

# Third Quarter 2017 Results Presentation

26 October 2017



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# Agenda

## Results Overview

## 3Q17 & 9M17 Group Performance Trends

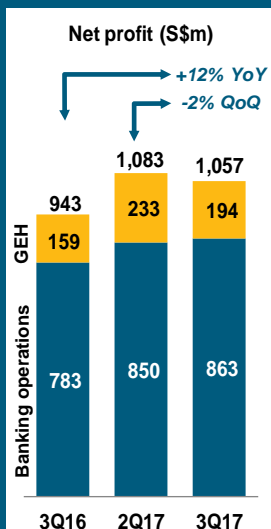
### Appendix: Performance of Major Subsidiaries

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

# 3Q17 Highlights

Net profit for the quarter rose 12% YoY to **S\$1.1b**; ROE at **11.4%**

## Earnings



**Net Interest Income: S\$1.4b**

(3Q16 : S\$1.2b)

**Non-interest Income: S\$1.0b**

(3Q16 : S\$1.0b)

**Operating Expenses: S\$1.0b**

(3Q16 : S\$1.0b)

**Allowances: S\$0.2b**

(3Q16 : S\$0.2b)

**Net Profit: S\$1.1b**

(3Q16 : S\$0.9b)

**ROE: 11.4%**

(3Q16 : 10.8%)

- Strong income growth across core markets and businesses
  - All major subsidiaries' local currency earnings up YoY
  - GEH's net profit contribution increased 22% YoY
  - Wealth management income up 18% YoY
  - Private banking AUM grew 53% YoY and 6% QoQ to US\$95b
- Good cost discipline with cost-to-income ratio at 42.4%; expenses up only 1% QoQ while YoY increase included Barclays WIM costs
- Overall credit quality healthy. New NPA formation eased with NPL ratio unchanged at 1.3%. Coverage ratios maintained above 100%

## Assets and liabilities

**Customer Loans: S\$232b**

(3Q16 : S\$209b)

**Customer Deposits: S\$268b**

(3Q16 : S\$247b)

- Customer loans and deposits up 11% and 8% YoY respectively; LDR at 85.3%
- Stable funding base, mainly comprising customer deposits, of which CASA deposits made up 50.5%

## Capital and liquidity

**CET1 ratio: 13.1%**

(3Q16 : 15.1%)

**Leverage ratio: 7.6%**

(3Q16 : 8.4%)

**All-currency LCR: 147%**

(3Q16 : 133%)

- Optimised level of capital, translating into good shareholder return on equity
- Strong liquidity and funding position

# 3Q17 Group Performance

Net profit increased 12% YoY to S\$1.1b

OCBC Group	3Q17 S\$m	2Q17 S\$m	QoQ +/(-)%	3Q16 S\$m	YoY +/(-)%
Net interest income	1,382	1,345	3	1,234	12
Non-interest income	978	1,053	(7)	970	1
Total income	2,360	2,398	(2)	2,204	7
Operating expenses	(1,001)	(992)	1	(953)	5
<b>Operating profit</b>	<b>1,359</b>	<b>1,406</b>	<b>(3)</b>	<b>1,251</b>	<b>9</b>
Amortisation of intangibles	(26)	(27)	(2)	(23)	7
Allowances	(156)	(169)	(8)	(166)	(6)
Associates	127	119	6	105	21
Tax & non-controlling interest ("NCI")	(247)	(246)	1	(224)	10
<b>Net profit</b>	<b>1,057</b>	<b>1,083</b>	<b>(2)</b>	<b>943</b>	<b>12</b>

# 9M17 Group Performance

Nine months net profit rose 16% YoY to S\$3.1b

OCBC Group	9M17 S\$m	9M16 S\$m	YoY +/(-)%
Net interest income	3,999	3,801	5
Non-interest income	3,008	2,511	20
Total income	7,007	6,312	11
Operating expenses	(2,967)	(2,807)	6
<b>Operating profit</b>	<b>4,040</b>	<b>3,505</b>	<b>15</b>
Amortisation of intangibles	(78)	(72)	9
Allowances	(493)	(421)	17
Associates	361	314	15
Tax & NCI	(717)	(642)	12
<b>Net profit</b>	<b>3,113</b>	<b>2,684</b>	<b>16</b>

# 3Q17 Banking Operations Performance

Third quarter net profit *before GEH* contribution (“Banking Operations”) rose 2% QoQ and 10% YoY to S\$863m

Banking Operations	3Q17 S\$m	2Q17 S\$m	QoQ +/(-)%	3Q16 S\$m	YoY +/(-)%
Net interest income	1,360	1,322	3	1,209	12
Non-interest income	674	700	(4)	706	(5)
Total income	2,034	2,022	1	1,916	6
Operating expenses	(946)	(929)	2	(896)	6
<b>Operating profit</b>	<b>1,088</b>	<b>1,093</b>	<b>-</b>	<b>1,020</b>	<b>7</b>
Allowances	(149)	(166)	(10)	(161)	(7)
Associates	131	123	6	110	19
Amortisation, tax & NCI	(207)	(201)	3	(186)	11
<b>Net profit from banking operations</b>	<b>863</b>	<b>850</b>	<b>2</b>	<b>783</b>	<b>10</b>
<b>GEH net profit contribution</b>	<b>194</b>	<b>233</b>	<b>(17)</b>	<b>159</b>	<b>22</b>
<b>OCBC Group net profit</b>	<b>1,057</b>	<b>1,083</b>	<b>(2)</b>	<b>943</b>	<b>12</b>

# 9M17 Banking Operations Performance

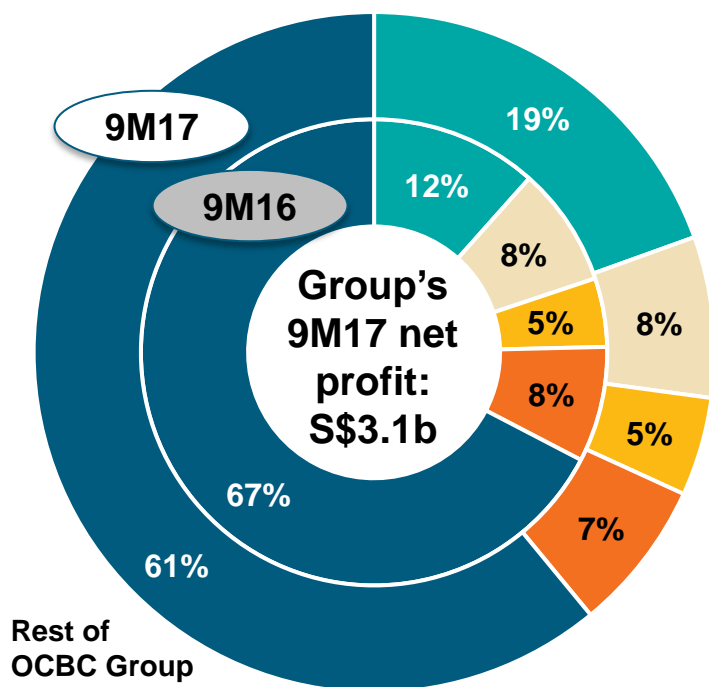
Nine months net profit for Banking Operations increased 6% YoY to S\$2.5b

Banking Operations	9M17 S\$m	9M16 S\$m	YoY +/(-)%
Net interest income	3,931	3,728	5
Non-interest income	2,061	1,931	7
<b>Total income</b>	<b>5,992</b>	<b>5,659</b>	<b>6</b>
Operating expenses	(2,786)	(2,643)	5
<b>Operating profit</b>	<b>3,206</b>	<b>3,016</b>	<b>6</b>
Allowances	(479)	(409)	17
Associates	371	324	14
Amortisation, tax & NCI	(592)	(558)	6
<b>Net profit from banking operations</b>	<b>2,506</b>	<b>2,373</b>	<b>6</b>
<b>GEH net profit contribution</b>	<b>607</b>	<b>311</b>	<b>96</b>
<b>OCBC Group net profit</b>	<b>3,113</b>	<b>2,684</b>	<b>16</b>

# Subsidiaries' Performance

Major subsidiaries contributed 39% to the Group's 9M17 net profit

## Net Profit Contribution to the Group



	Key Metrics	9M17	9M16	YoY
Great Eastern Holdings	Net profit	S\$733m	S\$394m	+86%
	NBEV	S\$341m	S\$315m	+8%
	NBEV margin	40.4%	43.5%	-3.1 ppt
	TWNS	S\$843m	S\$725m	+16%
OCBC Wing Hang	Net profit	HKD1,826m	HKD1,453m	+26%
	Loans	HKD175b	HKD160b	+9%
	Deposits	HKD210b	HKD199b	+6%
OCBC NISP	Net profit	IDR1,669b	IDR1,358b	+23%
	Loans	IDR103t	IDR88t	+17%
	Deposits	IDR115t	IDR95t	+20%
OCBC Malaysia	Net profit	RM707m	RM647m	+9%
	Loans	RM69b	RM68b	+2%
	Deposits	RM72b	RM73b	Flat

Note: Further details on the subsidiaries are set out in the Appendix. "ppt" denotes percentage points.



# Agenda

Results Overview

**3Q17 & 9M17 Group Performance Trends**

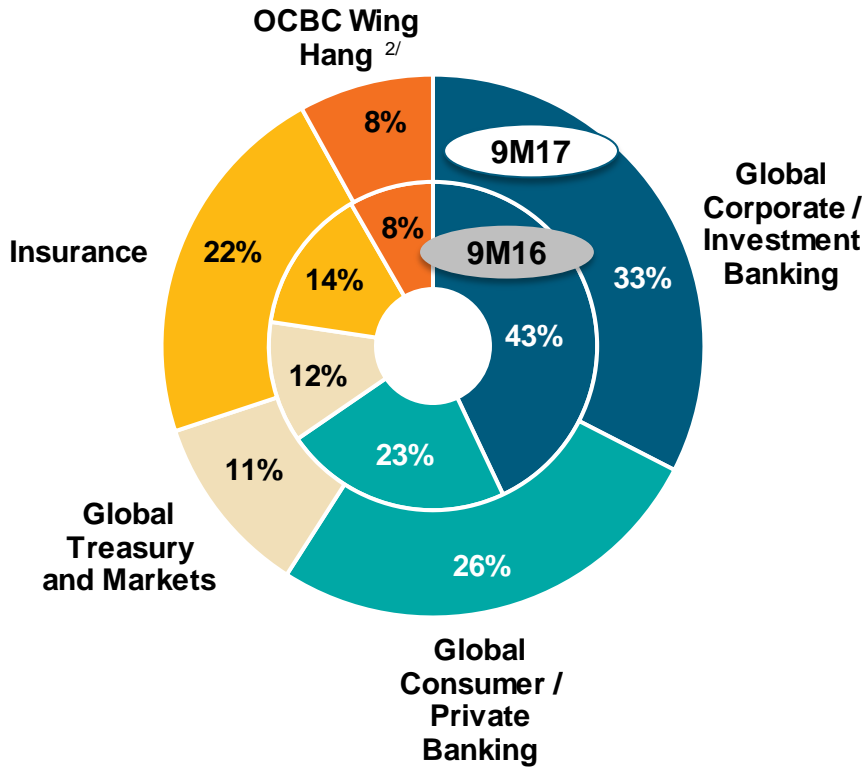
**Appendix: Performance of Major Subsidiaries**

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

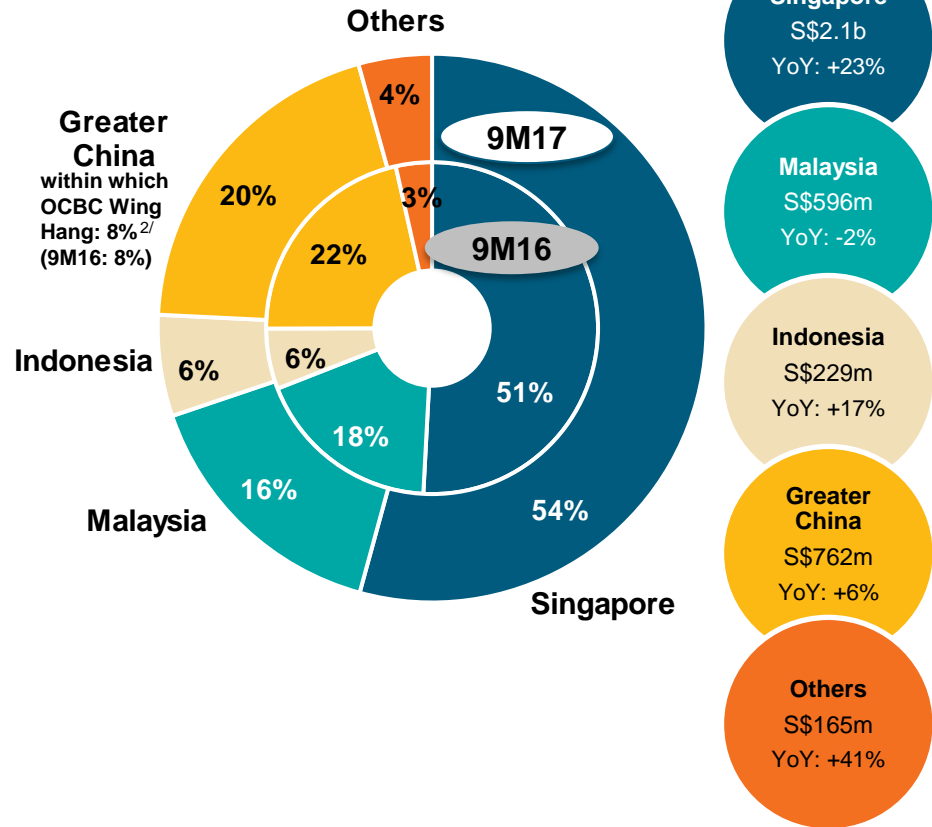
# Profit before tax

Earnings well-diversified across key geographies and business segments

9M17 PBT by Business<sup>1/</sup>



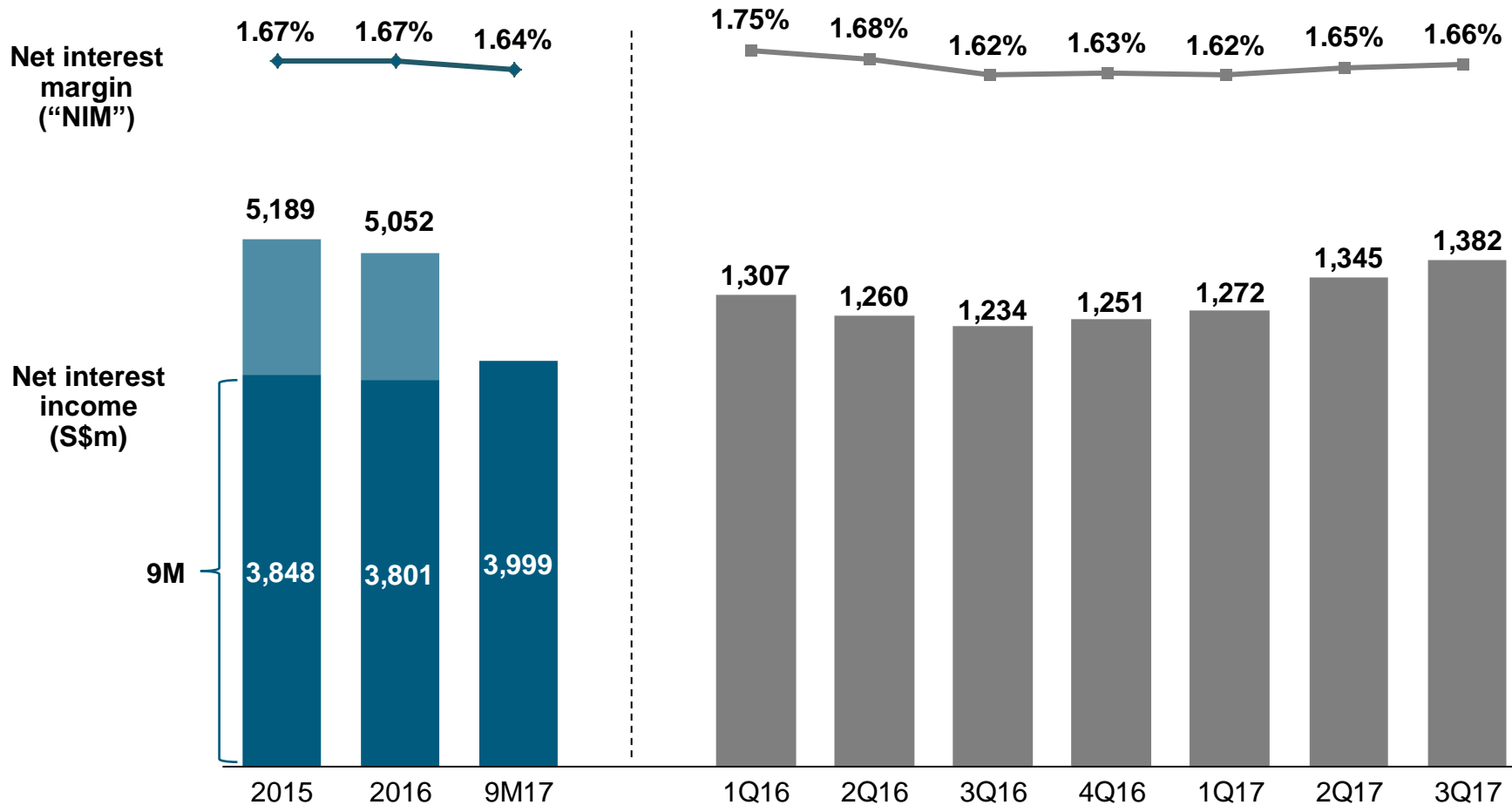
9M17 PBT by Geography



1/ Operating profit after allowances and amortisation. Excludes the Others segment, which comprises mainly property holding, investment holding, items not attributable to the business segments, as well as the offset of China operations which is reported in both the business segments and OCBC Wing Hang.  
 2/ This included OCBC Bank (China) from mid July 2016.

# Net interest income

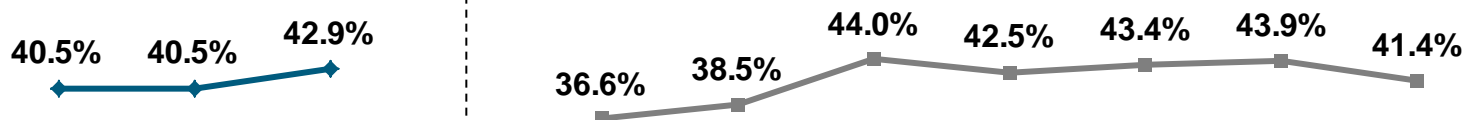
3Q17 NII up 3% QoQ and 12% YoY, driven by asset growth and higher NIM



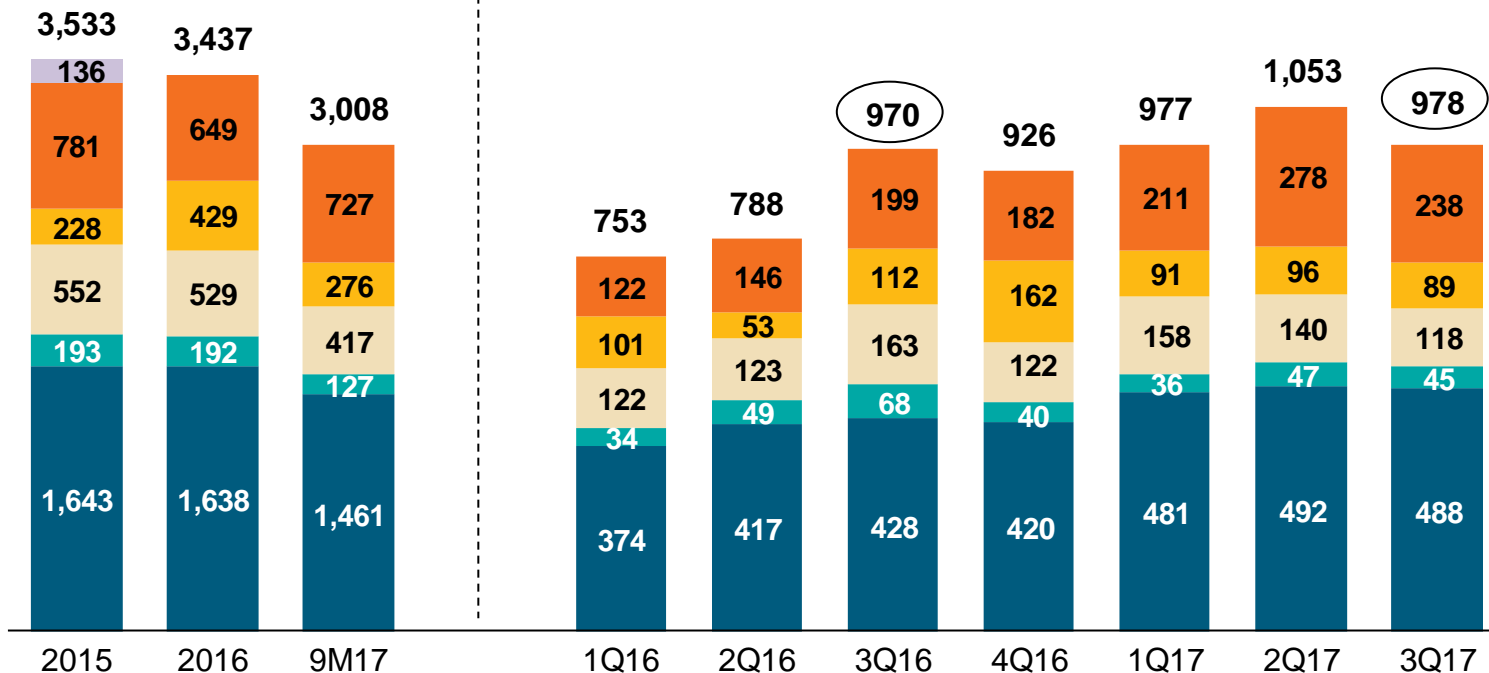
# Non-interest income

3Q17 non-interest income rose 1% YoY

Non-interest income / Total income



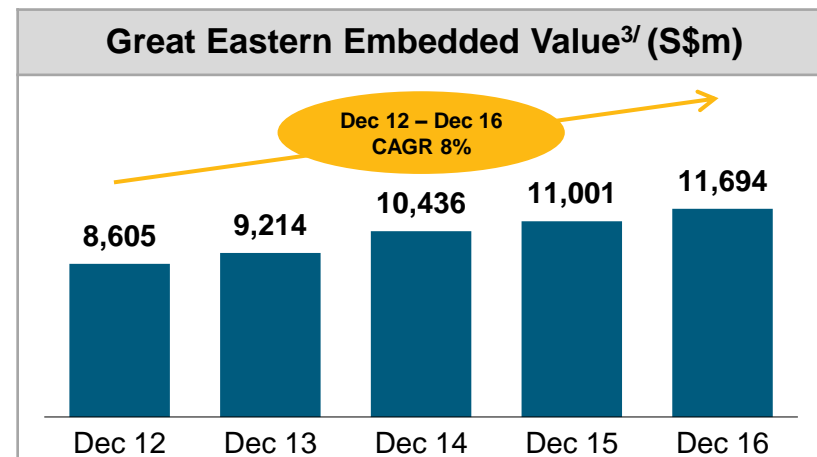
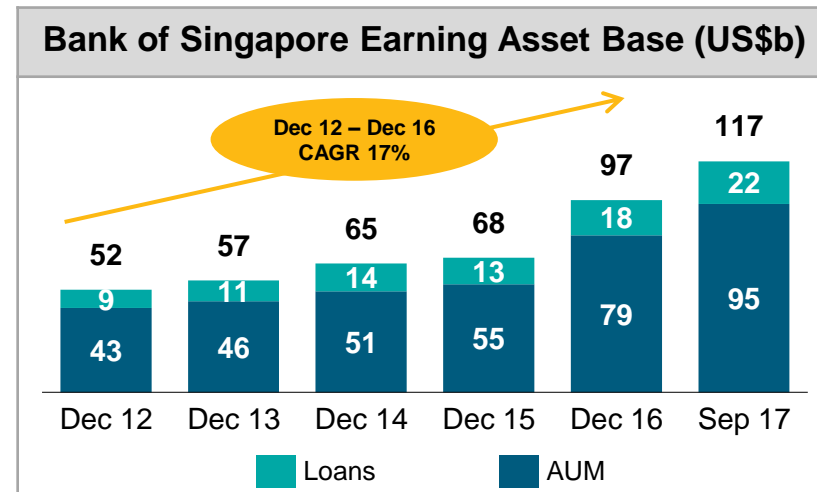
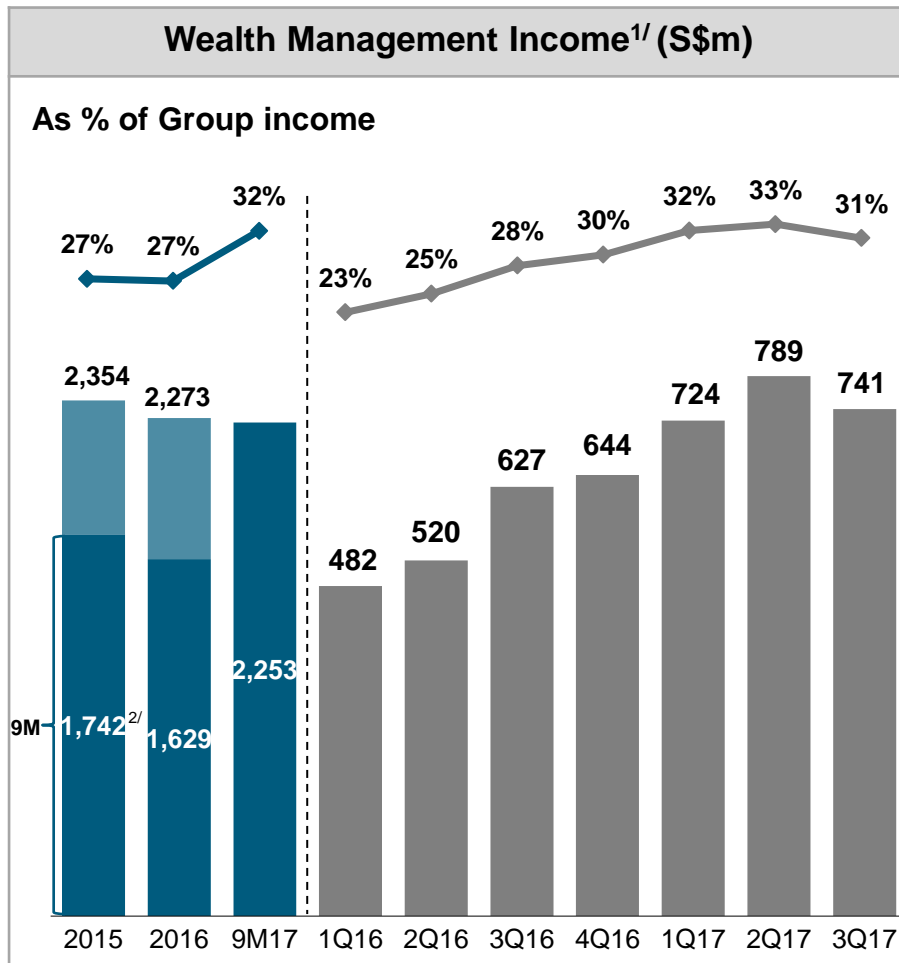
Non-interest income (S\$m)



- Fees & commissions
- Dividends & rental income
- Trading income
- Net gains from investment securities and others
- Life & General Insurance
- Realised gain from the sale of an investment in GEH's equity portfolio

# Wealth Management

3Q17 wealth management income grew 18% YoY across consumer banking, private banking and insurance operations; BOS' AUM rose 53% YoY and 6% QoQ to US\$95b



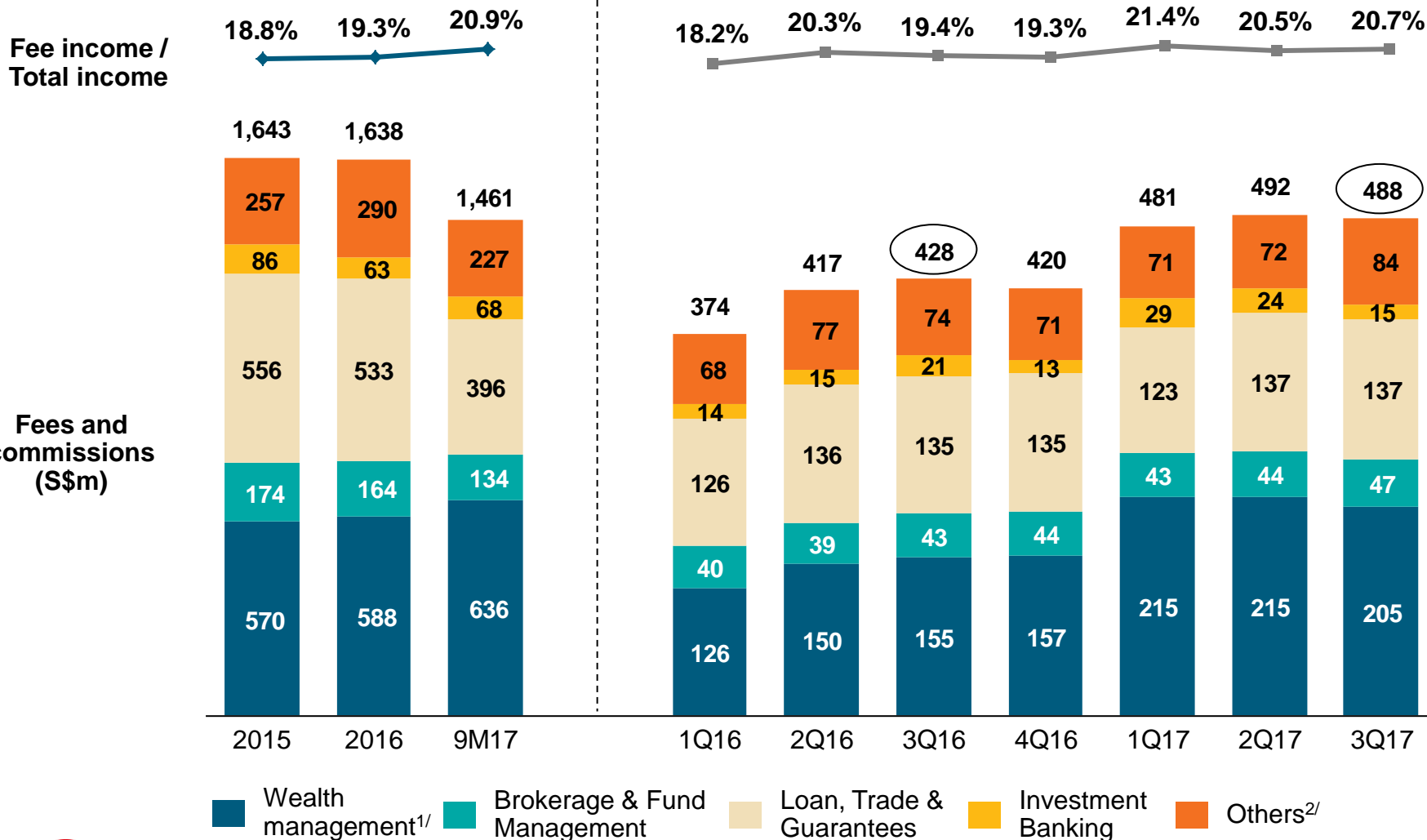
1/ Wealth management income comprises the consolidated income from insurance, asset management, stockbroking and private banking subsidiaries, plus the Group's income from the sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

2/ 9M15 included a realised gain of S\$136m from the sale of an investment in GEH's equity portfolio.

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

# Fees & Commissions

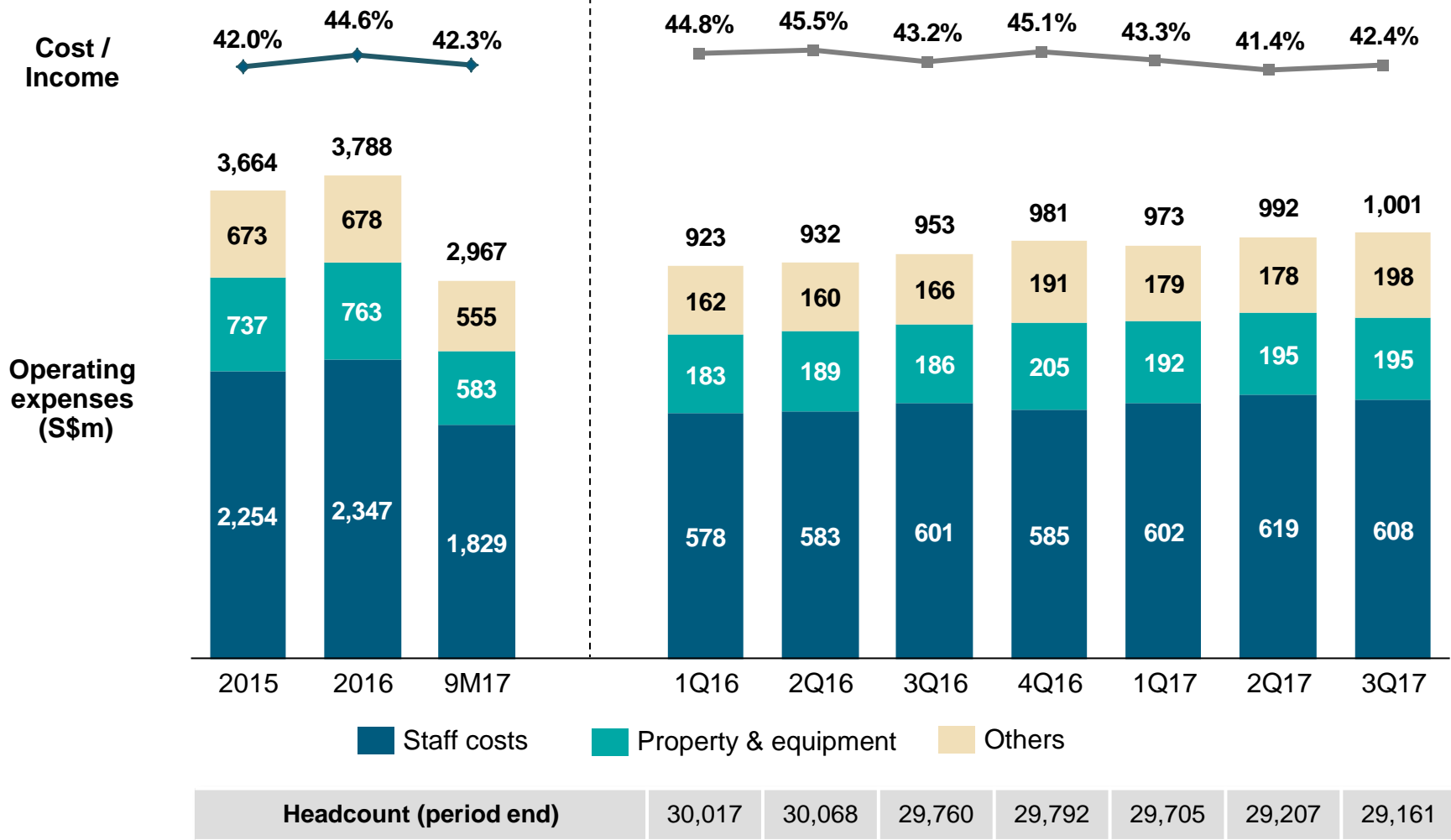
3Q17 fee income rose 14% YoY from broad-based income growth across the Group's business segments



1/ Mainly comprising 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.

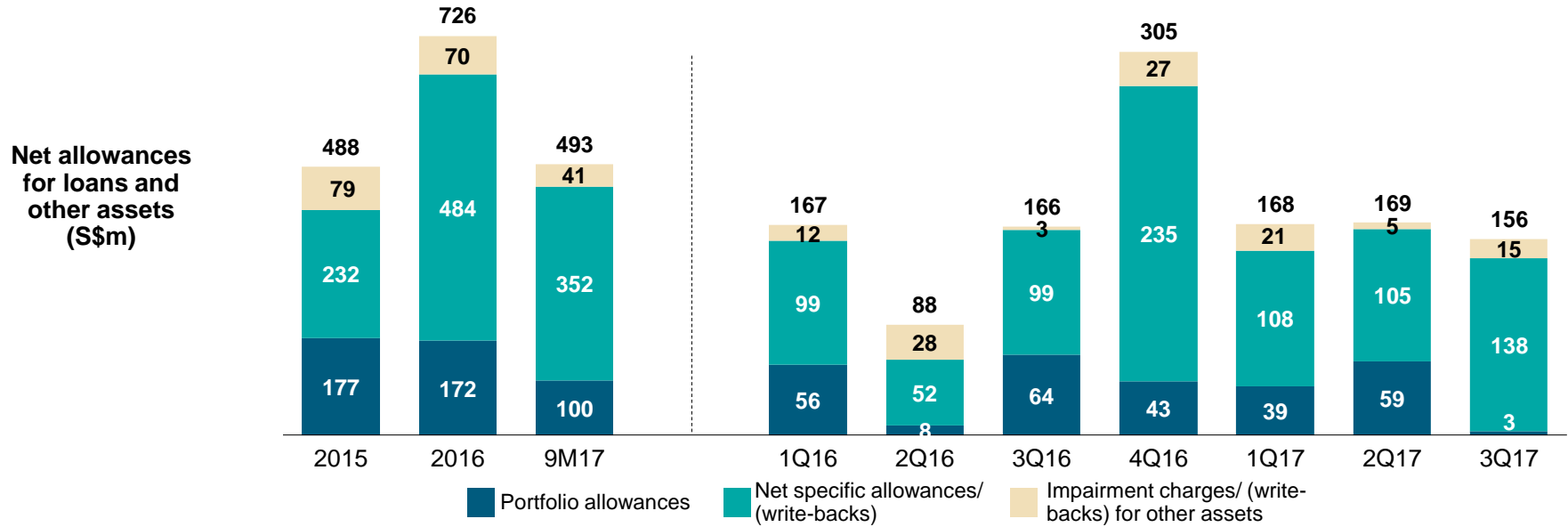
# Operating expenses

Expenses grew only 1% QoQ as a result of ongoing cost discipline



# Allowances

3Q17 net allowances down QoQ & YoY; specific allowances largely set aside for restructured loans exhibiting ongoing weakness and for decline in collateral valuations



**As a % of avg. loans (bps) <sup>1/</sup>**

Net specific loan allowances	11	23	21	19	10	19	44	20	19	24
Total loan allowances <sup>2/</sup>	19	31	27	30	12	31	52	27	29	24

**Net specific loan allowances (\$m)**

Allowances for new & existing loans	418	666	514	136	90	154	286	149	173	192
Write-backs <sup>3/</sup>	(133)	(126)	(116)	(26)	(26)	(36)	(38)	(31)	(53)	(32)
Recoveries <sup>4/</sup>	(53)	(56)	(46)	(11)	(12)	(19)	(13)	(10)	(15)	(22)
<b>Net specific loan allowances</b>	<b>232</b>	<b>484</b>	<b>352</b>	<b>99</b>	<b>52</b>	<b>99</b>	<b>235</b>	<b>108</b>	<b>105</b>	<b>138</b>



1/ Figures are computed on an annualised basis.

2/ Total loan allowances include net specific allowances and portfolio allowances.

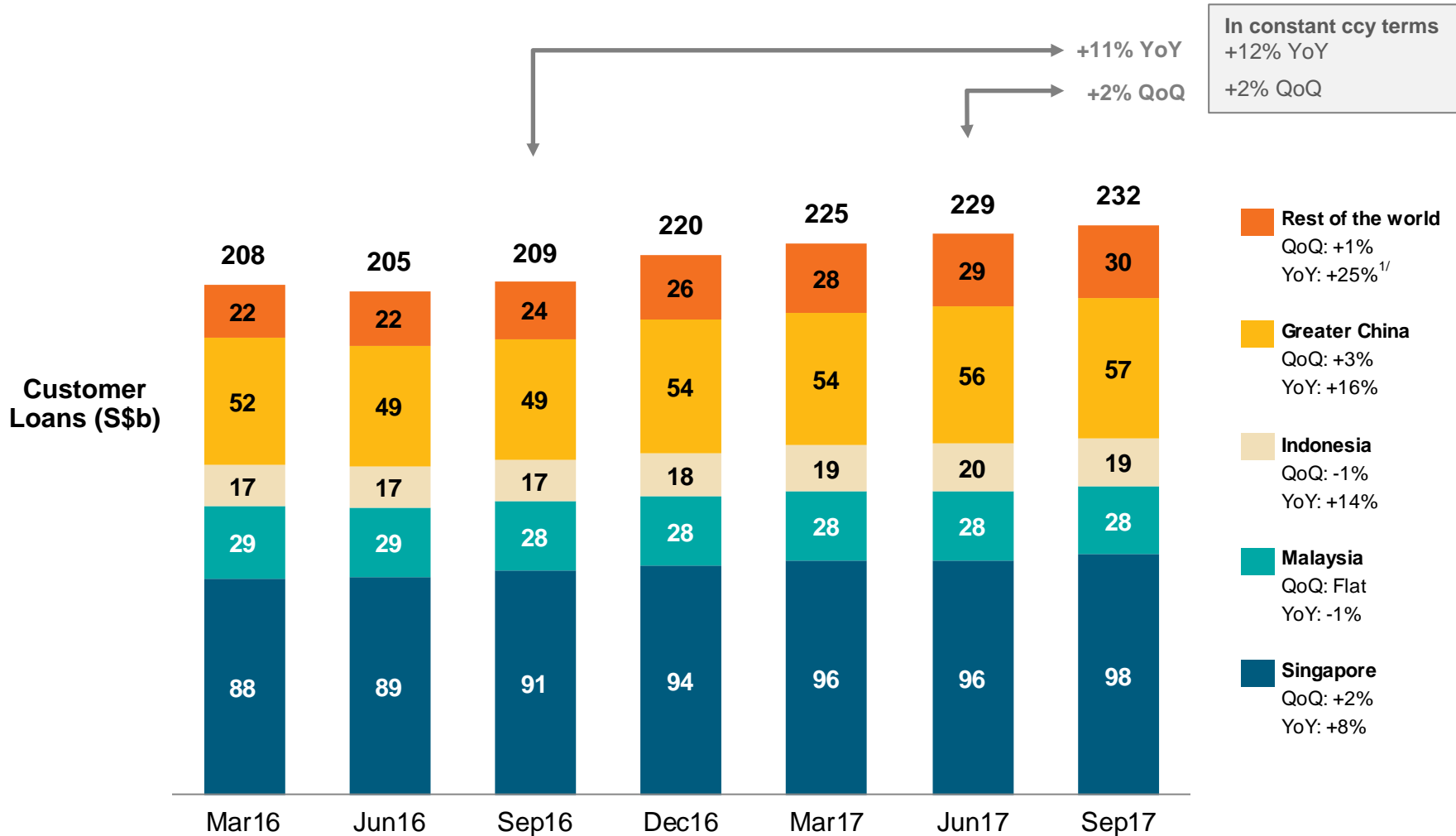
3/ Write-backs of specific allowances for existing NPLs due to settlements and repayments.

4/ Recoveries of loans that had been written off.



# Customer loans

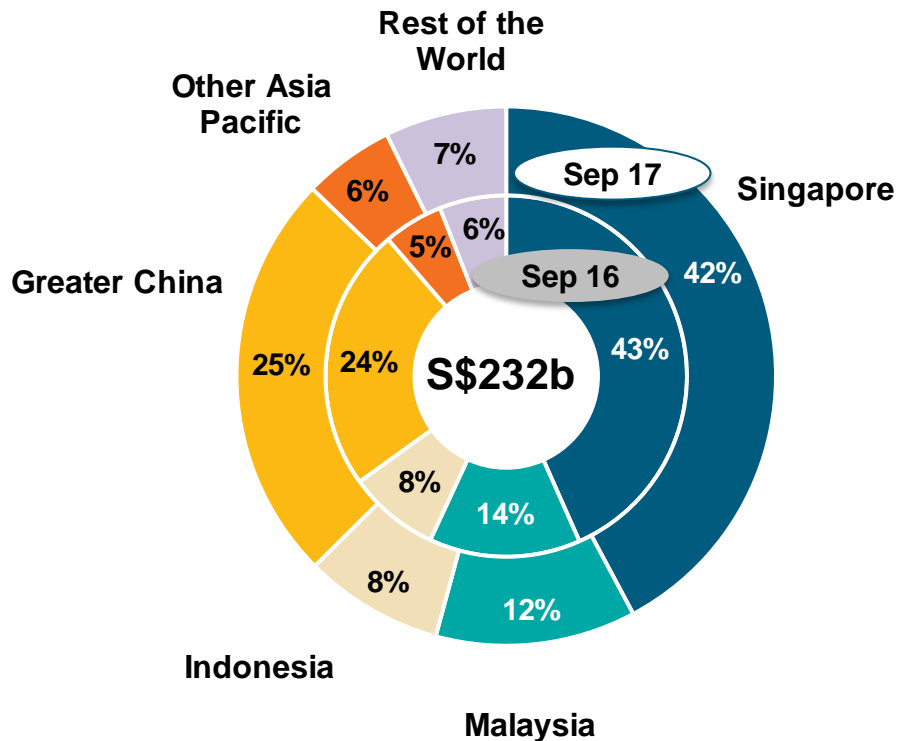
Broad-based YoY growth of 11% across most industry segments and key markets



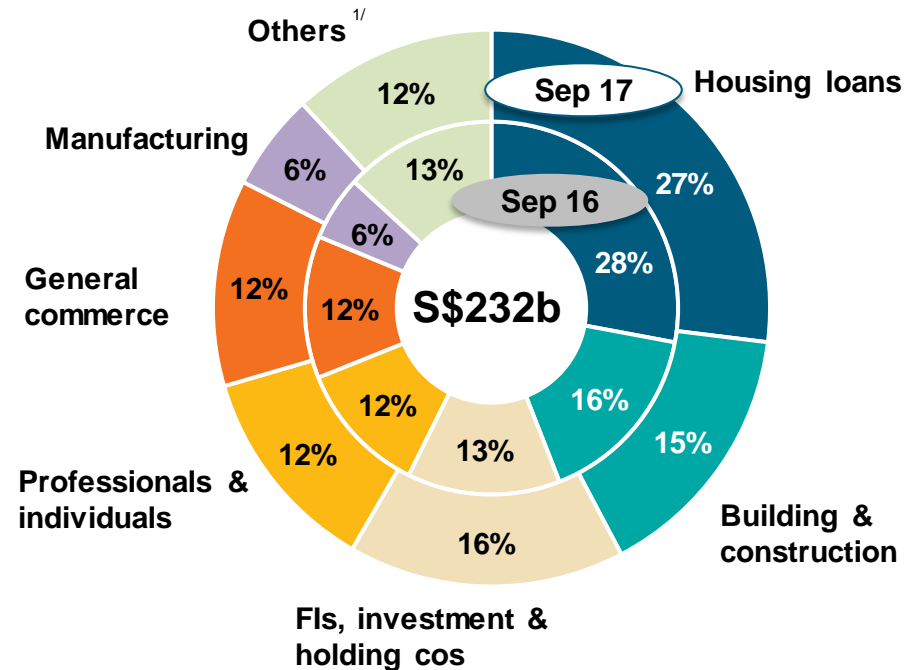
# Customer loans

Loans portfolio well-diversified across geographies and industries

## Customer Loans by Geography

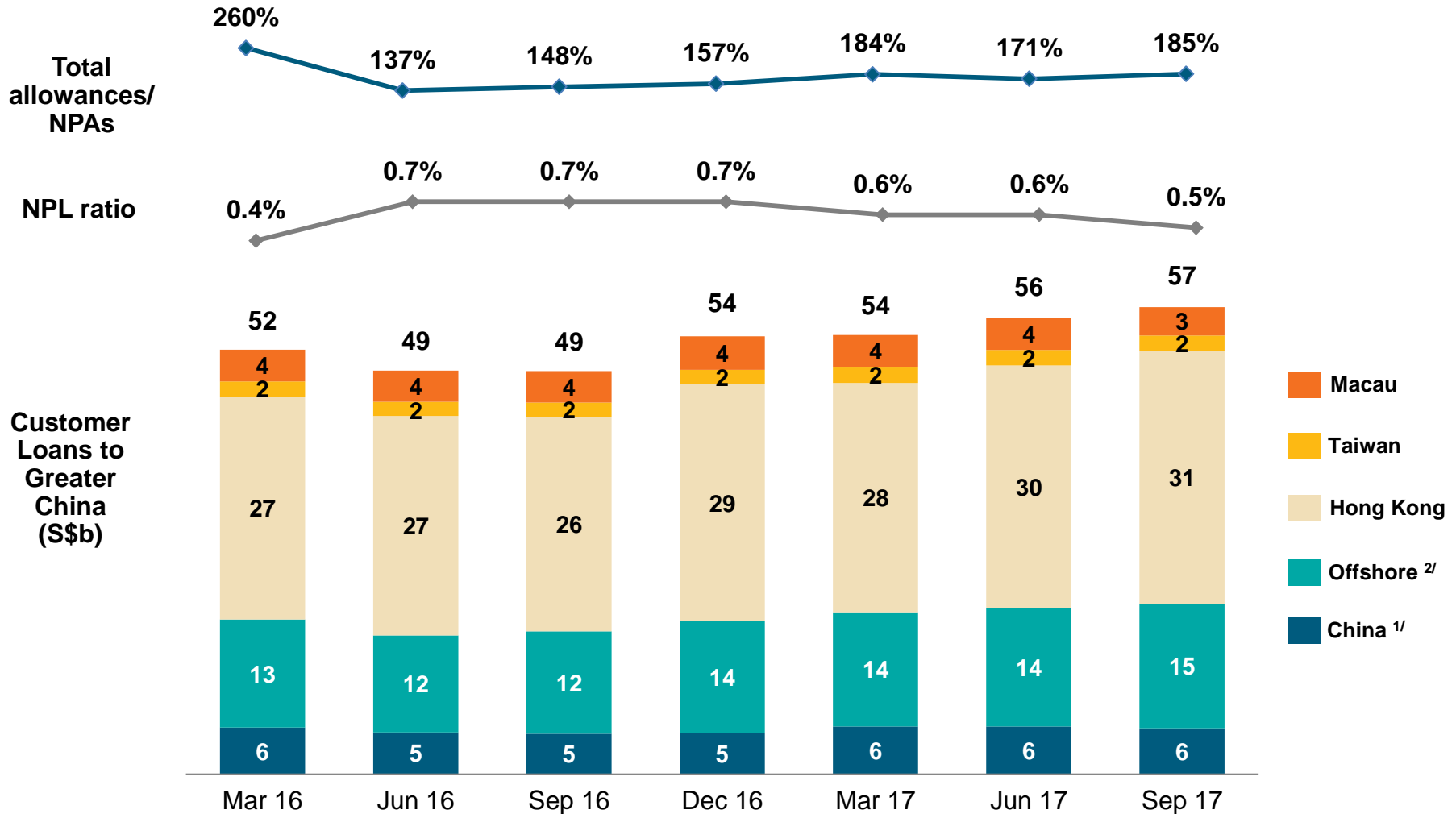


## Customer Loans by Industry



# Greater China Customer Loans

Loans up QoQ and YoY; sound asset quality and coverage ratios maintained

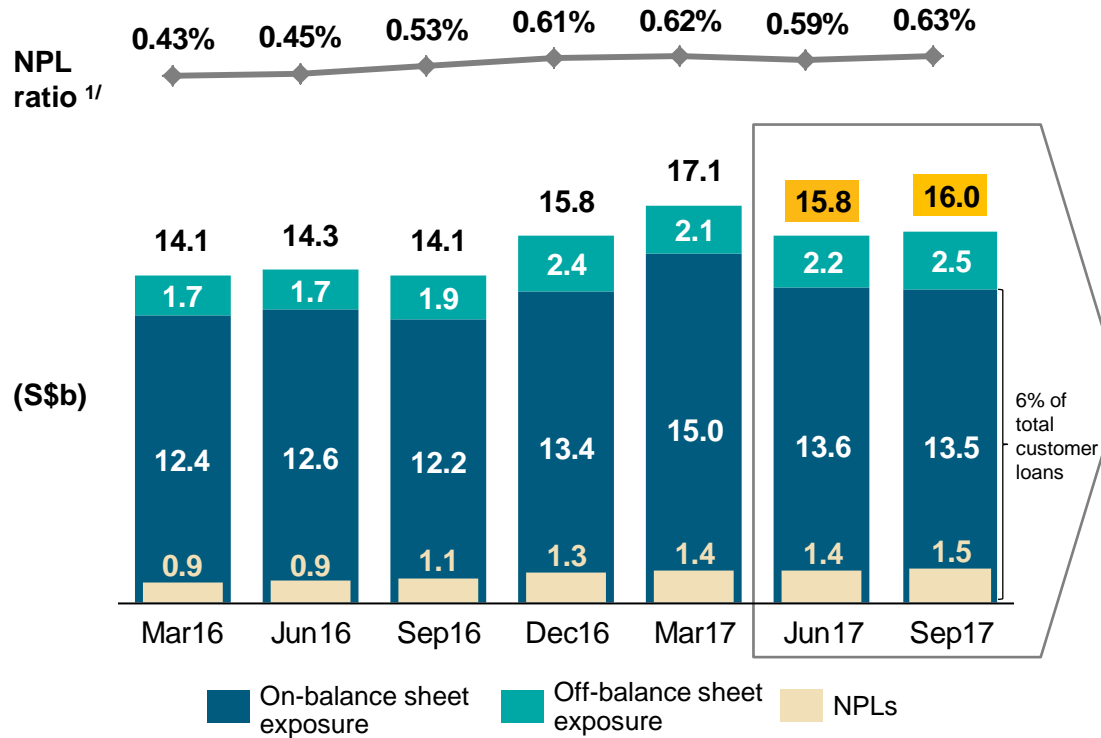


Note: Customer loans to Greater China is based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

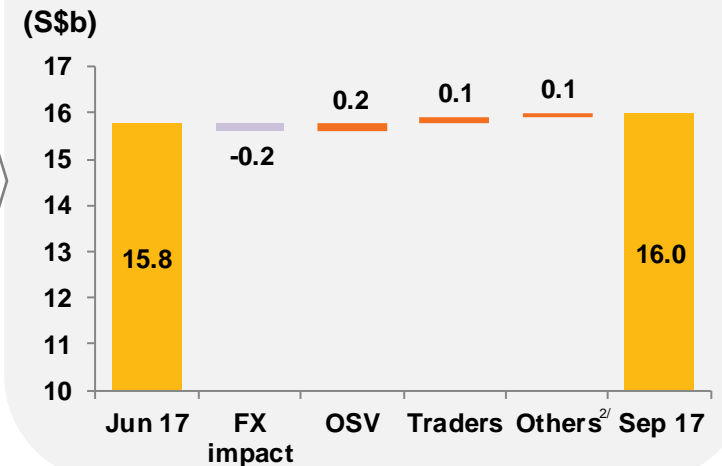
1/ Relates to loans that are booked in China, where credit risks reside.

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

# Oil & Gas exposure

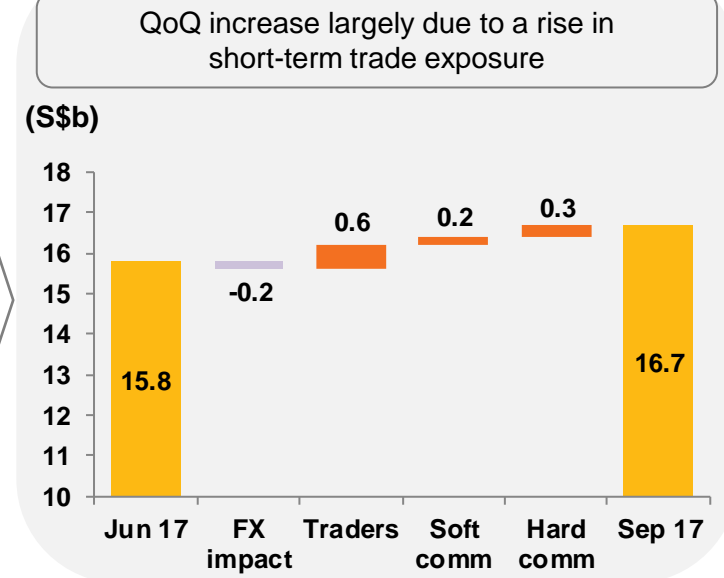
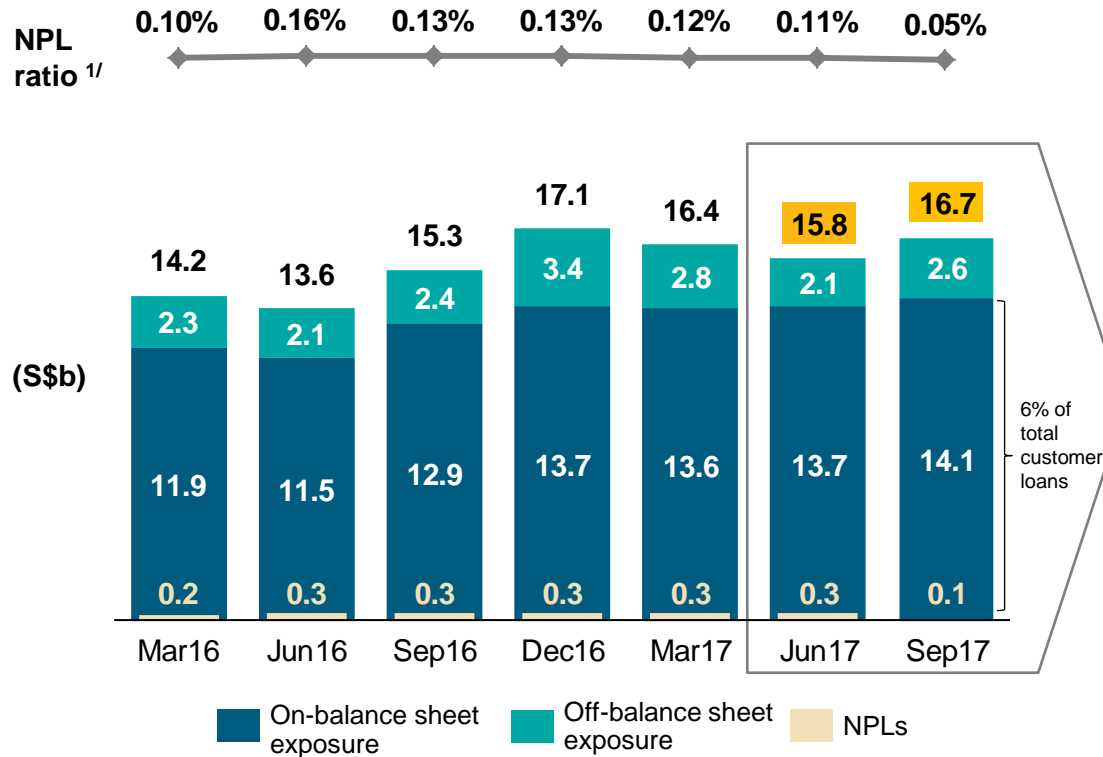


Total O&G exposure remained relatively stable QoQ



- Approximately a third (33%) of oil & gas NPLs are being serviced; pro-active steps taken to restructure loans based on stress-test results
- Oil & gas offshore support vessels (“OSV”) sector made up S\$5.7b or 42% of oil & gas on-balance sheet exposure as at 30 September 2017, of which 24% are classified as NPLs

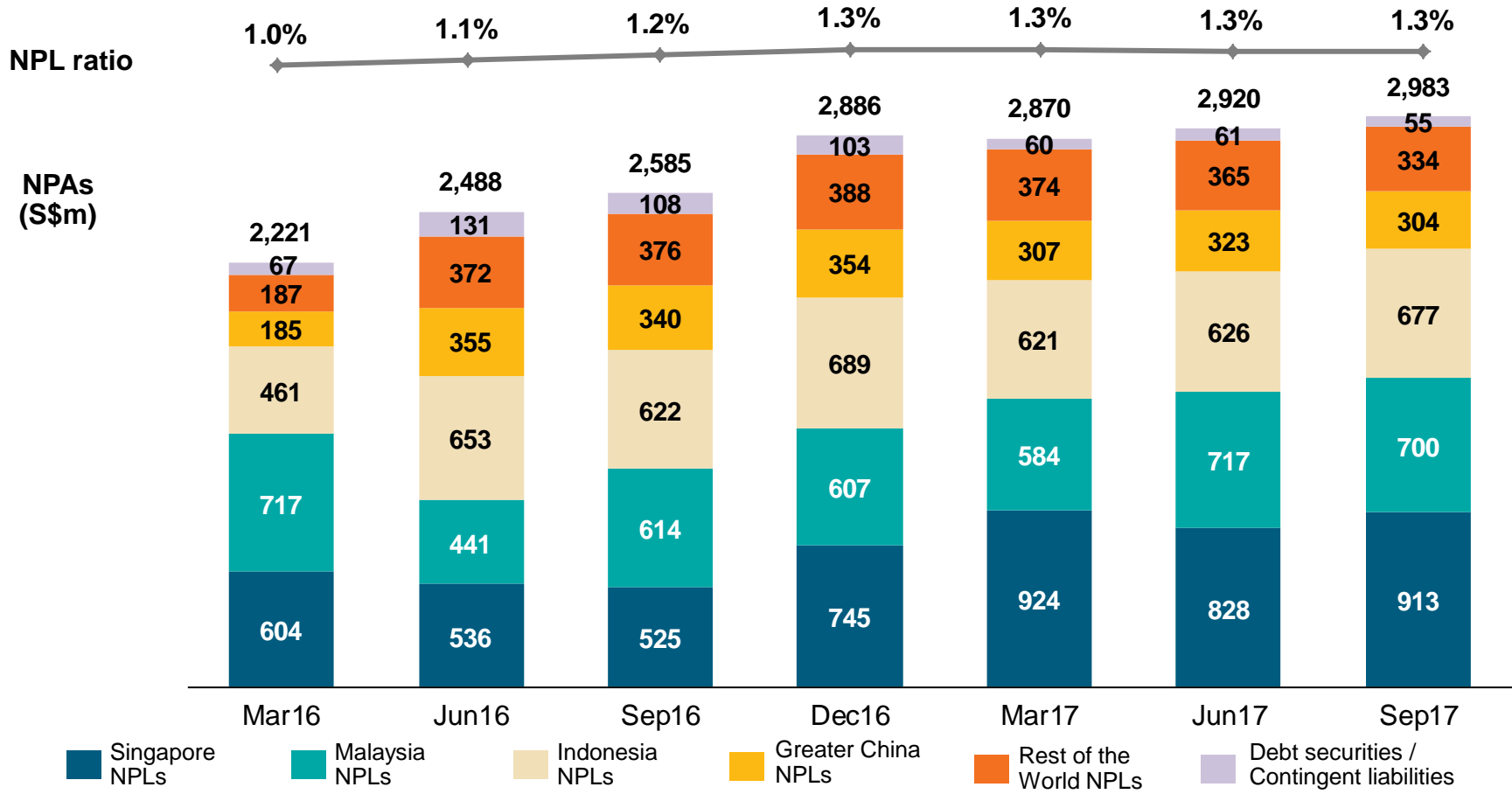
# Commodities exposure



- Commodity on-balance sheet exposure comprises soft commodities (e.g. CPO) 45%, trading 26%, and hard commodities (e.g. metals) 29%
- NPL ratio as at 30 September 2017 remained low; overall portfolio asset quality resilient

# Asset quality

New NPA formation eased; NPL ratio of 1.3% stable over 4 quarters with healthy coverage ratios maintained



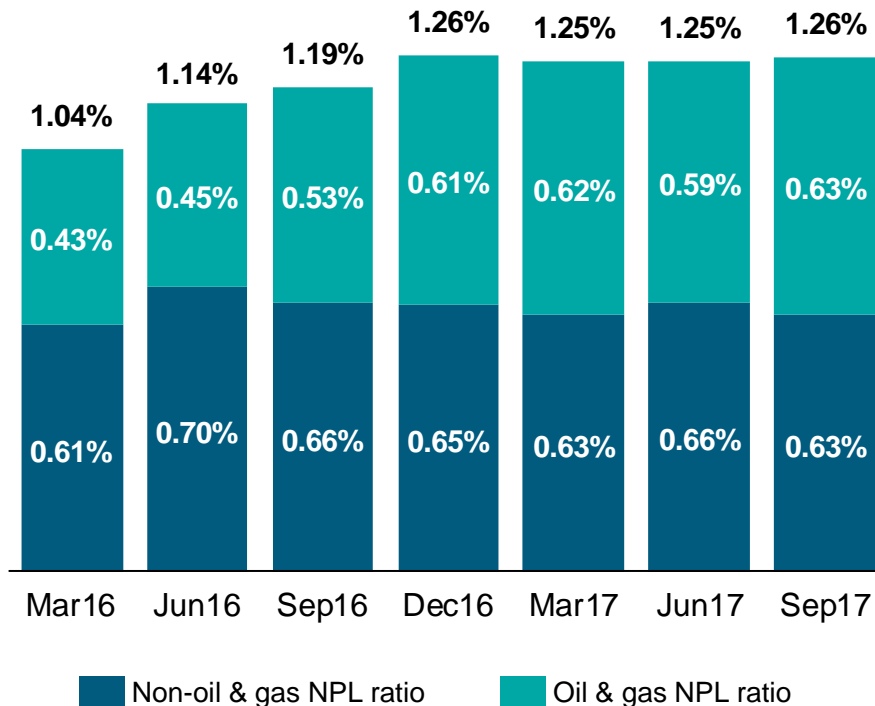
<b>Total allow./ NPAs</b>	113%	100%	101%	100%	101%	101%	101%
<b>Total allow./ unsecured NPAs</b>	384%	271%	308%	303%	297%	304%	309%
<b>Secured NPAs/ Total NPAs</b>	71%	63%	67%	67%	66%	67%	67%

Note: NPAs comprise NPLs and classified debt securities/contingent liabilities.

# NPL Ratio & Non-Performing Assets

Excluding oil and gas NPLs, the NPL ratio continued to be stable over the past quarters. 3Q17 new NPAs lower compared to the previous quarter and a year ago

## NPL ratio

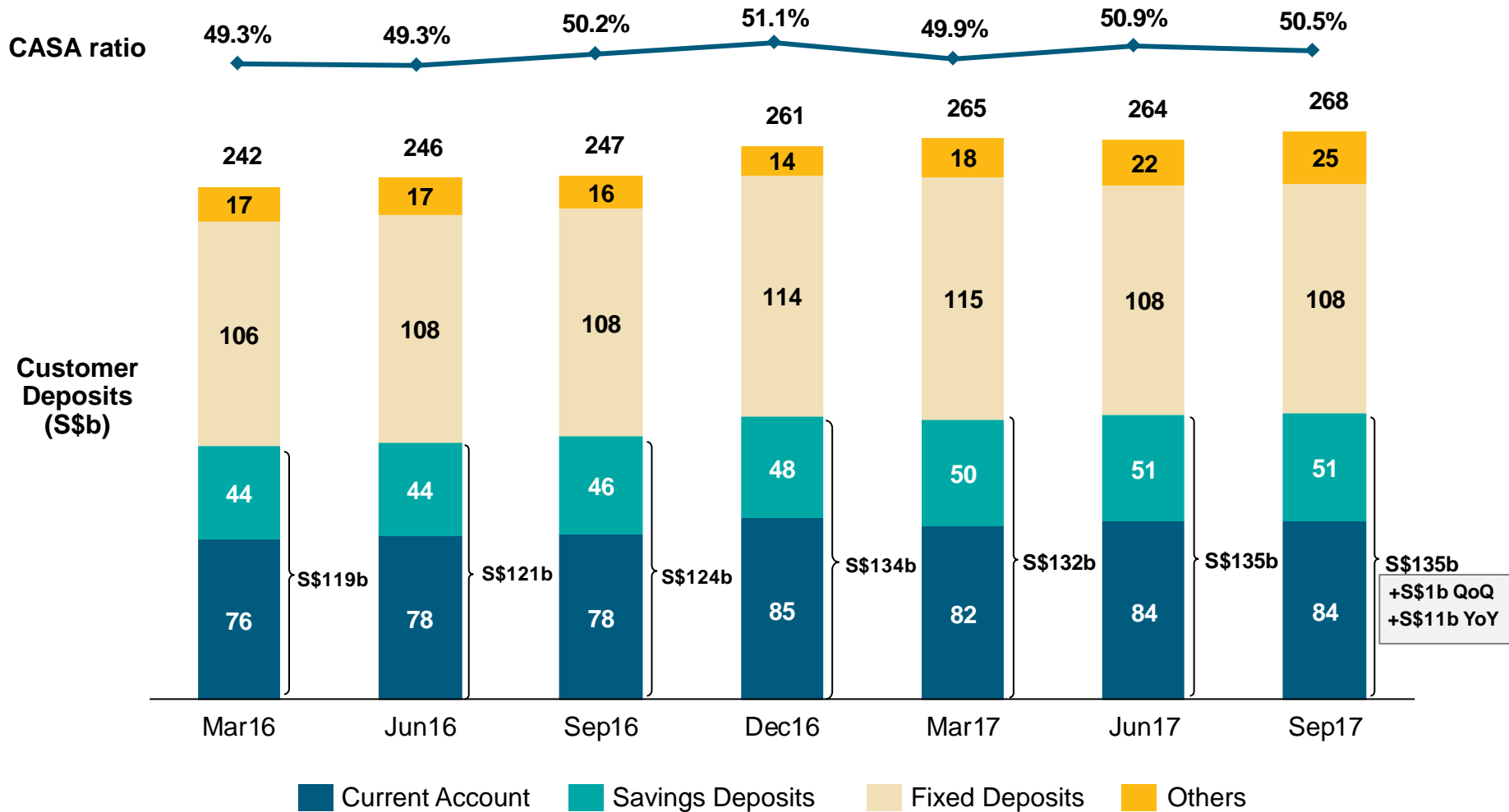


## NPAs

	3Q17 S\$m	2Q17 S\$m	3Q16 S\$m
Opening balance	2,920	2,870	2,488
New NPAs	409	445	497
Net recoveries/ upgrades	(243)	(270)	(328)
Write-offs	(103)	(125)	(72)
<b>Closing balance</b>	<b>2,983</b>	<b>2,920</b>	<b>2,585</b>

# Customer deposits

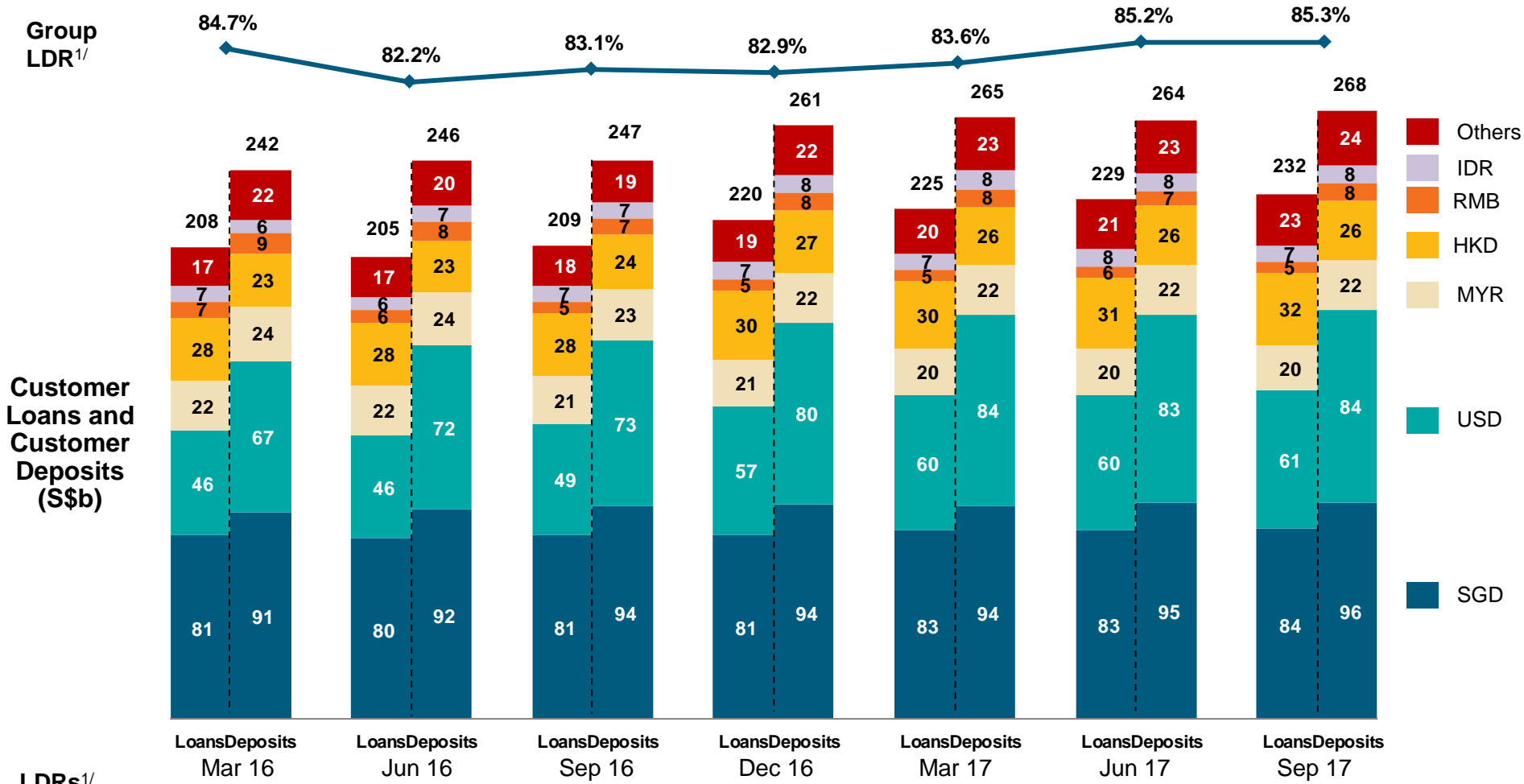
Growth in customer deposits underpinned by 9% YoY increase in CASA balances; CASA ratio at 50.5% of total deposits





# Loans-to-Deposits Ratio

Group LDR at 85.3%



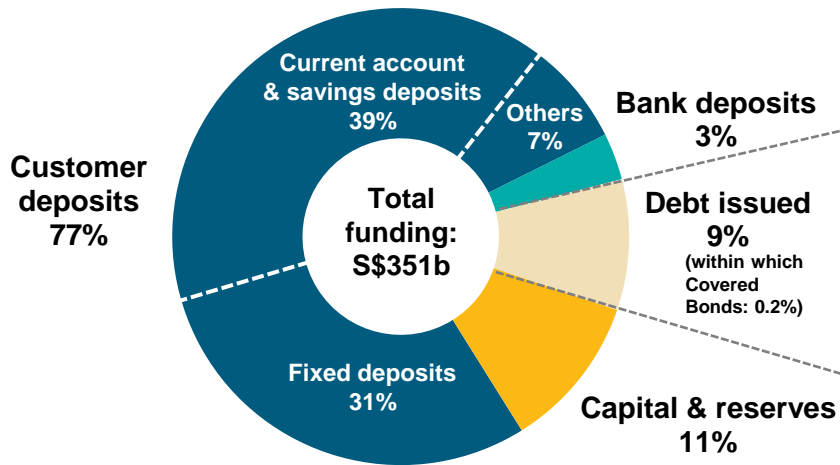
LDRs <sup>1/</sup>	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
SGD	89.5%	87.3%	86.8%	86.1%	88.2%	87.4%	87.7%
USD	67.7%	63.1%	66.7%	70.4%	71.0%	72.0%	72.0%
RMB	83.1%	71.3%	75.8%	64.7%	65.8%	73.2%	69.0%

<sup>1/</sup> Group LDRs based on net customer loans / customer deposits; LDRs by currency based on gross customer loans / customer deposits.

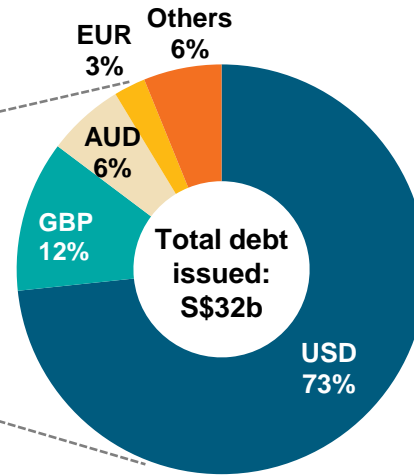
# Funding sources

Well-diversified funding mix; customer deposits formed majority of the funding base

## Funding Composition as of 30 Sep 2017



## Wholesale Funding by Currency as of 30 Sep 2017



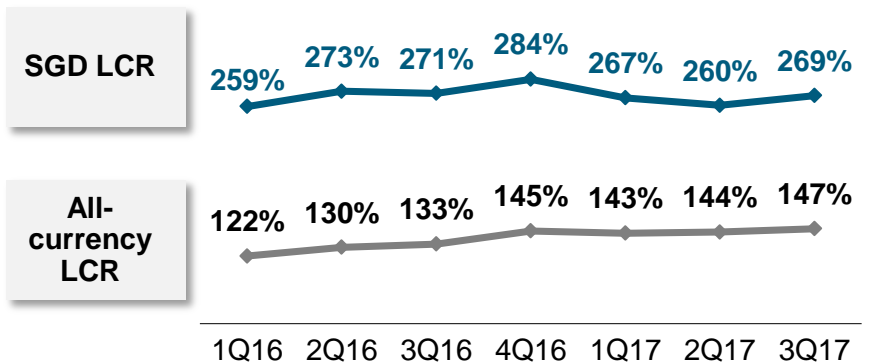
### By Maturity:

≤ 1 year	78%
> 1 year	22%

## CASA by Currency

S\$b	Sep 16	Jun 17	Sep 17
Group	124	135	135
SGD	62	68	67
USD	35	36	38
MYR	6	6	6
HKD	9	11	11
IDR	2	3	3

## Average Liquidity Coverage Ratio

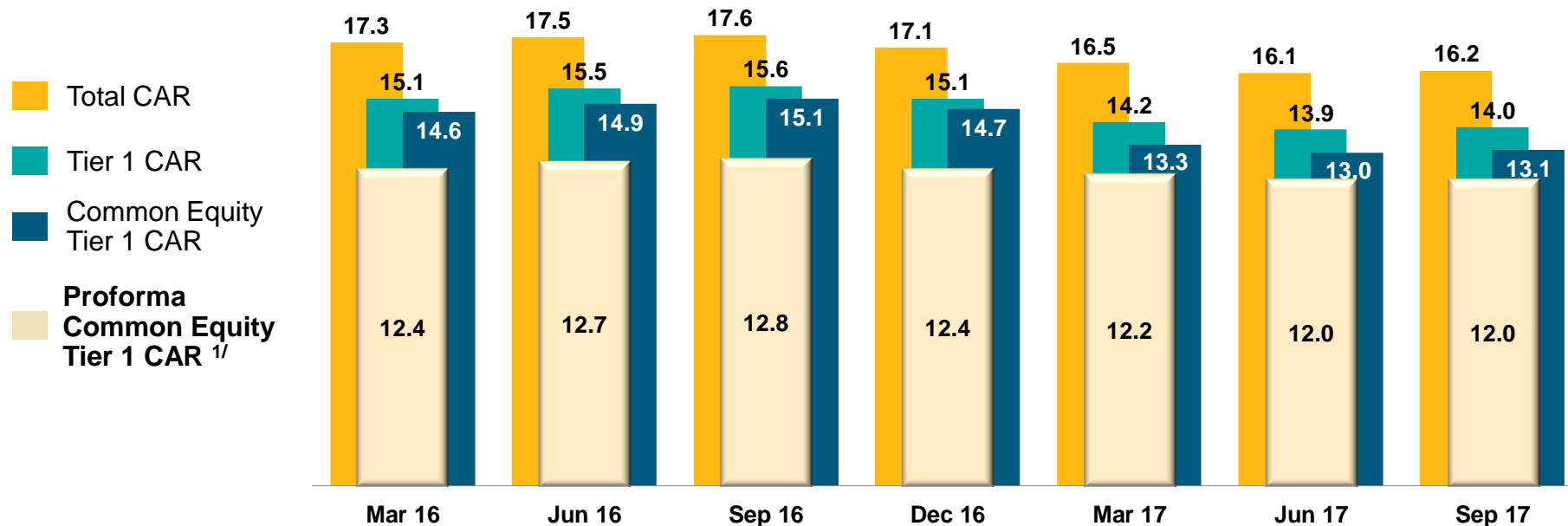


Note: Both Singapore dollar and all-currency LCRs were higher as compared to the regulatory requirements effective at each reporting date.

# Capital

Capital position remained robust and well above regulatory requirements

## Capital Adequacy Ratios (%)



	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
CET1 capital (S\$m)	27,846	28,417	28,728	29,143	27,688	27,800	27,807
Tier 1 capital (S\$m)	28,856	29,434	29,736	29,968	29,558	29,684	29,694
RWA (S\$m)	189,940	189,862	189,775	197,763	207,224	212,527	211,372

Leverage ratio <sup>2/</sup> (%)	8.2	8.2	8.4	8.2	7.7	7.8	7.6
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Note: Capital ratios are computed based on Basel III transitional arrangements.

1/ Based on Basel III rules which will be effective from 1 January 2018.

2/ Leverage ratio of 7.6% as at 30 September 2017 was well above the 3% minimum requirement as guided by the Basel Committee.

# Agenda

Results Overview

3Q17 & 9M17 Group Performance Trends

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

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

# 3Q17 Great Eastern Holdings' performance

Net profit contribution to the Group rose 22% YoY to S\$194m

GEH	3Q17 S\$m	2Q17 S\$m	QoQ +/(-)%	3Q16 S\$m	YoY +/(-)%
Profit from insurance business	212	245	(13)	173	23
- Operating profit <sup>1/</sup>	159	158	1	135	18
- Non-operating profit / (loss) <sup>2/</sup>	32	73	(57)	20	61
- Others	22	14	57	18	18
Profit from Shareholders' Fund	59	68	(12)	59	1
<b>Profit from operations</b>	<b>271</b>	<b>312</b>	<b>(13)</b>	<b>231</b>	<b>17</b>
Allowances	(7)	(4)	56	(5)	30
Associates	-	(0)	(100)	(1)	(100)
Tax & NCI	(29)	(29)	2	(30)	(3)
<b>Net profit</b>	<b>236</b>	<b>279</b>	<b>(16)</b>	<b>195</b>	<b>21</b>
Group adjustments <sup>3/</sup>	(42)	(46)	(9)	(36)	17
<b>Net profit contribution to Group</b>	<b>194</b>	<b>233</b>	<b>(17)</b>	<b>159</b>	<b>22</b>

Note: For comparative reasons, Operating and Non-Operating Profit figures for periods prior to 3Q17 have been restated using exchange rates as at 30 September 2017. The differences between the restated and previously reported Operating Profit figures were included in the 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 interest.

# 9M17 Great Eastern Holdings' performance

Nine months earnings contribution up 96% to S\$607m

GEH	9M17 S\$m	9M16 S\$m	YoY +/(-)%
Profit from insurance business	640	382	68
- Operating profit <sup>1/</sup>	438	384	14
- Non-operating profit / (loss) <sup>2/</sup>	149	(53)	380
- Others	53	51	4
Profit from Shareholders' Fund	195	107	83
<b>Profit from operations</b>	<b>835</b>	<b>489</b>	<b>71</b>
Allowances	(14)	(13)	11
Associates	(0)	(1)	(98)
Tax & NCI	(88)	(81)	9
<b>Net profit</b>	<b>733</b>	<b>394</b>	<b>86</b>
Group adjustments <sup>3/</sup>	(126)	(84)	51
<b>Net profit contribution to Group</b>	<b>607</b>	<b>311</b>	<b>96</b>

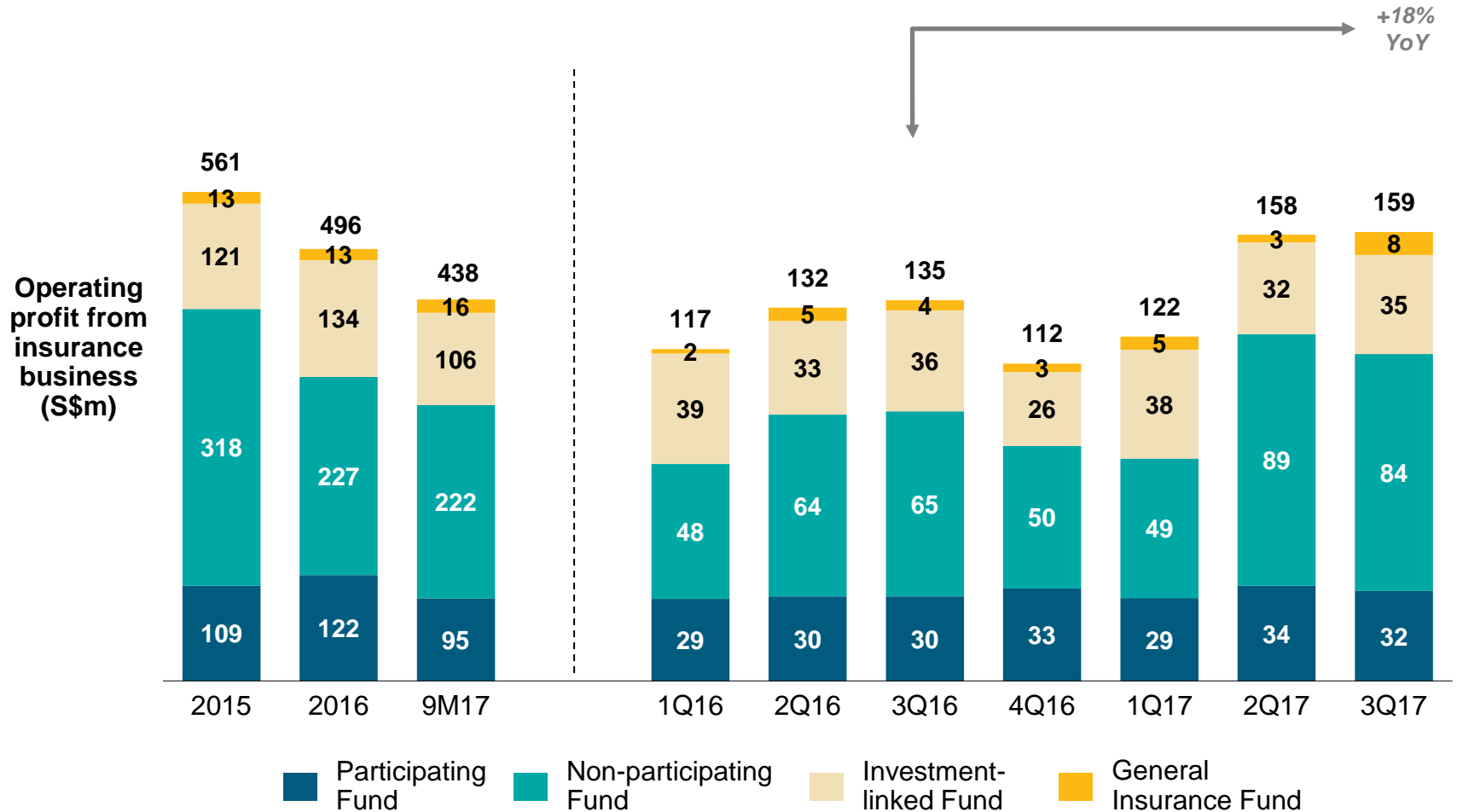
Note: For comparative reasons, Operating and Non-Operating Profit figures for periods prior to 3Q17 have been restated using exchange rates as at 30 September 2017. The differences between the restated and previously reported Operating Profit figures were included in the Non-Operating Profit.



- 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 interest.

# GEH: Operating Profit

3Q17 operating profit was up 18% YoY, mainly driven by the Singapore insurance business

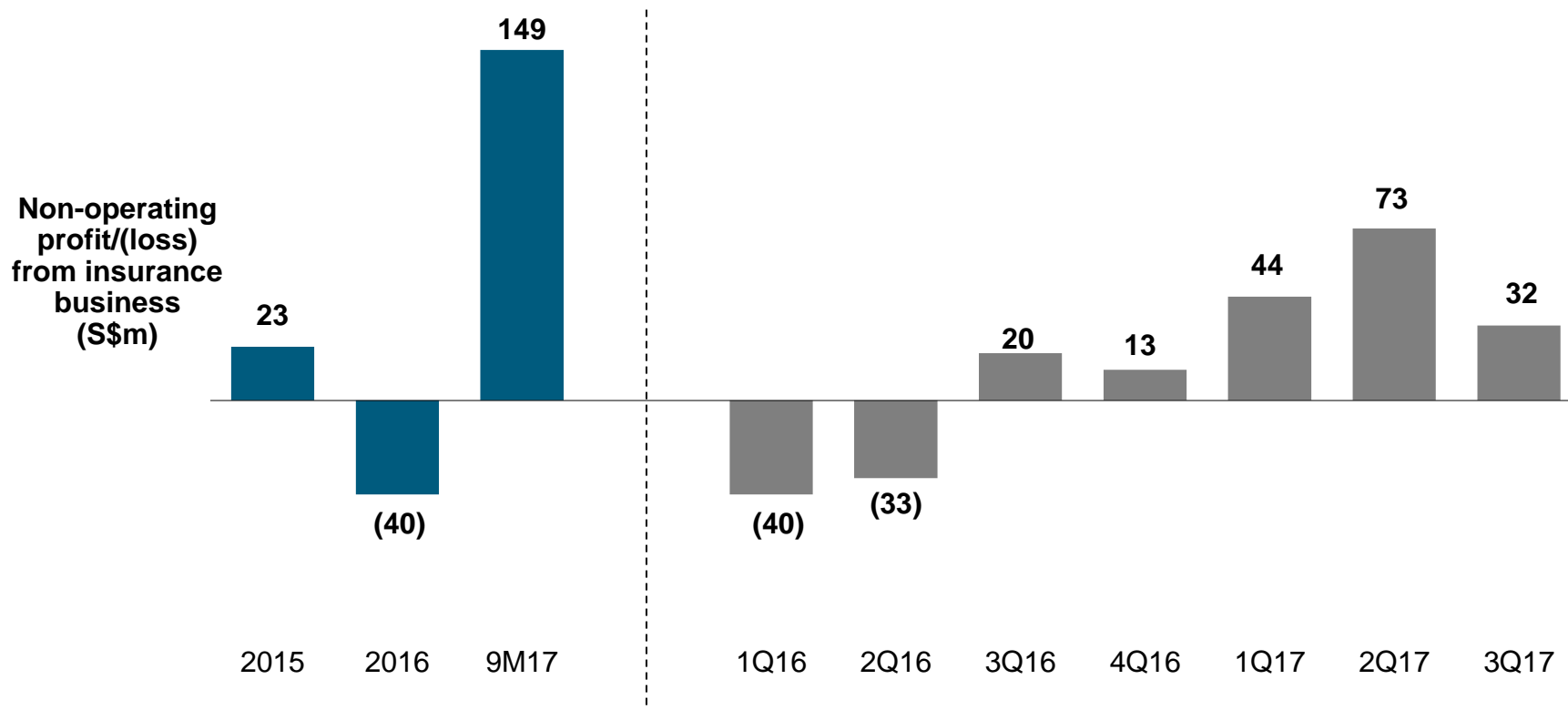


Note:

- Operating Profit (net of tax) is defined as premiums less claims, surrenders, commissions, expenses and changes in reserves, plus investment income (dividends, coupons, etc).
- For comparative reasons, Operating and Non-Operating Profit figures for periods prior to 3Q17 have been restated using exchange rates as at 30 September 2017. The differences between the restated and previously reported Operating Profit figures were included in the Non-Operating Profit.

# GEH: Non-operating profit

3Q17 non-operating profit at S\$32m from favourable equity markets and narrowing of credit spreads



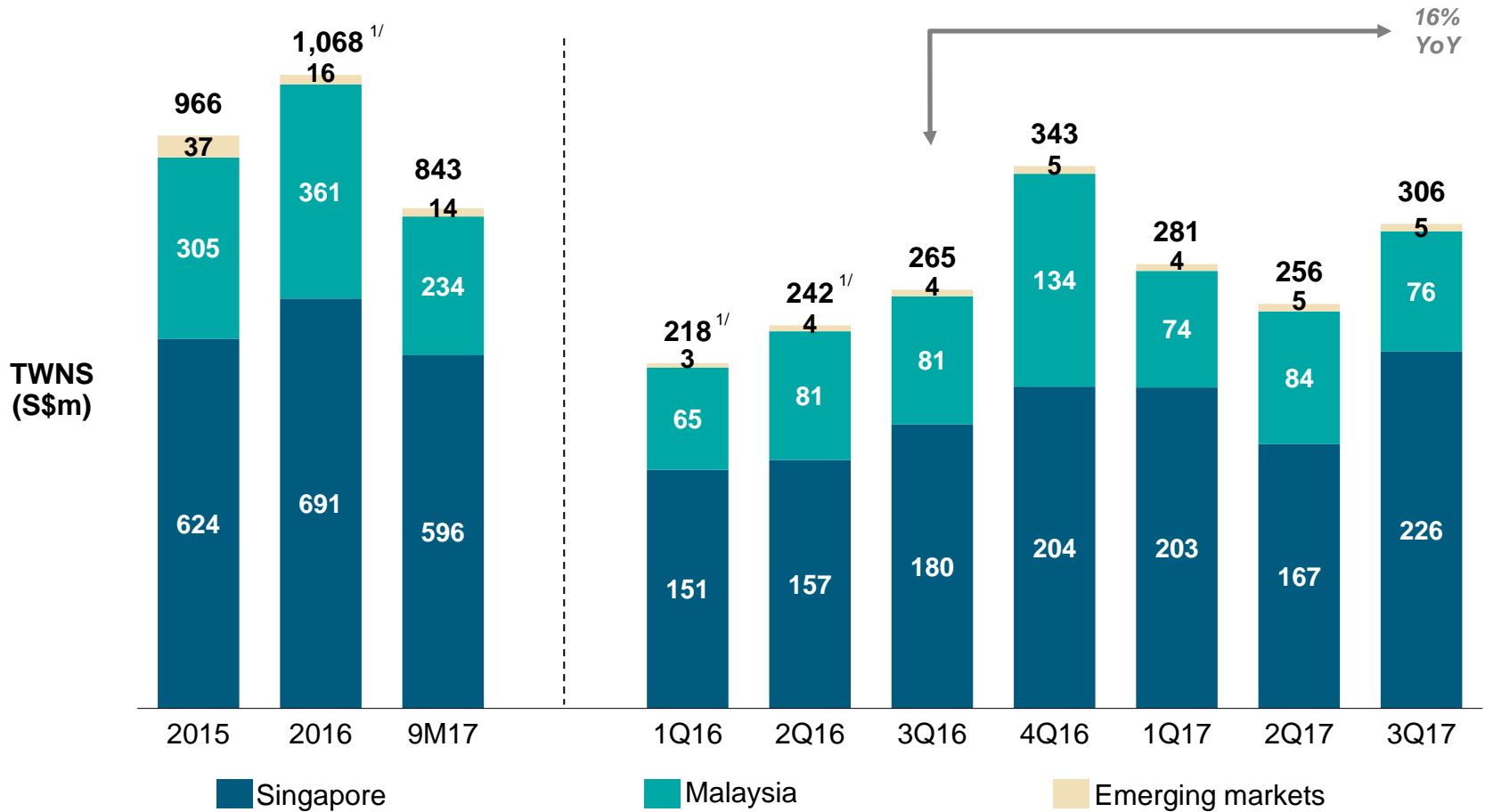
Note:

- 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.
- For comparative reasons, Operating and Non-Operating Profit figures for periods prior to 3Q17 have been restated using exchange rates as at 30 September 2017. The differences between the restated and previously reported Operating Profit figures were included in the Non-Operating Profit.



# GEH: Total weighted new sales

TWNS rose 16% YoY, led by growth in agency and bancassurance sales in Singapore

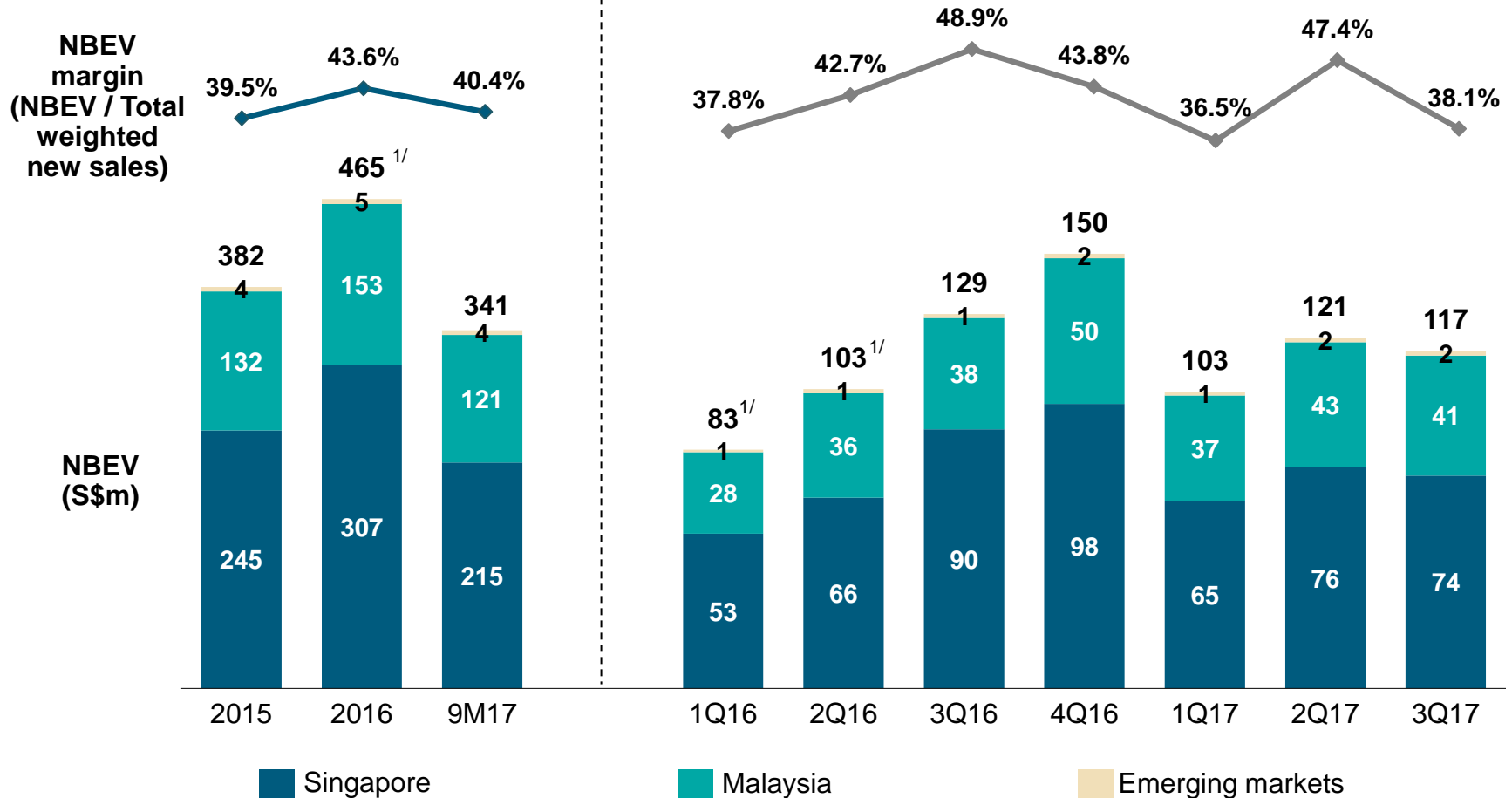


Note: For comparative reasons, total weighted new sales figures for periods prior to 3Q17 have been restated using exchange rates as at 30 September 2017. From 1 Dec 2015, sales from GEH's investment in China have been excluded.

<sup>1/</sup> TWNS for FY16, 1Q16 and 2Q16 included sales from Group's investment in Vietnam up to June 2016.

# GEH: New business embedded value

3Q17 NBEV at S\$117m with NBEV margin of 38.1%



# 3Q17 OCBC Wing Hang's performance

Net profit up QoQ and YoY in local currency terms

OCBC Wing Hang	3Q17 HKD m	2Q17 HKD m	QoQ +/(-)%	3Q16 HKD m	YoY +/(-)%
Net interest income	1,106	1,023	8	976	13
Non-interest income	565 <sup>1/</sup>	321	76 <sup>1/</sup>	379	49 <sup>1/</sup>
Total income	1,671	1,343	24	1,355	23
Operating expenses	(764)	(715)	7	(767)	-
<b>Operating profit</b>	<b>907</b>	<b>628</b>	<b>44</b>	<b>589</b>	<b>54</b>
Allowances	44	(37)	(219)	(43)	(202)
Associates	16	18	(13)	(17)	194
<b>Profit before tax</b>	<b>966</b>	<b>609</b>	<b>59</b>	<b>529</b>	<b>83</b>
Tax	(119)	(115)	3	(80)	48
<b>Net profit (HKD m)</b>	<b>847</b>	<b>494</b>	<b>71</b>	<b>448</b>	<b>89</b>
<b>Net profit contribution to Group (S\$m)<sup>2/</sup></b>	<b>91</b>	<b>74</b>	<b>23</b>	<b>71</b>	<b>29</b>
<b>Key ratios (%)</b>					
<b>Cost / Income</b>	<b>45.7</b>	<b>53.3</b>		<b>56.6</b>	

Note: Results of OCBC Bank (China) were included from mid July 2016.

1/ 3Q17 included higher net gains from sale of investment securities.

2/ Net profit contribution to Group after group adjustments, which are primarily amortisation for intangibles, allowances and depreciation of property and equipment; and fair value adjustments for its subordinated debt securities and investment securities to conform with OCBC Group's policies.

# 9M17 OCBC Wing Hang's performance

Net profit up 26% YoY to HKD1.8b

OCBC Wing Hang	9M17 HKD m	9M16 HKD m	YoY +/(-)%
Net interest income	3,101	2,804	11
Non-interest income	1,197 <sup>1/</sup>	922	30 <sup>1/</sup>
Total income	4,298	3,726	15
Operating expenses	(2,190)	(1,953)	12
<b>Operating profit</b>	<b>2,109</b>	<b>1,773</b>	<b>19</b>
Allowances	(15)	(110)	(87)
Associates	48	24	102
<b>Profit before tax</b>	<b>2,142</b>	<b>1,687</b>	<b>27</b>
Tax	(316)	(234)	35
<b>Net profit (HKD m)</b>	<b>1,826</b>	<b>1,453</b>	<b>26</b>
<b>Net profit contribution to Group (S\$m) <sup>2/</sup></b>	<b>238</b>	<b>222</b>	<b>7</b>
<b>Key ratios (%)</b>			
<b>Cost / Income</b>	<b>50.9</b>	<b>52.4</b>	

Note: Results of OCBC Bank (China) were included from mid July 2016.

1/ 9M17 included higher net gains from sale of investment securities.

2/ Net profit contribution to Group after group adjustments, which are primarily amortisation for intangibles, allowances and depreciation on property and equipment; and fair value adjustments for its subordinated debt securities and investment securities to conform with OCBC Group's policies.

# OCBC Wing Hang: Revenue

Net interest income rose 8% QoQ while non-interest income grew 76% from higher net gains from sale of investment securities

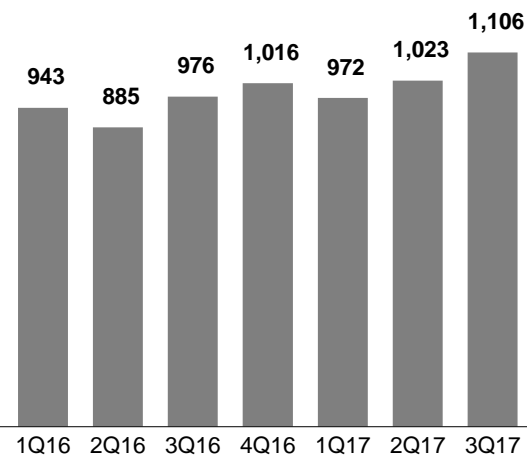
## Net interest income (HKD m)

### Net interest margin

1.76% 1.75% 1.59%



1.83% 1.73% 1.73% 1.73% 1.60%<sup>1/</sup> 1.60% 1.57%



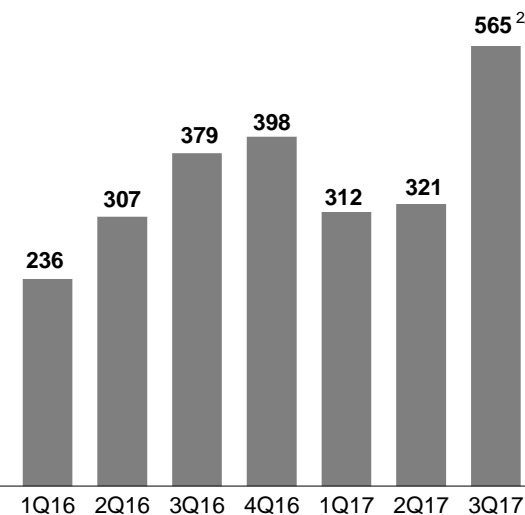
## Non-interest income (HKD m)

### Non-int. income/ Total income

22.2% 25.7% 27.9%



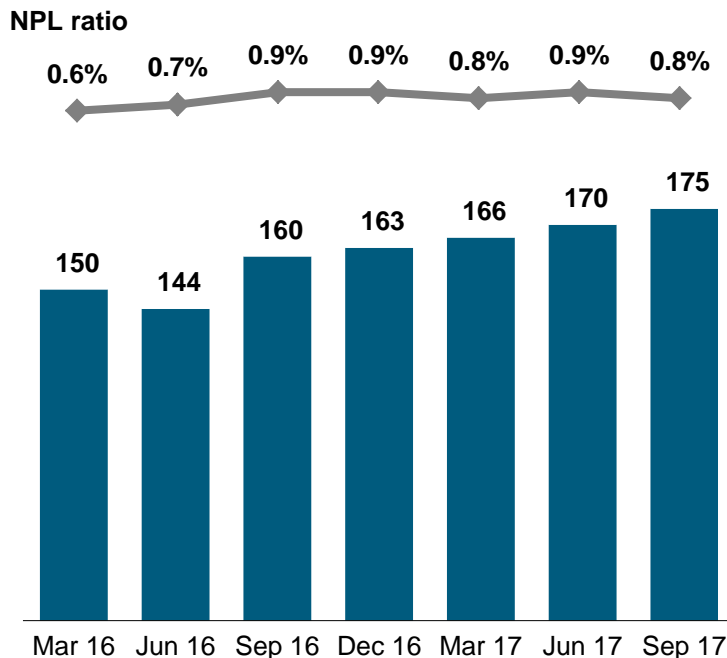
20.0% 25.8% 28.0% 28.1% 24.3% 23.9% 33.8%



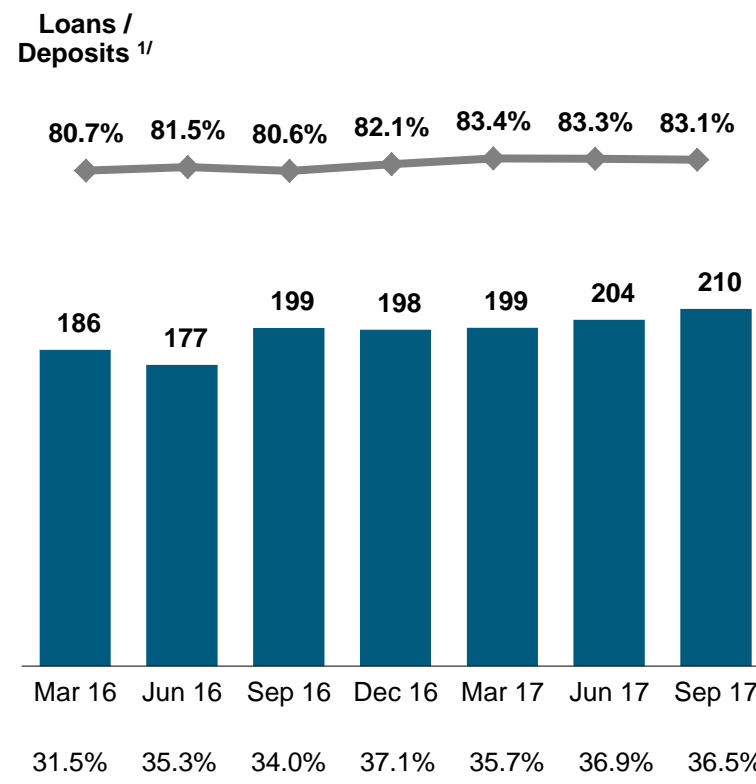
# OCBC Wing Hang: Loans & Deposits

Loans and deposits both increased QoQ; NPL ratio lower QoQ at 0.8%

## Gross Loans (HKD b)



## Deposits (HKD b)



CASA Ratio

31.5% 35.3% 34.0% 37.1% 35.7% 36.9% 36.5%



Note: Results of OCBC Bank (China) were included from mid July 2016.

<sup>1/</sup> Loans-to-deposits ratio calculation based on gross customer loans / customer deposits.

# 3Q17 OCBC Malaysia's Performance

Net profit 4% above previous quarter and increased 22% YoY

OCBC Malaysia	3Q17 RM m	2Q17 RM m	QoQ +/(-)%	3Q16 RM m	YoY +/(-)%
Net interest income	355	345	3	314	13
Islamic banking income <sup>1/</sup>	108	115	(6)	116	(7)
Non-interest / finance income	128	164	(22)	121	6
<b>Total income</b>	<b>591</b>	<b>624</b>	<b>(5)</b>	<b>551</b>	<b>7</b>
Operating expenses	(280)	(284)	(1)	(267)	5
<b>Operating profit</b>	<b>311</b>	<b>340</b>	<b>(9)</b>	<b>284</b>	<b>10</b>
Allowances	24	(29)	(183)	(16)	(250)
<b>Profit before tax</b>	<b>335</b>	<b>311</b>	<b>8</b>	<b>268</b>	<b>25</b>
Tax	(90)	(76)	18	(67)	34
<b>Net profit (RM m)</b>	<b>245</b>	<b>234</b>	<b>4</b>	<b>201</b>	<b>22</b>
<b>Net profit contribution to Group (S\$m) <sup>2/</sup></b>	<b>78</b>	<b>73</b>	<b>9</b>	<b>66</b>	<b>19</b>
<b>Key ratios (%)</b>					
<b>Cost / Income</b>	<b>47.4</b>	<b>45.5</b>		<b>48.5</b>	
<b>CAR <sup>3/</sup></b>					
- CET 1	12.7	12.5		12.8	
- Tier 1	14.6	14.4		14.7	
- Total CAR	17.4	17.4		18.0	



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

<sup>2/</sup> Net profit contribution to Group after adjustments to align to OCBC Group's policies.

<sup>3/</sup> Capital ratios for OCBC Malaysia Group are computed in accordance with the Capital Adequacy Framework issued by Bank Negara Malaysia.

# 9M17 OCBC Malaysia's Performance

Nine months net profit rose 9% to RM707m

OCBC Malaysia	9M17 RM m	9M16 RM m	YoY +/(-)%
Net interest income	1,046	980	7
Islamic banking income <sup>1/</sup>	334	361	(7)
Non-interest / finance income	419	403	4
<b>Total income</b>	<b>1,799</b>	<b>1,744</b>	<b>3</b>
Operating expenses	(820)	(804)	2
<b>Operating profit</b>	<b>979</b>	<b>940</b>	<b>4</b>
Allowances	(32)	(83)	(61)
<b>Profit before tax</b>	<b>947</b>	<b>857</b>	<b>11</b>
Tax	(240)	(210)	14
<b>Net profit (RM m)</b>	<b>707</b>	<b>647</b>	<b>9</b>
<b>Net profit contribution to Group (S\$m) <sup>2/</sup></b>	<b>224</b>	<b>215</b>	<b>4</b>
<b>Key ratios (%)</b>			
<b>Cost / Income</b>	<b>45.6</b>	<b>46.1</b>	
<b>CAR <sup>3/</sup></b>			
- Common Equity Tier 1	12.7	12.8	
- Tier 1	14.6	14.7	
- Total CAR	17.4	18.0	



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

<sup>2/</sup> Net profit contribution to Group after adjustments to align to OCBC Group's policies.

<sup>3/</sup> Capital ratios for OCBC Malaysia Group are computed in accordance with the Capital Adequacy Framework issued by Bank Negara Malaysia.

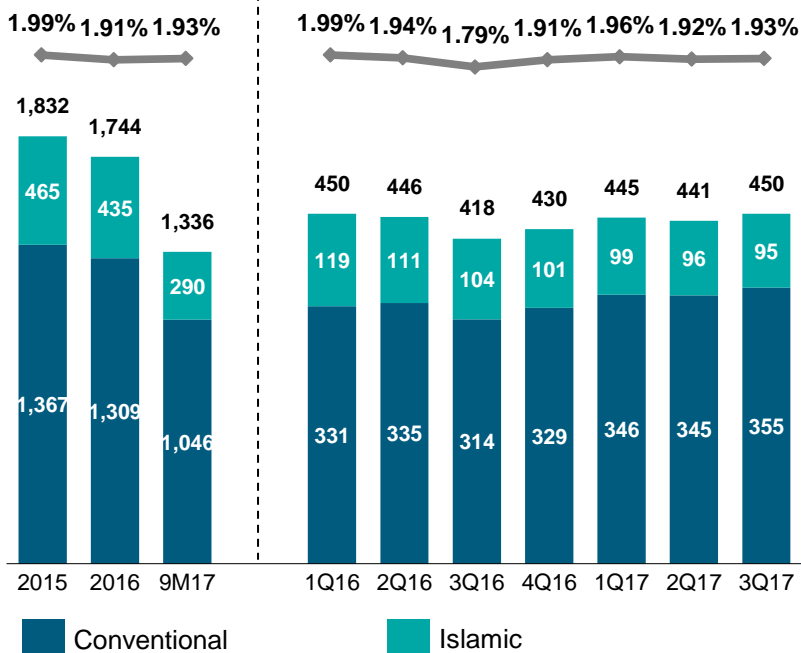


# OCBC Malaysia: Revenue

3Q17 net interest/finance income up 8% YoY; Non-interest/finance income rose 6% YoY

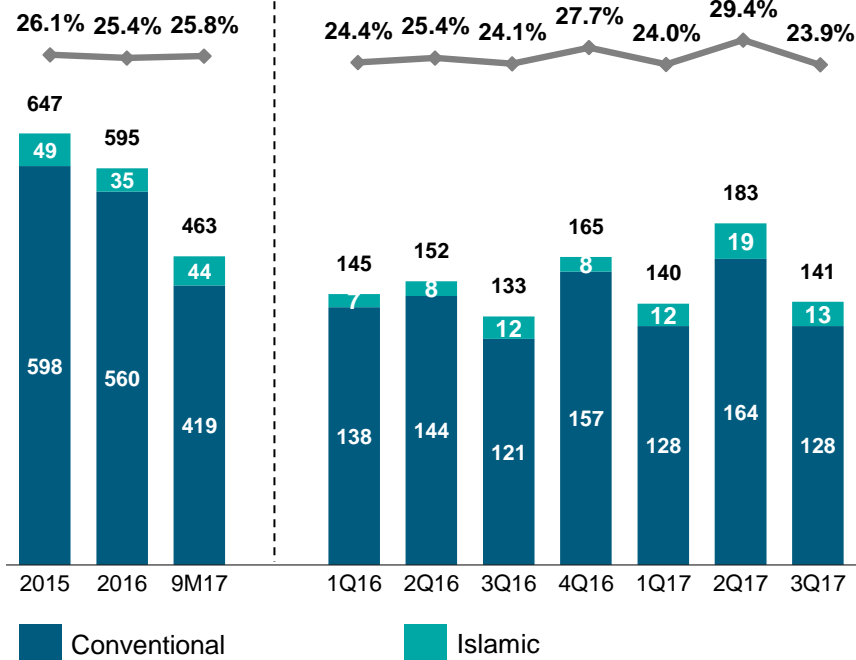
## Net interest/finance income (RM m)

Net interest/finance margin



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

Non-interest/finance income/ Total income



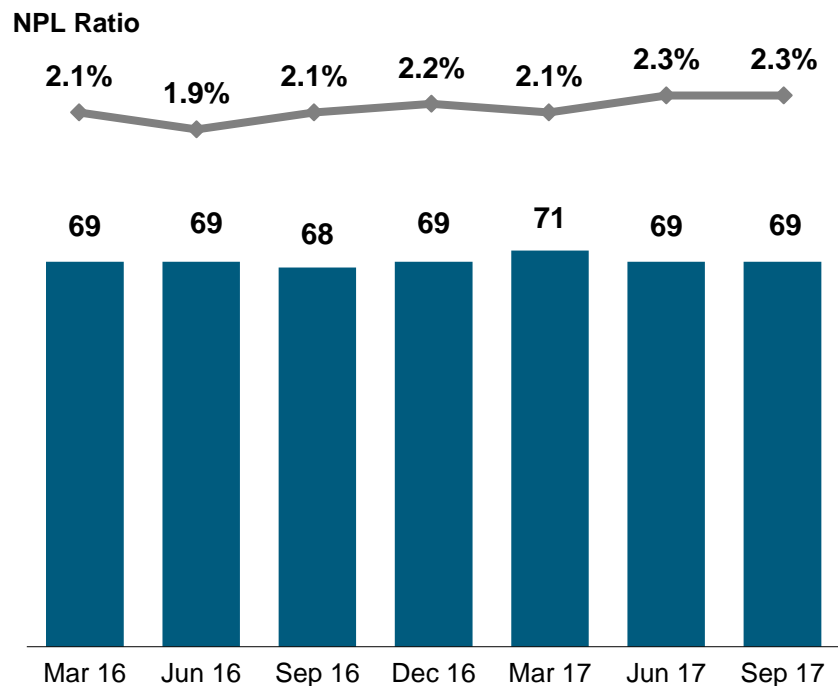
<sup>1/</sup> Non-interest/finance income comprises net fee and commission income, net trading income and other operating income.

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

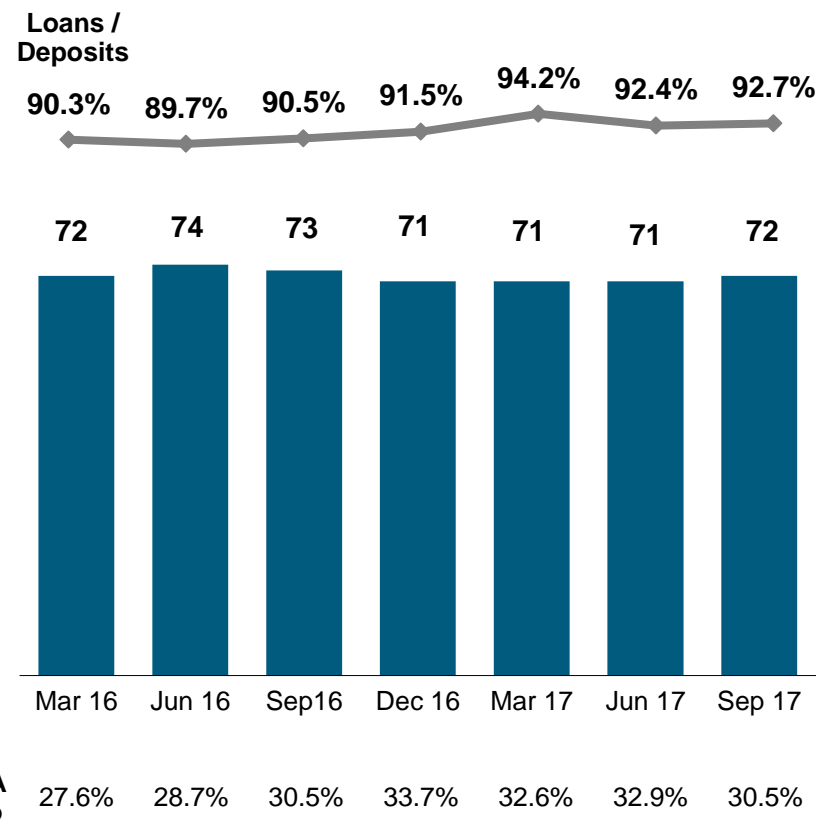
# OCBC Malaysia: Loans & Deposits

Customer loans at RM69b, NPL ratio at 2.3%; Deposits up 2% QoQ with CASA ratio at 31%

## Gross Loans (RM b)



## Deposits (RM b)



CASA Ratio

27.6% 28.7% 30.5% 33.7% 32.6% 32.9% 30.5%



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

# 3Q17 OCBC NISP's performance

Net profit increased 22% YoY to IDR539b

OCBC NISP	3Q17 IDR b	2Q17 IDR b	QoQ +/(-)%	3Q16 IDR b	YoY +/(-)%
Net interest income	1,537	1,515	2	1,332	15
Non-interest income	383	422	(9)	401	(5)
<b>Total income</b>	<b>1,920</b>	<b>1,937</b>	<b>(1)</b>	<b>1,733</b>	<b>11</b>
Operating expenses	(826)	(847)	(2)	(806)	3
<b>Operating profit</b>	<b>1,094</b>	<b>1,090</b>	<b>–</b>	<b>927</b>	<b>18</b>
Allowances	(377)	(342)	10	(336)	12
Non Operating Income	0	0	nm	1	nm
<b>Profit before tax</b>	<b>717</b>	<b>748</b>	<b>(4)</b>	<b>592</b>	<b>21</b>
Tax	(178)	(181)	(1)	(148)	20
<b>Net profit (IDR b)</b>	<b>539</b>	<b>567</b>	<b>(5)</b>	<b>444</b>	<b>22</b>
<b>Net profit contribution to Group (S\$m)<sup>1/</sup></b>	<b>46</b>	<b>50</b>	<b>(8)</b>	<b>36</b>	<b>29</b>
<b>Key ratios (%)</b>					
<b>Cost / Income</b>	<b>43.0</b>	<b>43.7</b>		<b>46.5</b>	
<b>CAR</b>					
- CET 1	16.8	16.6		17.9	
- Tier 1	16.8	16.6		17.9	
- Total CAR	17.7	17.5		19.0	



Note: Capital ratios are computed based on the standardised approach under the Basel III framework.  
1/ Net profit contribution to Group after adjustments to align to OCBC Group's policies.

# 9M17 OCBC NISP's performance

Nine months net profit rose 23% YoY to IDR1.7t

OCBC NISP	9M17 IDR b	9M16 IDR b	YoY +/(-)%
Net interest income	4,465	3,978	12
Non-interest income	1,146	1,100	4
<b>Total income</b>	<b>5,611</b>	<b>5,078</b>	<b>11</b>
Operating expenses	(2,477)	(2,363)	5
<b>Operating profit</b>	<b>3,134</b>	<b>2,715</b>	<b>15</b>
Allowances	(924)	(916)	1
Non Operating Income	0	9	nm
<b>Profit before tax</b>	<b>2,210</b>	<b>1,808</b>	<b>22</b>
Tax	(541)	(450)	20
<b>Net profit (IDR b)</b>	<b>1,669</b>	<b>1,358</b>	<b>23</b>
<b>Net profit contribution to Group (S\$m)<sup>1/</sup></b>	<b>146</b>	<b>128</b>	<b>13</b>
<b>Key ratios (%)</b>			
<b>Cost / Income</b>	<b>44.1</b>	<b>46.5</b>	
<b>CAR</b>			
- CET 1	16.8	17.9	
- Tier 1	16.8	17.9	
- Total CAR	17.7	19.0	



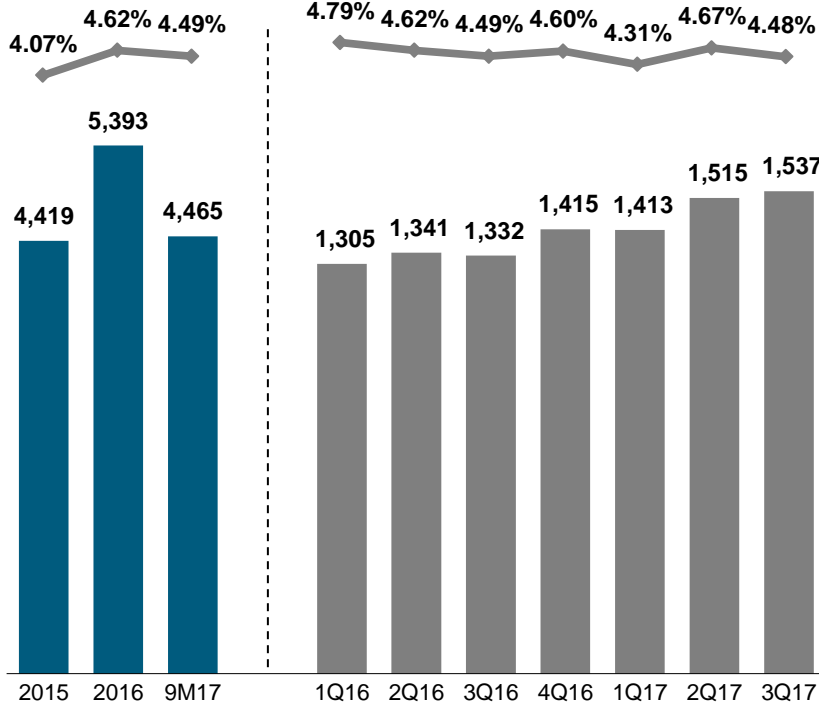
Note: Capital ratios are computed based on the standardised approach under the Basel III framework.  
1/ Net profit contribution to Group after adjustments to align to OCBC Group's policies.

# OCBC NISP: Revenue

3Q17 net interest income up 15%; non-interest income at IDR383b

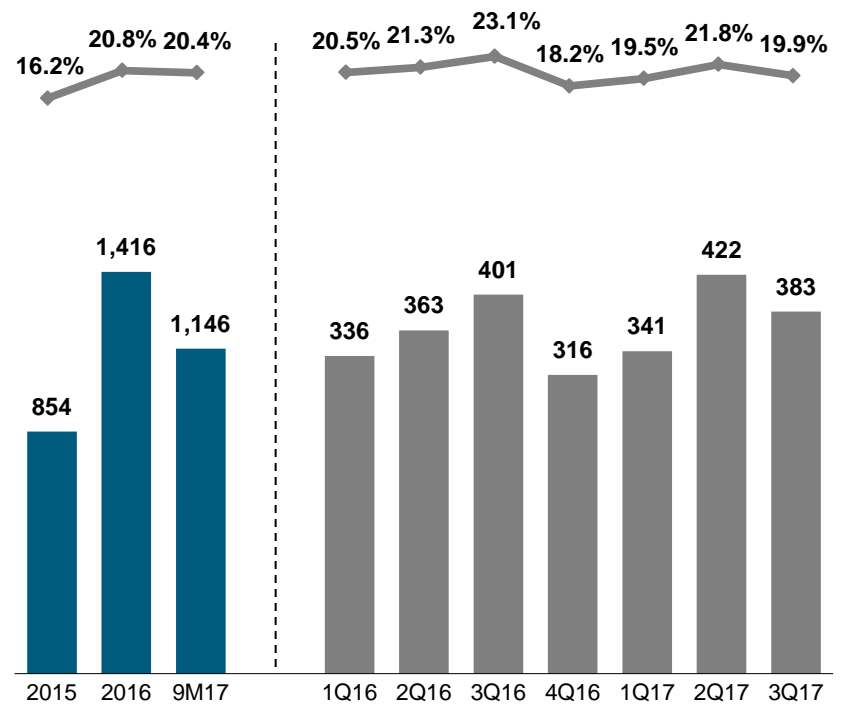
## Net interest income (IDR b)

Net interest margin



## Non-interest income (IDR b)

Non-int. income/ Total income

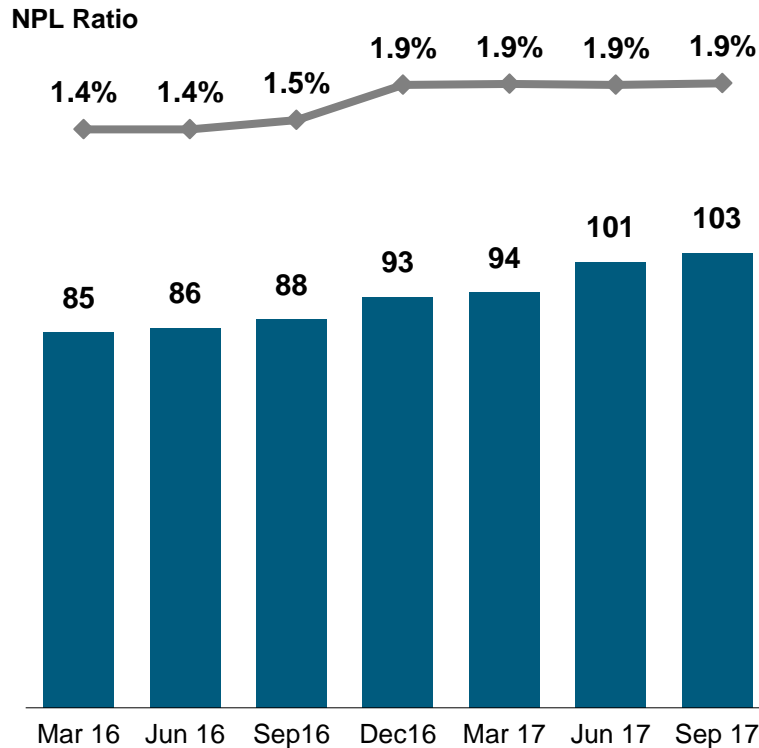


Note: NIM and Non-interest Income/Total Income ratio calculation based on Bank Indonesia's guidelines.

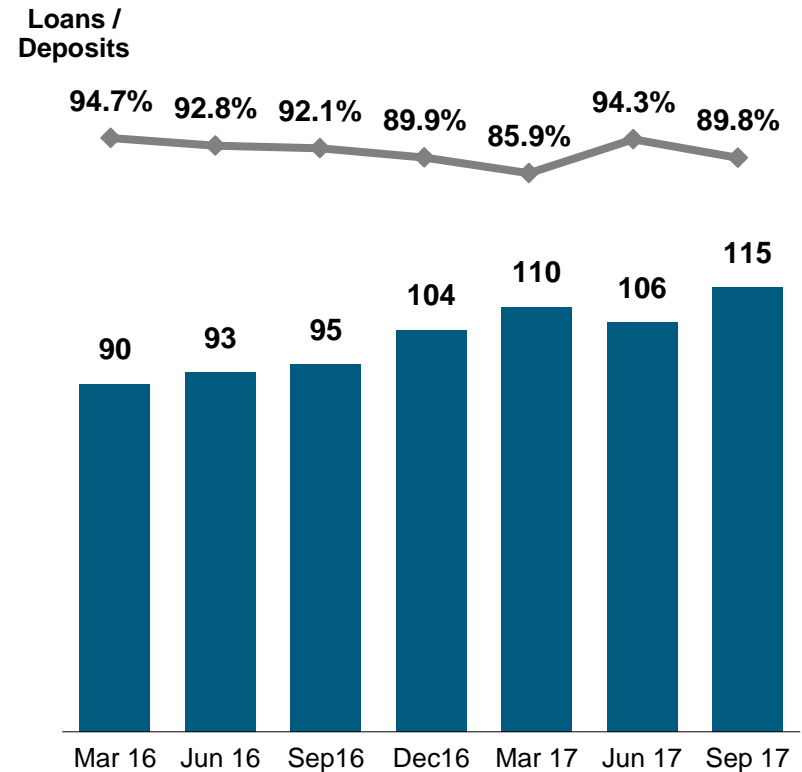
# OCBC NISP: Loans & Deposits

Loans grew 17% YoY, NPL ratio steady at 1.9%; deposits up 20% YoY

## Gross Loans (IDR t)



## Deposits (IDR t)



### CASA Ratio

Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
39.3%	41.9%	42.5%	39.4%	39.2%	43.5%	39.8%



Note: Gross loans-to-deposits ratio calculation based on Bank Indonesia's guidelines.



# Third Quarter 2017 Results Thank You