

85th ANNUAL GENERAL MEETING

22 April 2022



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Group Chief Executive Officer Presentation

Helen Wong



Agenda

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2021 Performance

02

2022 Outlook

03

Corporate Strategy





Creating a Sustainable World
It's all in our hands

01

2021 Performance

Delivered Operational Excellence in 2021



Sharpened key strategic priorities to capitalise on growth opportunities



Refined organisational structure to drive customer experience, boost efficiency and manage risks prudently



Stepped up customer engagement with enhanced digital offerings



Provided added support measures to employees to ensure their safety and health



Advanced sustainability and ESG agenda to deliver meaningful impact for stakeholders

- **OCBC emerged from 2021 as a more resilient and stronger bank**
- **Well-positioned to capture the opportunities arising from Asia's promising growth trajectory**

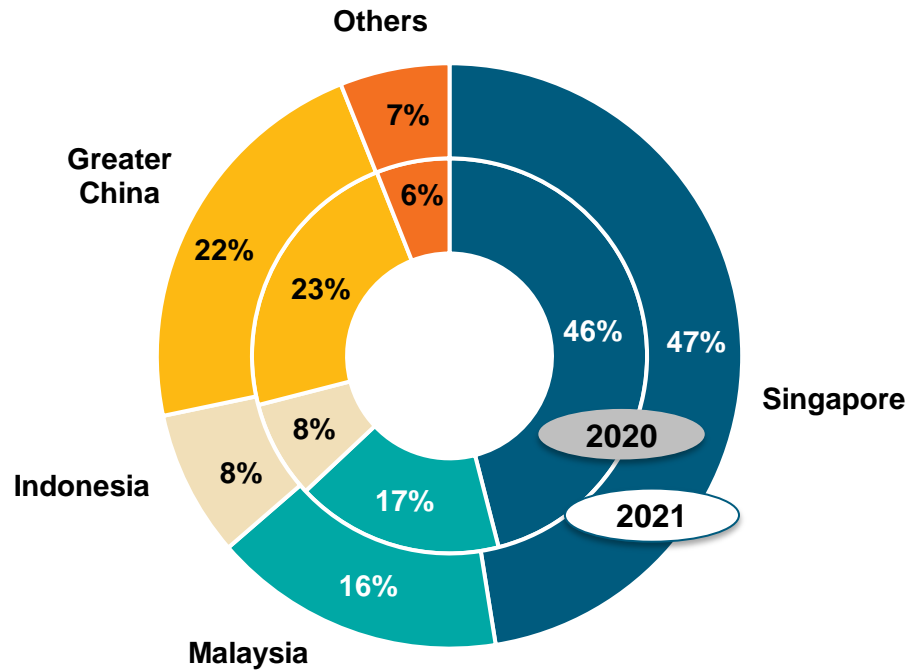
2021 Earnings Back to Pre-pandemic Level

S\$ million	2021	2020	YoY +/(-)%
Net interest income	5,855	5,966	(2)
Non-interest income	4,741	4,173	14
Total income	10,596	10,139	5
Operating expenses	(4,764)	(4,439)	7
Operating profit	5,832	5,700	2
Associates	824	612	35
Operating profit before allowances	6,656	6,312	5
Allowances for impaired assets	(855)	(1,179)	(28)
Allowances for non-impaired assets	(18)	(864)	(98)
Amortisation, tax and NCI	(925)	(683)	35
Net profit	4,858	3,586	35

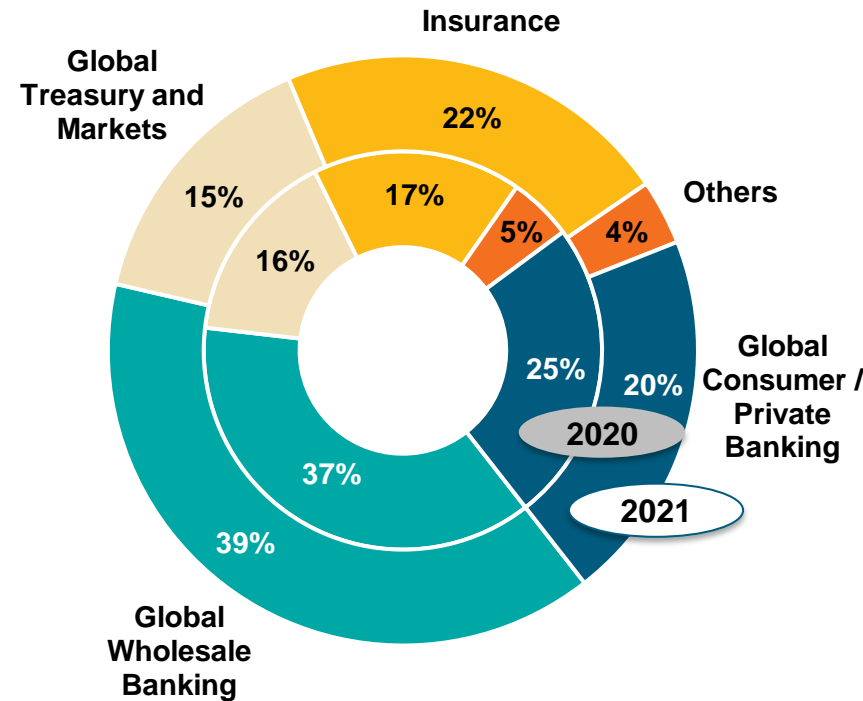
- Group net profit up 35% YoY
- Group ROE improved to 9.6%
- Robust growth in non-interest income driven by broad-based fee growth and increased insurance profit
- Higher expenses led by increase in staff costs linked to strategic expansion and business activity growth
- Significantly lower allowances from improved operating outlook
- NPL ratio stable at 1.5%

Diversified Franchise

Operating Profit by **Geography**



Operating Profit by **Business**



- Diversified franchise provides a strong base for OCBC to consistently achieve resilient and balanced earnings across economic cycles



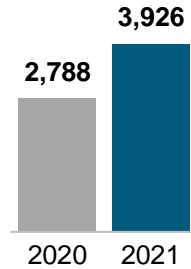
Note: Operating profit by business excluded associates.

Robust 2021 Performance Across Three Business Pillars

Banking

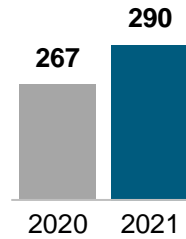
Net Profit
(S\$m)

+41%



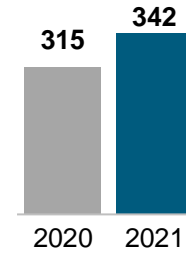
Customer
Loans (S\$b)

+8%



Customer
Deposits (S\$b)

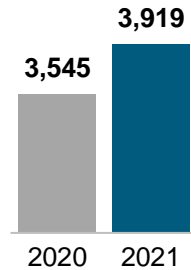
+9%



Wealth Management

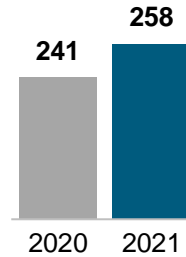
Group WM
Income (S\$m)

+11%



Group WM
AUM (S\$b)

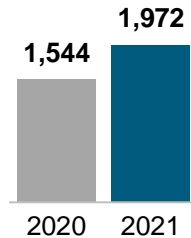
+7%



Insurance

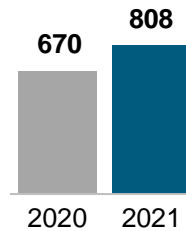
Total Weighted
New Sales
(S\$m)

+28%



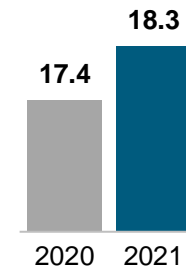
New Business
Embedded Value
(S\$m)

+21%



Embedded
Value (S\$b)

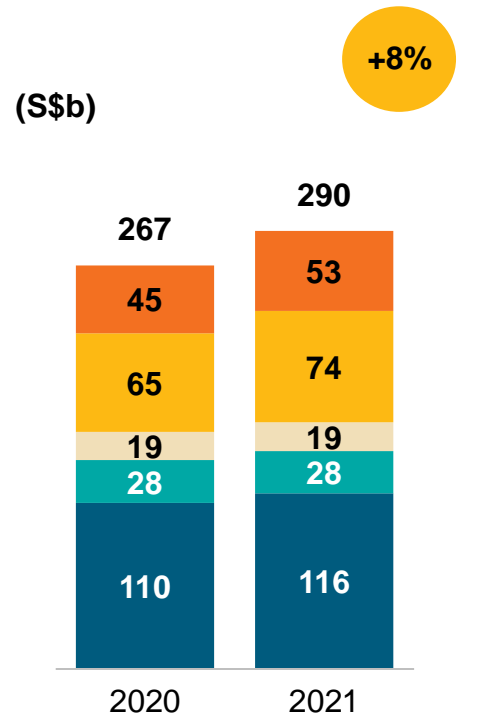
+5%



- Banking net profit second highest on record
- Wealth management income at a new high
- Insurance business recorded strong growth

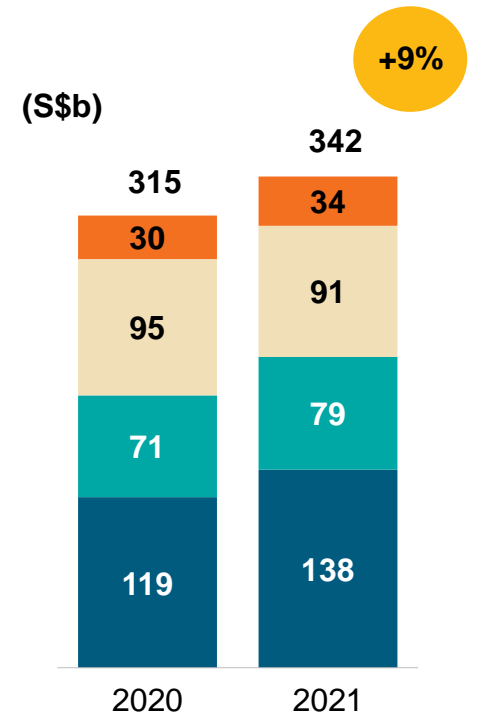
Sustained Loan and Deposit Growth Momentum

Customer Loans by **Geography**



■ Singapore
■ Malaysia
■ Indonesia
■ Greater China
■ Rest of the World

Customer Deposits by **Product**



■ Current Accounts
■ Savings Deposits
■ Fixed Deposits
■ Others

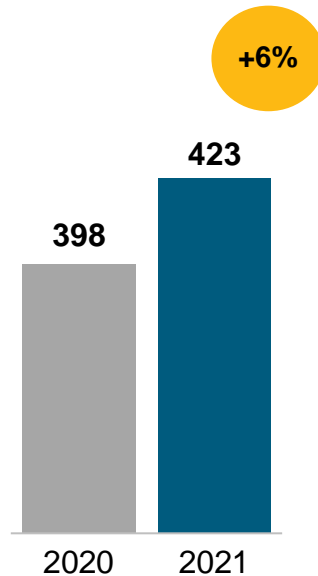
- Broad-based loan growth led by Singapore, Greater China and international network
- Growth in customer deposits driven by CASA deposits; CASA ratio at 63.3%
- Loans-to-deposits ratio at 83.6%

Strong Balance Sheet Fundamentals

Funding^{1/}

- Ample and well-diversified funding
- NSFR at 121%

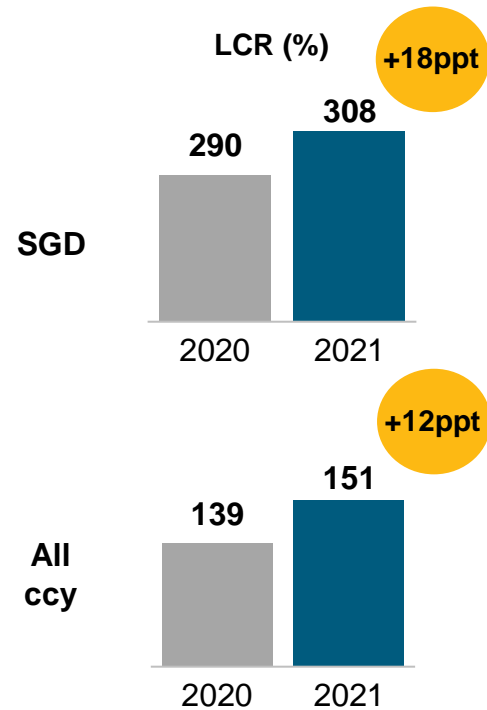
Funding Base (S\$b)



Liquidity

- Sound liquidity position
- LCR well above minimum required

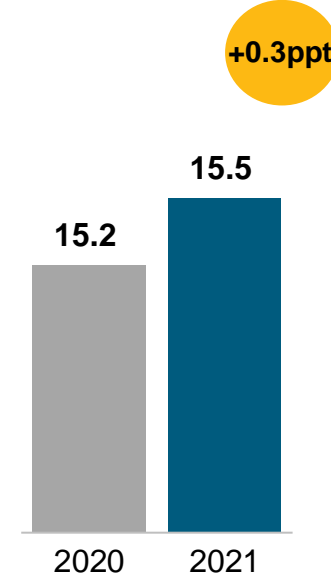
LCR (%)



Capital

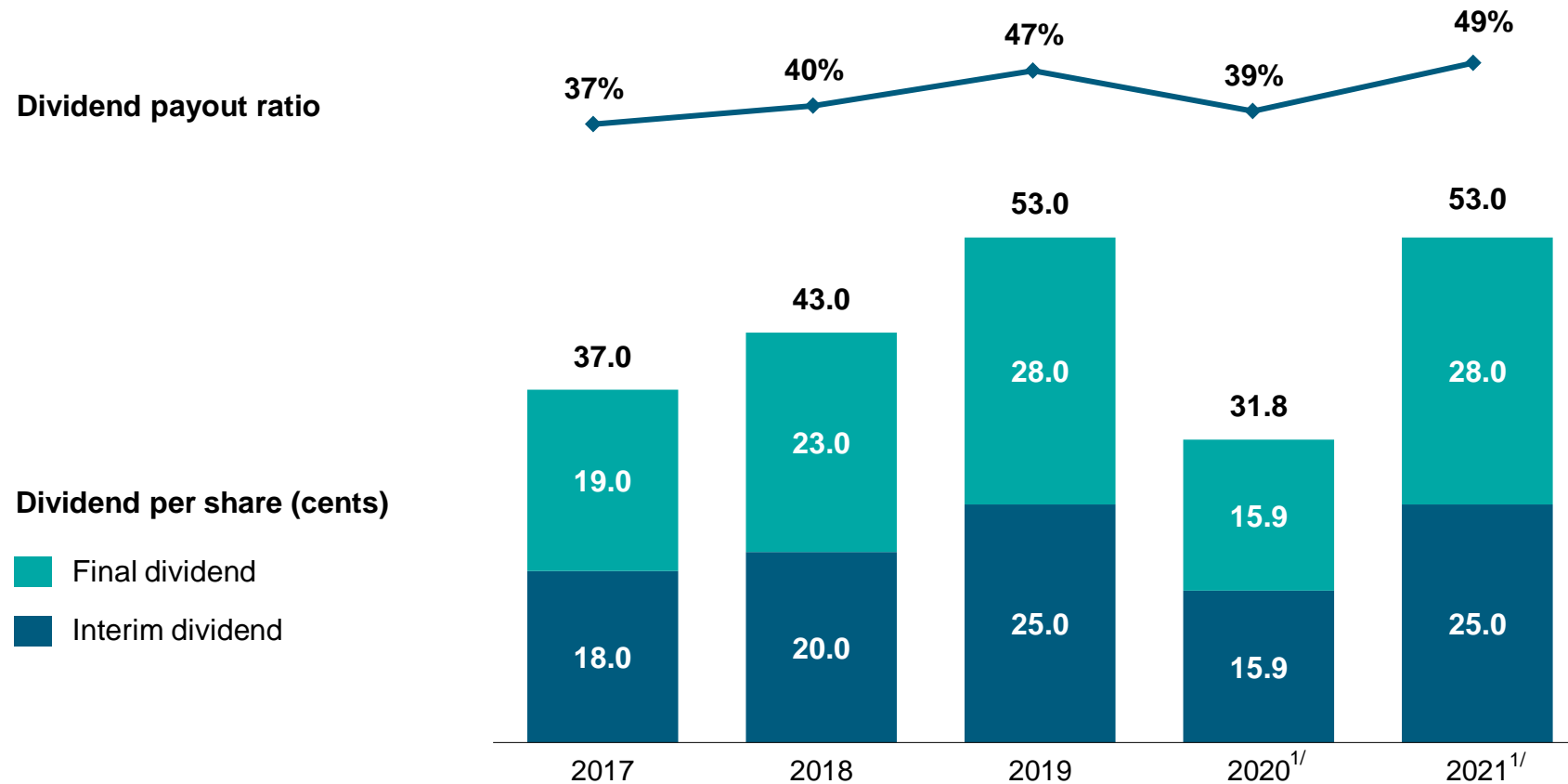
- Strong capital base
- Leverage ratio at 7.7%

CET 1 CAR (%)



- Strong ability to buffer against cyclical economic downturns and macro-uncertainties
- Around 80% of funding base comprised customer deposits
- Strong capital position
- Regulatory ratios were all well above respective regulatory requirements

Sustainable and Progressive Dividend



- 2021 total dividend at 53 cents per share, back to 2019 pre-pandemic level
- Payout represented 49% of 2021 Group net profit



Creating a Sustainable World
It's all in our hands

02

2022 Outlook

2022 Outlook

- ❑ **Asia's growth remains resilient**
- ❑ **Liberalisation of international travel and easing of movement restrictions to spur growth**
- ❑ **US Fed interest rate hikes to provide net interest income uplift**
- ❑ **Watchful of potential headwinds**
 - Geopolitical environment remains volatile
 - Contractionary effects of stimulus measures and tightening of US monetary and fiscal policies
 - Inflationary pressures from sharp increases commodity and energy prices
 - Supply chain disruptions could place further drag on global output growth
 - Emergence of new Covid-19 variants can prolong pandemic



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03

Corporate Strategy

Excel for Sustainable Growth

3-year strategy refresh to drive growth and reinforce core strengths (2022 – 2024)

Drive Growth

Four growth priorities to capture regional trade, investment and wealth flows

Capture rising **Asian wealth** with our SG-HK hubs and digital propositions

Support increasing ASEAN-Greater China **trade and investment flows**

Unlock value from **New Economy** and high-growth industries

Drive transition to a **sustainable** low-carbon world

Reinforce Strengths

Accelerating investments in transformation, digitalisation and people assets

Comprehensive regional franchise under **“One Group”**

Invest in accelerating **digital transformation**

Strengthen our **people assets** and culture

Build on our **capital and risk management strengths**

Building a Low-Carbon Future

Support customer transition to a low-carbon world

- ❑ Developed a 5-year Climate Strategy to accelerate sustainable transition
- ❑ Surpassed sustainable financing target of S\$25 billion by 2025, set new target of S\$50 billion by 2025
- ❑ Ceased all new financing to new coal-fired power plants and thermal coal mines
- ❑ Established OCBC SME Sustainable Finance Framework for SMEs to easily access green finance
- ❑ Continue to develop innovative solutions to meet customers' changing needs

Actively reduce our environmental footprint

- ❑ Target to achieve carbon neutrality for banking operational emissions in 2022
 - Increase renewables in our energy mix
 - Convert corporate cars to electric vehicles
 - Reduce business air travel
 - Reduce energy consumption and improve energy efficiency
 - Work with partners to invest in carbon credit-generating projects
- ❑ Promote sustainable procurement

Creating a Sustainable World Together

Drive awareness in climate change

- ❑ Published inaugural Task Force on Climate-related Financial Disclosures (TCFD) report
- ❑ Adopted the Equator Principles and Poseidon Principles
- ❑ Launched the OCBC Climate Index to measure awareness and influence behavioral change

Invest in our people and help our communities

- ❑ Donated S\$3.2 million and supported more than 275,000 beneficiaries
- ❑ Aim to support 1 million vulnerable individuals by 2023 under #OCBCCares Programme
- ❑ Prioritise employees' safety and well-being
- ❑ Continue to upskill and reskill employees

Thank You

