



Full Year 2022 Results Presentation

Goh Chin Yee, Group Chief Financial Officer

24 February 2023



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Appendices: Major Subsidiaries' Results



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 2022 full year profit, dividend raised 28%

Group Net Profit	FY22: S\$5.75b	+18% YoY
Banking Operations Net Profit	FY22: S\$5.10b	+30% YoY
Dividend	68 cents	+15 cents YoY
EPS	S\$1.27	+18% YoY
ROE	11.1%	+1.5ppt YoY

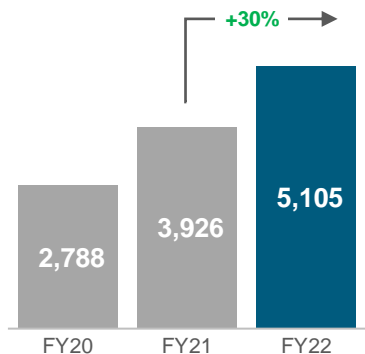
Total Income	S\$11.7b	+10%
Net Interest Income		+31%
Non-Interest Income		-16%
Operating Expenses	S\$5.03b	+5%
Net Interest Margin	1.91%	+37bps
Credit Costs	16bps	-13bps
Customer Loans	S\$295b	+2%
	<small>(in constant currency terms)</small>	+4.5%
Customer Deposits	S\$350b	+2%
NPL Ratio	1.2%	-0.3ppt
CET1 CAR	15.2%	-0.3ppt

- Total income at new high, driven by strong Banking Operations performance
- Record NII benefitting from rising interest rates and well-positioned balance sheet
- Positive operating jaws, CIR lower at 43.0%
- Credit costs lower than 2019 pre-pandemic level
- Continued loan and deposit growth momentum
- Resilient portfolio quality
- Dividend payout at 53%, target 50% payout going forward

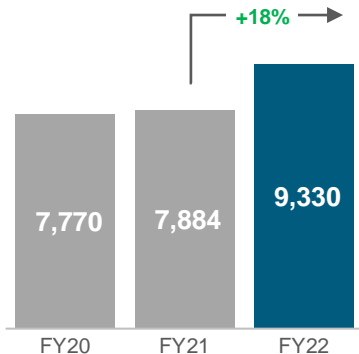
Strong momentum across all key business pillars

Banking: Profits at record high

Net Profit (S\$m)

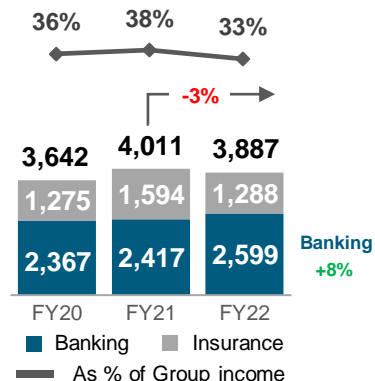


NII and Fee Income (S\$m)

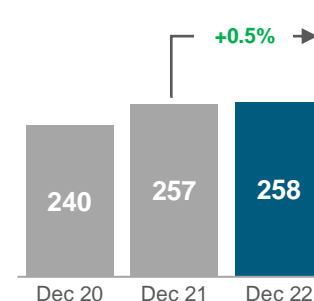


Wealth Management: Positive NNM inflows

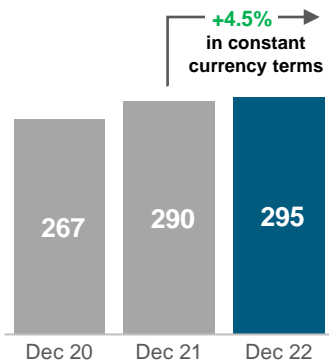
WM Income (S\$m) ^{1/}



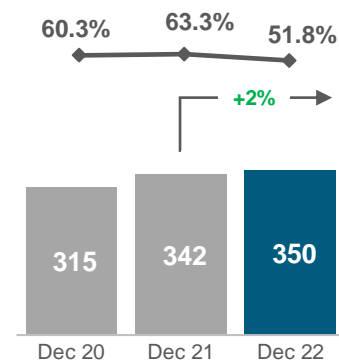
WM AUM (S\$b)



Customer Loans (S\$b)

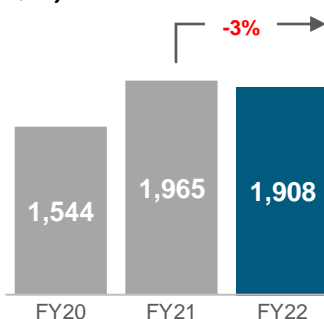


Customer Deposits (S\$b) and CASA ratio

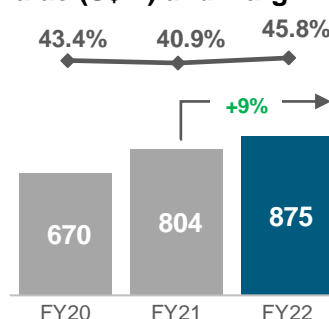


Insurance: NBEV and margin higher YoY

Total Weighted New Sales (S\$m)



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



- Banking Operations net profit exceeded S\$5b mark for the first time

- WM income from Banking Operations at new high

YoY rise in AUM driven by continued NNM inflows which offset negative market valuation

- Insurance NBEV and margin rose YoY on favourable product mix

Embedded Value^{2/} was S\$17.9b as at 31 Dec 2022

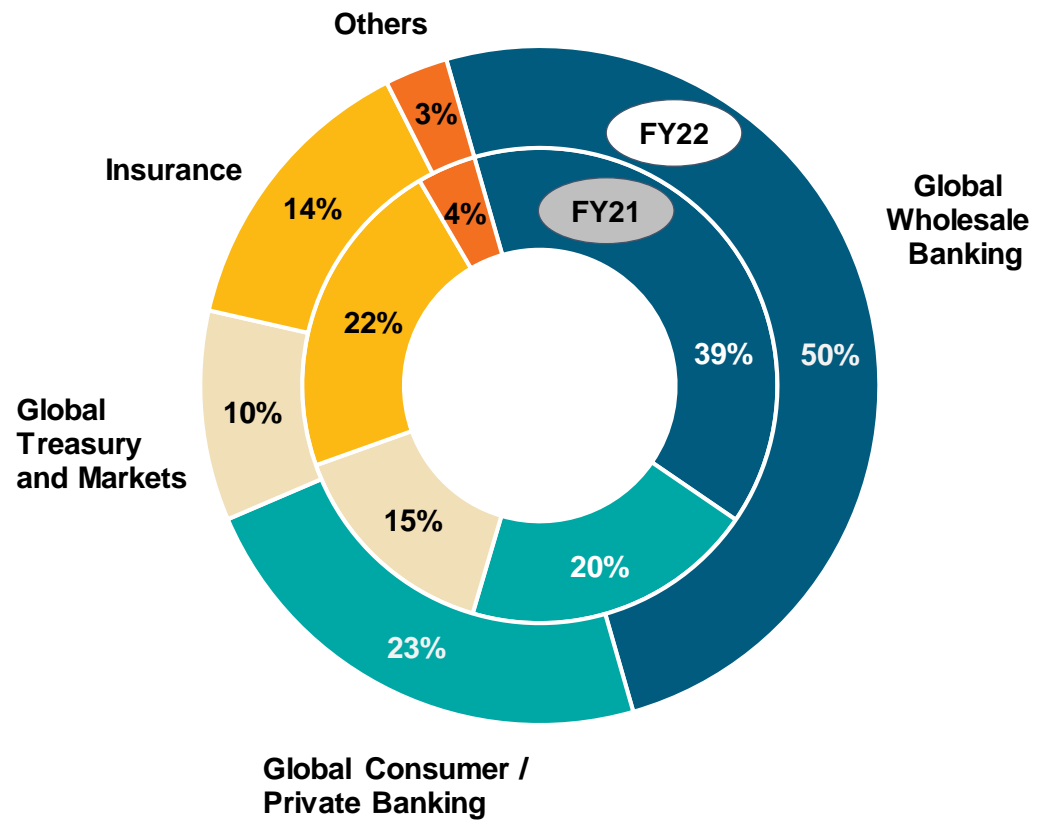


^{1/} Wealth Management income comprises the consolidated income from insurance, private banking, premier private client, premier banking, asset management and stockbroking.

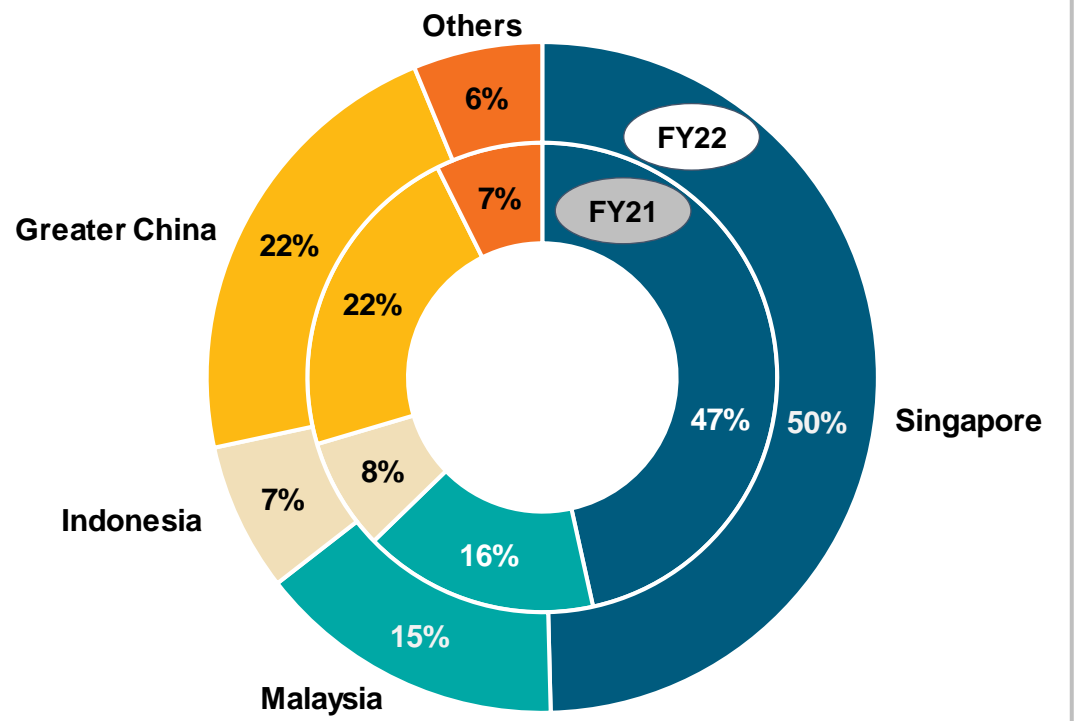
^{2/} Embedded value is a measure of the long-term economic value of the existing business of a life insurance company.

Earnings well-diversified across Business and Geography

Operating Profit by Business



Operating Profit by Geography

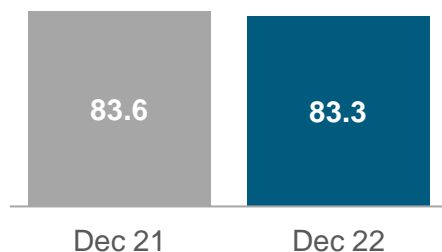


Note: Operating profit by business excluded associates.

Solid balance sheet position to support growth

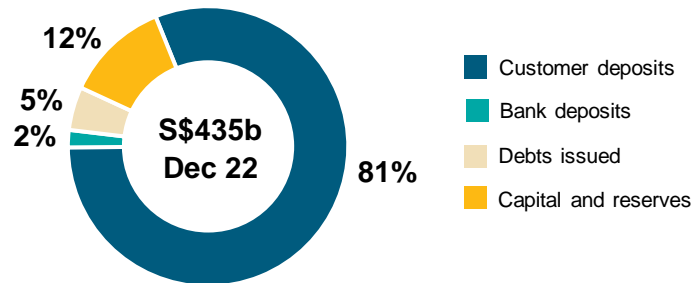
Loans-to-Deposits Ratio

Group LDR (%)



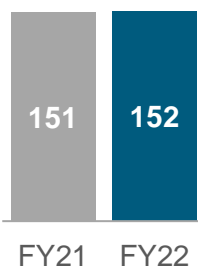
Funding

Composition (%)

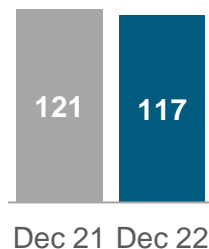


Liquidity

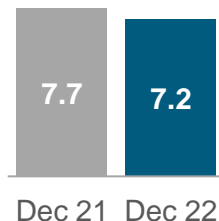
All-ccy LCR (%)



NSFR (%)

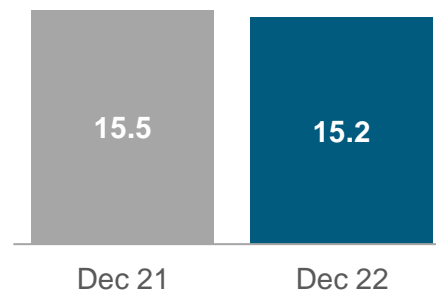


Leverage ratio (%)



Capital

CET1 CAR (%)



- Strong credit ratings affirmed with Aa1 rating from Moody's and AA- from both Fitch and S&P
- Ample funding, liquidity and capital headroom to drive growth while maintaining flexibility to navigate challenges
- Stable funding base, more than 80% garnered from customer deposits
- All regulatory ratios well above requirements

02

Group Net Profit



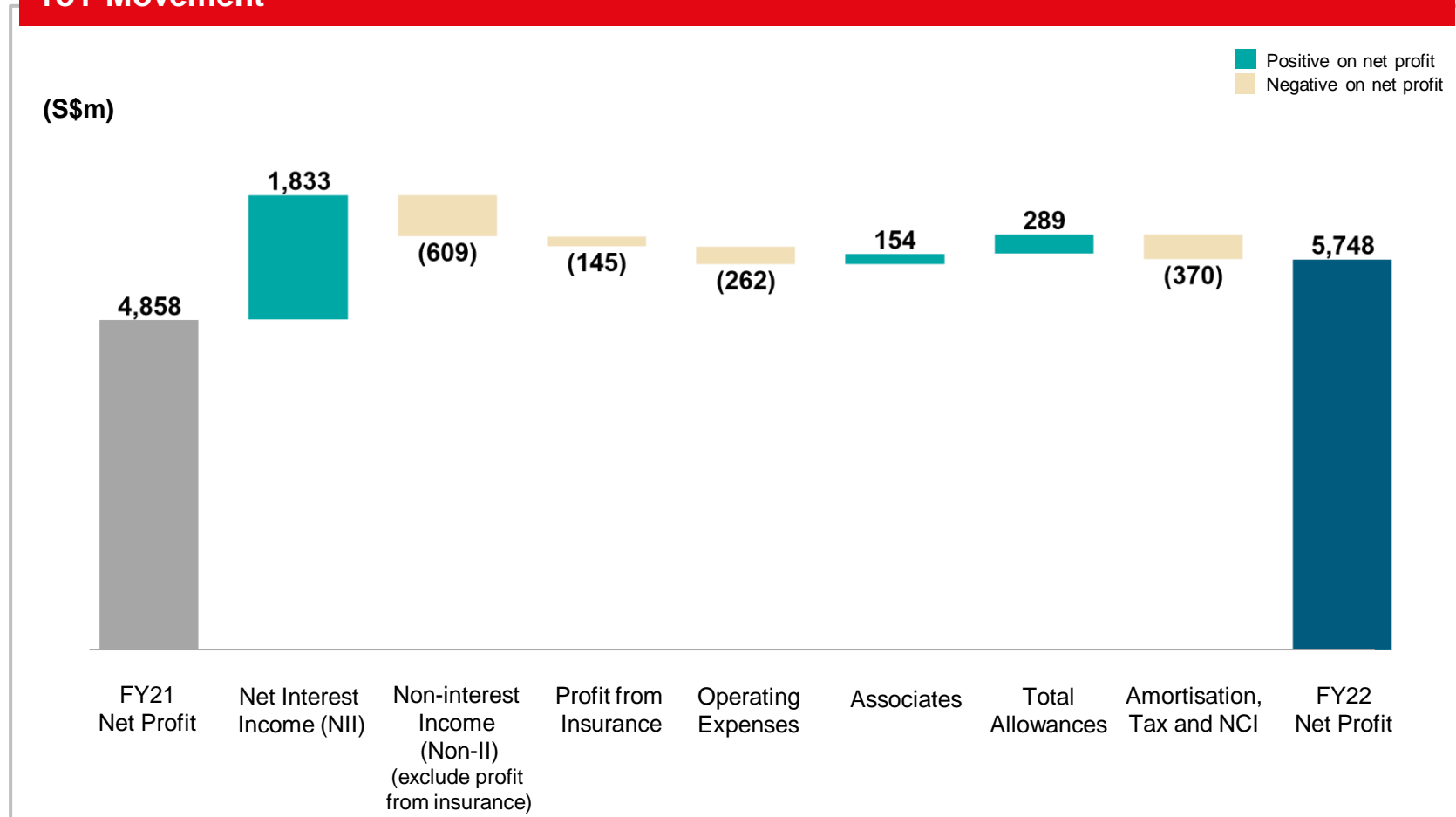
Record Group and Banking Operations Profit

Group Performance					
(S\$m)	FY22	YoY	4Q22	YoY	QoQ
Total Income	11,675	+10%	3,001	+18%	-5%
Operating Expenses	5,026	+5%	1,299	+1%	+2%
Operating Profit	6,649	+14%	1,702	+35%	-10%
Allowances	584	-33%	314	-1%	+105%
Net Profit	5,748	+18%	1,306	+34%	-19%

Banking Operations Performance					
(S\$m)	FY22	YoY	4Q22	YoY	QoQ
Total Income	10,387	+15%	2,871	+31%	+5%
Operating Expenses	4,671	+5%	1,205	+1%	+2%
Operating Profit	5,717	+25%	1,667	+66%	+6%
Allowances	581	-34%	316	-1%	+105%
Net Profit	5,105	+30%	1,314	+68%	-4%

Record FY22 earnings driven by net interest income and lower allowances

YoY Movement



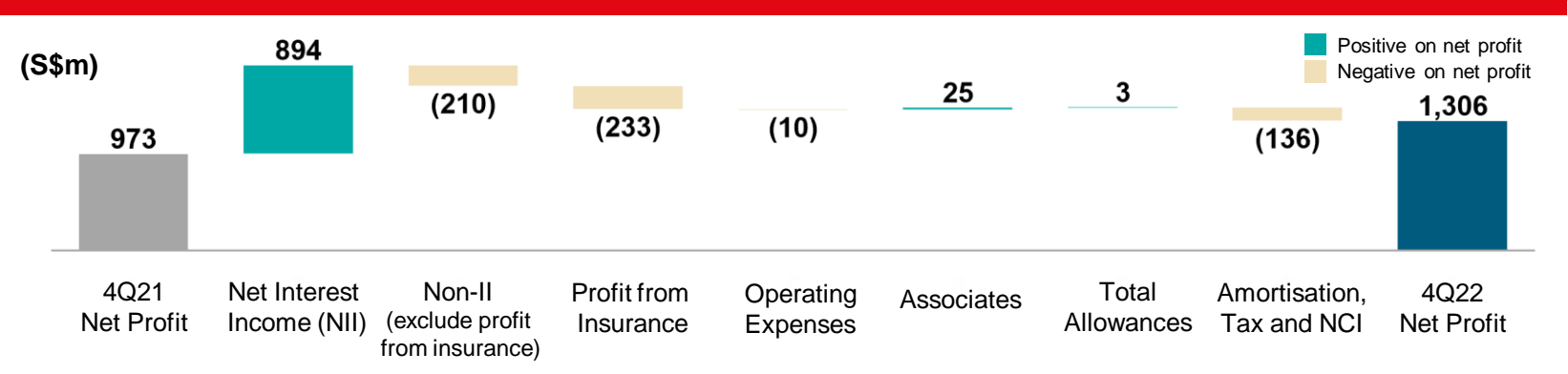
FY22

YoY +18%

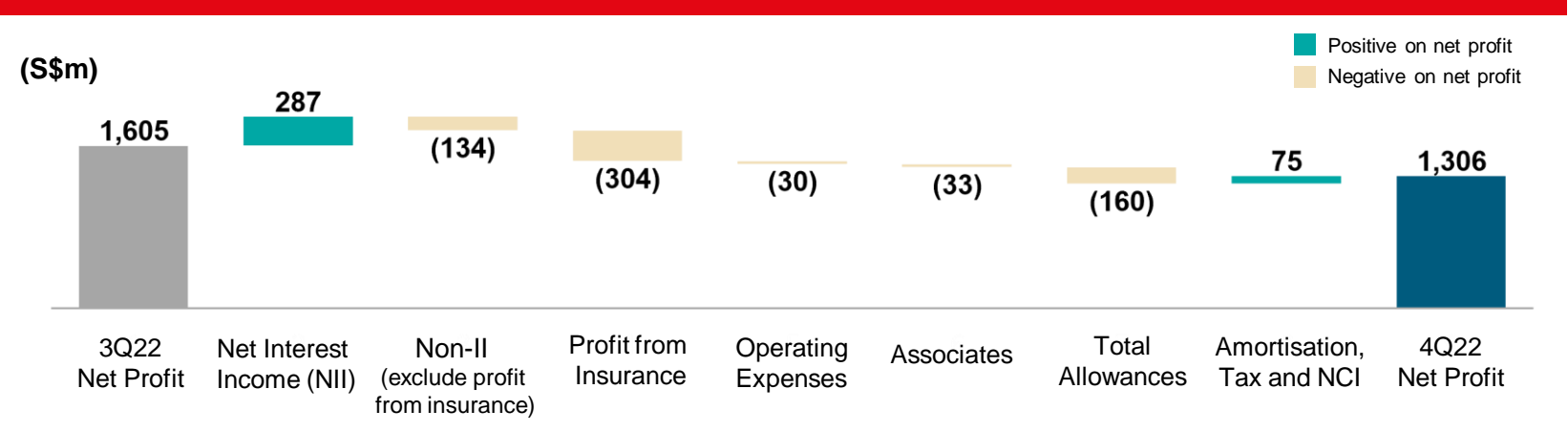
- NII up 31% driven by consecutive quarters of NIM expansion and asset growth
- Non-II lower led by drop in WM fee income from reduced customer investment activities and investment losses from bond portfolio rebalancing
- Expenses up largely from higher staff compensation and headcount growth
- Decline in allowances associated with improvement in credit environment

4Q22 earnings up 34% YoY as net interest income hit a new quarterly high

YoY Movement



QoQ Movement



4Q22

YoY +34%

QoQ -19%

YoY

- NII rose 60% driven by a 79bps rise in NIM
- Non-II lower mainly due to softer fee and insurance income

QoQ

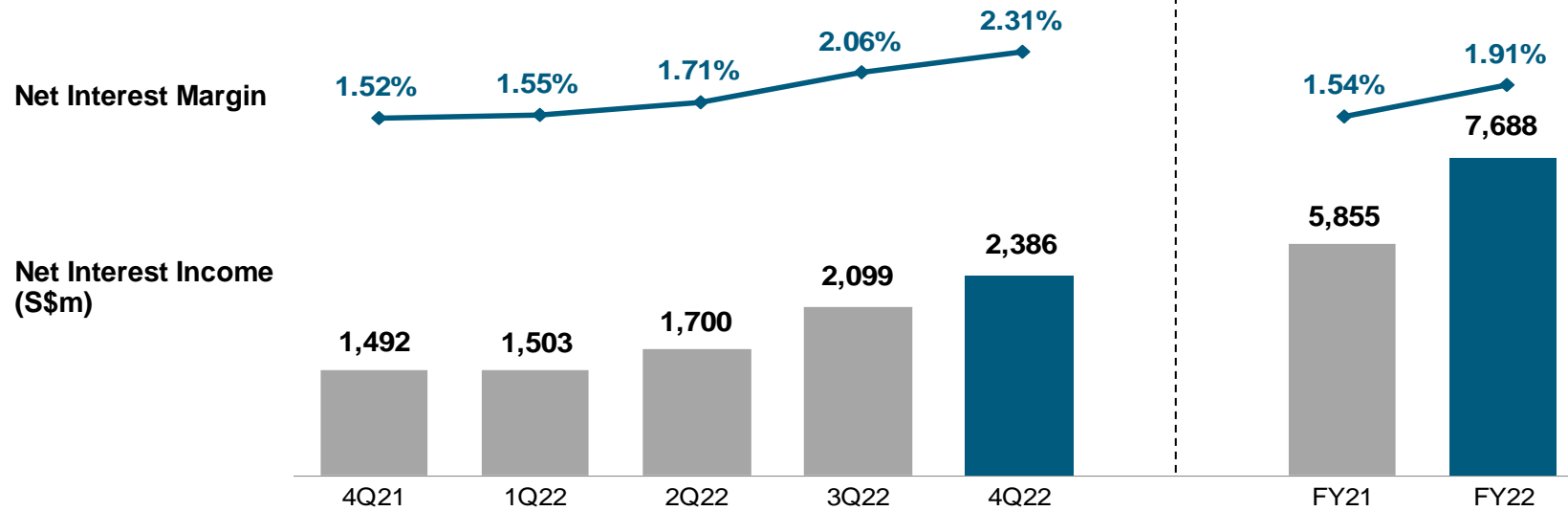
- Net profit lower largely led by a drop in insurance income, which more than offset a rise in NII

03

Group Performance Trends



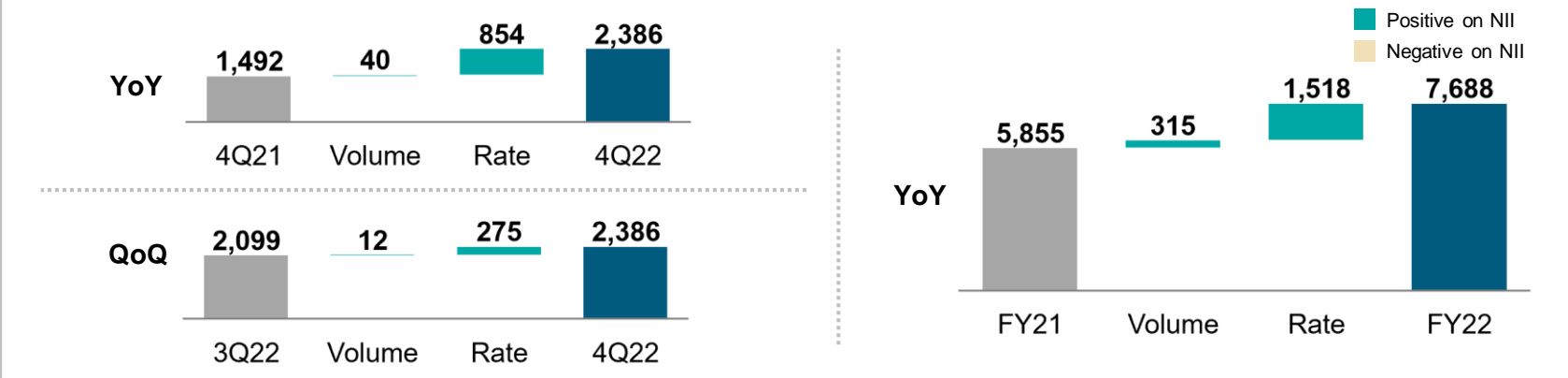
Record full year and quarterly net interest income



FY22		4Q22	
YoY	+31%	YoY	+60%
		QoQ	+14%

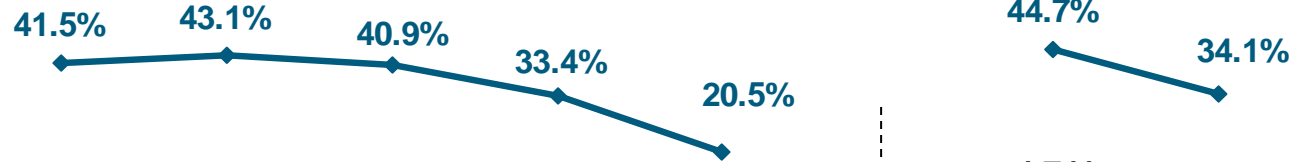
- FY22 NII crossed S\$7b for the first time, driven by 6% asset growth and NIM expansion
- 4Q22 NIM rose both YoY and QoQ as the increase in loan yields outpaced the rise in funding costs

Volume and Rate Analysis (S\$m)



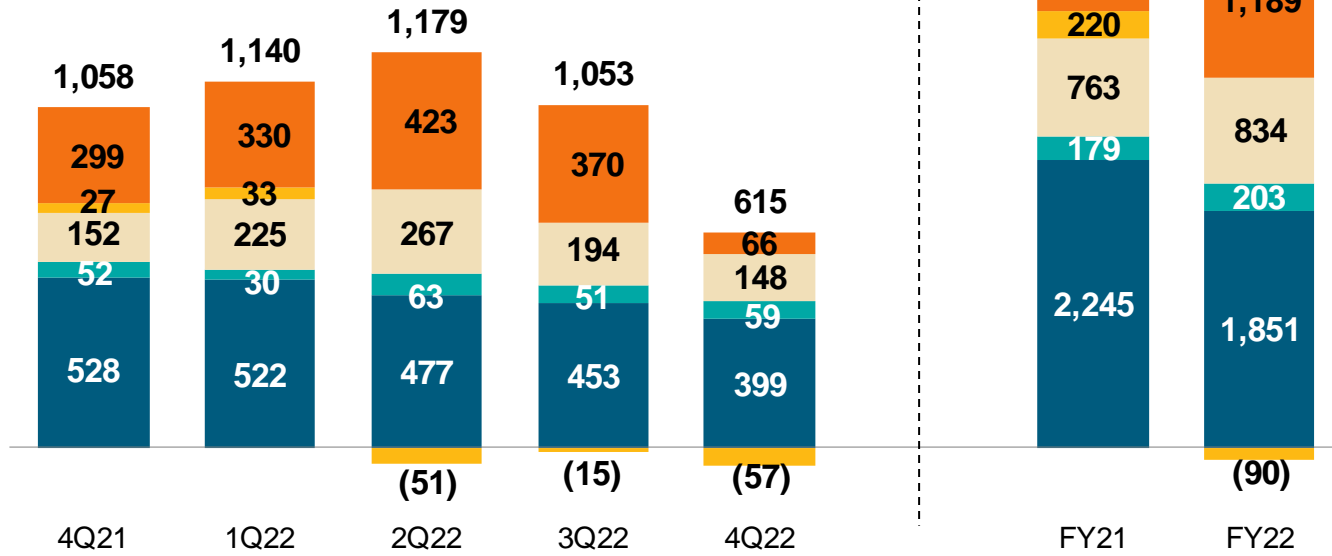
FY22 non-interest income at S\$3.99b

% 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



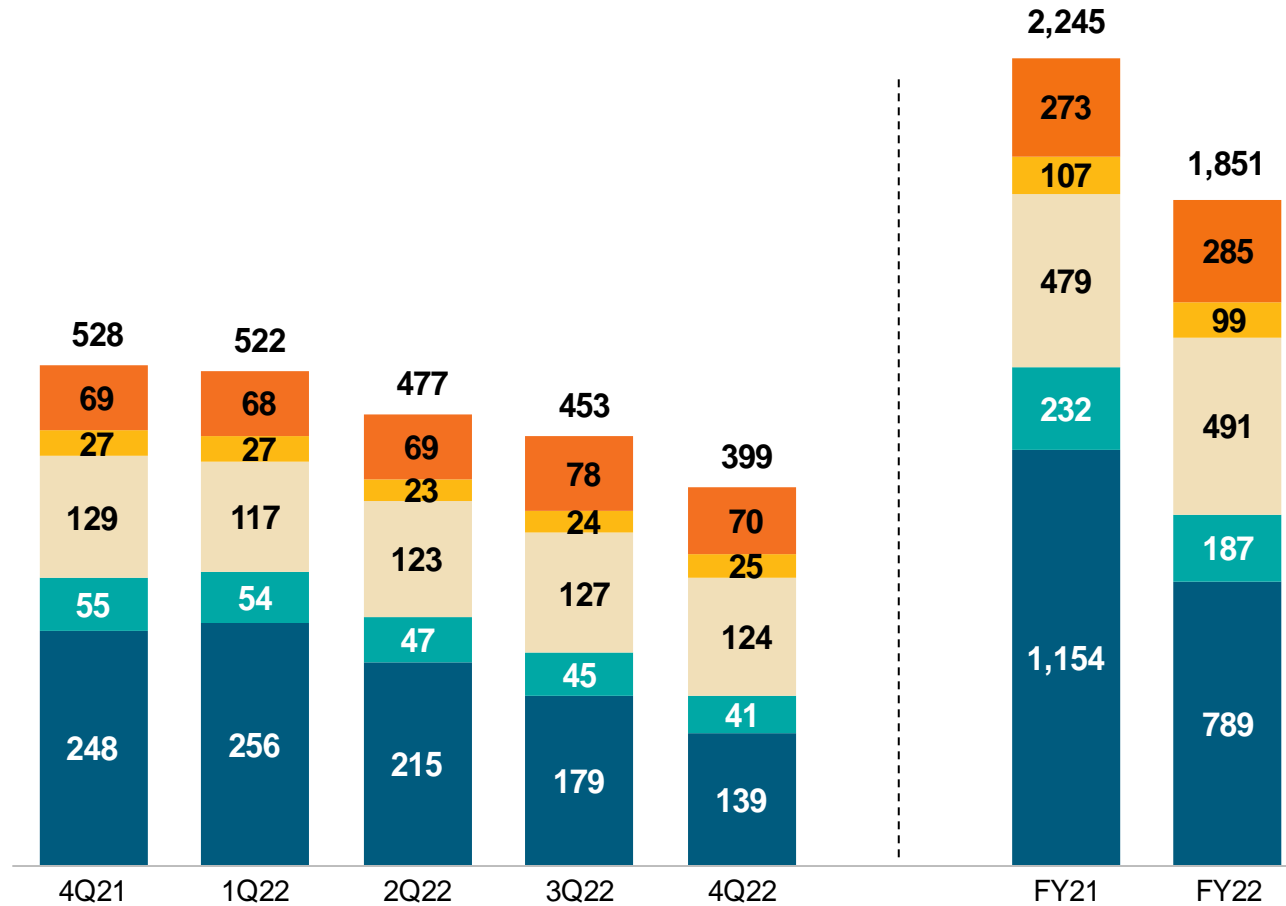
FY22		4Q22	
YoY	-16%	YoY	-42%
		QoQ	-42%

- FY22 declined YoY from a drop in fee income and insurance profit while bond portfolio rebalancing drove investment losses
- 4Q22 profit from insurance lower largely from unrealised valuation losses due to unfavourable movement in discount rates used to value insurance contract liabilities (refer to slide 28)

FY22 loan and trade fees up YoY while wealth management fees were softer

Net Fees & Commissions (S\$m)

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



FY22		4Q22	
YoY	-18%	YoY	-25%
		QoQ	-12%

- FY22 loan and trade fees up YoY
- Weaker full year WM and brokerage fees resulting from risk-off investment sentiments amid macro uncertainties
- Focus on increasing net new money inflows to grow AUM base



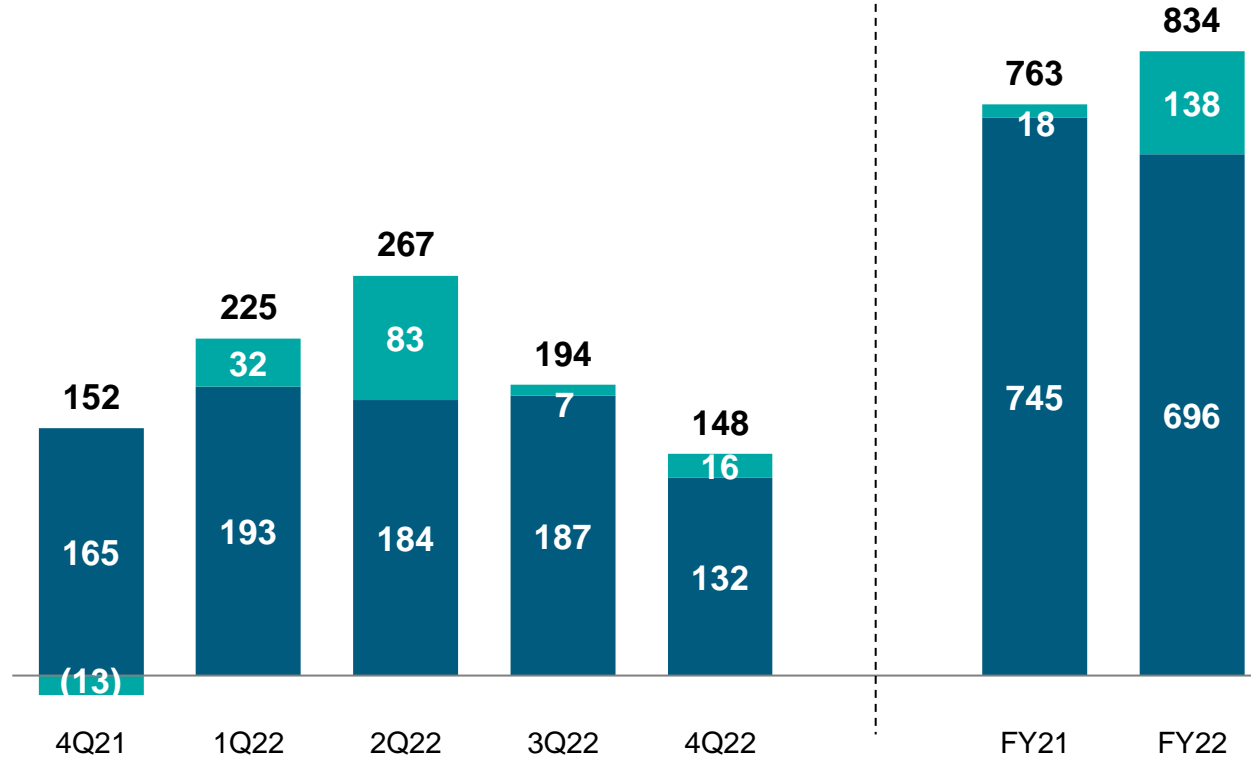
1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

Full year trading income grew 9% YoY

Trading Income (S\$m)

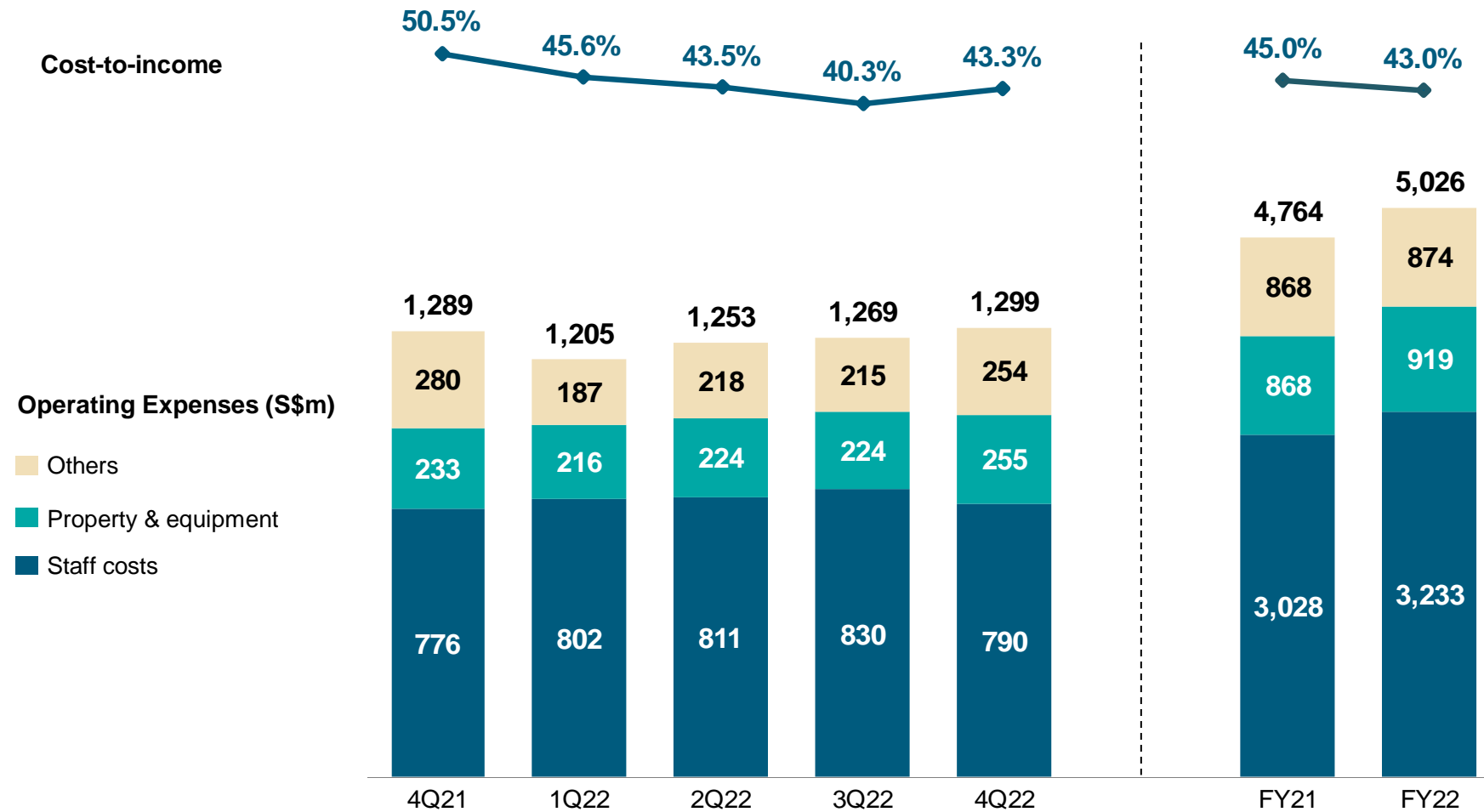
- Non-Customer Flow
- Customer Flow



FY22		4Q22	
YoY	+9%	YoY	-2%
		QoQ	-23%

- FY22 trading income mainly higher from stronger non-customer flow treasury income, partly attributed to gains from hedging activities
- Customer flow treasury income relatively resilient on a full year basis

Operating expenses well-managed



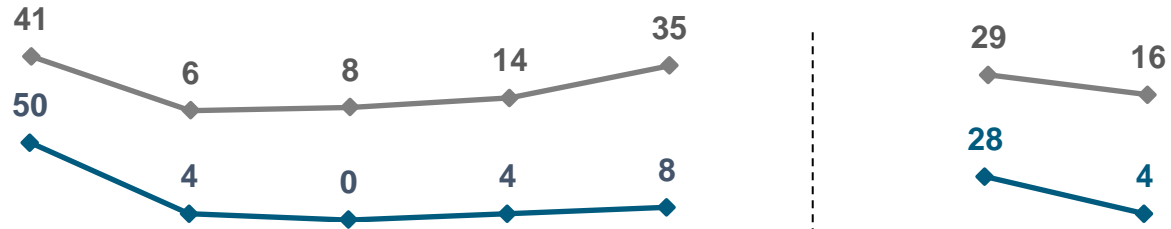
FY22		4Q22	
YoY	+5%	YoY	+1%
		QoQ	+2%

- FY22 expenses increased largely from higher staff costs attributable to annual salary adjustments, and increased headcount to grow talent pool, as well as continued investments in technology to support strategic priorities
- FY22 cost-to-income ratio lower at 43.0%

FY22 allowances lower on improved credit conditions

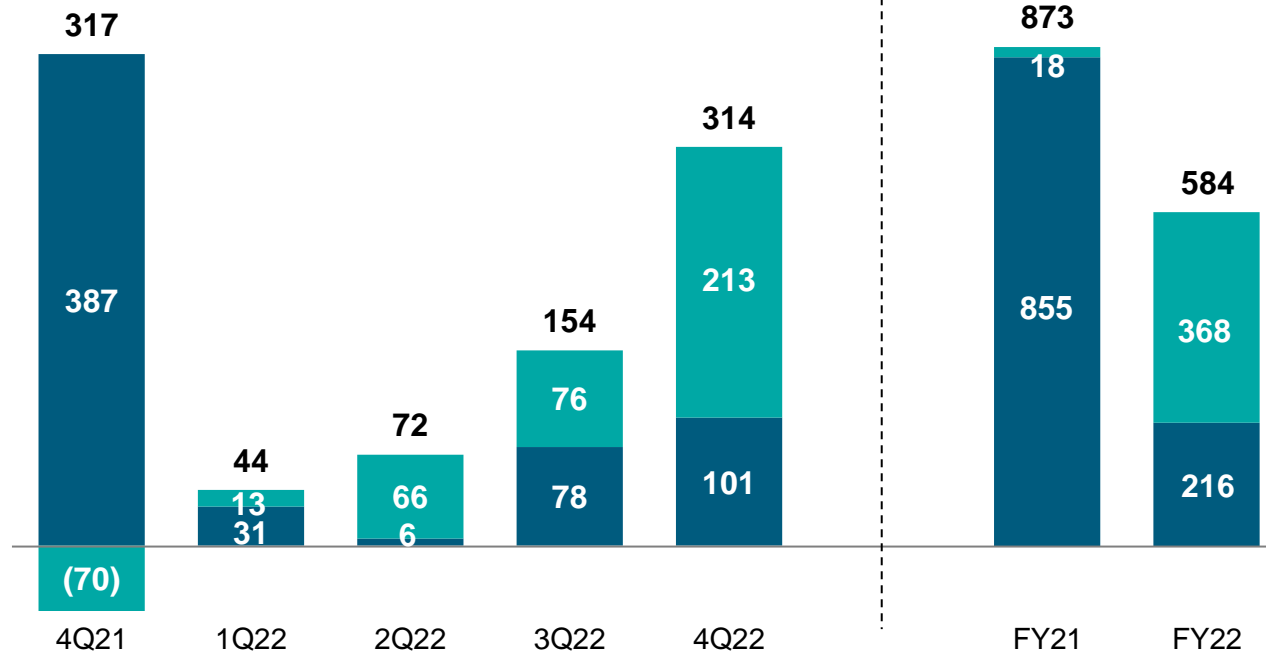
Credit costs (bps) ^{1/}

— Total
— Impaired



Allowances (\$m)

■ Allowances for non-impaired assets
■ Allowances for impaired assets



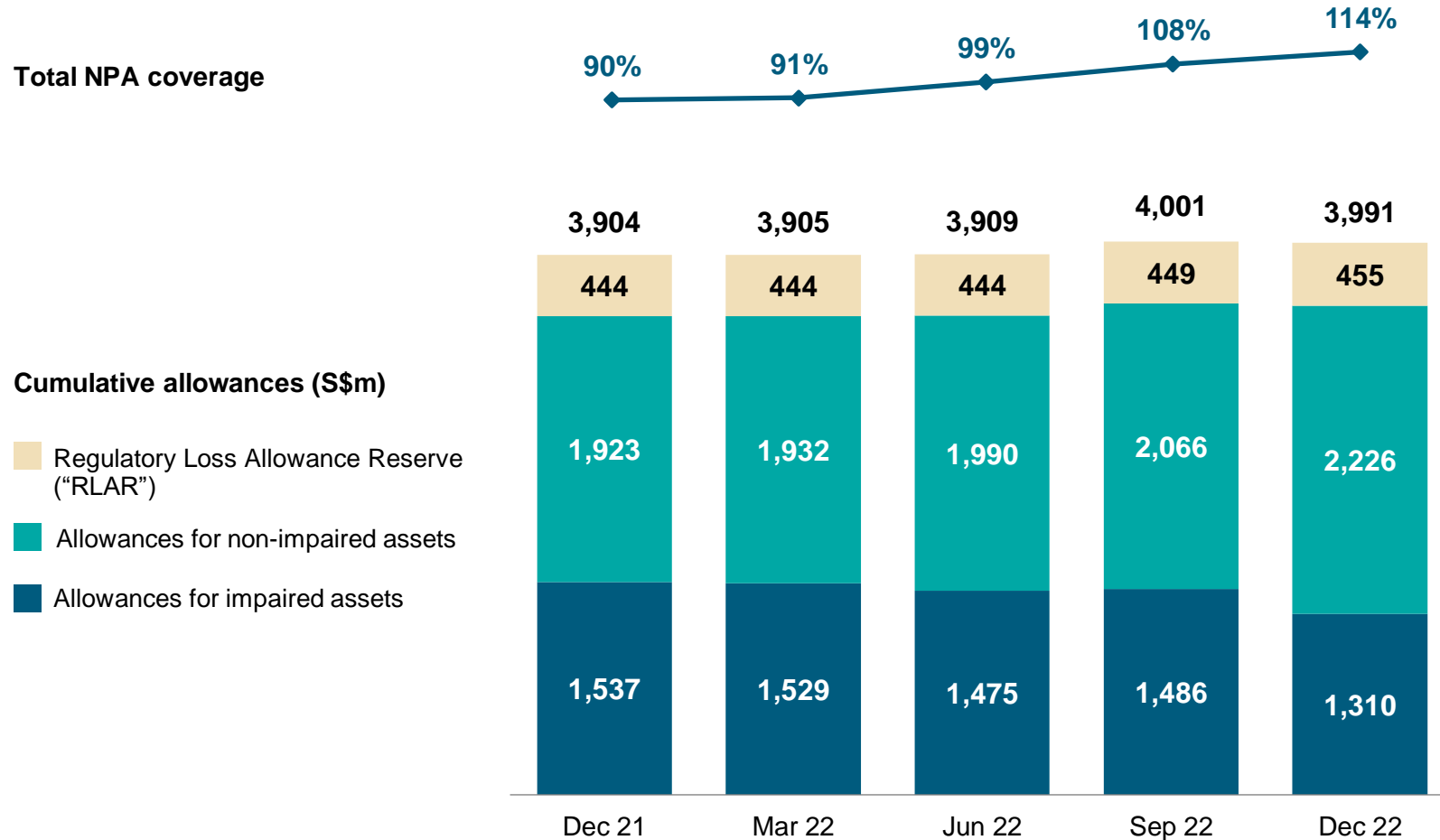
FY22		4Q22	
YoY	-33%	YoY	-1%
		QoQ	+105%

- FY22 allowances for non-impaired assets higher YoY
 - MEV updates in the ECL model largely to reflect a prudent view of current and forecasted economic conditions
 - Additional overlays set aside above the ECL model requirements



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

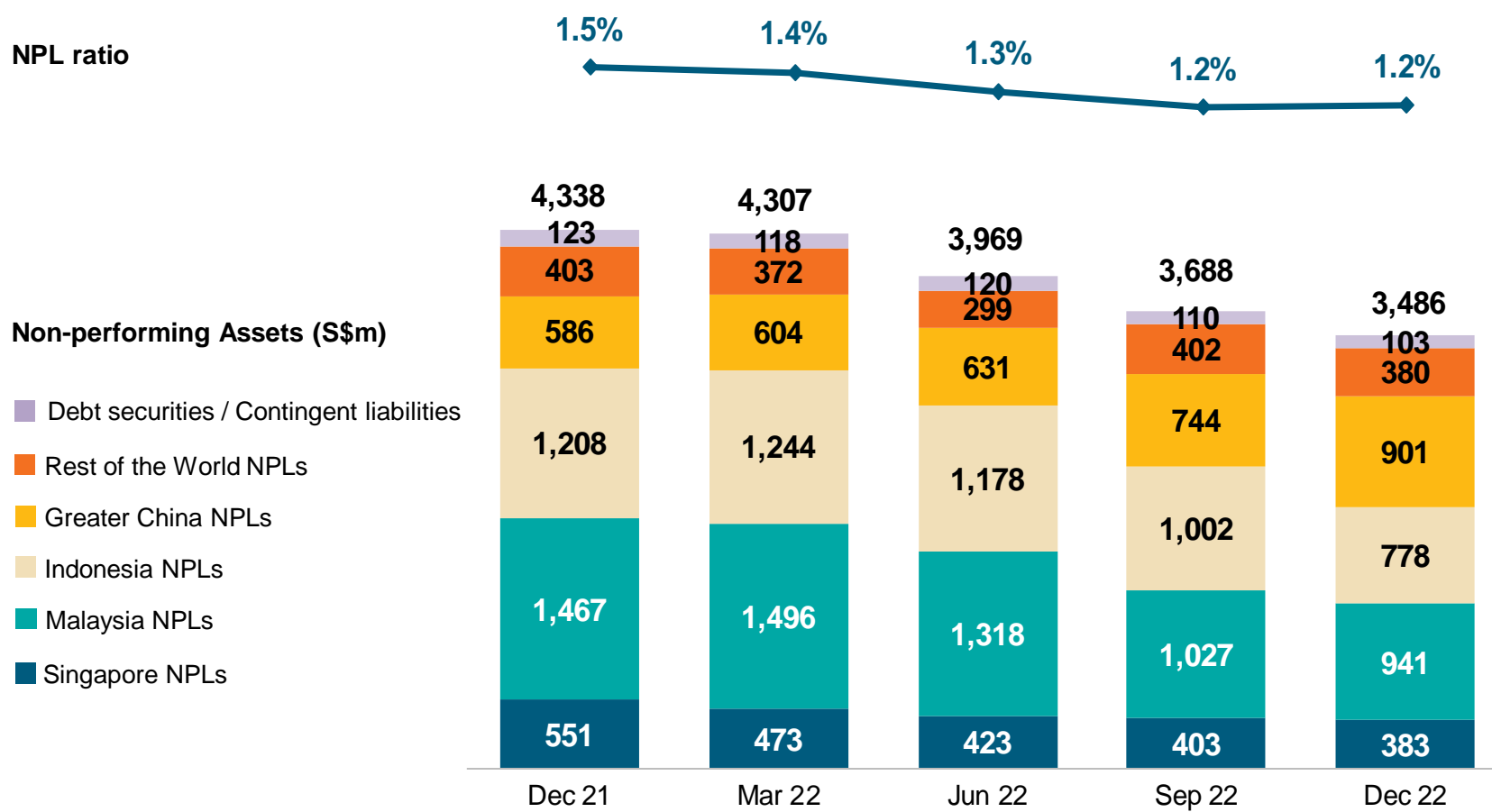
NPA coverage ratio higher at 114%



Dec 22	YoY	+2%
	QoQ	-0.3%

- Cumulative allowances higher YoY due to increases in allowances for non-impaired assets
- Sufficient buffers set aside for uncertainties

Resilient portfolio quality



Dec 22 | YoY **-20%**
QoQ **-5%**

- NPAs lower YoY and QoQ in ASEAN
- QoQ increase in Greater China NPLs primarily due to downgrade of a corporate relationship in Hong Kong, fully secured with LTV of >60%



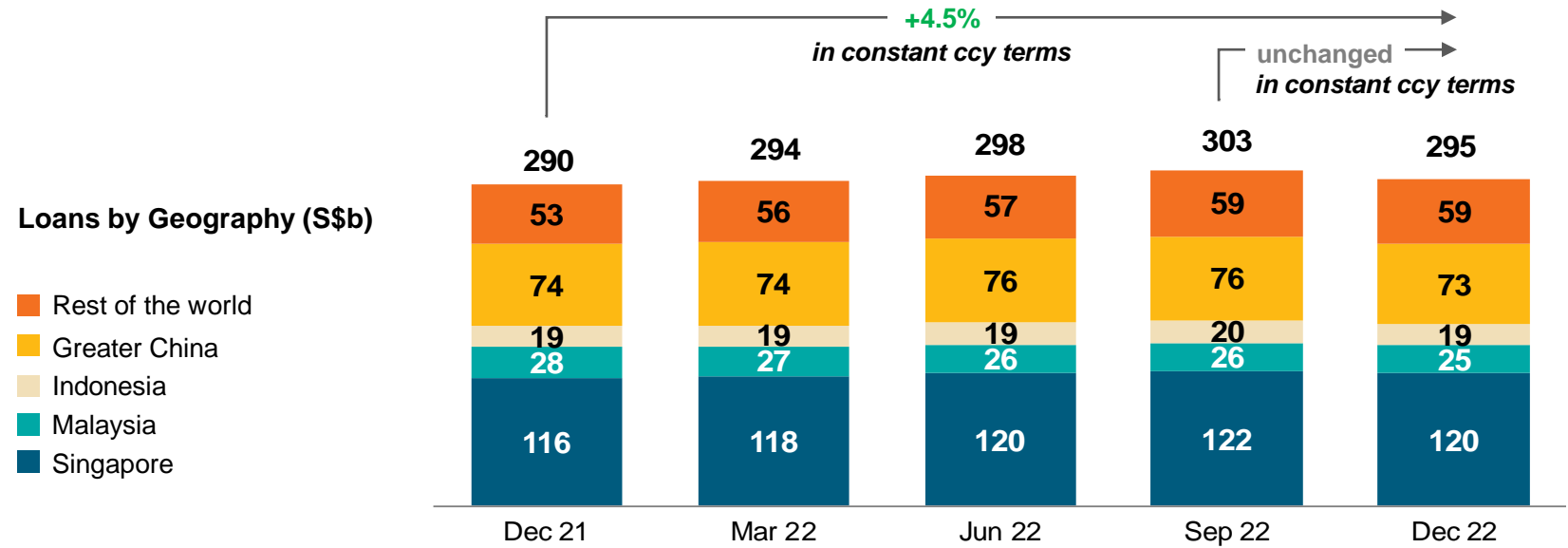
Note: NPAs by geography are based on where the credit risks reside.

NPAs down YoY from lower new NPA formation & higher recoveries and upgrades

S\$m	4Q21	3Q22	4Q22	FY21	FY22
At start of period	4,243	3,969	3,688	4,005	4,338
New NPAs					
Corporate/ Commercial Banking and Others	808	304	242	1,838	717
Consumer Banking/ Private Banking	249	164	190	1,052	569
	1,057	468	432	2,890	1,286
Net recoveries/ upgrades					
Corporate/ Commercial Banking and Others	(273)	(310)	(166)	(954)	(766)
Consumer Banking/ Private Banking	(98)	(359)	(105)	(365)	(747)
	(371)	(669)	(271)	(1,319)	(1,513)
Write-offs					
Corporate/ Commercial Banking and Others	(542)	(44)	(199)	(1,192)	(336)
Consumer Banking/ Private Banking	(20)	(16)	(23)	(75)	(70)
	(562)	(60)	(222)	(1,267)	(406)
Foreign currency translation	(29)	(20)	(141)	29	(219)
At end of period	4,338	3,688	3,486	4,338	3,486

- FY22 NPA formation more than halved from a year ago from improved economic environment
- Recoveries/ upgrades in FY22 largely attributable to orderly exit from loan relief programmes in Malaysia and Indonesia

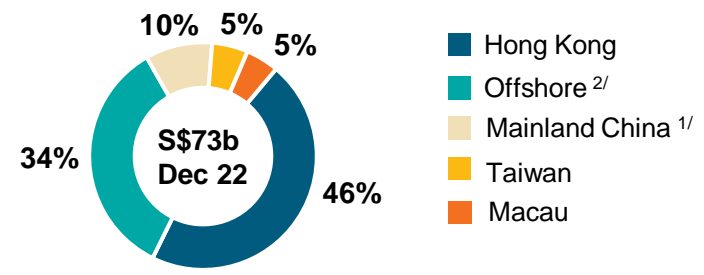
Loans 4.5% higher YoY in constant currency terms



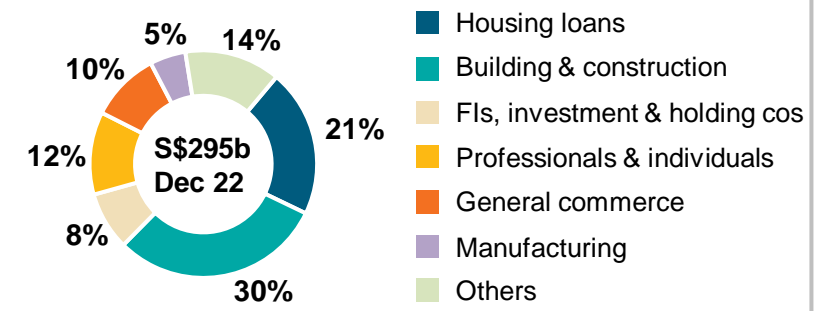
Dec 22 | YoY **+2%**
QoQ **-3%**

- Loan growth YoY driven by Singapore, Australia, the United States and United Kingdom
- Corporate, SME and Consumer/Private Banking comprise 53%, 10% and 37% of loan book respectively
- Sustainable financing loans rose 27% YoY to S\$30b, and accounted for 10% of Group loans

Greater China Loans

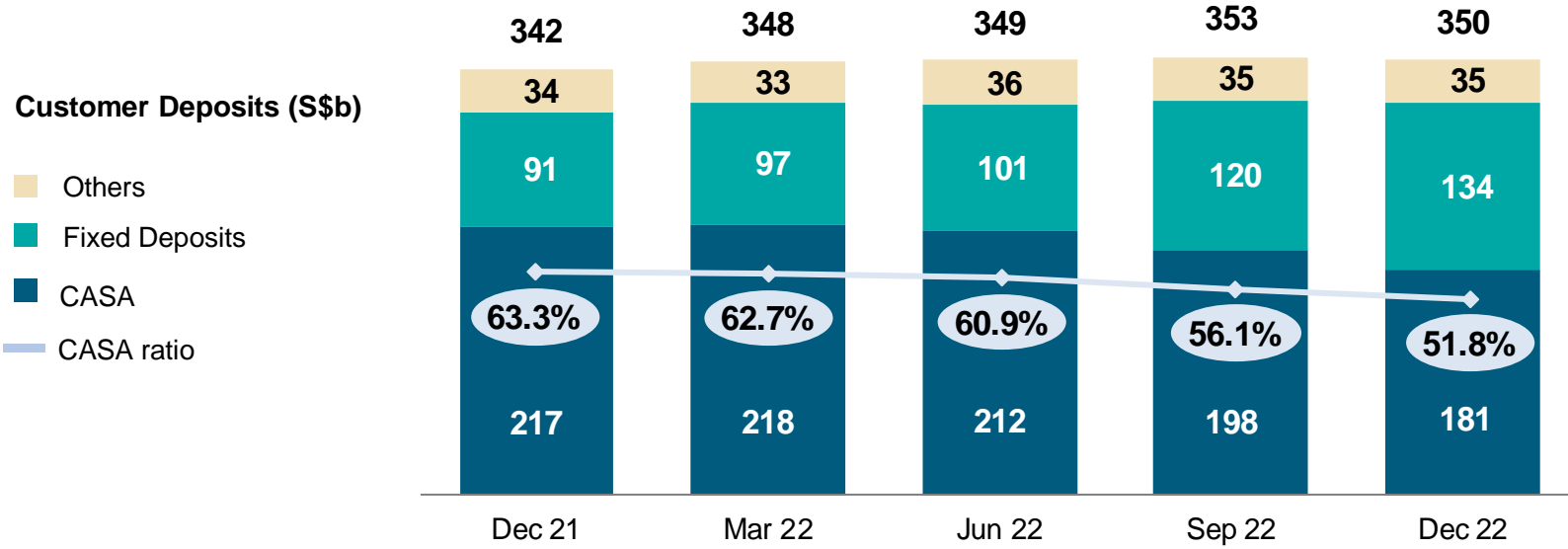
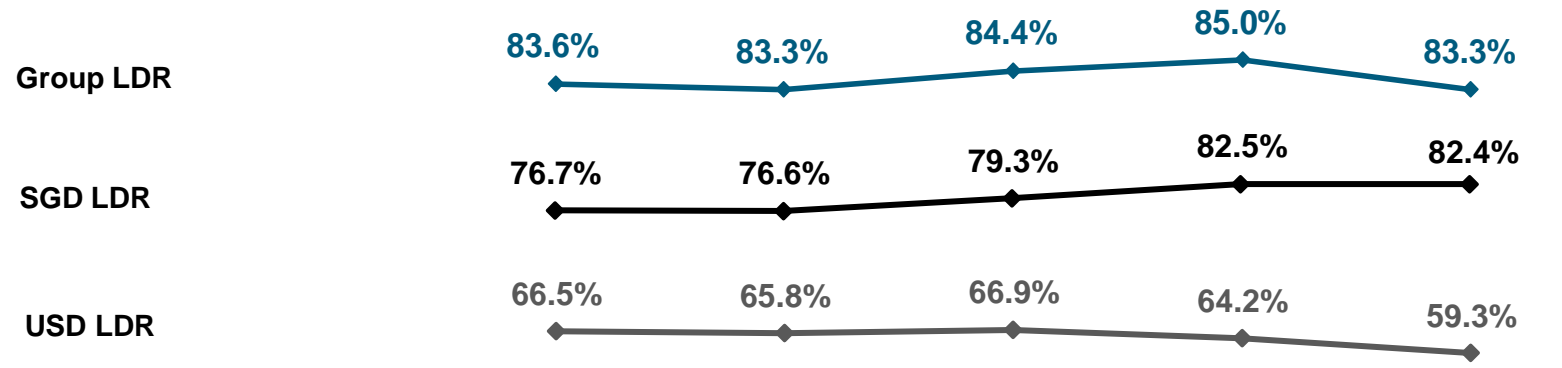


Loans by Industry



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 rose YoY driven by growth in fixed deposits

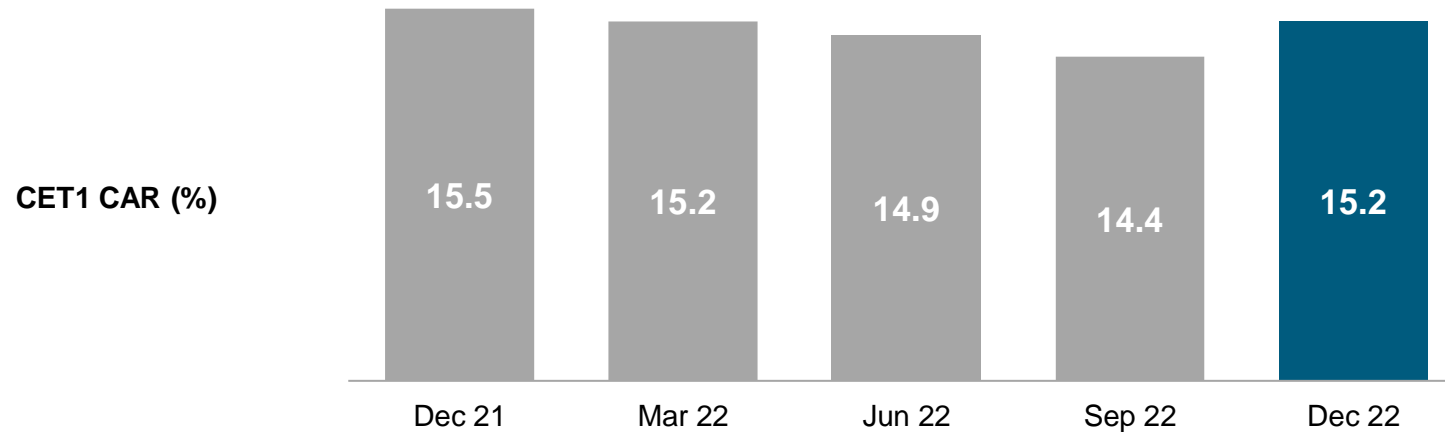


Dec 22 | YoY +2%
QoQ -1%

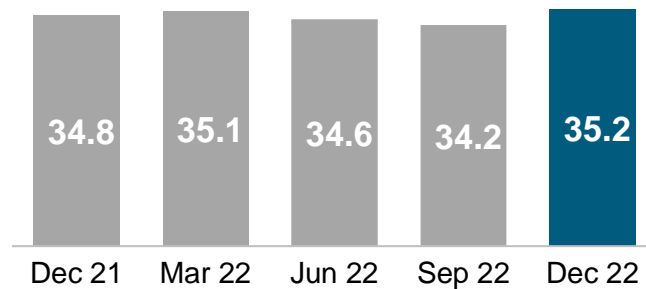
- Shift from CASA to fixed deposits in line with rising rates
- Continue to actively manage funding in line with balance sheet requirements



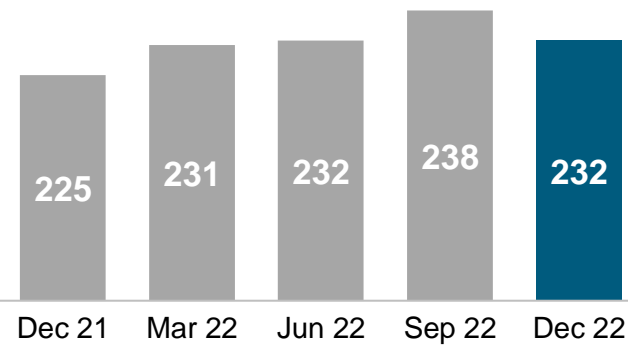
Strong capital position to support growth and shareholder returns



CET1 Capital (S\$b)



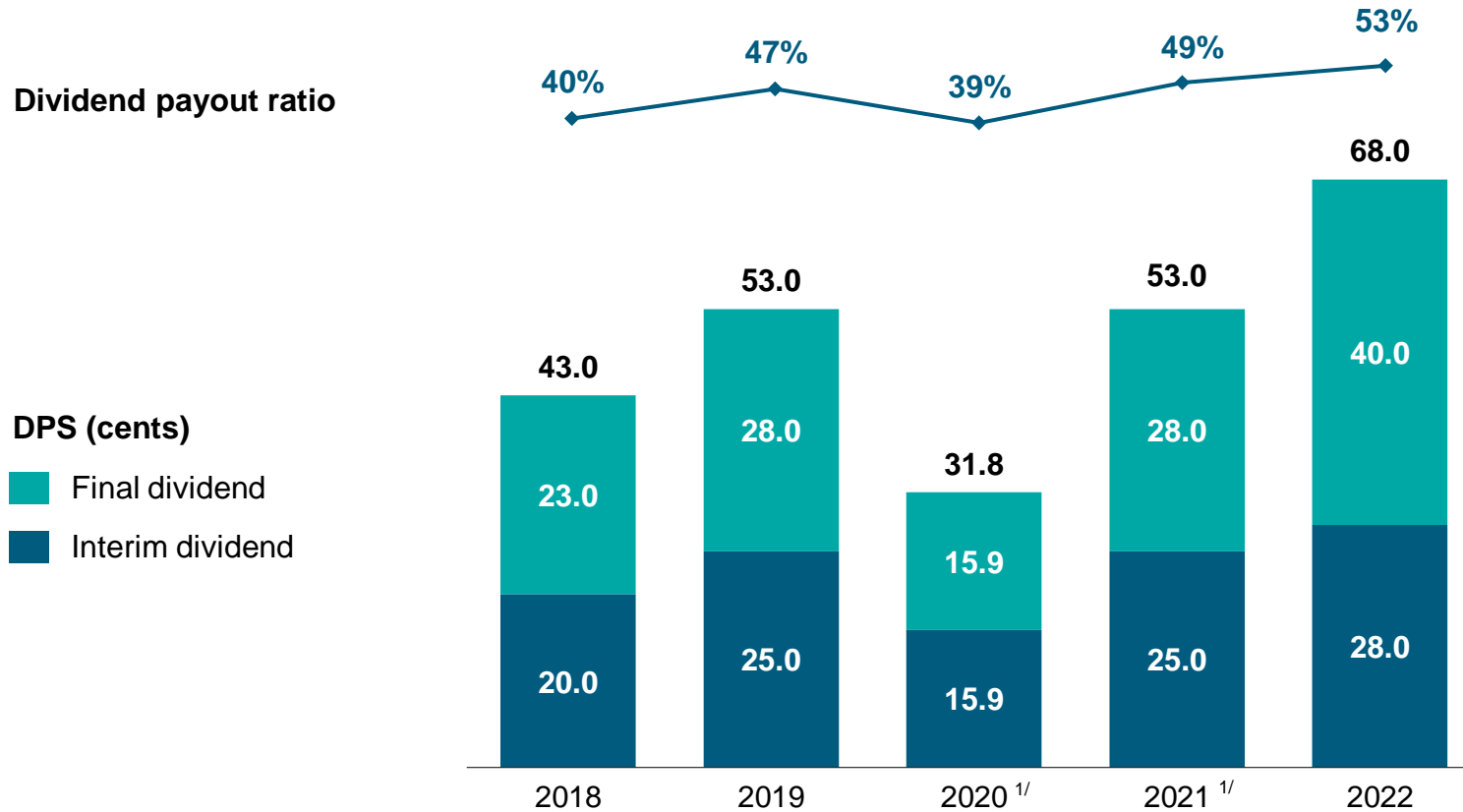
RWA (S\$b)



Dec 22 | YoY -0.3ppt
QoQ +0.8ppt

- CET1 ratio higher QoQ mainly due to profit accretion and a decline in RWA
- RWA down QoQ led by savings from RWA optimisation and currency translation

Rewarding shareholders with higher dividends



- Dividend increase supported by sustained earnings growth and strong capital position
- 53% dividend payout ratio, highest since 2008
- Final dividend increased 43% YoY to 40 cents
- Target 50% dividend payout ratio going forward



^{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

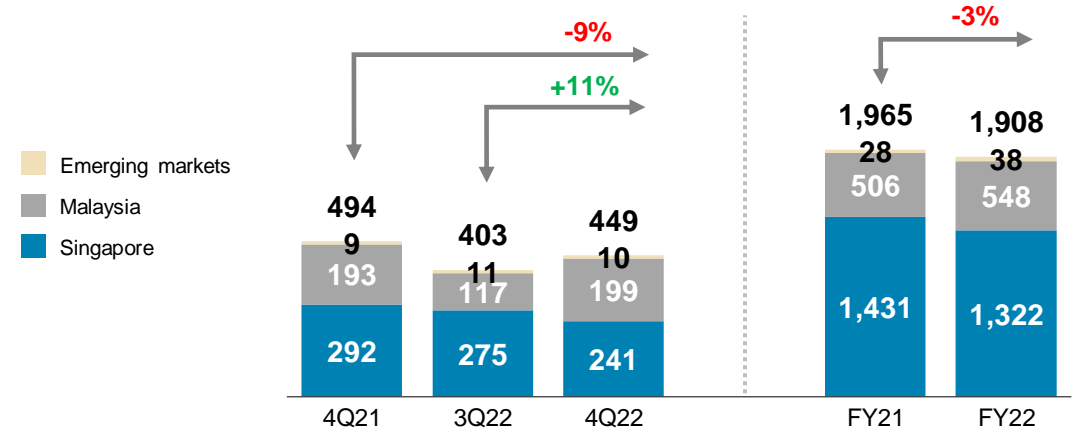
Appendices: Major Subsidiaries' Results



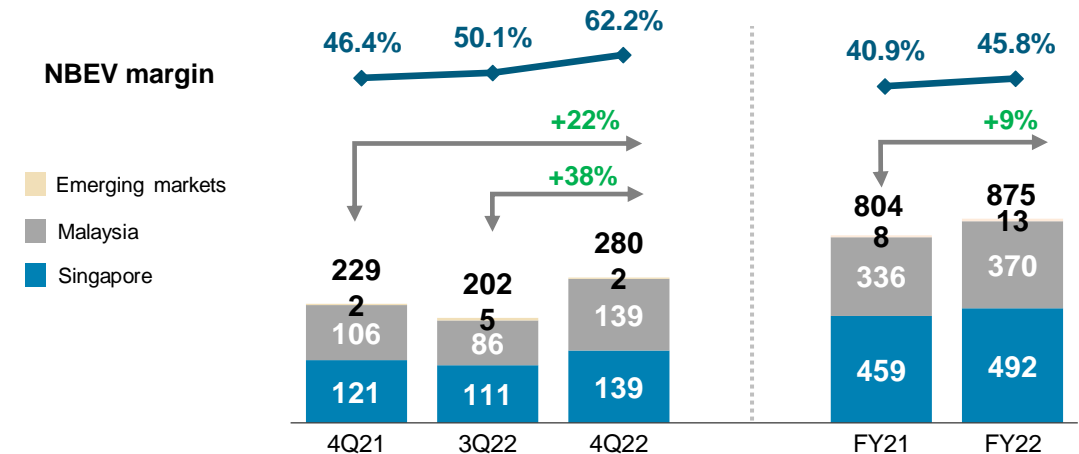
Great Eastern Holdings' Financial Highlights

Profit and Loss ^{1/} (SGD'm)	FY22	YoY	4Q22	YoY	QoQ
Insurance: Operating Profit	797	+7%	224 ^{3/}	+30%	+8%
Insurance: Non-operating Profit	62	-79%	(250) ^{3/}	nm	nm
Profit from Shareholders Fund	(64)	-167%	21	+75%	nm
Net Profit	784	-30%	3	-99%	-99%
Contribution to Group Profit ^{2/}	643	-31%	(9)	-105%	-104%

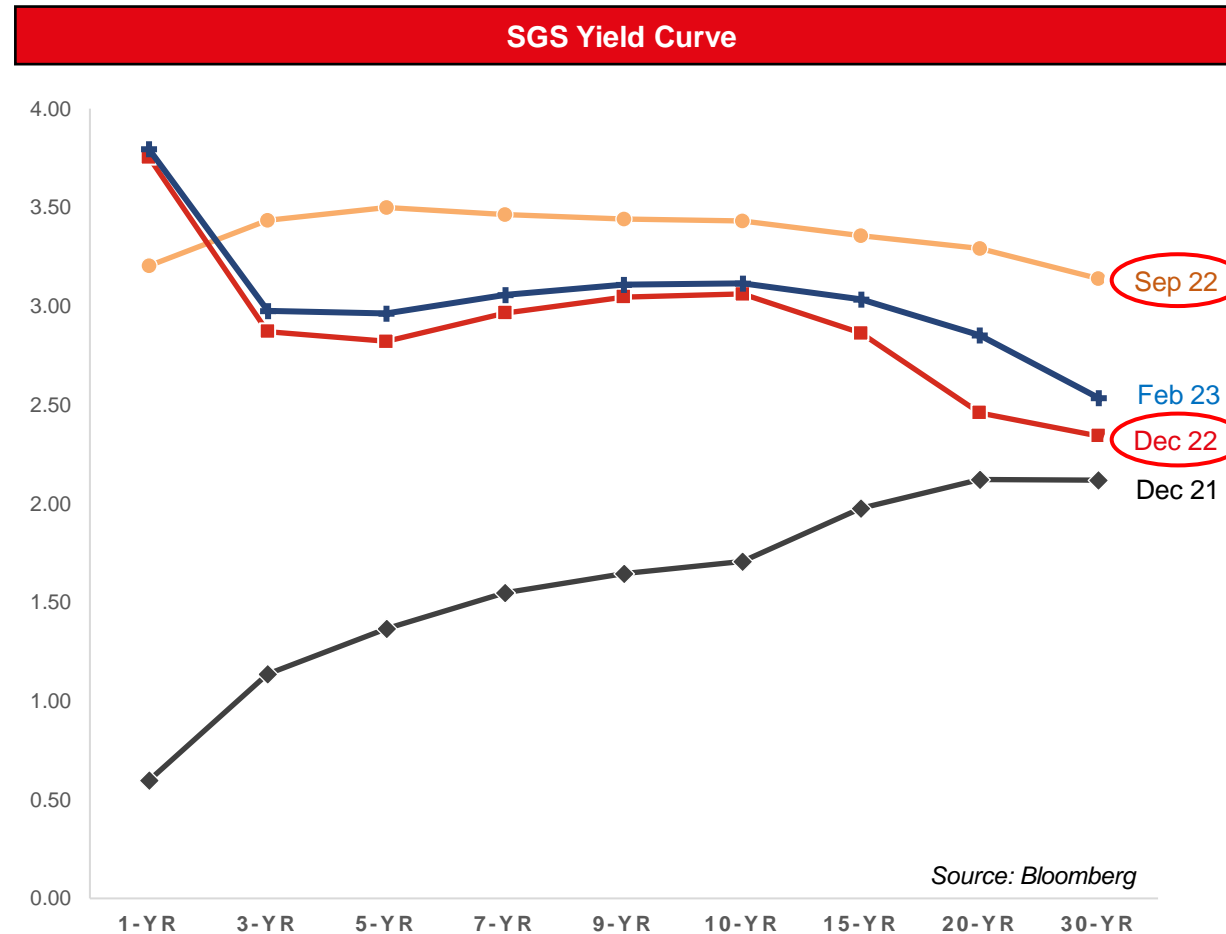
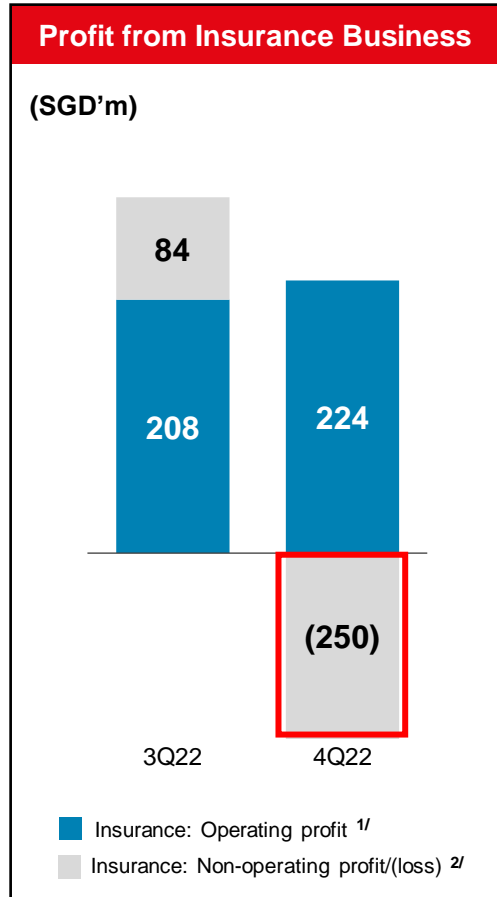
Total Weighted New Sales (S\$m)



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



4Q22 profit from insurance business lower QoQ mainly due to unrealised valuation losses on insurance contract liabilities from inverted SGS yield curve



Insurance Operating Profit	3Q22	4Q22
	S\$208m	S\$224m

- Up 30% YoY and 8% QoQ driven by resilient underlying insurance business operating performance

Insurance Non-Operating Profit/(Loss)	3Q22	4Q22
	S\$84m	(S\$250m)

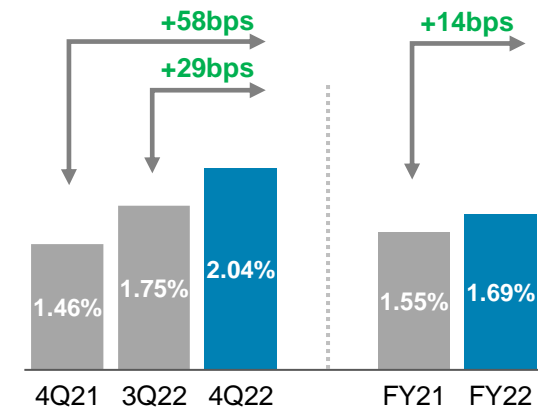
- 4Q22 non-operating loss of S\$250m due to steeper inversion of SGS yield curve in Dec 22 compared to Sep 22
- This impacted valuation of longer-end insurance contract liabilities in the Singapore Non-Participating business
- The unrealised valuation losses on insurance contract liabilities is expected to reverse as the SGS yield curve normalises to become upward sloping
- Longer-end rates have been comparatively higher after 31 Dec 22

OCBC Wing Hang Hong Kong & Macau's Financial Highlights

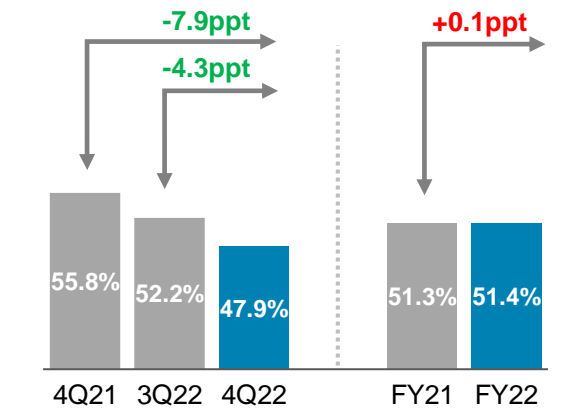
Profit and Loss ^{1/} (HKD'm)	FY22	YoY	4Q22	YoY	QoQ
Total Income	5,292	+15%	1,512	+23%	+13%
Operating Expenses	2,719	+15%	724	+6%	+4%
Allowances	424	nm	179	nm	+225%
Net Profit	2,092	+4%	672	+45%	+22%

Balance Sheet ^{1/} (HKD'b)	Dec 22	YoY	QoQ
Loans	162	-1%	-1%
Deposits	204	+8%	+4%

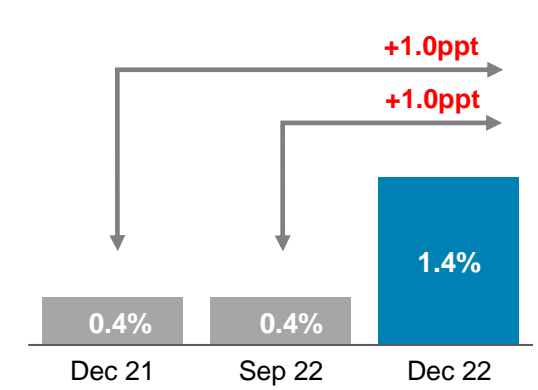
Net Interest Margin



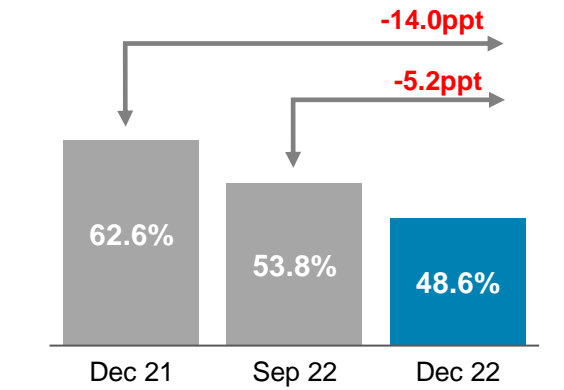
Cost-to-Income



NPL ratio



CASA ratio

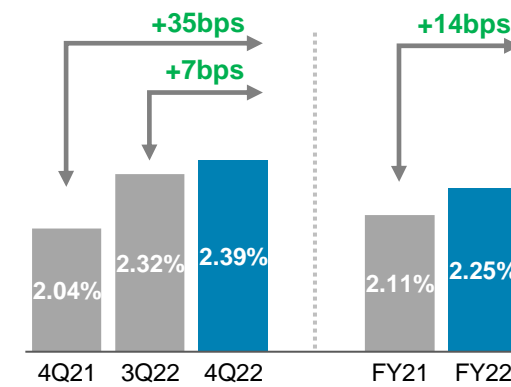


^{1/} Based on entity reporting requirements.

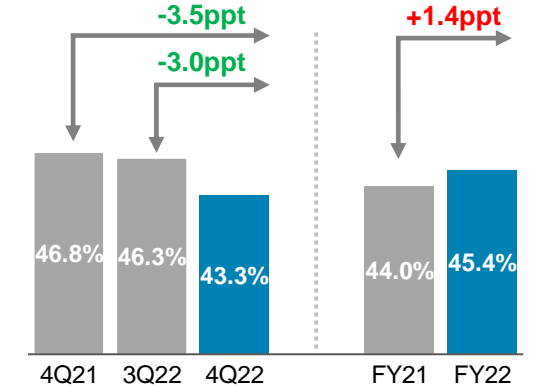
OCBC Malaysia's Financial Highlights

Profit and Loss ^{1/} (MYR'm)	FY22	YoY	4Q22	YoY	QoQ
Total Income	2,789	-	766	+14%	+10%
Operating Expenses	1,265	+3%	332	+6%	+3%
Allowances/ (write-back)	(329)	-146%	(15)	-108%	+91%
Net Profit	1,253	+89%	294	+66%	-20%
Balance Sheet ^{1/} (MYR'b)			Dec 22	YoY	QoQ
Loans			66	-3%	-2%
Deposits			78	+5%	+6%

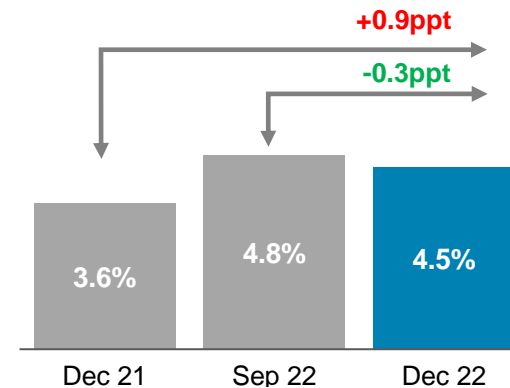
Net Interest Margin



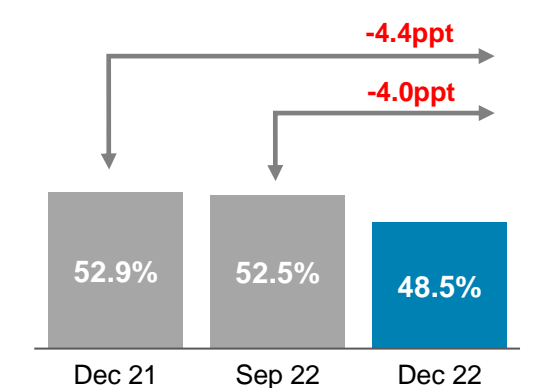
Cost-to-Income



NPL ratio



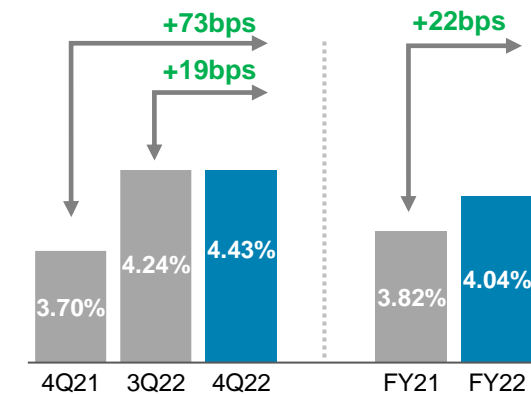
CASA ratio



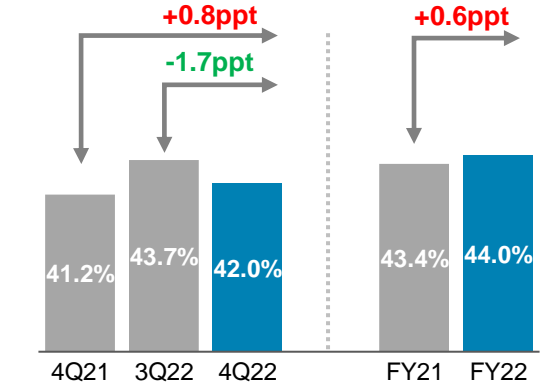
Bank OCBC NISP's Financial Highlights

Profit and Loss ^{1/} (IDR'b)	FY22	YoY	4Q22	YoY	QoQ
Total Income	10,604	+9%	2,944	+21%	+12%
Operating Expenses	4,668	+11%	1,236	+23%	+8%
Allowances	1,722	-25%	719	-23%	+108%
Net Profit	3,327	+32%	779	+61%	-13%
Balance Sheet ^{1/} (IDR't)	Dec 22	YoY	QoQ		
Loans	138	+14%	+5%		
Deposits	176	+5%	+9%		

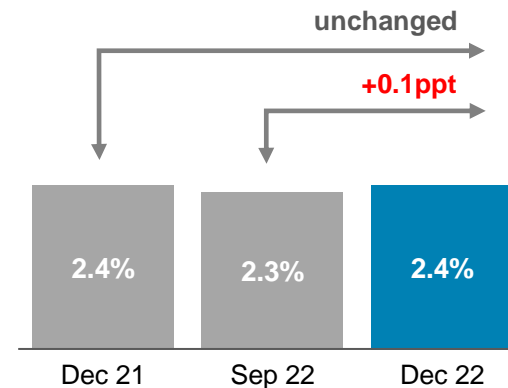
Net Interest Margin



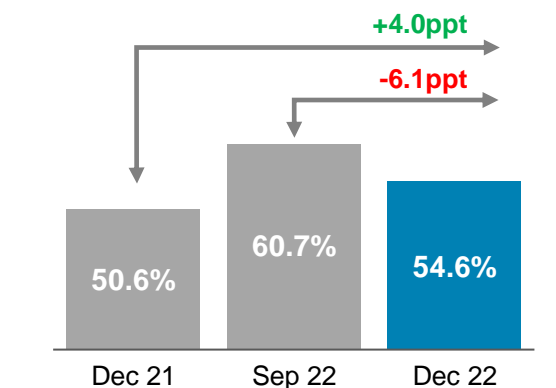
Cost-to-Income



NPL ratio



CASA ratio



Thank you

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