

Group Chief Executive Officer Update

24 February 2021



OCBC Financial Results



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Resilient FY20 Performance

Results underscored strong business fundamentals and effective response to crisis

- ❑ **Earnings demonstrated the value and power of diversified franchise**
 - Greater China PBT up 11% YoY to a record at S\$1.29b or 31% of overall Group profit
 - Private banking income and AUM climbed to new levels
 - Great Eastern's embedded value up 12% to S\$17.4b. TWNS and NBEV both at all-time highs
- ❑ **Group net profit up for three consecutive quarters in 2020**
 - NIM stabilised in 2H20 with optimisation of funding profile
 - Continued growth in CASA deposit balances to >60% of total customer deposits
 - Record high wealth management fee income
 - Expenses tightly managed down
- ❑ **Prudent risk management**
 - Exit from loan relief programmes orderly and better than original expectation
 - Prudent level of allowances set aside. NPA coverage ratio increased to 115%
 - Total credit costs of 67bps at lower end of original estimate of 100 to 130bps over two years
 - New NPA formation subdued. NPL ratio of 1.5% below 2.5% to 3.5% guidance for 2020 & 2021
- ❑ **Capital, liquidity and funding positions further strengthened**
 - CET1 CAR at 15.2%. Scrip dividend scheme to be applied to final dividend with no discount

Loan Relief Update

Ensuring orderly and smooth transition from loan relief programmes

	30 Sep 2020		31 Dec 2020		31 Jan 2021		
Total Loans under Moratorium (S\$b)	23.8	<i>91% secured</i>	11.7	<i>95% secured</i>	5.7	<i>91% secured</i>	
% of Group Loans	9%		4%		2%		
<u>By Geography (S\$b)</u>		% of country loans		% of country loans		% of country loans	% secured
Singapore	8.8	4%	8.5	4%	2.7	2%	97%
Individuals	5.0		4.8		1.0		
Businesses	3.8		3.6		1.7		
Malaysia	11.8	53%	1.5	7%	1.4	6%	84%
Individuals	6.6		0.9		0.7		
Businesses	5.2		0.7		0.7		
Indonesia	1.8	16%	1.2	11%	1.1	10%	82%
Individuals	0.2		0.1		0.1		
Businesses	1.6		1.1		1.0		
HK & Macau	1.5	5%	0.5	2%	0.5	2%	98%
Individuals	0.3		0.1		0.1		
Businesses	1.2		0.4		0.4		

Entering 2021 with Cautious Optimism

Gradual improvement in consumer sentiments and business confidence noted

❑ Emerging signs of segmental recovery

- Reduced anxiety around COVID-19 has improved consumer sentiments
- GDP growth to be higher from 2020's low base; targeting mid-single digit loan growth
- Global fiscal and monetary stimulus to continue; short term rates to remain low
- NIM expected at between 1.50% to 1.55% range
- Exit from loan relief programme well coordinated and managed; cliff effect not expected

❑ Need to remain watchful as uncertainty persists

- Recovery trajectory across sectors is uneven
- High asset valuations may not be sustainable
- Concerns on adequacy of vaccinations may hamper nascent recovery
- Geo-political environment remains tense
- No M&A plans under review

Positioned for the Future on a Solid Footing

Well-placed to deliver sustainable long-term value for stakeholders

- ❑ **Strong capital and balance sheet to capture emerging opportunities**
 - Increased investment, trade and wealth flows arising from RCEP
 - New connectivity along ASEAN-China corridor
 - Supply chain transformation
 - Green and renewables financing
 - “Connect initiatives” in the Greater Bay Area
- ❑ **Reaping the benefits from technology investments and digital transformation**
 - Strong digital core, mature microservices architecture and dynamic digital ecosystem
 - >90% consumer banking transactions completed digitally
 - Well-positioned to further deepen public sector partnerships through digital and payments solutions
 - Increase in technology spend in 2020 to continue into 2021
- ❑ **Effective upskilling and reskilling of employees**
 - Continue to invest in learning ecosystem to equip employees with relevant skillsets for the future
 - Accelerate virtual training – 84% YoY rise in online programmes in 2020 alone

Further Accelerate Speed of Digital Adoption

More than >200,000 first-time users of Singapore digital channels in FY20

SMEs

SME accounts
opened digitally

1.6X

Numbers of accounts
FY20 vs. FY19
(93% of accounts opened digitally)

PayNow Corporates

7.3X

Transactions
FY20 vs. FY19
(1.3X increase 4Q20 vs 3Q20)

Digital vs Manual
transactions

3.6X

Transactions
FY20 vs. FY19
(Cheques reduced 45%
FY20 vs FY19)

SME loans
applied digitally

4.8X

Number of loans
FY20 vs. FY19
(55% of total biz loan
applications)

Consumer

Consumer accounts
opened digitally

1.6X

Numbers of accounts
FY20 vs. FY19
(40% of accounts opened digitally)

PayNow Consumer

2.8X

\$volume
FY20 vs. FY19
(Payment to merchants grew 5.9X)

Digital Wealth*

2.3X

Transactions
FY20 vs. FY19
(45% of all CFS simple
products^ sales done digitally)

Instant Digital Secured
Loans

S\$3b

Total loan amount
FY20
(Home, Auto, Reno loans)



* Digital wealth includes Unit Trust, RoboInvest and BCIP.

^ Simple products include CASA, Credit Card, Unit Trust, Secured Loans (Home loan and Reno loan).

Advancing Pace of Digital Innovation

Innovative solutions in 2020 to help individuals achieve their financial goals



SINGPASS MOBILE LOGIN

1st bank in SG to enable use of SingPass to securely access digital banking services



INSTANT SECURED LOANS

1st to integrate with MyInfo, with online acceptance for car and home loans



INSTANT CHEQUE ENCASHMENT

1st bank in Southeast Asia to allow instant encashment of cheques



OCBC x GOOGLE PAY

1st to partner and integrate with Google Pay to enable peer-to-peer payments



HEALTHPASS BY OCBC

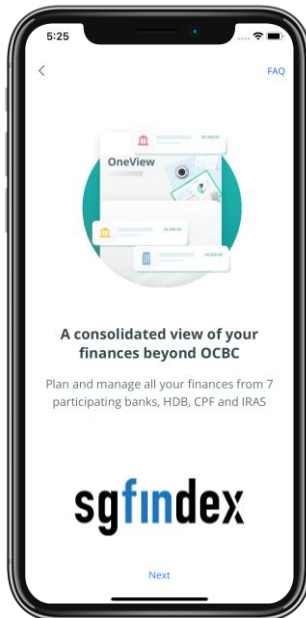
1st SG bank to bring together a health & wellness ecosystem to consumers

Winner (2nd place) – Singapore FI Category, 2020 MAS Fintech Awards

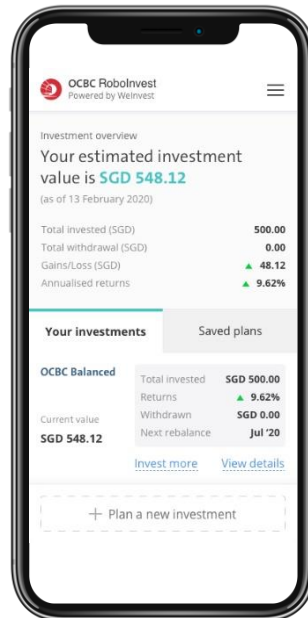


Advancing Pace of Digital Innovation (cont'd)

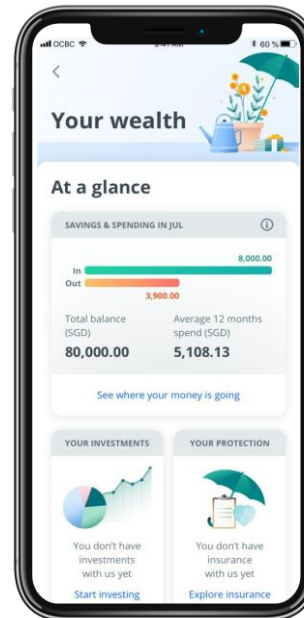
Innovative solutions in 2020 to help individuals achieve their financial goals



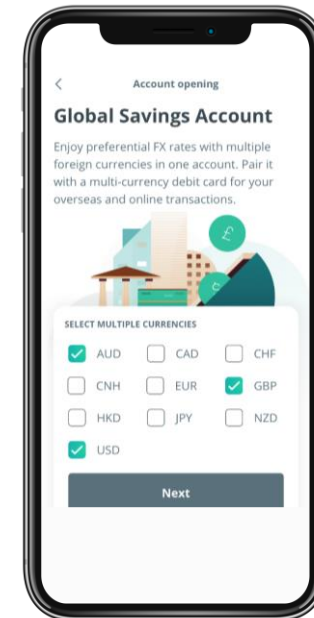
Open Banking/SGFinDex
Augmenting financial and retirement planning using aggregated, holistic data



RoboInvest
Digital advisory at scale with 34 thematic portfolios



Wealth dashboard
Curated investment journey



Multi-Currency account and debit card

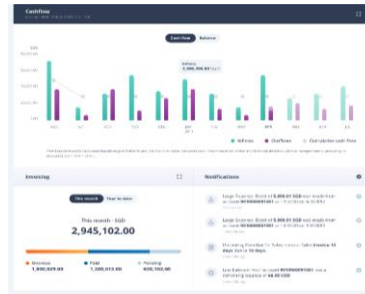
Advancing Pace of Digital Innovation (cont'd)

Leading the way with innovative first-to-market solutions in 2020 for businesses



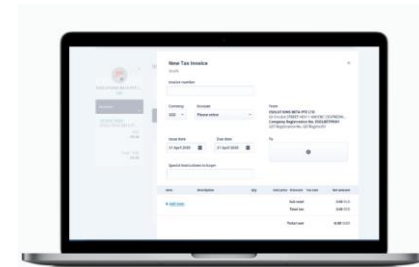
SINGPASS MOBILE LOGIN FOR SMEs

1st bank to use SingPass for transaction signing to allow customers to perform account maintenance



BUSINESS FINANCIAL MANAGEMENT

1st bank to offer SMEs a view of historical cash flows and expense categories to manage working capital



E-INVOICING & INVOICENOW

1st bank to enable SMEs to send sales invoices electronically and via InvoiceNow and collecting digitally through QR & UEN



SINGLE WINDOW IN CHINA

First foreign bank in China to offer customers the ability to connect to Single Window to initiate cross border payments of imported goods across all ports in China



ONECOLLECT IN SINGAPORE & MALAYSIA

Launch of OneCollect mobile app to provide domestic QR collection solutions in Singapore & Malaysia for merchants





Thank You

