OCBC ANNUAL GENERAL MEETING HELD ON 22 APRIL 2022

POST-AGM RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Singapore, Monday 25 April 2022 – Oversea-Chinese Banking Corporation Limited ("OCBC Bank") would like to thank shareholders for their attendance and participation at the 85th Annual General Meeting ("2022 AGM"), which was convened through electronic means on Friday, 22 April 2022 at 2.00 p.m.

Due to time constraints, we were not able to address all of the substantial and relevant questions which were submitted "live" during the 2022 AGM. Therefore, we are providing our responses to those questions below.

Thank you for supporting OCBC Bank.

By Order of the Board

Company Secretary

POST-AGM RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Question 1

It is observed that most of the Board members are quite senior age-wise. Is there a renewal/succession process in place to maintain the Company's dynamism?

All our Board members bring along a wealth of knowledge from their many years of experience over several economic cycles. The most important factors for Board memberships are the right mix of diversity, skills, knowledge, experience and competencies, and not age per se. In Singapore, there is no maximum age limit for directors. Under the Bank’s Constitution, one-third of the Board members retire at every AGM and if eligible, may stand for re-election. The Bank continually reviews its Board composition and looks out for suitably qualified directors as part of its Board renewal process.

Question 2

Can OCBC quantify the 3-year targets in terms of Revenue, Net Profit and AUM?

To drive growth and deliver sustained performance, we have refined our strategic priorities and refreshed our corporate strategy, as set out in our 2021 Annual Report and our CEO presentation at the AGM.

Our strategic priorities to achieve our growth objectives are:

- Seizing opportunities and unlocking value from Asia’s growth
- Accelerating digital transformation
- Forging a “One Group” integrated approach to further elevate customer experience, boost efficiency, capture synergies and manage risks prudently
- Driving sustainability and integrating ESG across the Group

Question 3

What are OCBC’s plans for Great Eastern Holdings?

Insurance is one of the three key business pillars of OCBC’s diversified business franchise, and our insurance business is carried out by Great Eastern Holdings (“GEH”). GEH is a well-established market leader and trusted brand in Singapore and Malaysia, and has a wide base of more than 10 million policyholders.

Our strategic priorities include forging a “One Group” integrated approach to further elevate customer experience, boost efficiency, capture synergies and manage risks prudently. We will continue to leverage collaborative business models across the Group – banking, wealth management and insurance – to harness the unique strengths of our diversified franchise to drive long-term growth.

Question 4

I would like to ask: China's easing monetary policies that are different from global tightening policies.

China is easing its monetary policy settings whereas most of the developed economies are expected to see more hawkish tightening of interest rates to combat inflation. Liquidity injections in China remain supportive for growth and the PBOC has unveiled more than 20 measures to provide financial support to the real economy. Looking ahead, however, China's monetary easing headroom could be relatively constrained by the US Federal Reserve's aggressive monetary policy tightening trajectory.

Question 5

OCBC Bank has been having scrip dividends at a discount to market price. Is there a need to have Dividend Reinvestment Plan at a discounted price to incentivise shareholders or will the Bank consider issuing at market price? Shares issuance causes dilution.

The decisions on scrip dividend scheme and application of discount rate are reviewed for each dividend payment, taking into consideration the operating environment and the Bank's capital position and business growth requirements.

Question 6

a) Comparing the total income of 2021 against 2019 (pre-Covid-19), OCBC (excluding GEH) underperformed DBS and UOB. What attributed to the underperformance? How does the management and the Board intend to improve OCBC's performance?

OCBC's total income (excluding GEH) in 2021 was S$9.00 billion, as compared to S$9.40 billion in 2019 prior to the pandemic. This was largely attributable to a fall in net interest income, which more than offset higher non-interest income.

- Net interest income was S$5.76 billion in 2021, as compared to S$6.22 billion in 2019. The decline was largely attributed to a more than 20 basis points drop in net interest margin as a result of the low interest rate environment, which offset a 9% growth in customer loans between 2021 and 2019.

- Non-interest income of S$3.25 billion in 2021 was above the S$3.18 billion in 2019, as the gradual reopening of the economy and a rise in customer activities drove an increase in fee income and trading income in 2021.

In terms of driving performance, our 3-year corporate strategy was set out in our 2021 Annual Report and further articulated at our 2022 AGM.

b) **Compared to DBS and UOB, OCBC did not seem to manage its credit well with higher impairment costs and higher new NPA formation. For example, OCBC incurred higher impairment costs in 2019 and 2021. OCBC added S$2.89 billion of new NPAs in 2021, compared to S$1.59 billion in 2020, which was affected by Covid-19. What attributed to this underperformance? How does the Board and the management intend to improve in this area?**

Overall, OCBC's NPL ratio remained stable at 1.5% over the last four years.

The rise in new NPA formation in 2021 was mainly from Malaysia and Indonesia – largely from regulatory guidance to extend relief loans to certain groups of borrowers – as well as from Greater China.

- Malaysia: mainly attributed to downgrades of secured consumer loans, largely from the relief loans extended to support customers amid Covid-19.
- Indonesia: primarily from some corporate accounts impacted by Covid-19, with no specific industry concentration.
- Greater China: mostly from syndicated project financing loans due to delays in a few large-scale projects, brought about by Covid-19.

In 2021, OCBC also recorded higher recoveries, upgrades and write-offs as compared to 2020.

We will continue to manage our businesses and the associated risks in a manner that delivers sustainable value for our customers, employees, shareholders and the community over the long term. This is further set out in our risk management framework in our 2021 Annual Report.

c) **Regarding the impairment on syndicated project financing loans in Greater China, what is the total loan size and specific allowance?**

Due to customer confidentiality, we are unable to disclose the total loan size and allowance balances for this item. However, the total loan exposure is not material against our overall loan portfolio.

d) **Can the management comment on why NPAs rose but the NPA coverage ratio came down from 115% in 2020 to 90% in 2021, and provide more light on the rising NPL in housing loans?**

The NPA coverage ratio is computed as total cumulative allowances over total NPAs. As compared to 2020, a larger proportion of our new NPAs in 2021 were secured consumer loans which required lower allowances to be set aside. The rise in housing loan NPLs was mainly due to downgrades in Malaysia, largely from regulatory guidance to extend relief loans to support customers amid Covid-19.

Question 7

It was mentioned that the allowances on impairment were largely due to the delay in completion of projects in Greater China. May I know if the delay in projects caused a delay in repayment schedule or a reduction in repayment of loans? If it is the former, why is there a need for provision if it is only temporary?

The requirement for allowances on impairment is assessed in detail for each of the projects. The assessments considered various risk factors, including (but not limited to) the risks of non-completion of these projects which impact their ability to generate future cashflows to fulfil their repayment obligations on the loans.