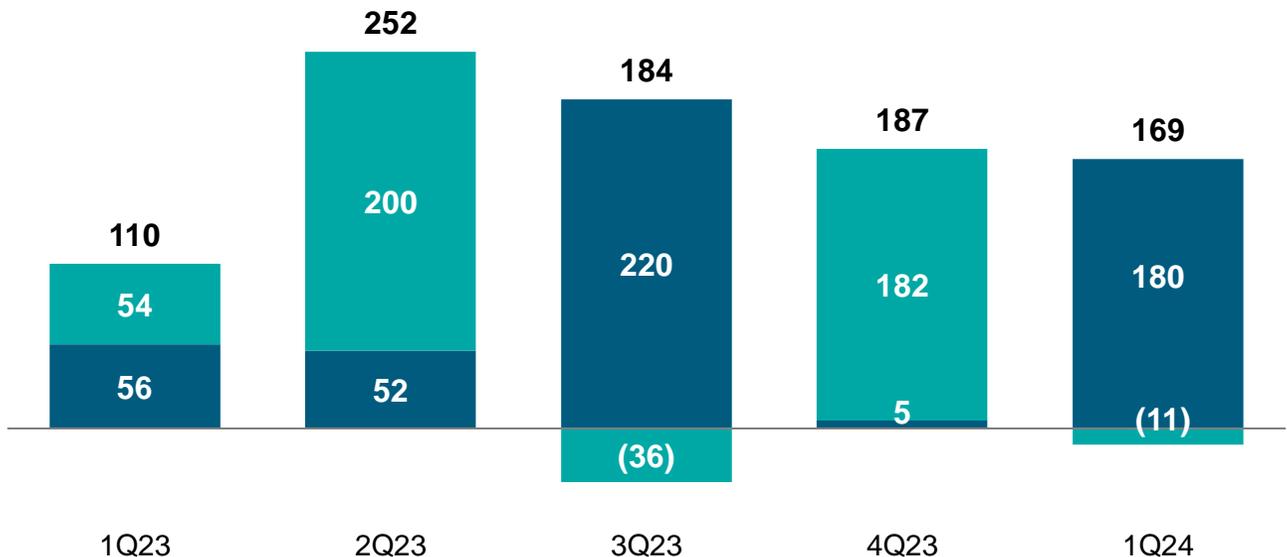
— Impaired



Allowances (\$m)

■ Allowances for non-impaired assets

■ Allowances for impaired assets



1Q24	YoY	+53%
	QoQ	-9%

■ Total credit costs at an annualised 16bps



<sup>1/</sup> Credit costs refer to allowances for loans as a percentage of average loans, on annualised basis.

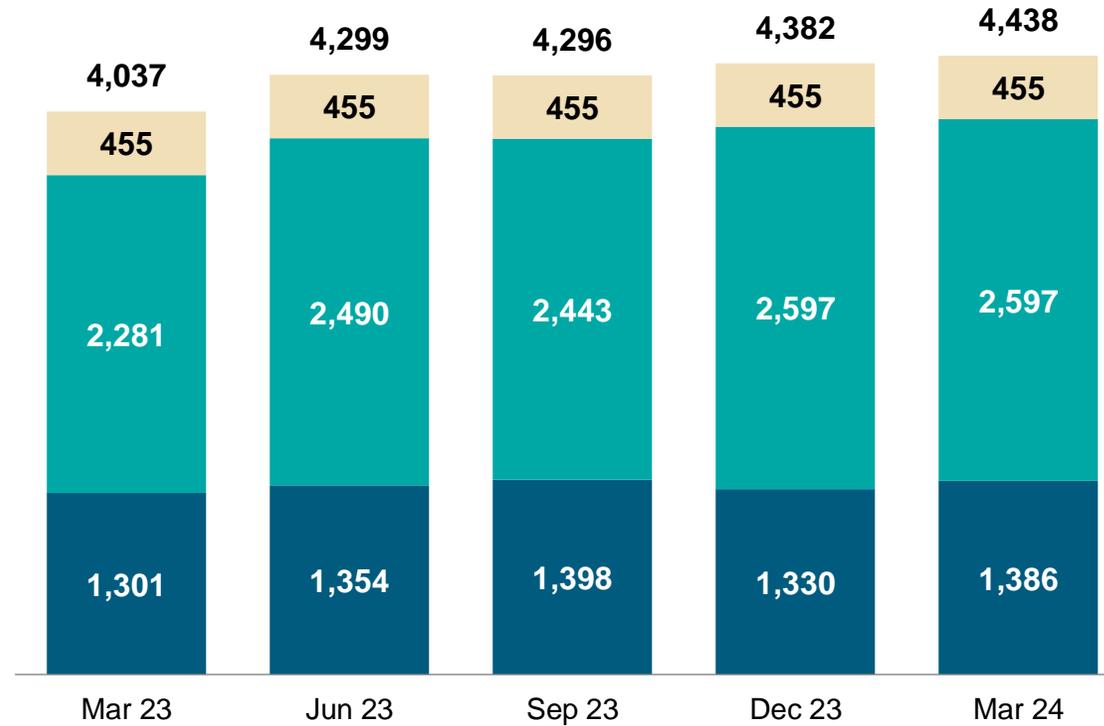
# NPA coverage ratio above 100%

Total NPA coverage



Cumulative allowances (\$m)

- Regulatory Loss Allowance Reserve ("RLAR")
- Allowances for non-impaired assets
- Allowances for impaired assets

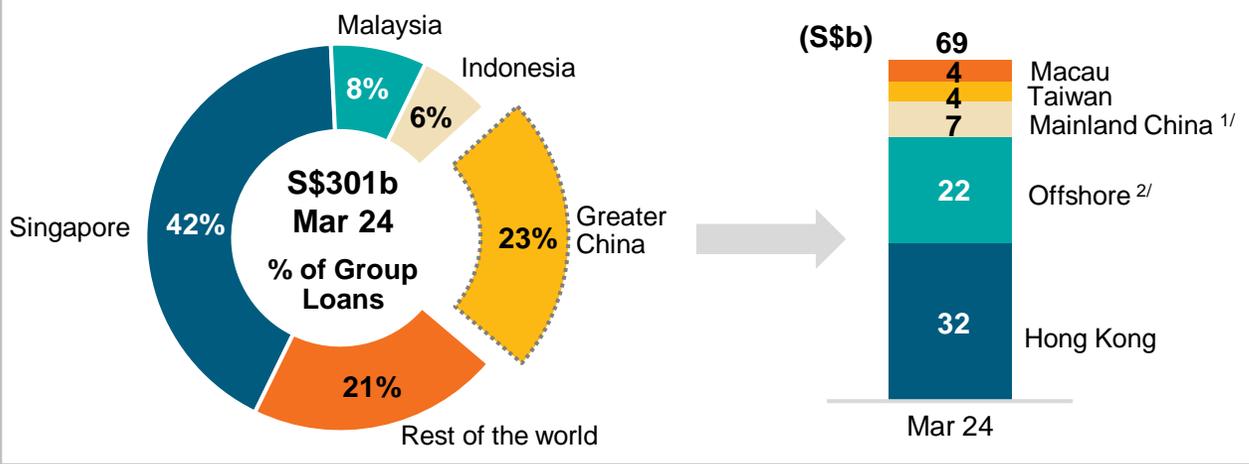
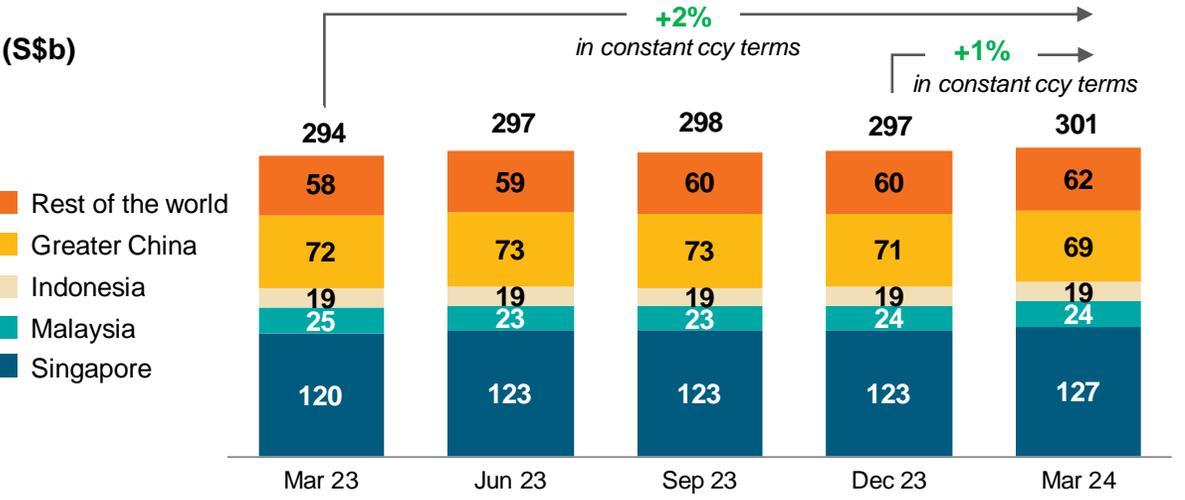


**Mar 24** | YoY +10%  
QoQ +1%

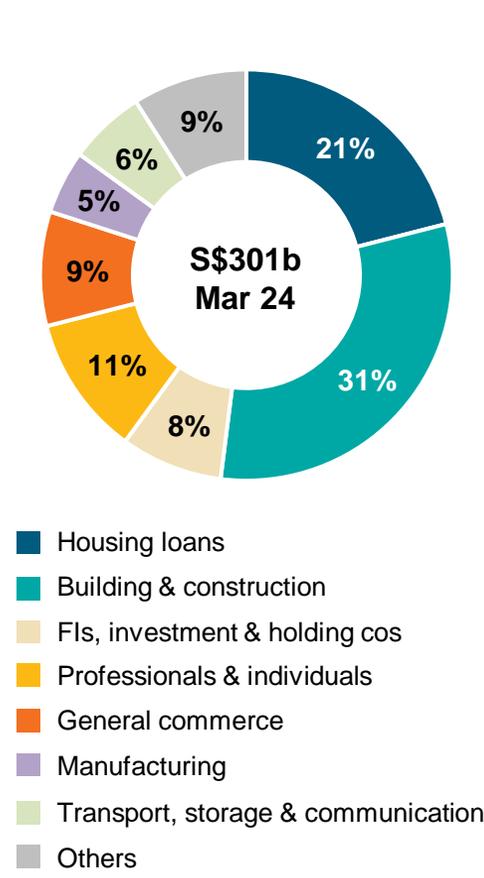
- Cumulative allowances higher, with NPA coverage ratio at 146%

# Loans grew QoQ and YoY to S\$301b

## Loans by Geography



## Loans by Industry



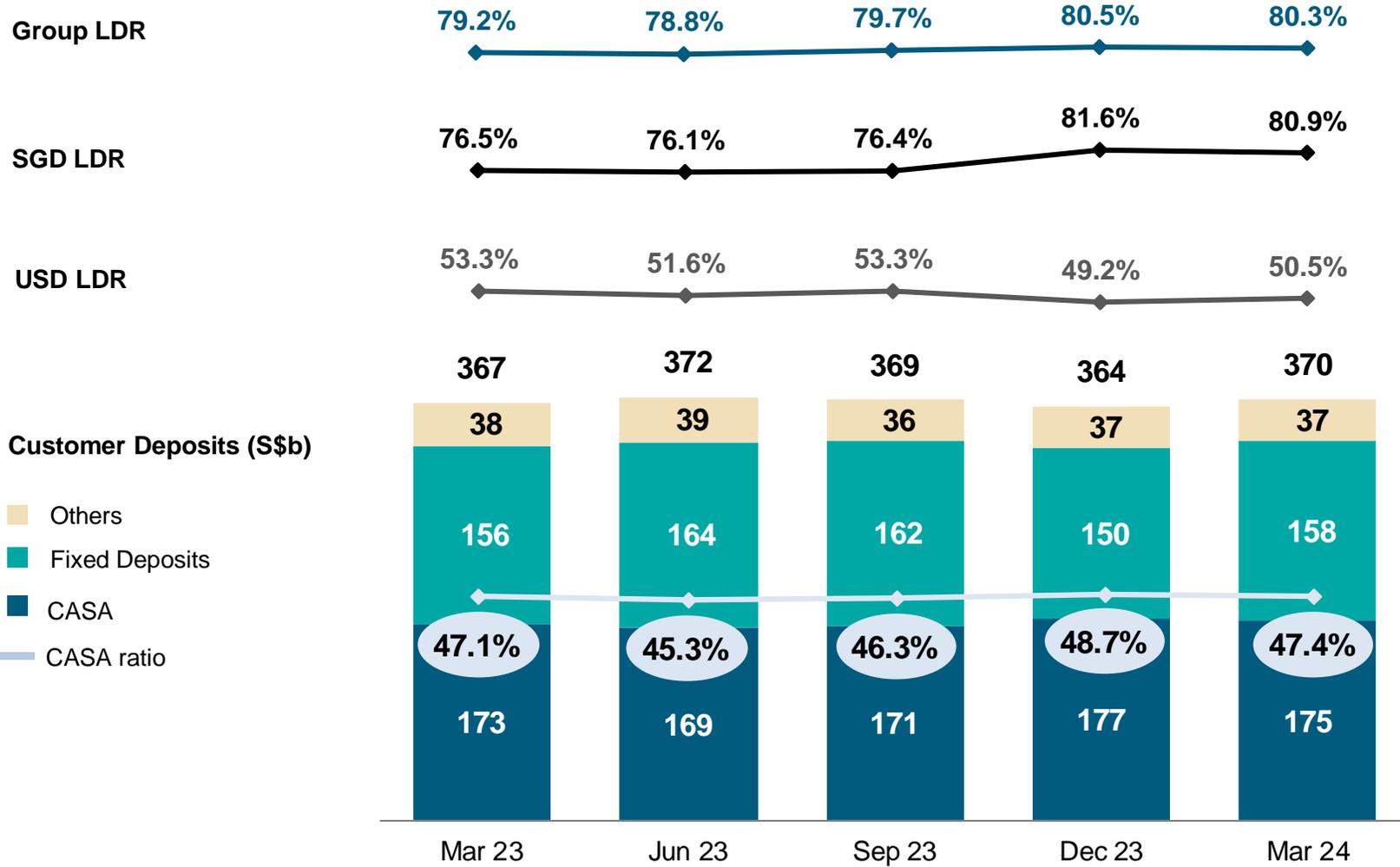
**Mar 24** | YoY +2%  
QoQ +1%

- Corporate, SME and Consumer/Private Banking comprise 56%, 9% and 35% of loan book respectively
- S\$4b QoQ loan growth led by increase in both corporate and consumer loans
- Sustainable financing loans up 34% YoY and comprised 14% of Group loans
- CRE<sup>3/</sup> office sector at 12% 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<sup>4/</sup>



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 up in tandem with loan growth

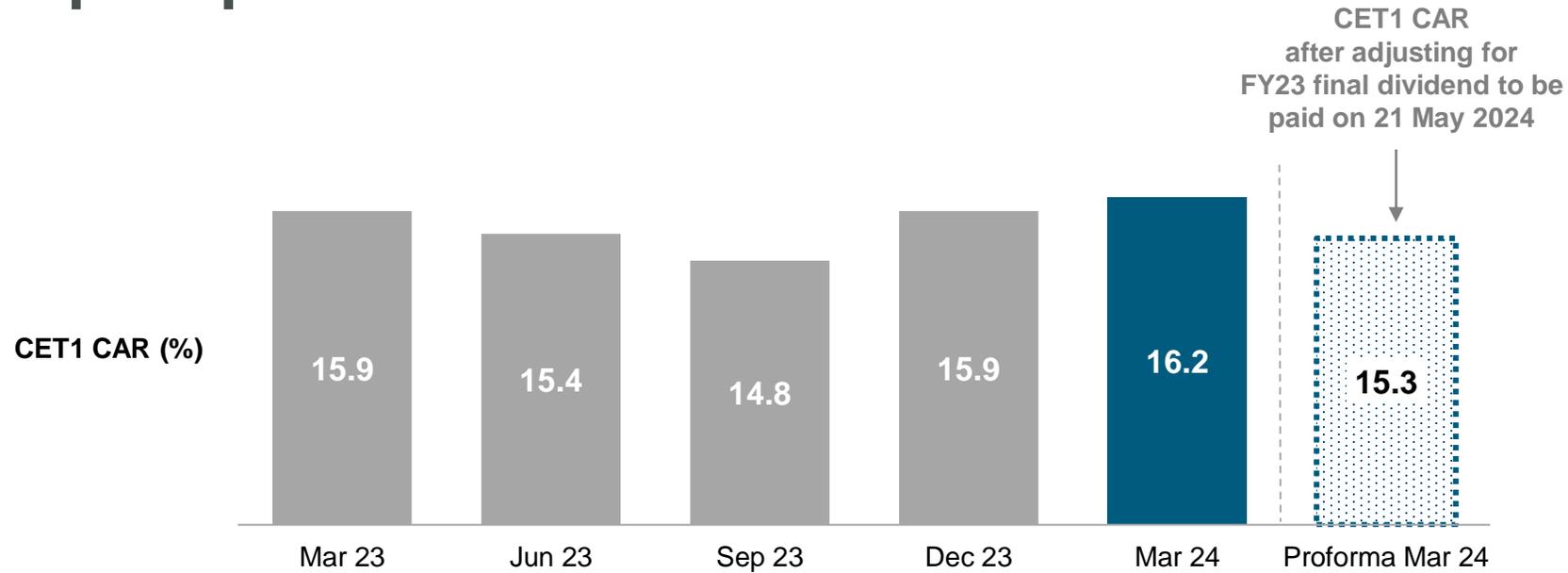


<b>Mar 24</b>	YoY	+1%
	QoQ	+2%

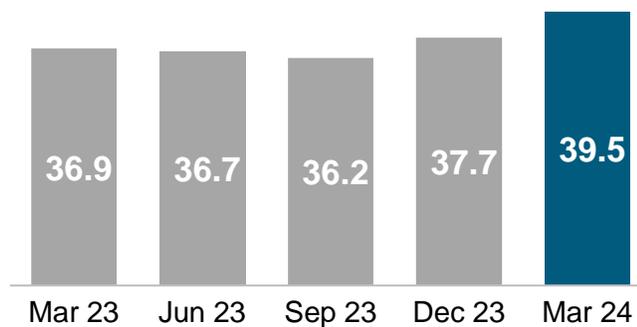
- Deposits grew 2% QoQ, keeping pace with loan growth
- LDR maintained at about 80%



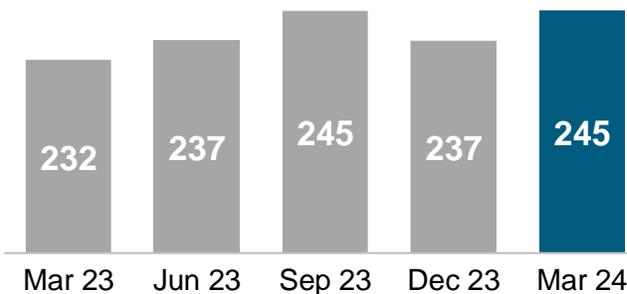
# Capital position robust



## CET1 Capital (S\$b)



## RWA (S\$b)



Mar 24	YoY	+0.3ppt
	QoQ	+0.3ppt

- CET1 CAR up QoQ largely from profit accretion
- FY23 final dividend to be paid on 21 May 2024, lowering CET1 CAR by 0.9ppt
- Strong capital provides flexibility for franchise growth, buffers for uncertainties and capacity for delivering higher returns to shareholders

# Thank you

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