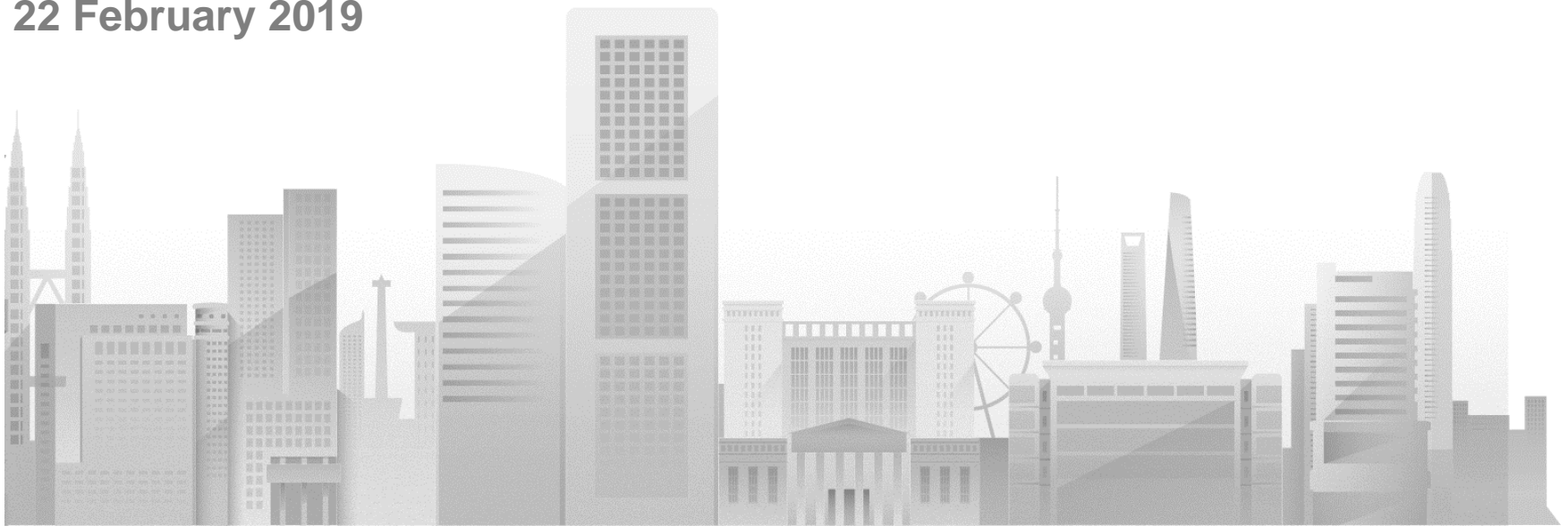


# 2018 Full Year Results Presentation

22 February 2019



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. These statements involve risks and uncertainties and should not be solely relied upon by investors or potential investors when making an investment decision. OCBC Bank accepts no liability whatsoever with respect to the use of this document or its content.

# Agenda

## Results Overview

## FY18 & 4Q18 Group Performance Trends

## Appendix: Performance of Major Subsidiaries

- Great Eastern Holdings
- OCBC Wing Hang
- OCBC Malaysia
- Bank OCBC NISP



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.

# FY18 Highlights

Record full year net profit of S\$4.49b, driven by 22% increase in profit from banking operations; 2018 proposed final dividend increased 15% from the interim dividend to 23 cents per share

## Higher Returns Year-on-Year

**Net Profit**  
**S\$4.49b**  
**+11%**

**ROE 11.5%**  
(FY17 <sup>1/</sup>: 11.0%)

**Net Interest Income: S\$5.89b; +9%**  
(FY17 : S\$5.42b)

**Non-interest Income: S\$3.81b; -7%**  
(FY17 <sup>1/</sup> : S\$4.10b)

**Operating Expenses: S\$4.21b; +4%**  
(FY17 <sup>1/</sup> : S\$4.04b)

**Allowances: S\$0.29b; -57%**  
(FY17 : S\$0.67b)

**ROA: 1.2%**  
(FY17 <sup>1/</sup> : 1.1%)

## Sustained Growth Across Diversified Franchise

**Customer Loans: S\$258b; +9%**  
(Dec 17 : S\$237b)

**Customer Deposits: S\$295b; +4%**  
(Dec 17 : S\$284b)

## Resilient Asset Quality

**NPL ratio: 1.5%**  
(Dec 17: 1.5%)

## Strong Liquidity, Funding and Capital Position

**CET1 ratio: 14.0%**  
(Dec 17 : 13.1% <sup>2/</sup>)

**Leverage ratio: 7.2%**  
(Dec 17 : 7.3%)

**All-currency LCR: 156%**  
(4Q17 : 159%)

**NSFR: 109%** <sup>3/</sup>

## Delivering consistent and sustainable growth

- Net profit from banking operations grew 22% YoY to S\$3.89b
- Net interest income up 9% YoY from loan growth and 5bps expansion in NIM to 1.70%
- Wealth management business comprised 29% of total Group income
  - Private banking AUM rose 3% YoY to US\$102b, driven by net positive money inflows
  - Great Eastern's embedded value grew 0.4% to S\$13.44b
- Asset quality continued to be sound, NPL ratio stable YoY at 1.5% and total credit costs at 11bps
- Customer loans grew 9% YoY and deposits were up 4%
- Strong funding and liquidity position maintained
- CET1 CAR rose to 14.0% from 13.1% a year ago
- Proposed final dividend per share at 23 cents, bringing FY18 total dividend to 43 cents, up from 37 cents in FY17

<sup>1/</sup> Figures for FY17 were restated in accordance with SFRS(I) and change in accounting policy for Great Eastern Holdings ("GEH").

<sup>2/</sup> Based on Basel III rules which came into full effect from 1 January 2018.

<sup>3/</sup> Net stable funding ratio is computed based on MAS Notice 652 effective 1 January 2018.

# FY18 Group Performance

Full year net profit grew 11% YoY to S\$4.49b

OCBC Group	FY18 S\$m	FY17 S\$m	YoY +/(-)%
Net interest income	5,890	5,423	9
Non-interest income	3,811	4,105	(7)
Total income	9,701	9,528	2
Operating expenses	(4,214)	(4,043)	4
<b>Operating profit</b>	<b>5,487</b>	<b>5,485</b>	<b>-</b>
Amortisation of intangibles	(102)	(104)	(2)
Allowances	(288)	(671)	(57)
Associates	455	389	17
Tax & non-controlling interests ("NCI")	(1,060)	(1,054)	1
<b>Net profit</b>	<b>4,492</b>	<b>4,045</b>	<b>11</b>

# FY18 Banking Operations Performance

Banking Operations' net profit grew 22% YoY to a record S\$3.89b

Banking Operations	FY18 S\$m	FY17 S\$m	YoY +/(-)%
Net interest income	5,811	5,333	9
Non-interest income	2,818	2,715	4
Total income	8,629	8,048	7
Operating expenses	(3,994)	(3,771)	6
<b>Operating profit</b>	<b>4,635</b>	<b>4,278</b>	<b>8</b>
Allowances	(293)	(655)	(55)
Associates	466	402	16
Amortisation, tax & NCI	(920)	(843)	9
<b>Net profit from banking operations</b>	<b>3,888</b>	<b>3,182</b>	<b>22</b>
<b>GEH net profit contribution</b>	<b>604</b>	<b>863</b>	<b>(30)</b>
<b>OCBC Group net profit</b>	<b>4,492</b>	<b>4,045</b>	<b>11</b>



Note: Figures for FY17 were restated in accordance with SFRS(I) and change in accounting policy for GEH.

# 4Q18 Group Performance

Net profit for the fourth quarter at S\$926m

OCBC Group	4Q18 S\$m	4Q17 S\$m	YoY +/-%	3Q18 S\$m	QoQ +/-%
Net interest income	1,520	1,424	7	1,505	1
Non-interest income	830	1,214	(32)	1,039	(20)
Total income	2,350	2,638	(11)	2,544	(8)
Operating expenses	(1,078)	(1,075)	–	(1,069)	1
<b>Operating profit</b>	<b>1,272</b>	<b>1,563</b>	<b>(19)</b>	<b>1,475</b>	<b>(14)</b>
Amortisation of intangibles	(26)	(26)	1	(26)	–
Allowances	(205)	(178)	14	(49)	311
Associates	85	28	197	134	(37)
Tax & NCI	(200)	(353)	(43)	(289)	(31)
<b>Net profit</b>	<b>926</b>	<b>1,034</b>	<b>(11)</b>	<b>1,245</b>	<b>(26)</b>

# 4Q18 Banking Operations Performance

Net profit for Banking Operations rose 22% YoY to S\$817m

Banking Operations	4Q18 S\$m	4Q17 S\$m	YoY +/(-)%	3Q18 S\$m	QoQ +/(-)%
Net interest income	1,499	1,403	7	1,485	1
Non-interest income	639	648	(1)	744	(14)
Total income	2,138	2,051	4	2,229	(4)
Operating expenses	(1,016)	(985)	3	(1,003)	1
<b>Operating profit</b>	<b>1,122</b>	<b>1,067</b>	<b>5</b>	<b>1,226</b>	<b>(8)</b>
Allowances	(205)	(176)	16	(52)	295
Associates	86	31	173	138	(38)
Amortisation, tax & NCI	(186)	(251)	(26)	(243)	(23)
<b>Net profit from banking operations</b>	<b>817</b>	<b>671</b>	<b>22</b>	<b>1,069</b>	<b>(24)</b>
<b>GEH net profit contribution</b>	<b>109</b>	<b>363</b>	<b>(70)</b>	<b>176</b>	<b>(38)</b>
<b>OCBC Group net profit</b>	<b>926</b>	<b>1,034</b>	<b>(11)</b>	<b>1,245</b>	<b>(26)</b>

# Agenda

Results Overview

**FY18 & 4Q18 Group Performance Trends**

**Appendix: Performance of Major Subsidiaries**

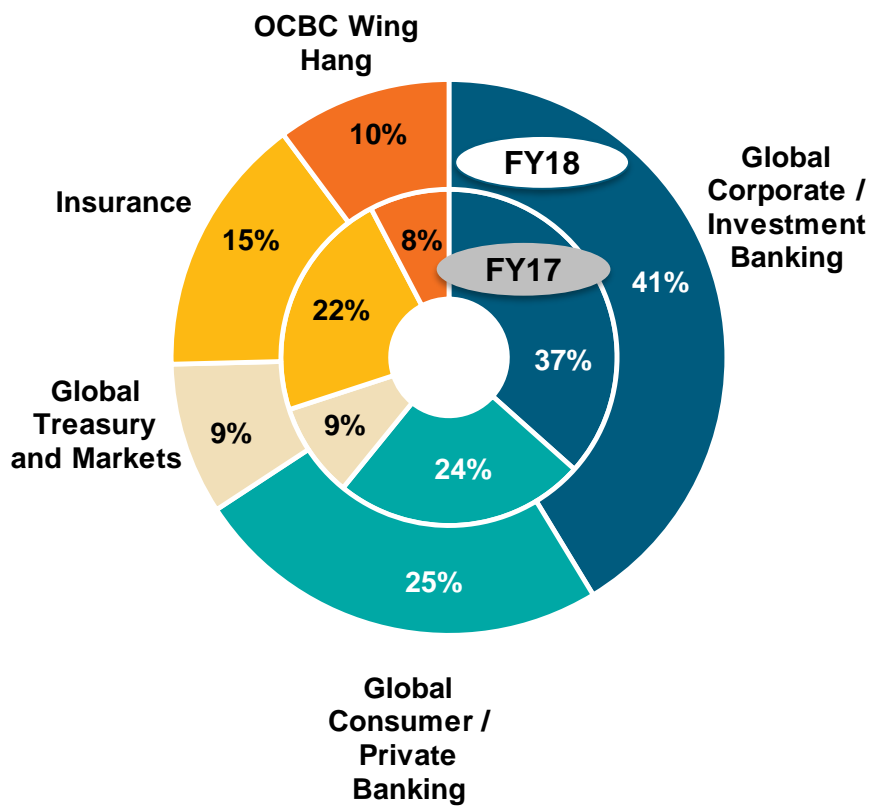
- Great Eastern Holdings
- OCBC Wing Hang
- OCBC Malaysia
- Bank OCBC NISP



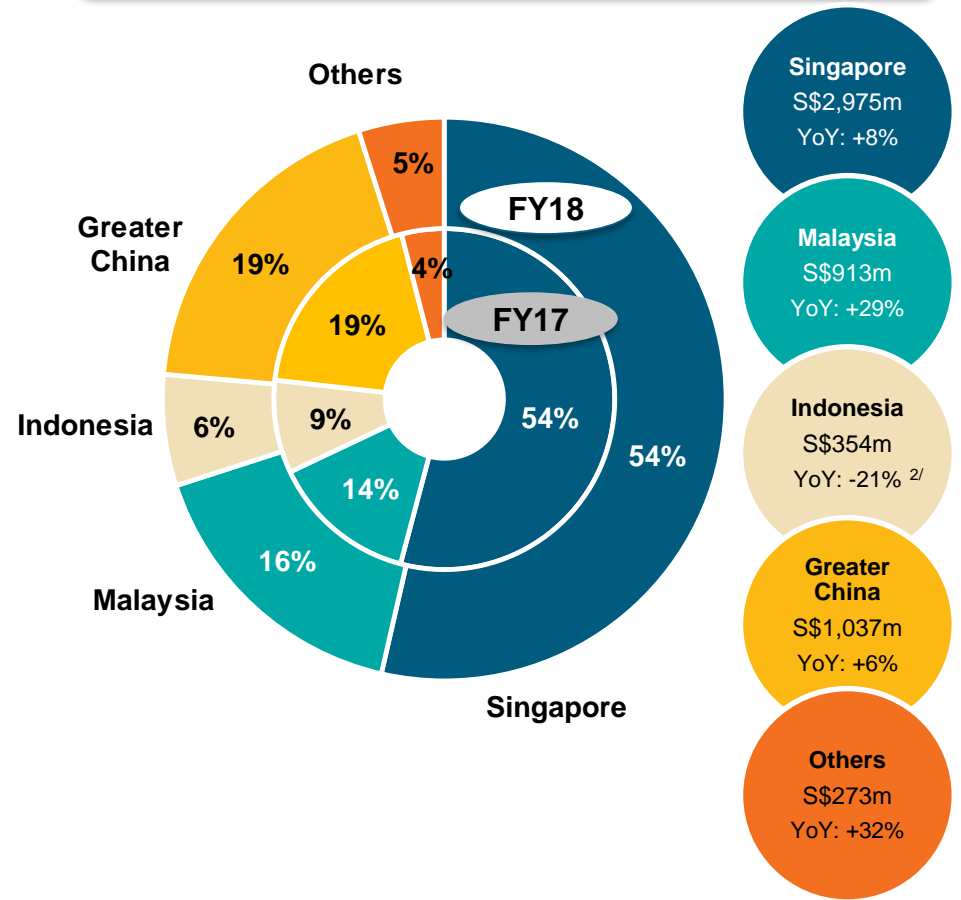
# Performance by business and geography

Earnings well-diversified across key business segments and geographies

**FY18 Operating Profit by Business<sup>1/</sup>**



**FY18 Profit before Tax by Geography**



Note: Figures for FY17 were restated in accordance with SFRS(I) and change in accounting policy for GEH.

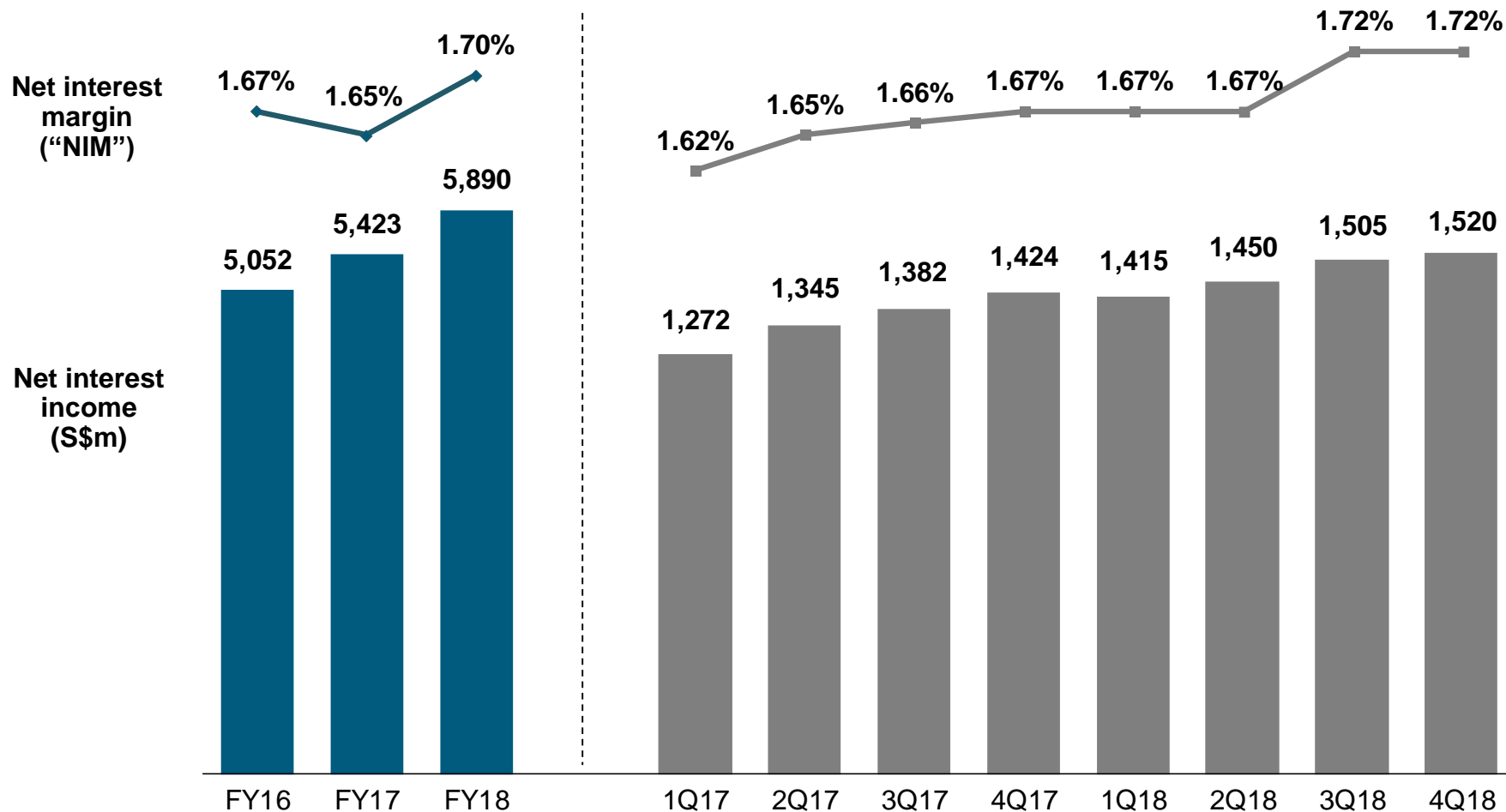
1/ Operating profit before allowances and amortisation. Excludes the Others segment, which comprises mainly property holding, investment holding and items not attributable to the business segments.

2/ Pre-tax profit for Indonesia was 21% lower than a year ago mainly due to the write-back of portfolio allowances in FY17. PBT before portfolio allowances fell 9% YoY.

# Net interest income

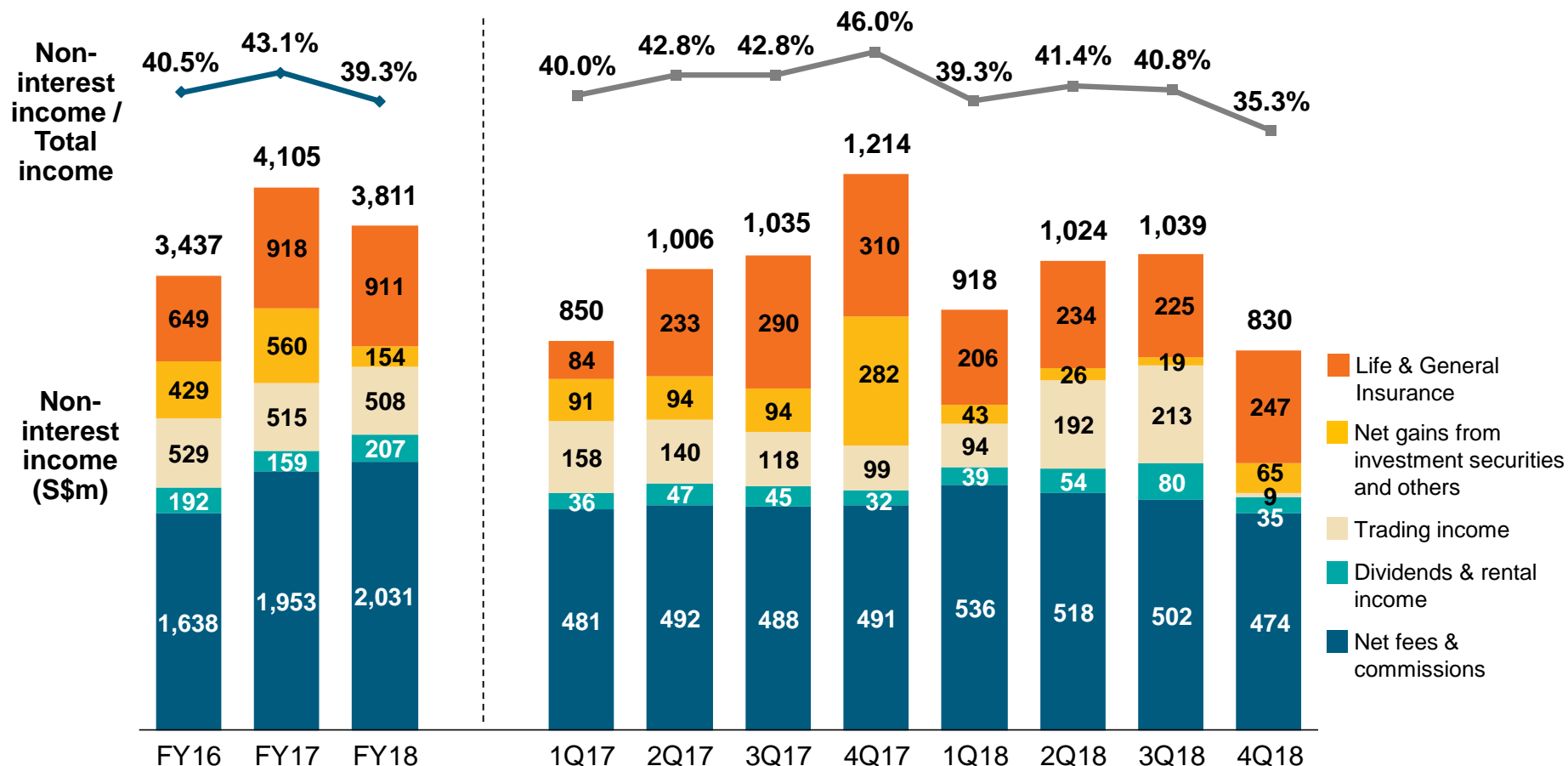
FY18 net interest income rose 9% YoY, driven by loan growth and higher NIM.

NIM up 5bps to 1.70% on the back of higher NIMs in Singapore, Malaysia and Greater China



# Non-interest income

FY18 non-interest income 7% lower YoY, driven by a \$406m decline in net gains from investment securities and other income, as the prior year included substantial gains from GEH's divestment of investments



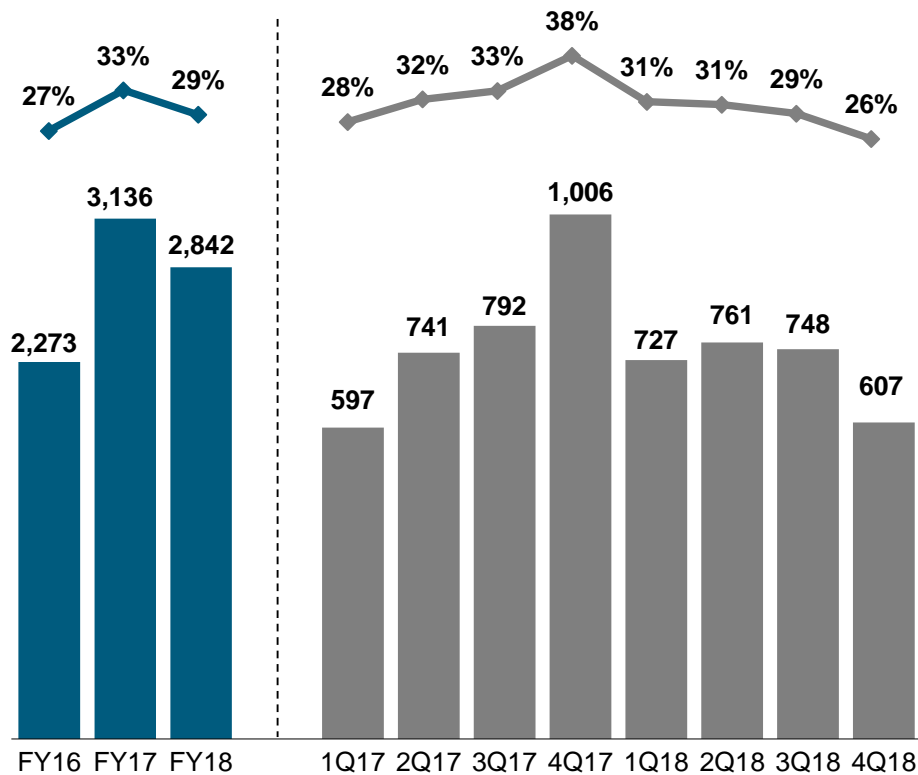
Note: Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.

# Wealth Management (“WM”)

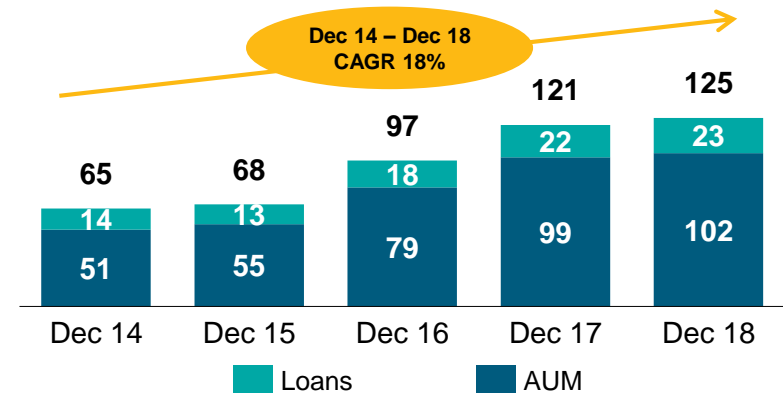
FY18 WM income down YoY, mainly from lower insurance contributions; Excluding insurance, WM income grew 7%; BOS’ AUM rose YoY to US\$102b

## Wealth Management Income<sup>1/ 2/</sup> (S\$m)

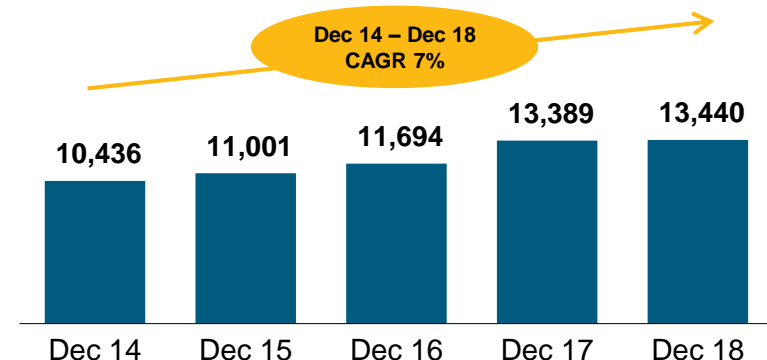
As % of Group income



## Bank of Singapore’s Earning Asset Base (US\$b)



## Great Eastern’s Embedded Value<sup>3/</sup> (S\$m)



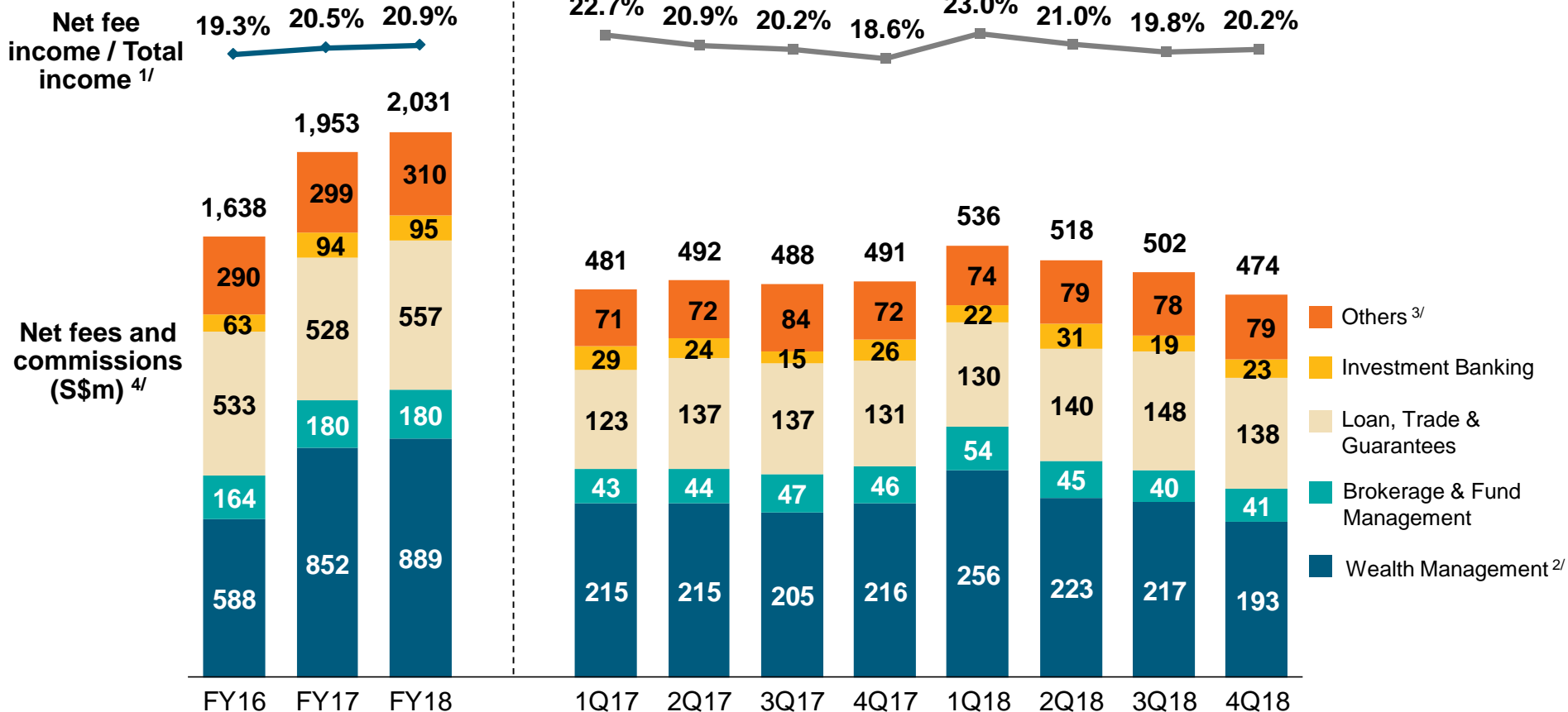
1/ Wealth management income comprises the consolidated income from insurance, asset management, stockbroking and private banking subsidiaries, plus the Group’s income from the sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

2/ Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.

3/ An actuarial embedded value is a commonly used technique to estimate the economic value of the existing business of a life insurance company.

# Net Fees & Commissions

FY18 net fee income grew 4% YoY to S\$2.03b, driven by an increase in wealth management, loan and trade-related fees. 4Q18 net fee income fell QoQ primarily due to lower wealth management fees as a result of subdued investment sentiments



1/ Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.

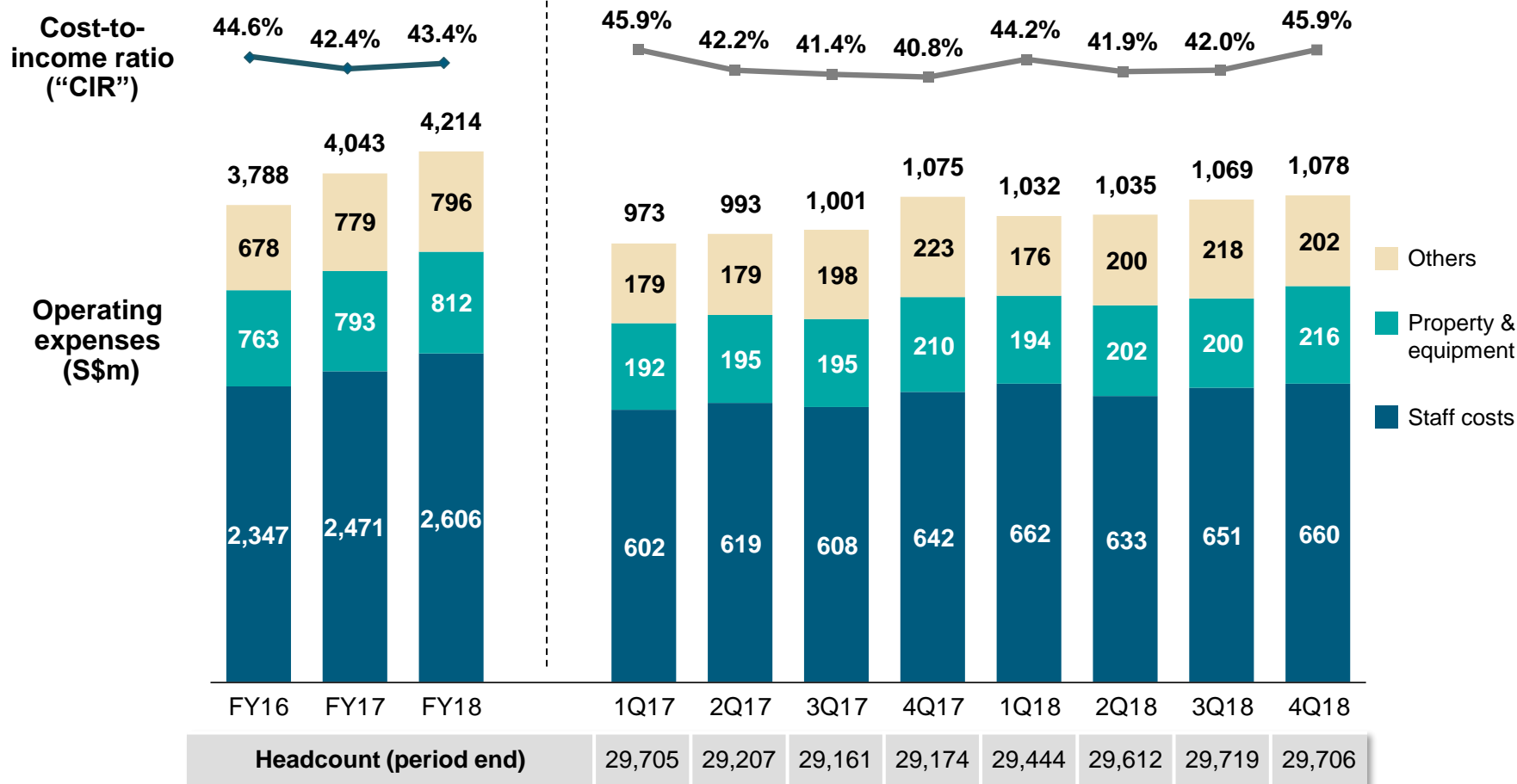
2/ Mainly comprising income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

4/ Net of fee and commission expenses

# Operating expenses

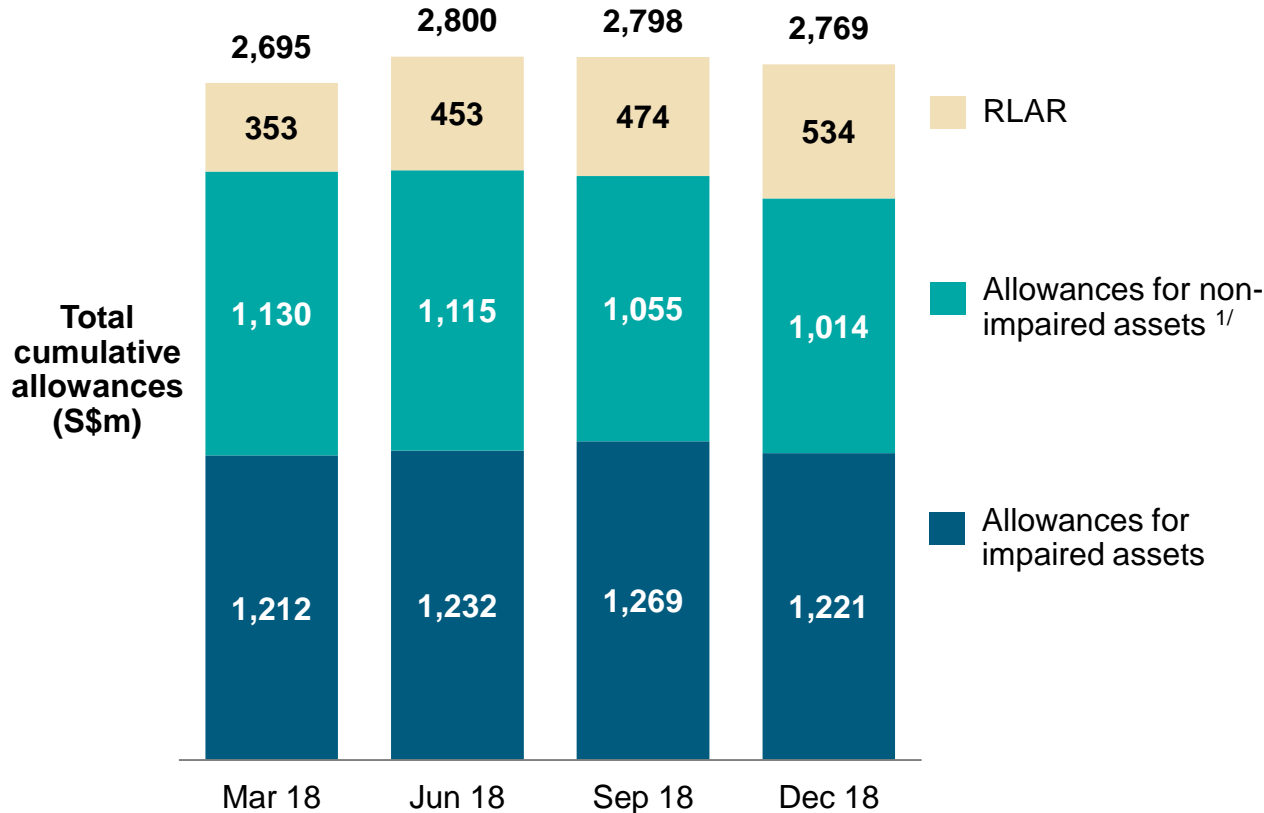
FY18 expenses rose 4% YoY to S\$4.21b. While 4Q18 expenses were tightly controlled and only up 1% QoQ and flat YoY, CIR was higher mainly from a fall in trading income led by unrealised MTM losses from GEH's investment portfolio



Note: Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.

# Total cumulative allowances

Total allowances set aside complied with requirements set out in SFRS(I) 9 and the revised MAS 612



With effect from 1 January 2018, SFRS(I) 9 requires the Group to calculate credit loss allowances using a forward-looking expected credit loss (“ECL”) model. The difference between the Stage 1 and 2 ECL<sup>1/</sup> and MAS 612 Minimum Regulatory Loss Allowance (“MRLA”) <sup>2/</sup> is reported as Regulatory Loss Allowance Reserve (“RLAR”).



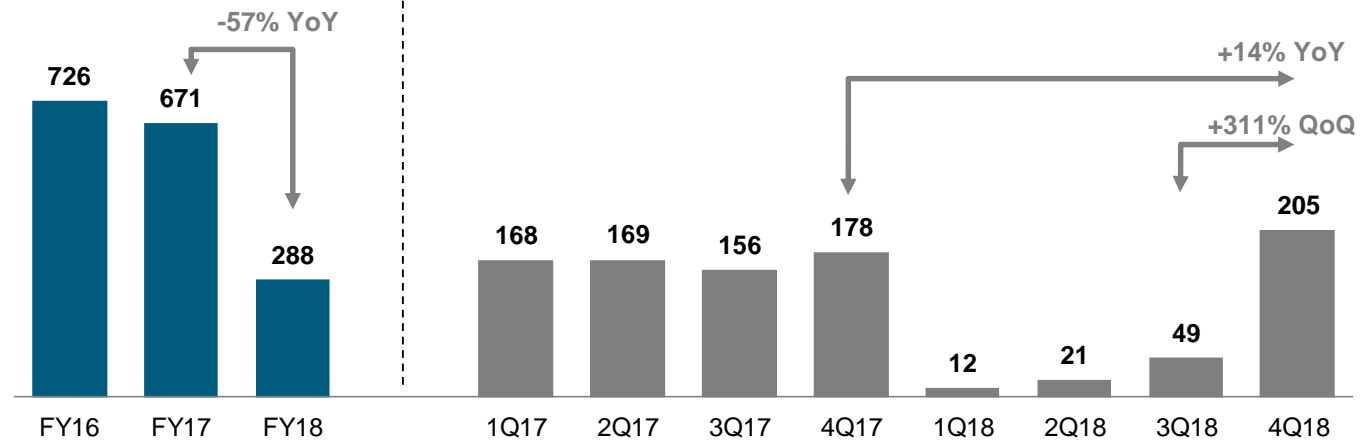
1/ Credit loss allowances for assets classified under stages 1 and 2 relate to non-impaired assets.

2/ Minimum regulatory loss allowance of 1% on non-credit impaired non-bank exposures net of eligible collaterals.

# Allowances

FY18 allowances amounted to S\$288m; Total credit costs at 11bps

Allowances for loans and other assets (S\$m)



## Allowances for loans and other assets (S\$m)

Allowances for impaired loans <sup>1/</sup>	484	1,407	397
- Allowances for new & existing NPLs	666	1,632	618
- Write-backs <sup>3/</sup>	(126)	(161)	(155)
- Recoveries <sup>4/</sup>	(56)	(64)	(66)
Allowances for impaired other assets	70	50	5
Allowances for non-impaired loans <sup>2/</sup>	172	(786)	(90)
Allowances for non-impaired other assets	-	-	(24)
Allowances for loans and other assets	726	671	288

108	105	138	1,055	13	33	101	250
149	173	192	1,117	60	99	157	302
(31)	(53)	(32)	(45)	(33)	(45)	(40)	(37)
(10)	(15)	(22)	(17)	(14)	(21)	(16)	(15)
21	5	15	10	(2)	9	(2)	(0)
39	59	3	(887)	16	(14)	(45)	(47)
-	-	-	-	(15)	(7)	(5)	2
168	169	156	178	12	21	49	205

## As a % of avg. loans (bps) <sup>5/</sup>

Allowances for impaired loans	23	62	14
Total loan allowances <sup>6/</sup>	31	27	11

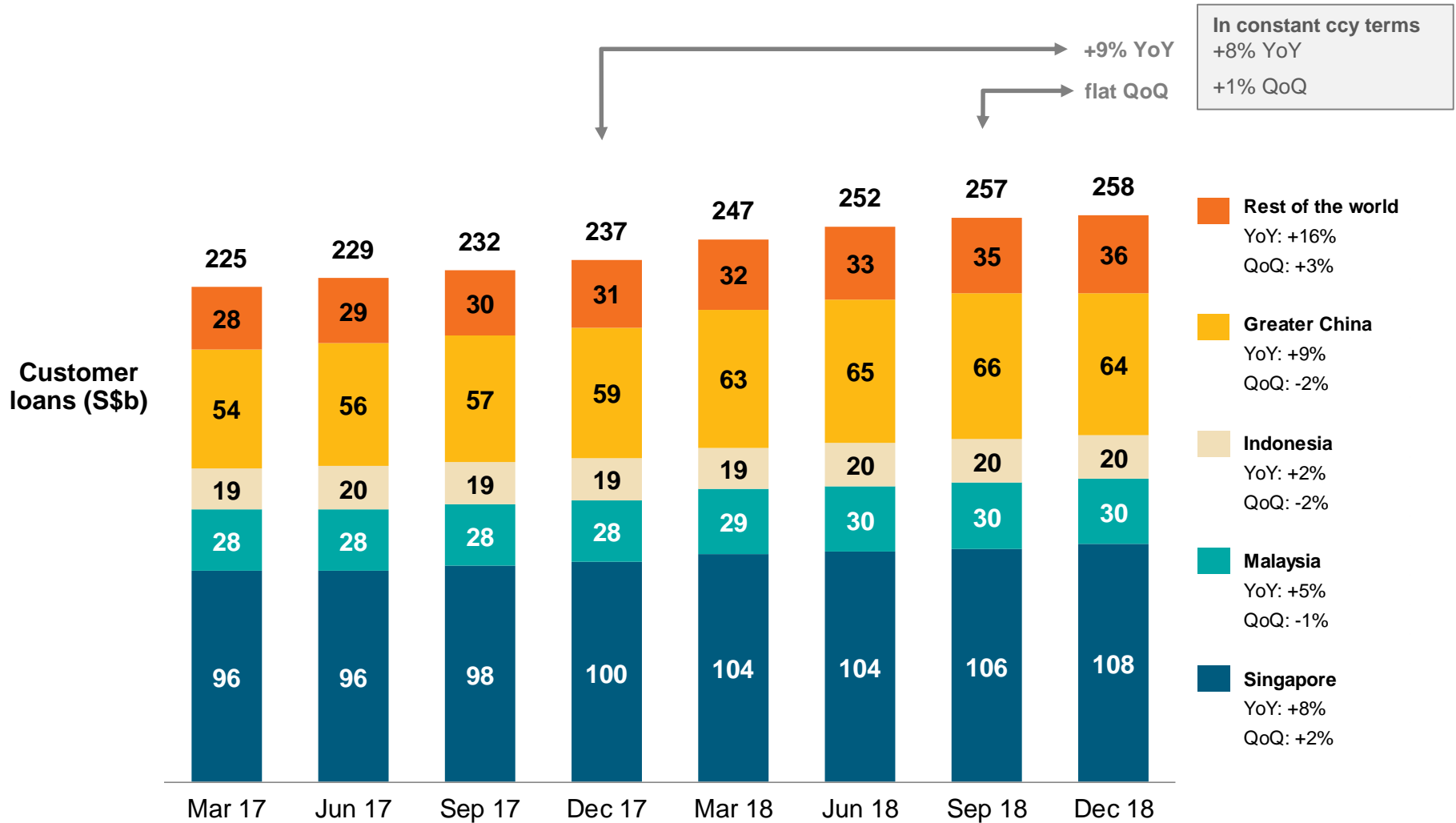
20	19	24	178	2	5	14	34
27	29	24	28	4	3	8	27

1/ Referred to as specific allowances for periods prior to 1Q18.  
 2/ Referred to as portfolio allowances for periods prior to 1Q18.  
 3/ Write-backs of allowances for existing NPLs due to settlements and repayments.  
 4/ Recoveries of loans that had been written off.  
 5/ Figures are computed on an annualised basis.  
 6/ Total loan allowances include allowances for impaired and non-impaired loans.



# Customer loans

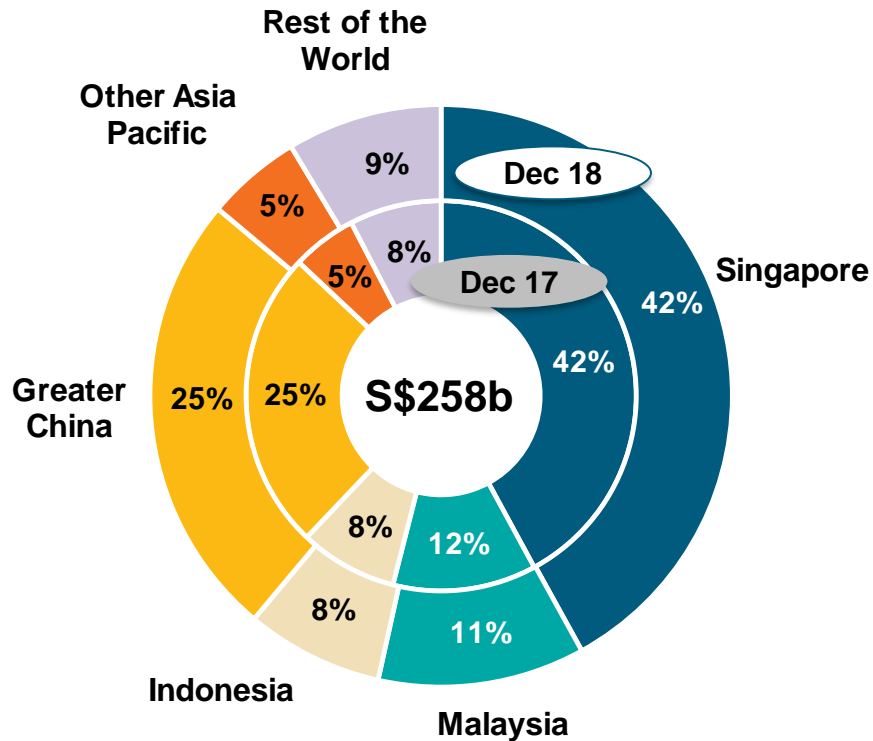
Loans rose 9% YoY to S\$258b across all key markets



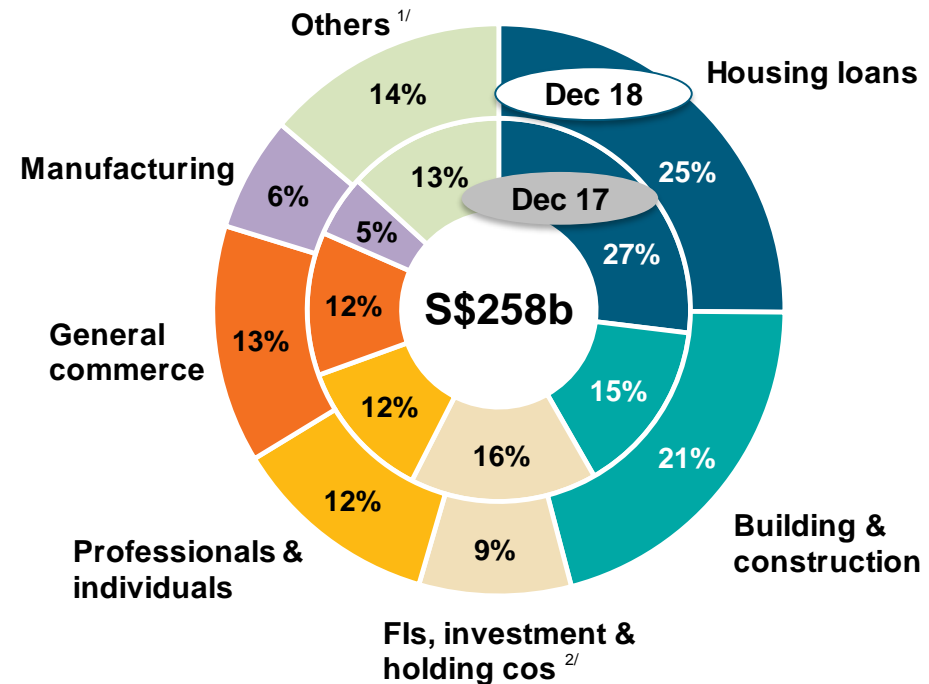
# Customer loans

Loan portfolio remained well-diversified

## Customer Loans by Geography



## Customer Loans by Industry



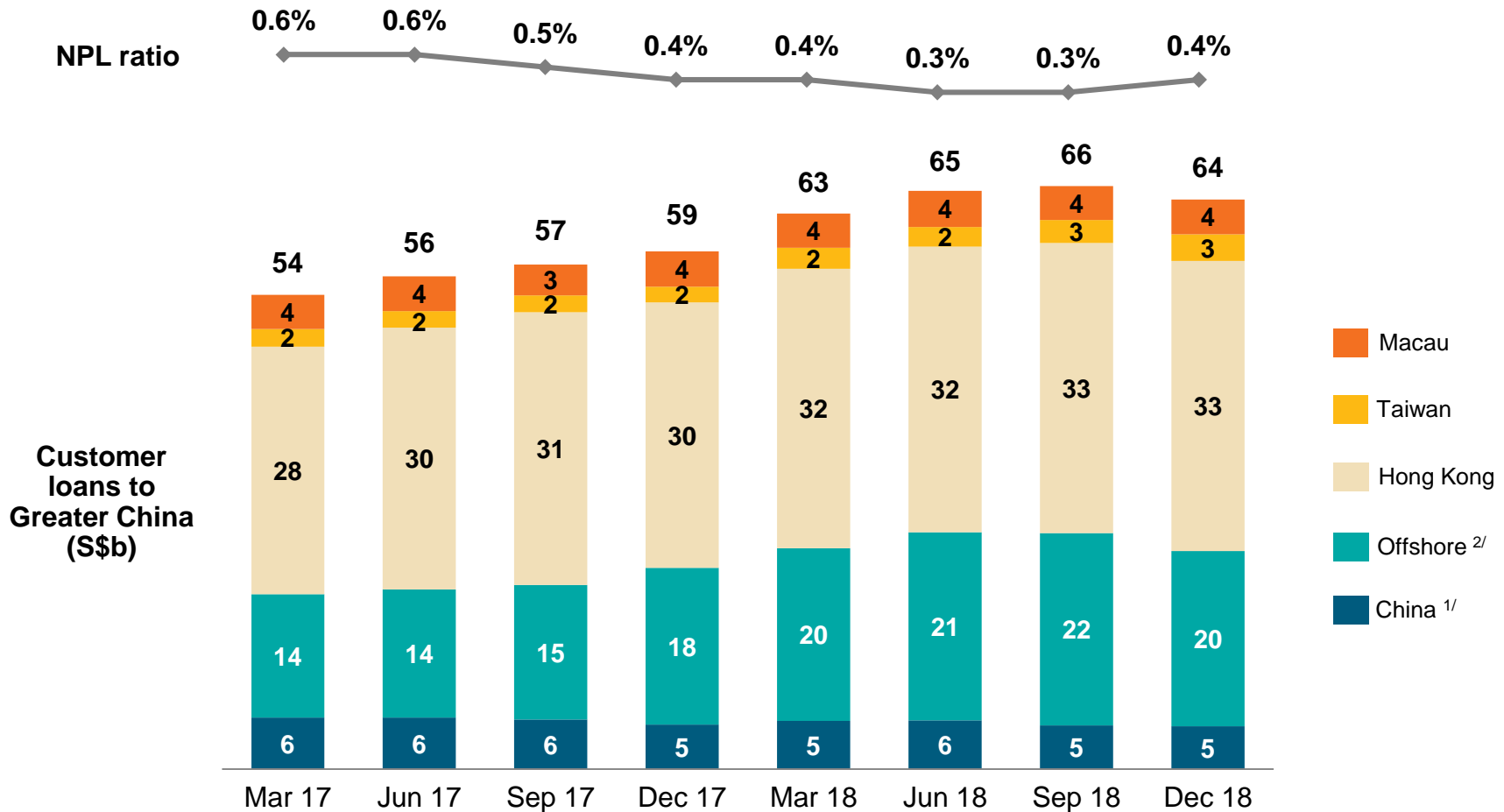
Note: Customer loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

1/ Comprising the "Transport, storage & communication", "Agriculture, mining & quarrying" and "Others" industry groupings.

2/ Mainly comprises investment holding, finance, insurance and securities companies. From Sep 18, exposure to investment and other holding companies were recategorised to the underlying industries.

# Greater China Customer Loans

Loans grew 9% YoY to S\$64b; NPL ratio at 0.4%



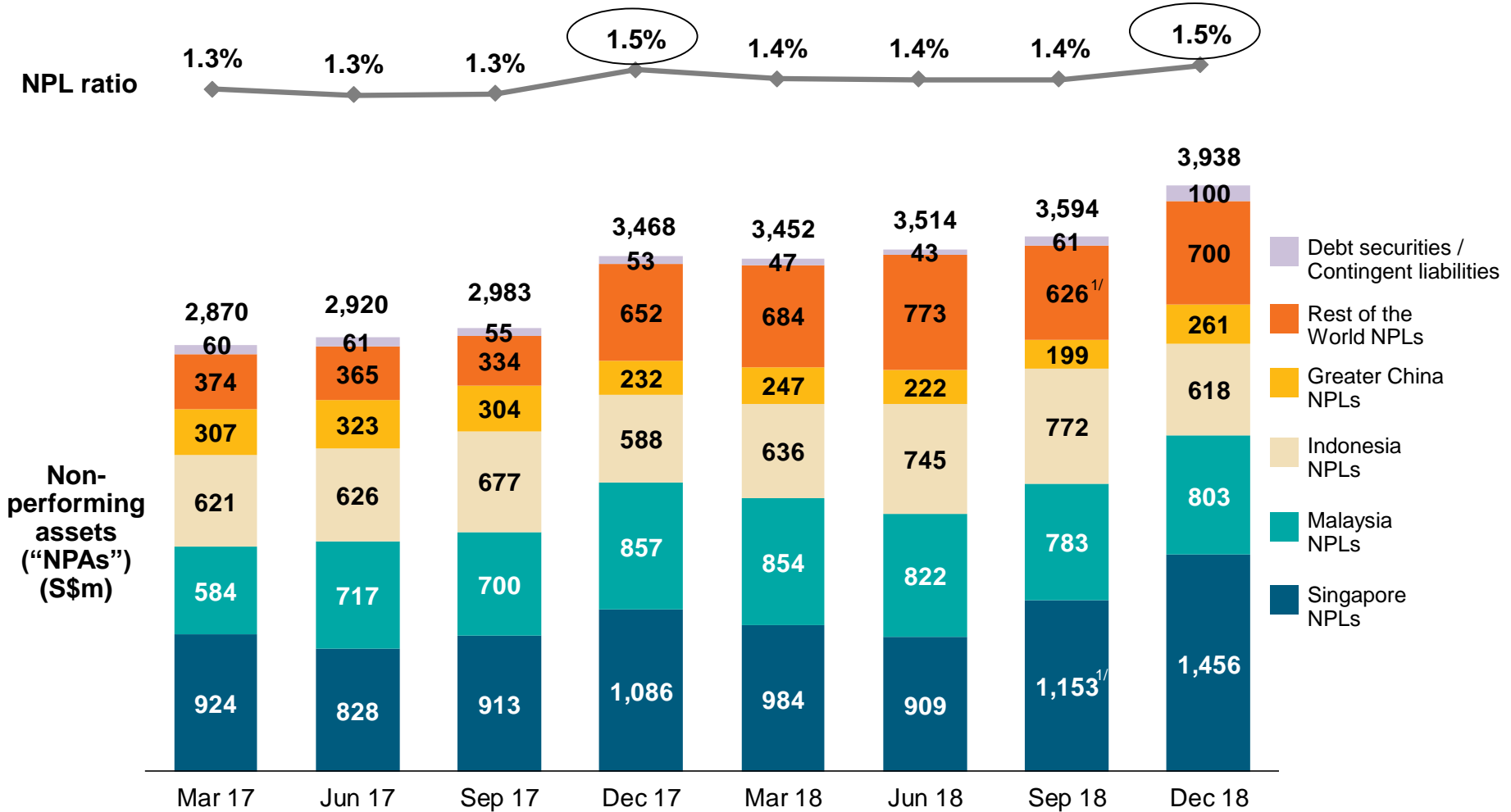
Note: Customer loans to Greater China is based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

1/ Relates to loans that are booked in China, where credit risks reside.

2/ Relates to loans that are booked outside of China, but with credit risks traced to China.

# Asset quality

Portfolio quality sound, with NPL ratio stable YoY at 1.5%



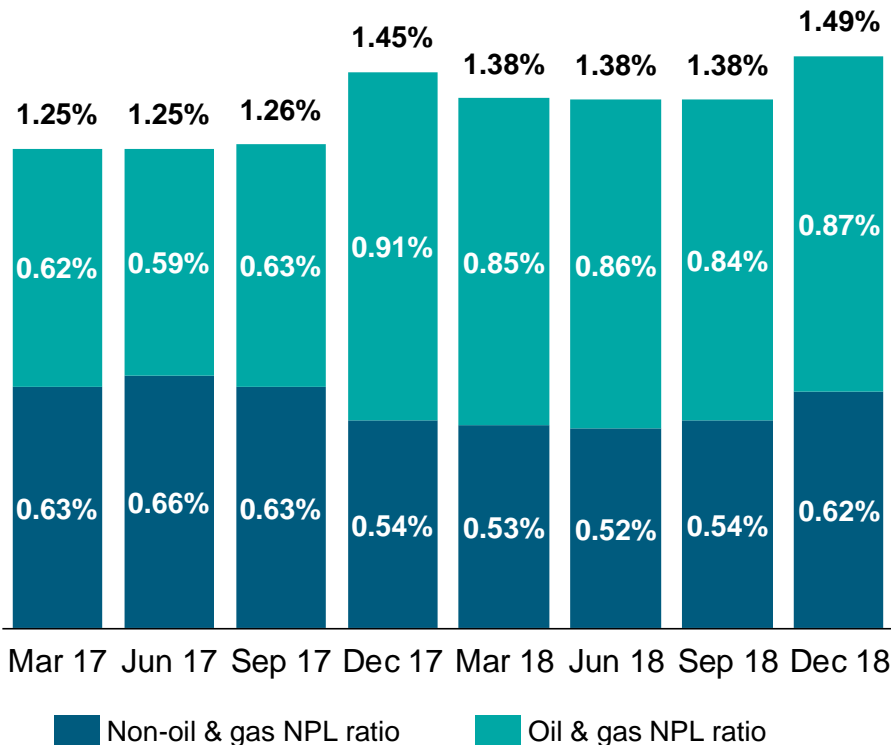
Note: NPAs comprise NPLs and classified debt securities/contingent liabilities. NPAs by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the exposures.

<sup>1/</sup> In Sep 18, there was a rebooking of NPLs from "Rest of the World" to "Singapore".

# NPL Ratio & Non-Performing Assets

NPL ratio relatively unchanged YoY

## NPL ratio

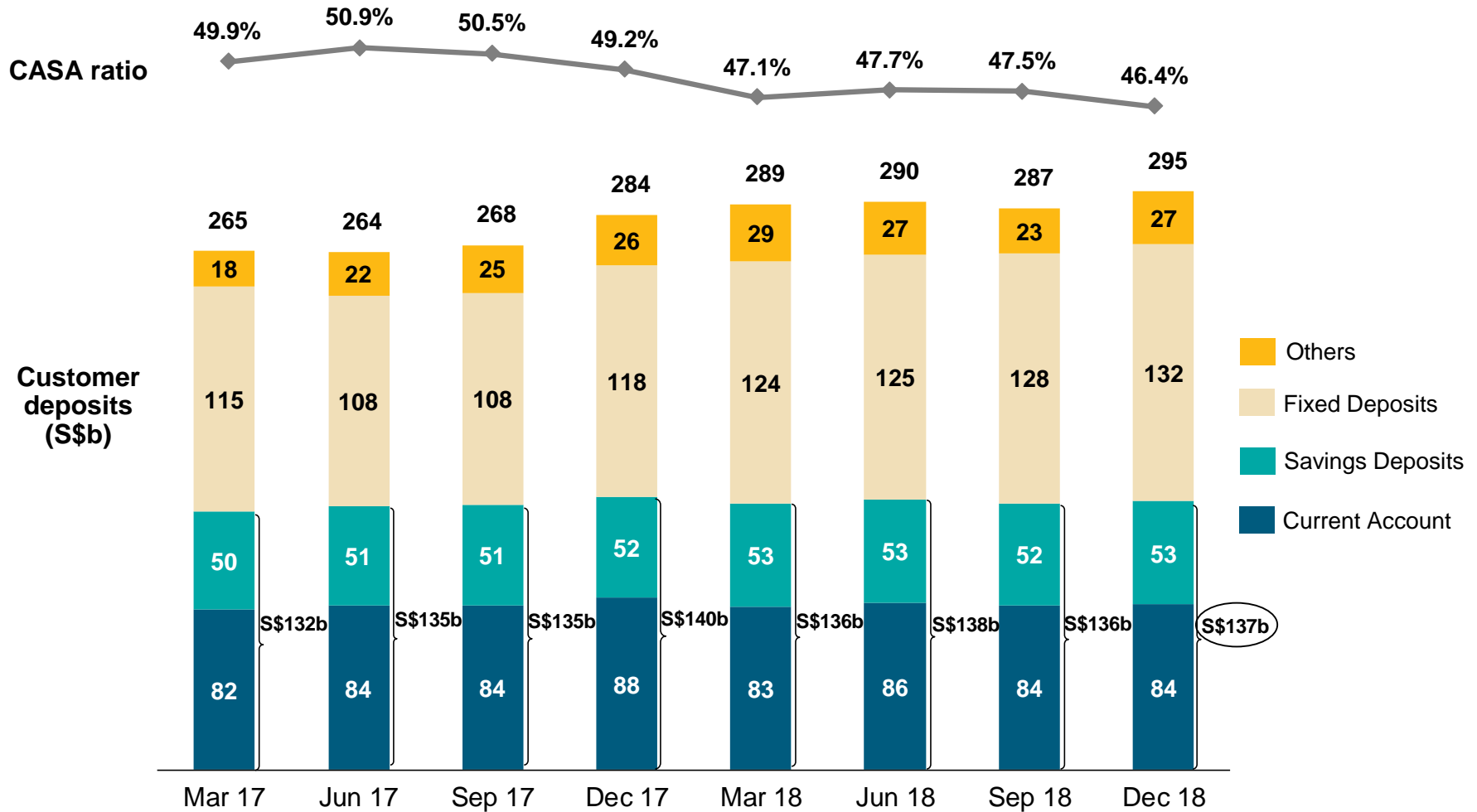


## NPAs

	FY18 S\$m	FY17 S\$m	4Q18 S\$m	4Q17 S\$m	3Q18 S\$m
Opening balance	3,468	2,886	3,594	2,983	3,514
New NPAs	1,721	2,438	881	1,355	338
Net recoveries/ upgrades	(745)	(1,054)	(221)	(334)	(178)
Write-offs	(506)	(802)	(316)	(536)	(80)
<b>Closing balance</b>	<b>3,938</b>	<b>3,468</b>	<b>3,938</b>	<b>3,468</b>	<b>3,594</b>

# Customer deposits

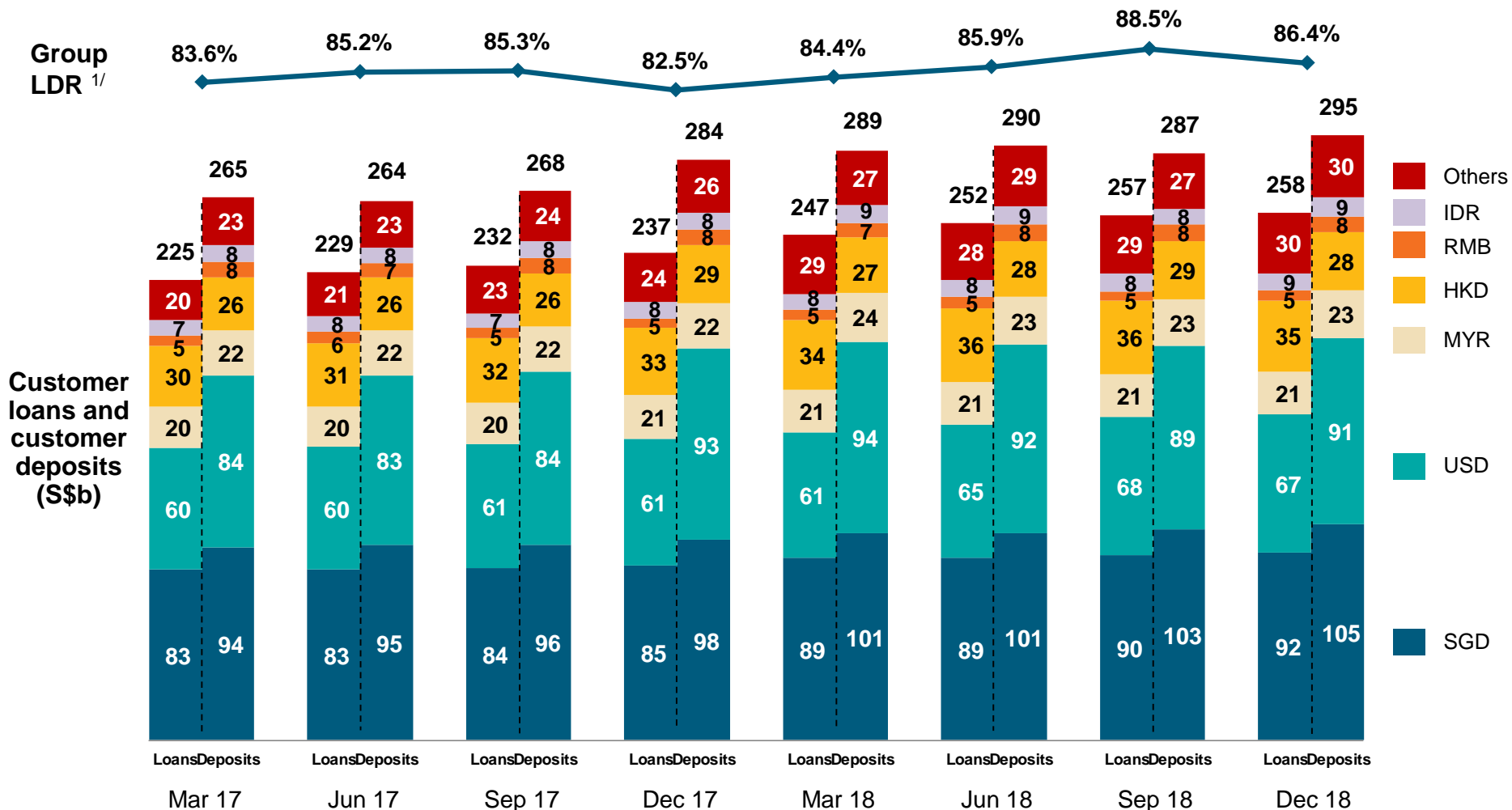
Customer deposits increased 4% YoY; CASA ratio at 46.4%



Note: CASA ratio refers to the ratio of current account and savings deposits to total customer deposits.

# Loans-to-Deposits Ratio

Group LDR declined QoQ to 86.4%



LDRs <sup>1/</sup>

	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18
<b>SGD</b>	88.2%	87.4%	87.7%	87.5%	88.2%	88.2%	87.5%	<b>87.0%</b>
<b>USD</b>	71.0%	72.0%	72.0%	65.8%	65.6%	70.6%	76.0%	<b>73.9%</b>
<b>RMB</b>	65.8%	73.2%	69.0%	61.3%	74.2%	63.9%	58.5%	<b>58.7%</b>

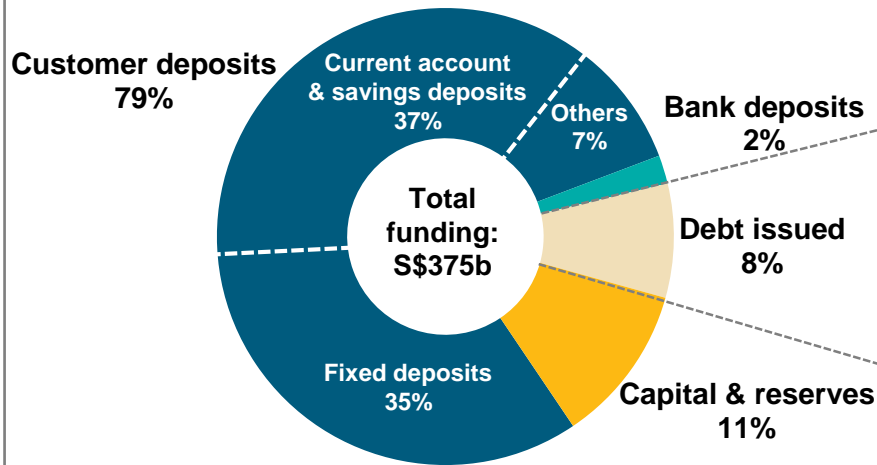
<sup>1/</sup> Group loans-to-deposits ratio ("LDR") based on net customer loans / customer deposits; LDRs by currency based on gross customer loans / customer deposits.

# Funding & Liquidity

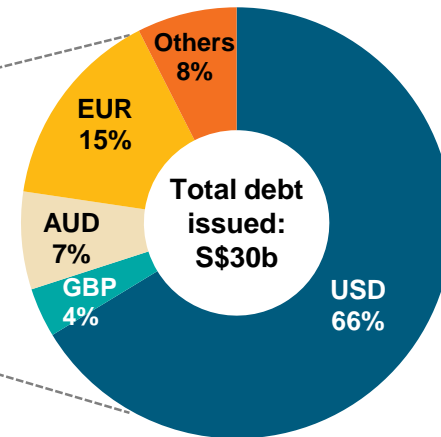
Customer deposits accounted for 79% of total funding;

All-currency LCR and NSFR comfortably above regulatory guidelines

### Funding Composition as of 31 Dec 2018



### Wholesale Funding by Currency as of 31 Dec 2018



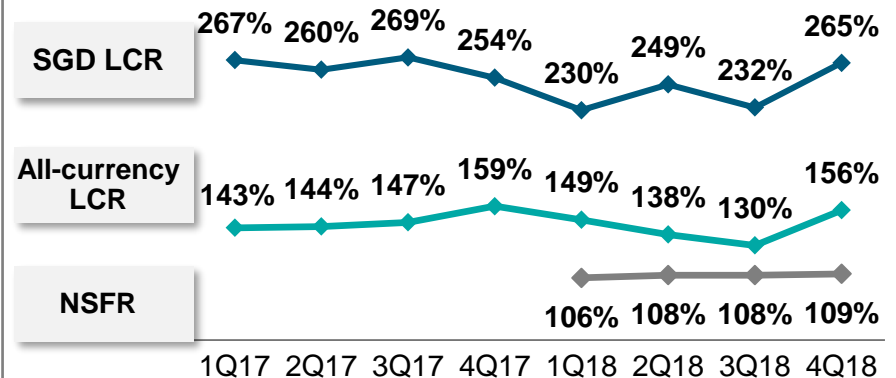
**By Maturity:**

≤ 1 year	68%
> 1 year	32%

### CASA by Major Currencies

S\$b	Dec 18	Dec 17	Sep 18
SGD	69	69	69
USD	35	38	35
MYR	7	6	7
HKD	11	11	11
IDR	3	3	3

### Average Liquidity Coverage Ratio & Net Stable Funding Ratio



Note: NSFR computed based on MAS Notice 652 effective 1 January 2018. Singapore dollar and all-currency LCRs and NSFR were higher as compared to the regulatory requirements effective at each reporting date.



# Capital

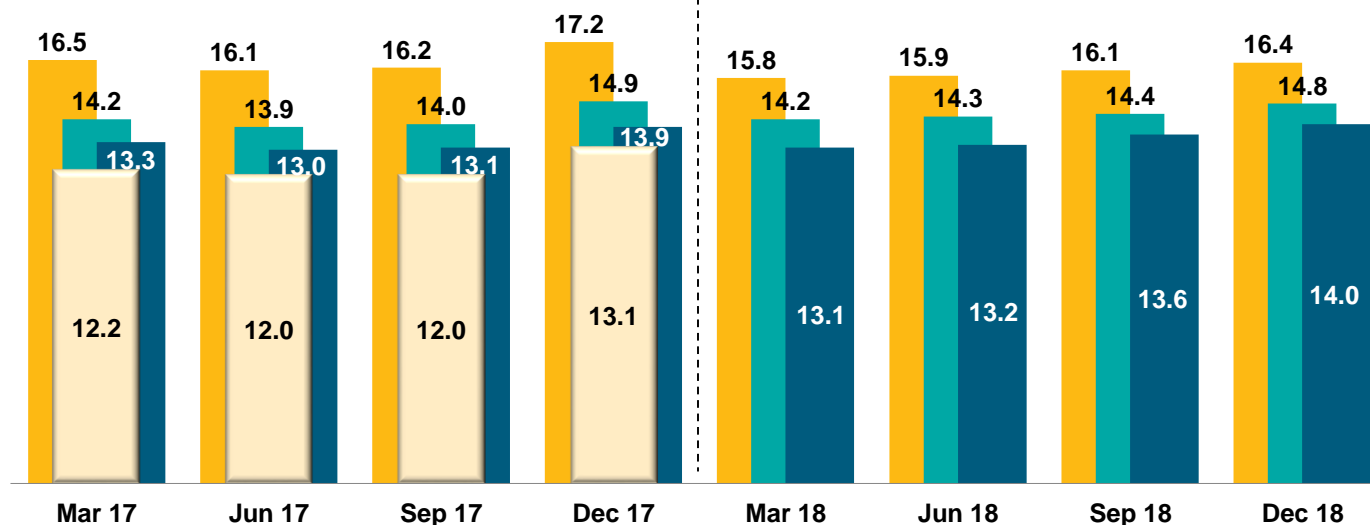
CET1 CAR improved QoQ and YoY to 14.0%

Capital adequacy ratios  
("CAR") (%)

Basel III transitional arrangements <sup>1/</sup>

Basel III <sup>1/</sup>

- Total CAR
- Tier 1 CAR
- Common Equity Tier 1 ("CET1") CAR
- Proforma CET1 CAR <sup>2/</sup>



CET1 capital (\$m)	27,688	27,800	27,807	26,907	26,206	26,641	27,377	28,068
Tier 1 capital (\$m)	29,558	29,684	29,694	28,960	28,277	28,714	28,948	29,640
Total capital (\$m)	34,295	34,384	34,250	33,225	31,440	32,075	32,300	32,986
RWA (\$m)	207,224	212,527	211,372	193,082	198,817	200,786	200,322	200,248
Leverage ratio (%)	7.7	7.8	7.6	7.3	7.0	7.0	7.1	7.2

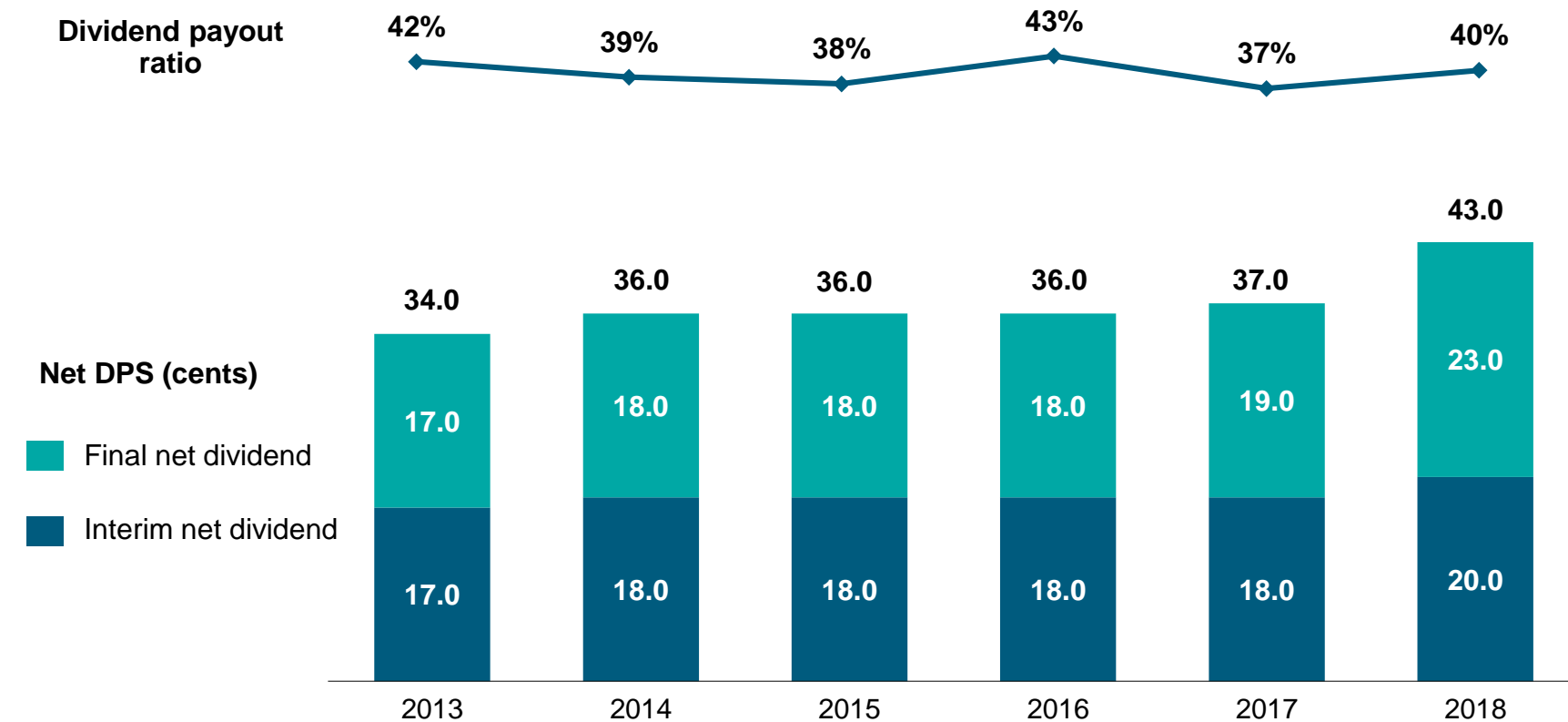


<sup>1/</sup> With full effect from 1 January 2018, capital ratios are computed based on Basel III rules. Capital ratios before 1 January 2018 were computed based on Basel III transitional arrangements.

<sup>2/</sup> Proforma CET1 CAR were computed based on Basel III rules effective from 1 January 2018.

# Dividends

Proposed final dividend increased to 23 cents per share



<b>Net Dividends (S\$m)</b>	1,168	1,347	1,470	1,507	1,550	<b>1,816</b>
<b>Core Net Profit (S\$m) <sup>1/</sup></b>	2,768	3,451	3,903	3,473	4,146	<b>4,492</b>



<sup>1/</sup> SFRS(I) and change in accounting policy for GEH were applied w.e.f. 1 January 2018. Figures prior to 2018 were not restated.

# Agenda

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FY18 & 4Q18 Group Performance Trends

## **Appendix: Performance of Major Subsidiaries**

- **Great Eastern Holdings**
- **OCBC Wing Hang**
- **OCBC Malaysia**
- **Bank OCBC NISP**

# Subsidiaries' Performance

Major subsidiaries contributed 34% to the Group's profit

	Key Metrics		YoY	
	FY18	FY17		
Great Eastern Holdings	Net profit <sup>1/</sup>	S\$741m	S\$1,037m	-29%
	TWNS	S\$1,235m	S\$1,313m	-6%
	NBEV	S\$528m	S\$543m	-3%
	NBEV margin	42.7%	41.4%	+1.3ppt
OCBC Wing Hang	Net profit	HKD2,762m	HKD2,408m	+15%
	Loans	HKD193b	HKD179b	+8%
	Deposits	HKD222b	HKD222b	flat
OCBC Malaysia	Net profit	RM814m	RM949m	-14%
	Loans	RM69b	RM68b	+2%
	Deposits	RM76b	RM74b	+3%
Bank OCBC NISP	Net profit	IDR2,638b	IDR2,176b	+21%
	Loans	IDR118t	IDR106t	+11%
	Deposits	IDR126t	IDR113t	+11%

1/ Figures for FY17 were restated in accordance with SFRS(I) and change in accounting policy for GEH.

Note: - "ppt" denotes percentage points.

- OCBC Malaysia's financials in this presentation comprise the results of OCBC Bank (Malaysia) Berhad and its subsidiary companies.

# FY18 Great Eastern Holdings' performance

Net profit contribution at S\$604m

GEH	FY18 S\$m	FY17 S\$m	YoY +/(-)%
Profit from insurance business	761	797	(5)
- Operating profit <sup>1/</sup>	625	600	4
- Non-operating profit <sup>2/</sup>	49	113	(57)
- Others	87	84	4
Profit from Shareholders' Fund	91	412	(78)
<b>Profit from operations</b>	<b>852</b>	<b>1,209</b>	<b>(30)</b>
Write-back / (Allowances)	5	(17)	(130)
Tax & NCI	(116)	(156)	(25)
<b>Net profit</b>	<b>741</b>	<b>1,037</b>	<b>(29)</b>
Group adjustments <sup>3/</sup>	(137)	(174)	(22)
<b>Net profit contribution to Group</b>	<b>604</b>	<b>863</b>	<b>(30)</b>

Note: Figures for FY17 were restated in accordance with SFRS(I) and change in accounting policy for GEH. For comparison in constant currency terms, operating profit in foreign currencies for 2018 were translated using the corresponding monthly spot rate in 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.



- 1/ Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).
- 2/ Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items.
- 3/ Primarily from adjustments made to amortisation for intangibles and non-controlling interests.

# 4Q18 Great Eastern Holdings' performance

Net profit contribution lower YoY and QoQ at S\$109m

GEH	4Q18 S\$m	4Q17 S\$m	YoY +/(-)%	3Q18 S\$m	QoQ +/(-)%
Profit from insurance business	<b>204</b>	278	(26)	183	12
- Operating profit <sup>1/</sup>	<b>172</b>	163	5	141	21
- Non-operating profit <sup>2/</sup>	<b>11</b>	84	(86)	24	(51)
- Others	<b>21</b>	31	(30)	18	16
Profit from Shareholders' Fund	<b>(55)</b>	219	(125)	66	(184)
<b>Profit from operations</b>	<b>149</b>	<b>497</b>	<b>(70)</b>	<b>249</b>	<b>(40)</b>
Write-back / (Allowances)	<b>0</b>	(3)	(117)	2	(79)
Tax & NCI	<b>(12)</b>	(67)	(81)	(38)	(66)
<b>Net profit</b>	<b>137</b>	<b>427</b>	<b>(68)</b>	<b>213</b>	<b>(36)</b>
Group adjustments <sup>3/</sup>	<b>(28)</b>	(64)	(56)	(37)	(25)
<b>Net profit contribution to Group</b>	<b>109</b>	<b>363</b>	<b>(70)</b>	<b>176</b>	<b>(38)</b>

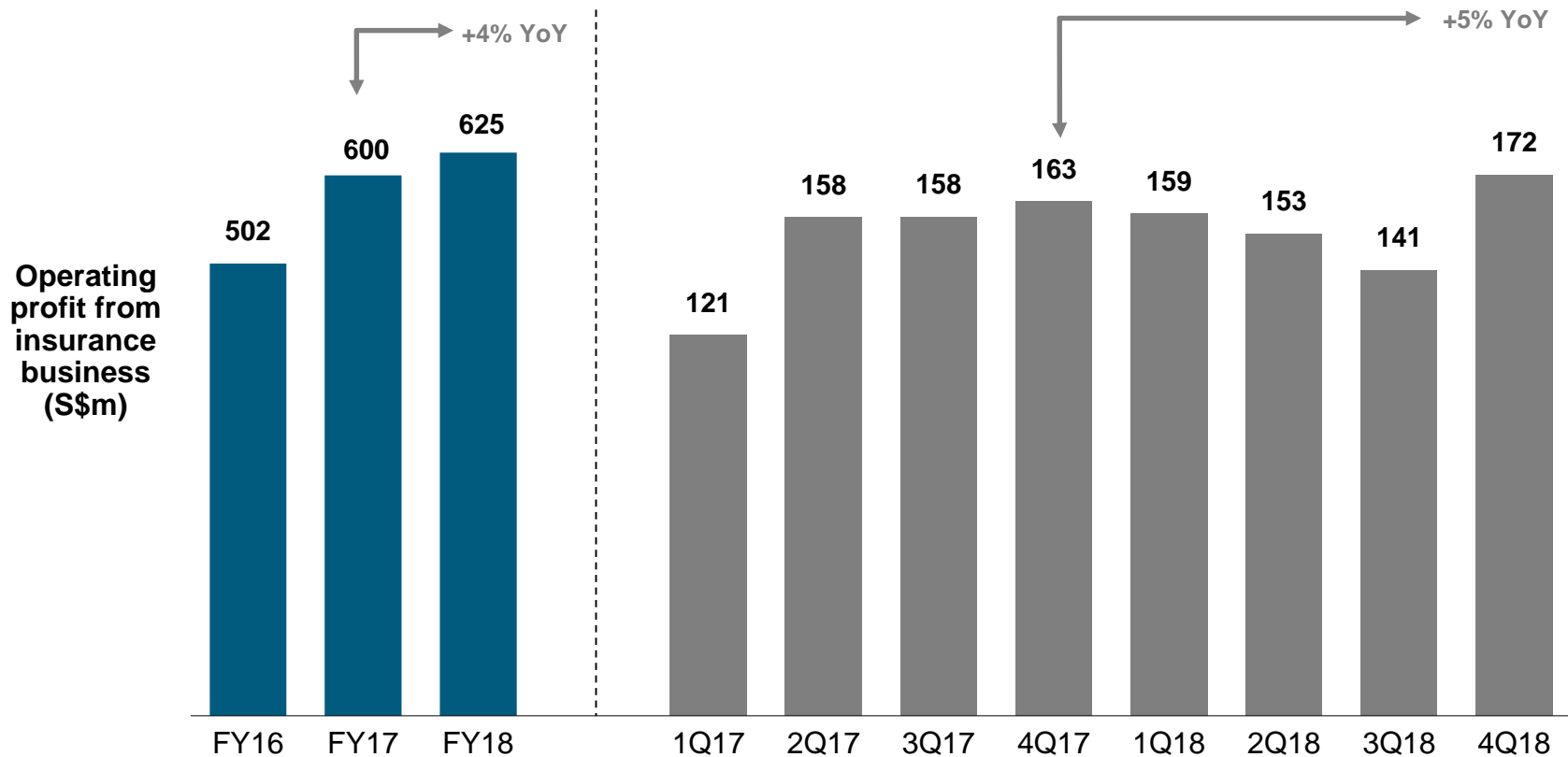
Note: Figures for 4Q17 were restated in accordance with SFRS(I) and change in accounting policy for GEH. For comparison in constant currency terms, operating profit in foreign currencies for 2018 were translated using the corresponding monthly spot rate in 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.



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- 3/ Primarily from adjustments made to amortisation for intangibles and non-controlling interests.

# GEH: Operating Profit

FY18 operating profit from insurance business rose 4% YoY, largely driven by insurance business growth in Malaysia



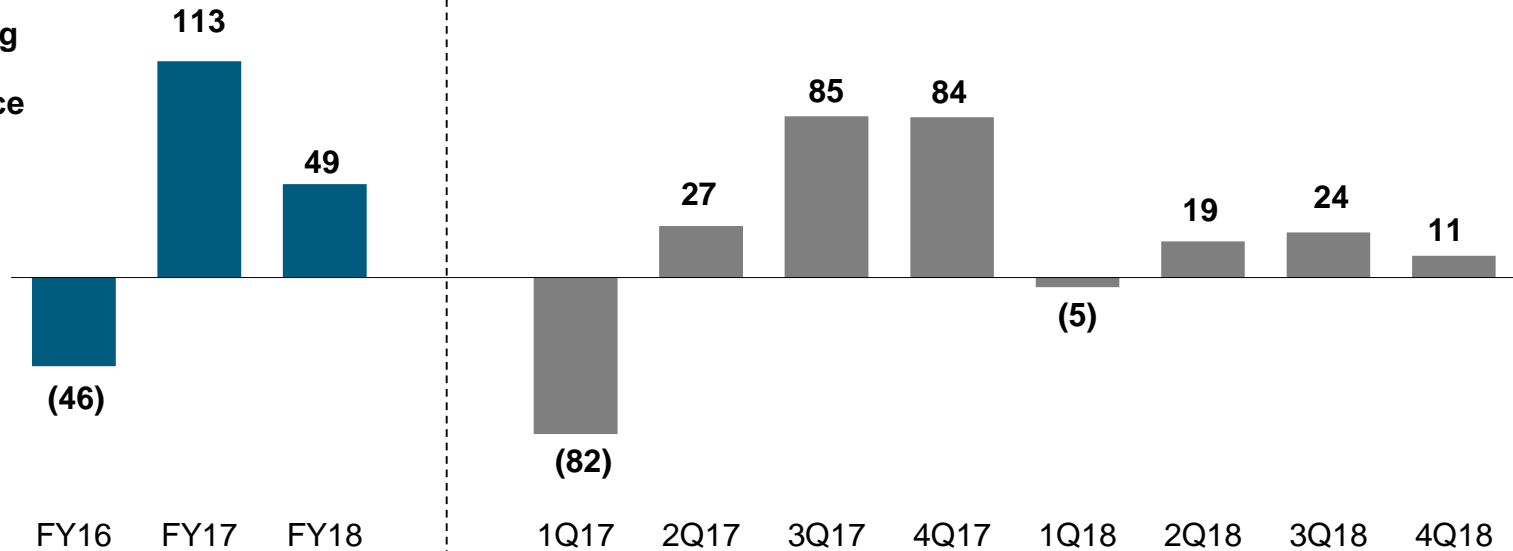
Note:

- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).
- Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.
- For comparison in constant currency terms, operating profit in foreign currencies for 2018 were translated using the corresponding monthly spot rate in 2017. Operating profit and non-operating profit in foreign currencies for FY16 were translated using exchange rates as at 31 December 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.

# GEH: Non-operating profit

FY18 non-operating profit of S\$49m was led by favourable interest rates movement and the narrowing of swap spreads. Comparatively, better performance was achieved in FY17 as financial market conditions were stronger then

Non-operating  
profit/(loss)  
from insurance  
business  
(S\$m)



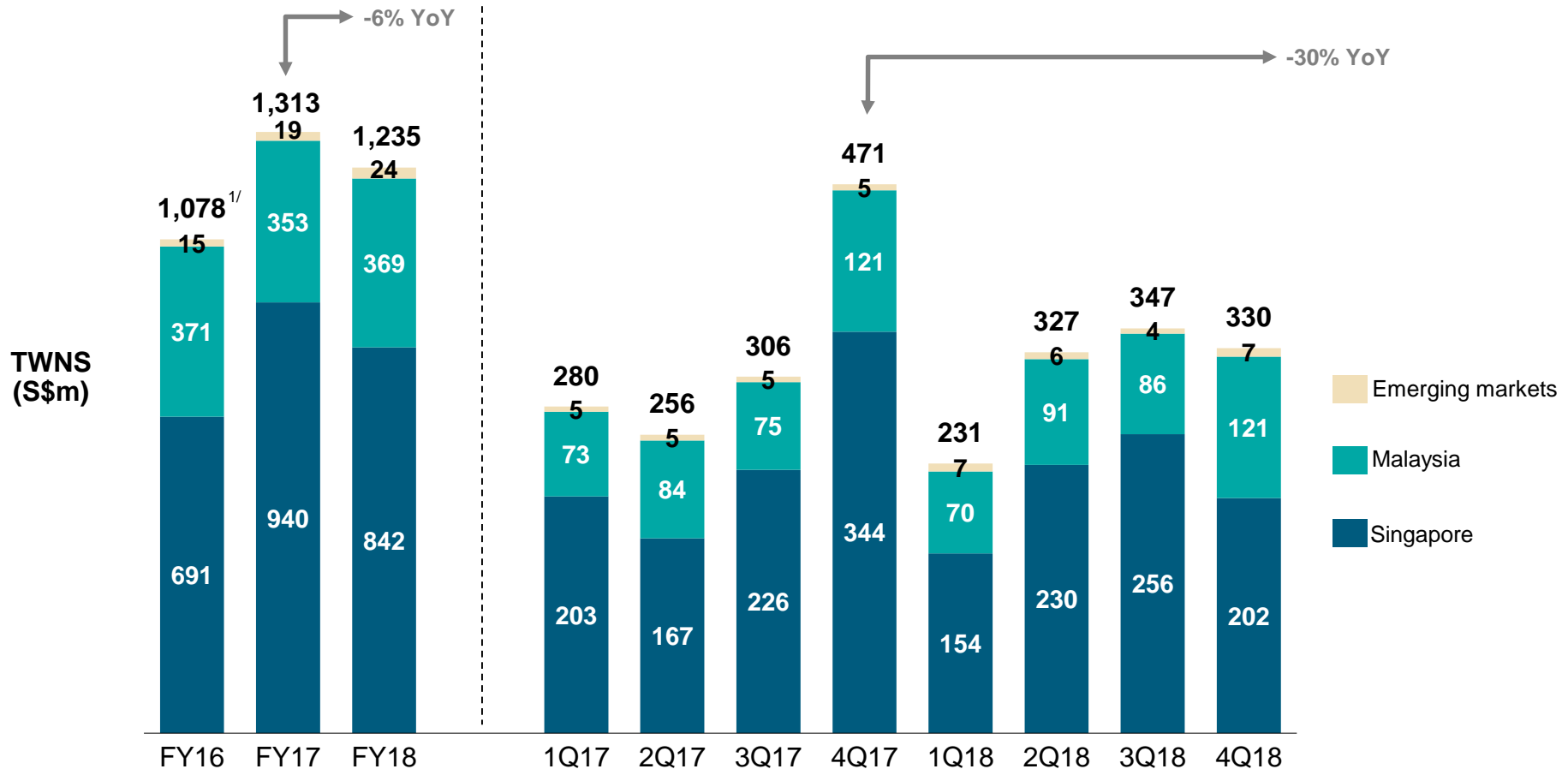
Note:

- Non-operating profit / loss (net of tax) mainly comprises changes in the fair value of assets and liabilities, realised gains / losses on sale of investments, changes in liability discount rates and other non-recurring items.
- Figures for 2017 periods were restated in accordance with SFRS(I) and change in accounting policy for GEH. Figures for FY16 were not restated.
- For comparison in constant currency terms, operating profit in foreign currencies for 2018 were translated using the corresponding monthly spot rate in 2017. Operating profit and non-operating profit in foreign currencies for FY16 were translated using exchange rates as at 31 December 2017. In applying constant currency translation, the impact to Operating Profit figures has been included in Non-Operating Profit.



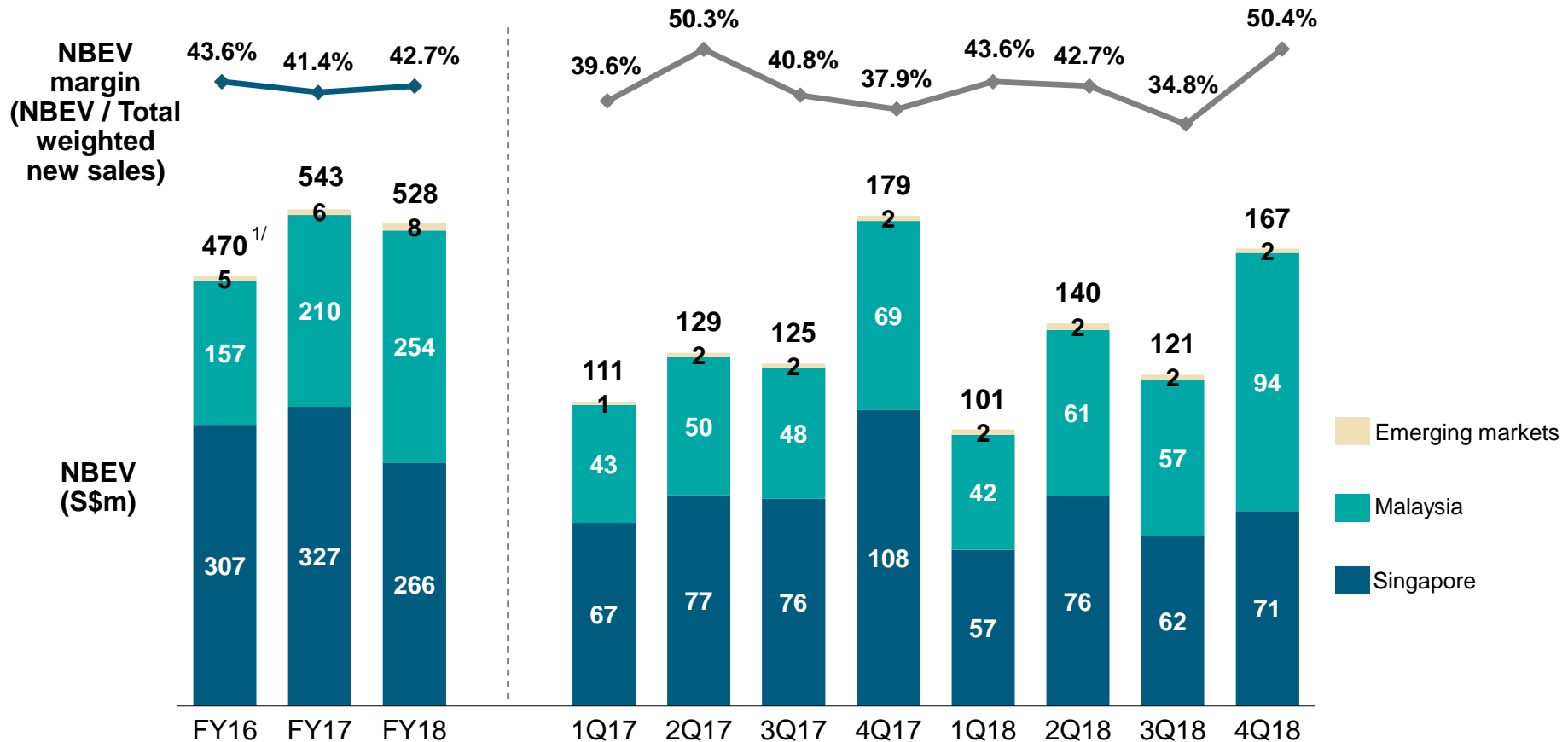
# GEH: Total weighted new sales

FY18 TWNS fell 6% YoY to S\$1.24b. TWNS rose in Malaysia, while agency and bancassurance sales in Singapore declined



# GEH: New business embedded value

FY18 NBEV declined by 3% to S\$528m; NBEV margin rose to 42.7% from 41.4% a year ago from a shift in product mix



Note: For comparison in constant currency terms, NBEV in foreign currencies for 2018 have been translated using the corresponding monthly spot rate in 2017. NBEV figures for periods prior to 4Q17 have been restated to take into account revised actuarial assumptions implemented in 4Q17.

<sup>1/</sup> NBEV in foreign currencies for FY16 were translated using exchange rates as at 31 December 2017. NBEV for FY16 included NBEV from Group's investment in Vietnam up to June 2016.

# FY18 OCBC Wing Hang's performance

Net profit rose 15% YoY to a new high of HKD2.76b

OCBC Wing Hang	FY18 HKD m	FY17 HKD m	YoY +/(-)%
Net interest income	4,772	4,254	12
Non-interest income	1,774	1,403	26
<b>Total income</b>	<b>6,546</b>	<b>5,657</b>	<b>16</b>
Operating expenses	(3,071)	(2,963)	4
<b>Operating profit</b>	<b>3,475</b>	<b>2,693</b>	<b>29</b>
(Allowances) / write-back	(245)	28	976
Associates & gains on subordinated liabilities	57	109	(48)
<b>Profit before tax</b>	<b>3,287</b>	<b>2,830</b>	<b>16</b>
Tax	(525)	(423)	24
<b>Net profit – local reporting</b>	<b>2,762</b>	<b>2,408</b>	<b>15</b>

## Key ratios (%)

<b>Cost-to-income</b>	<b>46.9</b>	<b>52.4</b>
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# 4Q18 OCBC Wing Hang's performance

Net profit grew 23% YoY to HKD715m

OCBC Wing Hang	4Q18 HKD m	4Q17 HKD m	YoY +/(-)%	3Q18 HKD m	QoQ +/(-)%
Net interest income	1,181	1,160	2	1,205	(2)
Non-interest income	543	248	118	536	1
Total income	1,724	1,408	22	1,741	(1)
Operating expenses	(766)	(779)	(2)	(786)	(3)
<b>Operating profit</b>	<b>958</b>	<b>629</b>	<b>52</b>	<b>955</b>	–
(Allowances)/ write-back	(167)	43	491	(81)	105
Associates	3	17	(82)	5	(43)
<b>Profit before tax</b>	<b>794</b>	<b>689</b>	<b>15</b>	<b>879</b>	<b>(10)</b>
Tax	(79)	(107)	(25)	(166)	(52)
<b>Net profit – local reporting</b>	<b>715</b>	<b>582</b>	<b>23</b>	<b>713</b>	–

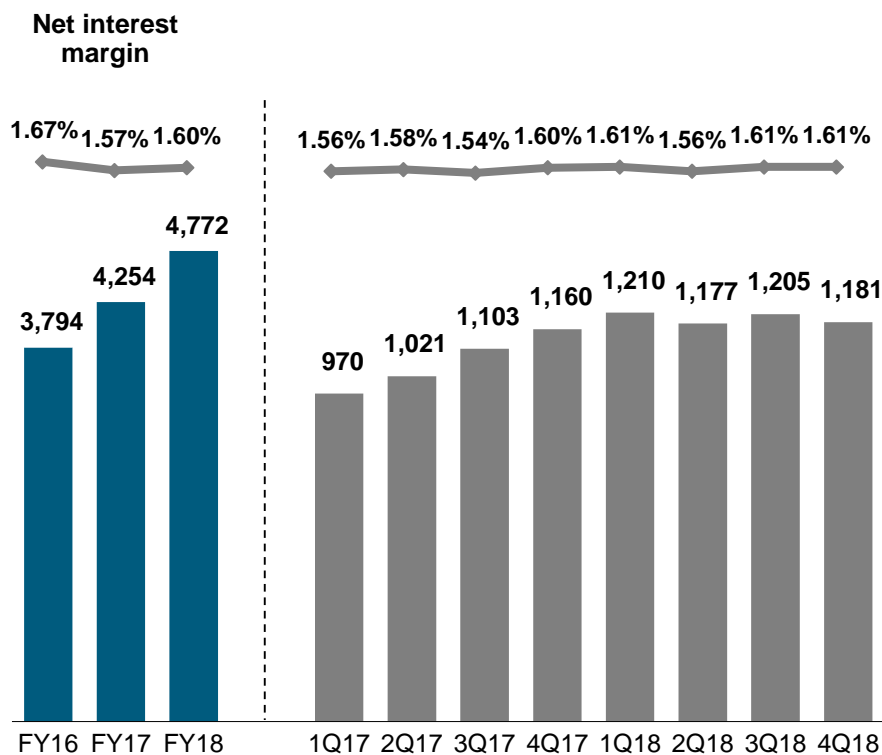
## Key ratios (%)

<b>Cost-to-income</b>	<b>44.5</b>	<b>55.3</b>	<b>45.2</b>
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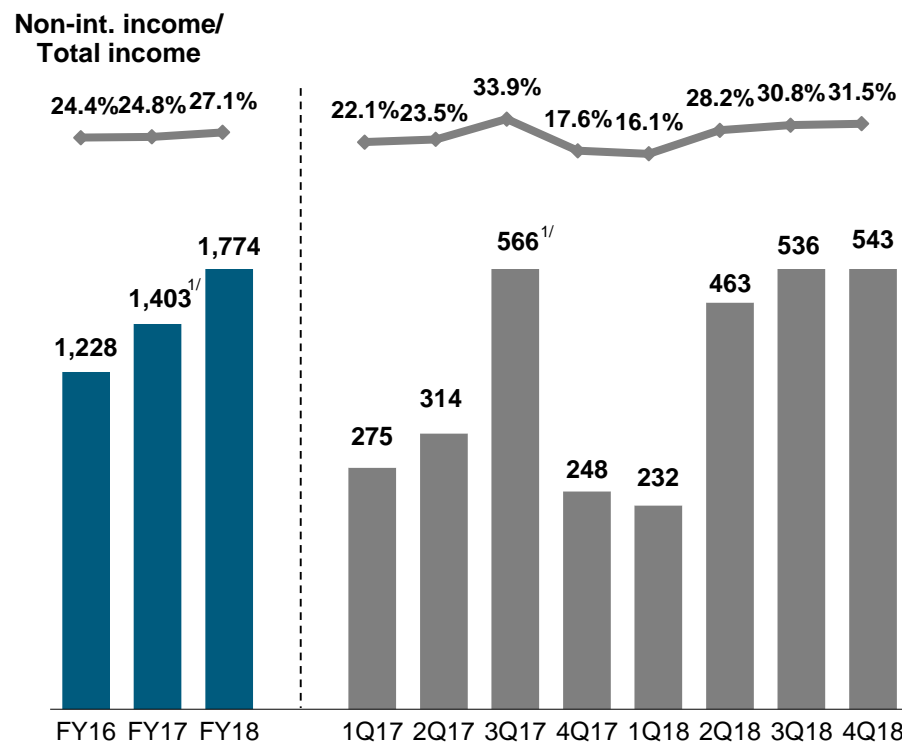
# OCBC Wing Hang: Revenue

FY18 net interest income rose 12% YoY and NIM increased 3bps to 1.60%; Non-interest income up 26% YoY

## Net interest income (HKD m)



## Non-interest income (HKD m)

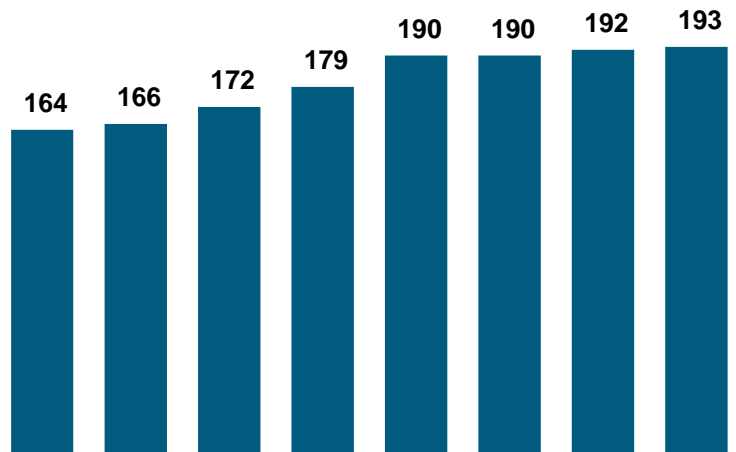
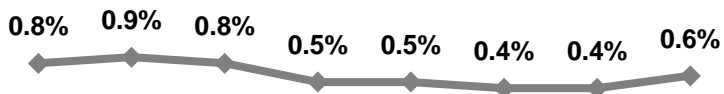


# OCBC Wing Hang: Loans & Deposits

Loans increased 8% YoY to HKD193b, with deposits stable at HKD222b; NPL ratio at 0.6%

## Gross Loans (HKD b)

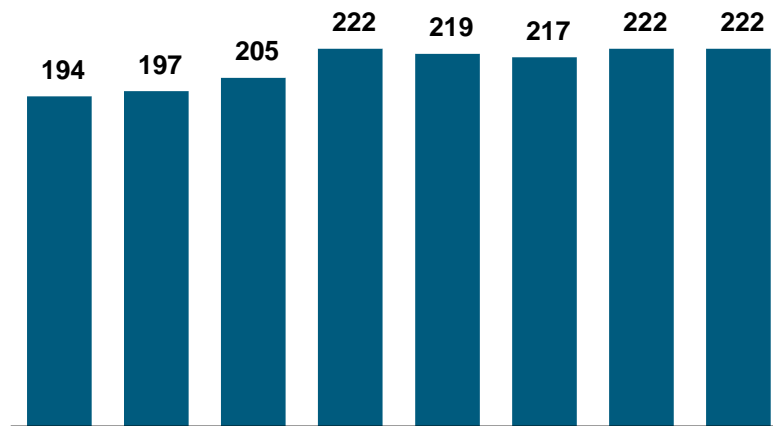
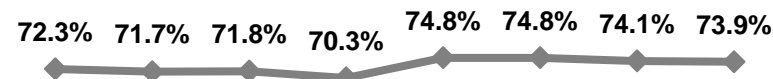
NPL ratio



Mar 17 Jun 17 Sep 17 Dec 17 Mar 18 Jun 18 Sep 18 Dec 18

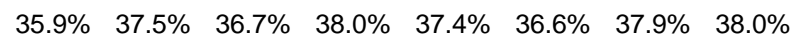
## Deposits (HKD b)

Loans / Deposits <sup>1/</sup>



Mar 17 Jun 17 Sep 17 Dec 17 Mar 18 Jun 18 Sep 18 Dec 18

CASA Ratio



<sup>1/</sup> LDR calculation based on Hong Kong Monetary Authority's guidelines.

# FY18 OCBC Malaysia's Performance

Net profit for the year at RM814m

OCBC Malaysia	FY18 RM m	FY17 RM m	YoY +/(-)%
Net interest income	1,506	1,405	7
Islamic banking income <sup>1/</sup>	436	450	(3)
Non-interest / finance income	520	607	(14)
Total income	2,462	2,462	–
Operating expenses	(1,146)	(1,094)	5
<b>Operating profit</b>	<b>1,316</b>	<b>1,368</b>	<b>(4)</b>
Allowances	(219)	(94)	133
<b>Profit before tax</b>	<b>1,097</b>	<b>1,274</b>	<b>(14)</b>
Tax	(283)	(325)	(13)
<b>Net profit – local reporting</b>	<b>814</b>	<b>949</b>	<b>(14)</b>
<b>Key ratios (%)</b>			
<b>Cost-to-income</b>	<b>46.5</b>	<b>44.4</b>	
<b>CAR <sup>2/</sup></b>			
- Common Equity Tier 1	13.5	13.7	
- Tier 1	15.0	15.6	
- Total CAR	17.6	18.3	



1/ Islamic banking income comprises net finance income and other income contributed by Islamic banking subsidiary OCBC Al-Amin.

2/ Capital ratios for OCBC Malaysia Group are computed in accordance with the Capital Adequacy Framework issued by Bank Negara Malaysia.

# 4Q18 OCBC Malaysia's Performance

Net profit rose 9% QoQ to RM189m

OCBC Malaysia	4Q18 RM m	4Q17 RM m	YoY +/(-)%	3Q18 RM m	QoQ +/(-)%
Net interest income	382	359	6	390	(2)
Islamic banking income <sup>1/</sup>	109	116	(6)	107	2
Non-interest / finance income	76	187	(59)	156	(51)
Total income	567	662	(14)	653	(13)
Operating expenses	(287)	(274)	5	(289)	(1)
<b>Operating profit</b>	<b>280</b>	<b>388</b>	<b>(28)</b>	<b>364</b>	<b>(23)</b>
Allowances	(44)	(62)	(29)	(103)	(57)
<b>Profit before tax</b>	<b>236</b>	<b>326</b>	<b>(28)</b>	<b>261</b>	<b>(10)</b>
Tax	(47)	(85)	(45)	(87)	(46)
<b>Net profit – local reporting</b>	<b>189</b>	<b>241</b>	<b>(22)</b>	<b>174</b>	<b>9</b>

## Key ratios (%)

<b>Cost-to-income</b>	<b>50.6</b>	41.3	44.3
<b>CAR <sup>2/</sup></b>			
- CET 1	13.5	13.7	12.9
- Tier 1	15.0	15.6	14.4
- Total CAR	17.6	18.3	17.1



1/ Islamic banking income comprises net finance income and other income contributed by Islamic banking subsidiary OCBC Al-Amin.

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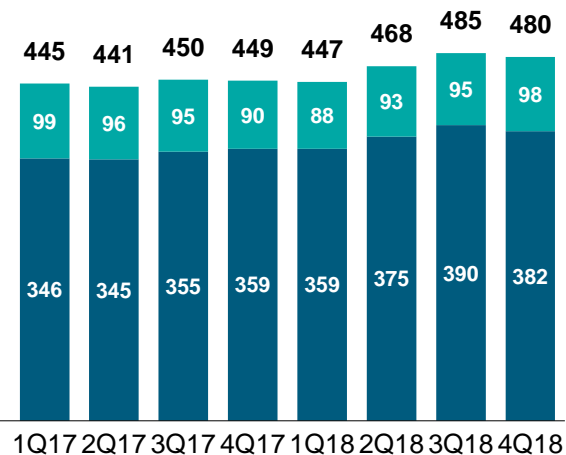
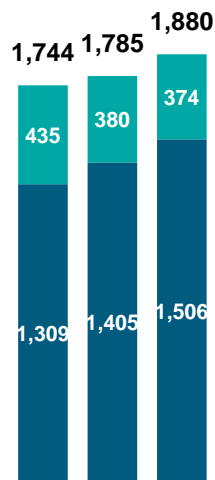
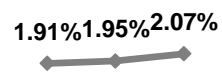


# OCBC Malaysia: Revenue

FY18 net interest/finance income grew 5% YoY to RM1.88b; NIM increased 12bps to 2.07%

## Net interest/finance income (RM m)

Net interest/finance margin

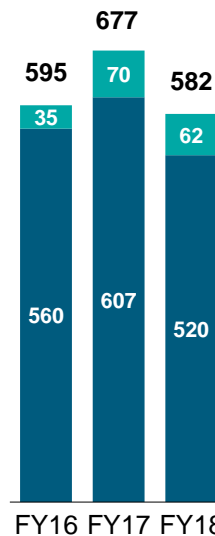
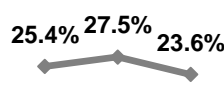


Conventional

Islamic

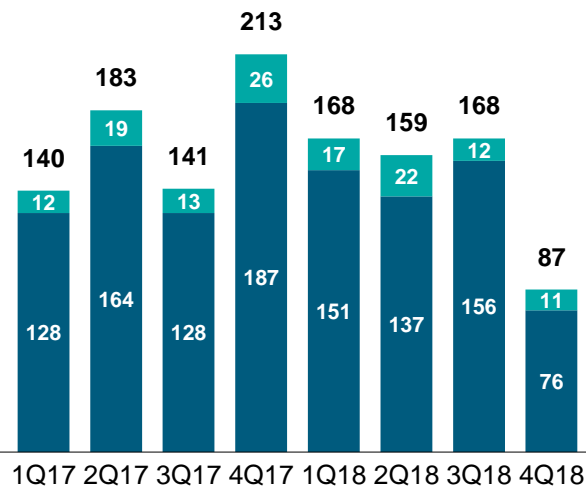
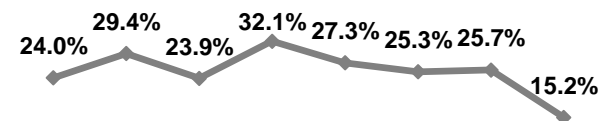
## Non-interest/finance income<sup>1/</sup> (RM m)

Non-interest/finance income/ Total income



Conventional

Islamic



<sup>1/</sup> Non-interest/finance income comprises net fee and commission income, net trading income and other operating income.

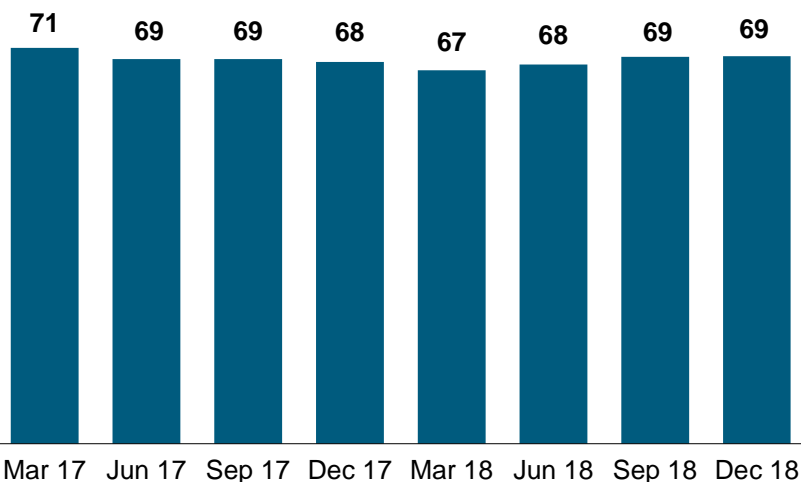
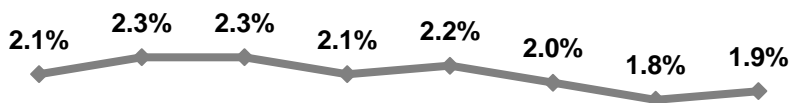
Note: Based on Bank Negara Malaysia's guidelines and Malaysian Financial Reporting Standards.

# OCBC Malaysia: Loans & Deposits

Gross loans up 2% YoY at RM69b; NPL ratio at 1.9%; Deposits grew 3% YoY to RM76b and CASA ratio improved to 32.5%

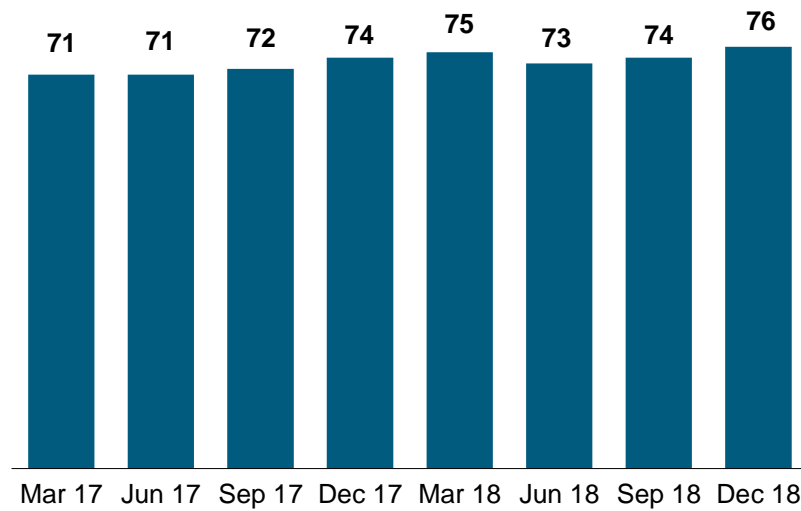
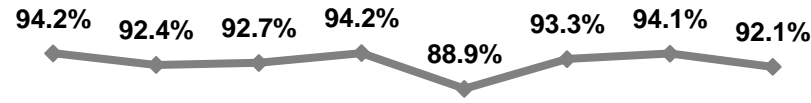
## Gross Loans (RM b)

### NPL Ratio

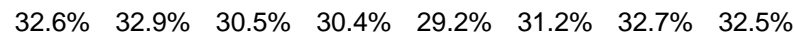


## Deposits (RM b)

### Loans / Deposits



### CASA Ratio



Note: Based on Bank Negara Malaysia's guidelines and Malaysian Financial Reporting Standards.

# FY18 Bank OCBC NISP's performance

Net profit rose 21% YoY to a record IDR2.64t

Bank OCBC NISP	FY18 IDR b	FY17 IDR b	YoY +/(-)%
Net interest income	6,378	6,039	6
Non-interest income	1,411	1,513	(7)
Total income	7,789	7,552	3
Operating expenses	(3,513)	(3,363)	4
<b>Operating profit</b>	<b>4,276</b>	<b>4,189</b>	<b>2</b>
Allowances	(790)	(1,311)	(40)
Non-operating income	0	0	nm
<b>Profit before tax</b>	<b>3,486</b>	<b>2,878</b>	<b>21</b>
Tax	(848)	(702)	21
<b>Net profit – local reporting</b>	<b>2,638</b>	<b>2,176</b>	<b>21</b>

## Key ratios (%)

**Cost-to-income**

45.1

44.5

**CAR**

- CET 1

16.6

16.6

- Tier 1

16.6

16.6

- Total CAR

17.6

17.5



Note: Capital ratios are computed based on guidelines from Financial Services Authority in Indonesia.

# 4Q18 Bank OCBC NISP's performance

Net profit increased 19% YoY but lower QoQ at IDR605b

Bank OCBC NISP	4Q18 IDR b	4Q17 IDR b	YoY +/(-)%	3Q18 IDR b	QoQ +/(-)%
Net interest income	1,603	1,574	2	1,628	(2)
Non-interest income	440	367	20	391	13
Total income	2,043	1,941	5	2,019	1
Operating expenses	(887)	(886)	–	(875)	1
<b>Operating profit</b>	<b>1,156</b>	<b>1,055</b>	<b>10</b>	<b>1,144</b>	<b>1</b>
Allowances	(356)	(387)	(8)	(222)	61
Non-operating income	(2)	0	nm	1	nm
<b>Profit before tax</b>	<b>798</b>	<b>668</b>	<b>19</b>	<b>923</b>	<b>(14)</b>
Tax	(193)	(161)	20	(225)	(14)
<b>Net profit – local reporting</b>	<b>605</b>	<b>507</b>	<b>19</b>	<b>698</b>	<b>(13)</b>

## Key ratios (%)

<b>Cost-to-income</b>	<b>43.4</b>	45.6		43.3
<b>CAR</b>				
- CET 1	16.6	16.6		16.1
- Tier 1	16.6	16.6		16.1
- Total CAR	17.6	17.5		17.0

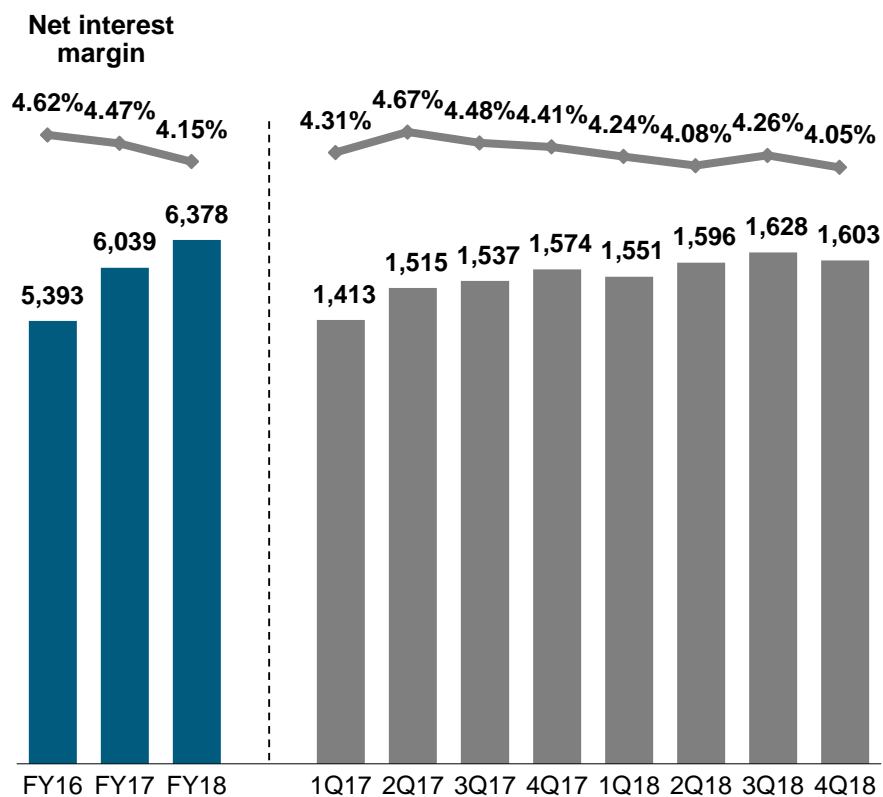


Note: Capital ratios are computed based on guidelines from Financial Services Authority in Indonesia.

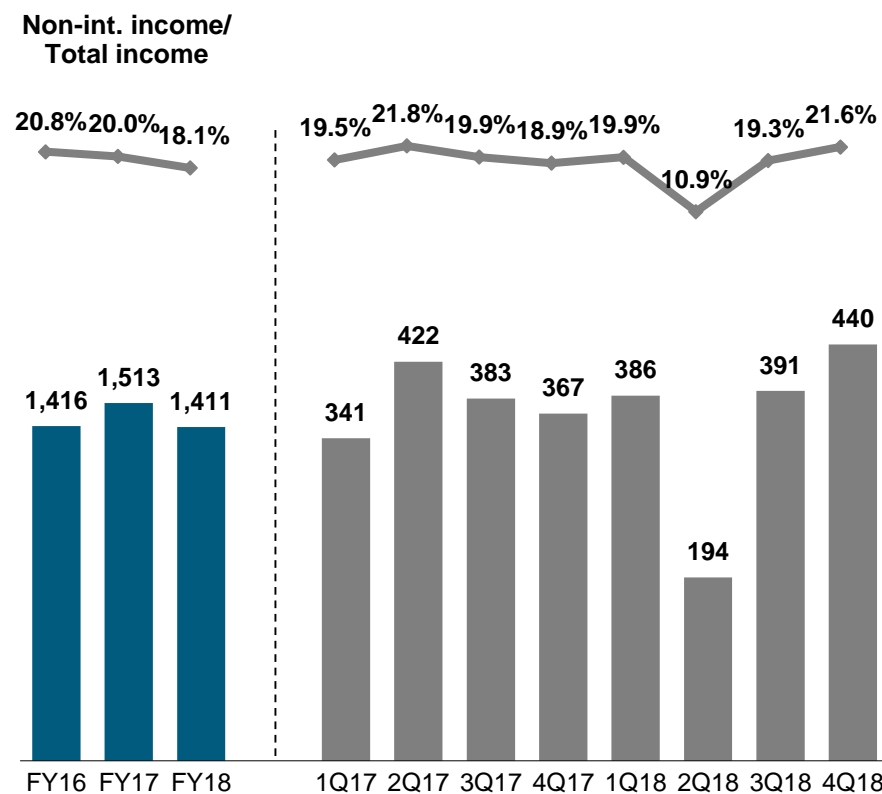
# Bank OCBC NISP: Revenue

FY18 net interest income rose 6% to IDR6.38t; NIM at 4.15%

## Net interest income (IDR b)



## Non-interest income (IDR b)

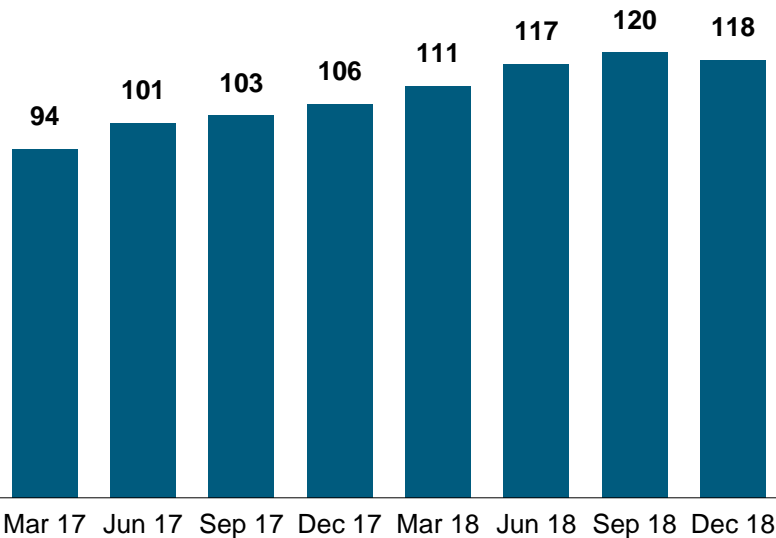


# Bank OCBC NISP: Loans & Deposits

Loans and deposits both grew 11% YoY; NPL ratio lower at 1.7%

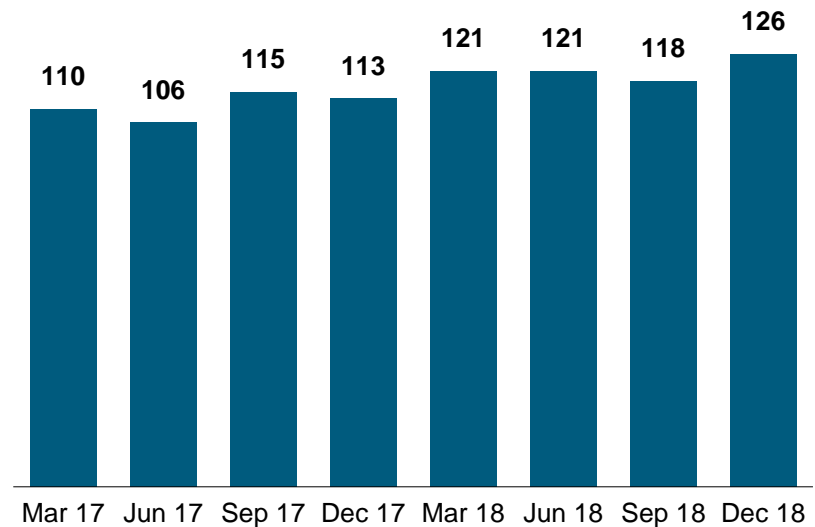
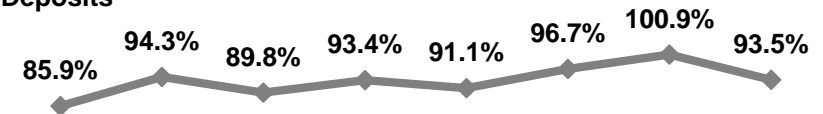
## Gross Loans (IDR t)

### NPL Ratio



## Deposits (IDR t)

### Loans / Deposits



### CASA Ratio



Note: Gross loans-to-deposits ratio calculation based on guidelines from Financial Services Authority in Indonesia.



# **2018 Full Year Results Thank You**