



83RD ANNUAL GENERAL MEETING

18 May 2020



Agenda



**Macro-
Economic
Environment**

**Response to
COVID-19**

**2019
Performance
Highlights**

**Looking
Ahead**

Global Macro-Economic Outlook

Sharp Contraction in Output and Trade

GDP	2019	2020
Global	+2.9%	-3.0%
United States	+2.3%	-4.0%
China	+6.1%	+3.5%
European Union	+1.5%	-7.0%
Global Trade	-0.1%	-15% to -30%

Sources: IMF, WTO, IATA, IEA, OCBC

Contractionary in Our Core Markets

GDP	2019	2020
Singapore	+0.7%	-6.0%
Malaysia	+4.3%	-1.0%
Indonesia	+5.0%	+1.0%
Hong Kong	-1.2%	-5.0%

Sources: IMF, WTO, IATA, IEA, OCBC

Unprecedented Policy Stimulus

	Deficit to-date (US\$b)	% of GDP
USA	2,008	10.0%
China	514	3.4%
Japan	1,100	20.4%
Germany	823	20.6%
UK	492	18.2%
France	369	13.7%
Singapore	41	12.0%
Malaysia	63	16.4%
Indonesia	34	2.8%
Hong Kong	37	9.6%

Sources: OCBC, Bloomberg, CEIC

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Continuous Support Through COVID-19



Employees

Safeguarding our employees and empowering them to work remotely

- ❑ Employees are part of OCBC family, no plan on retrenchment amid this outbreak.
- ❑ Enhanced hygiene and precautionary measures within office premises and branches.
- ❑ COVID-19 Care Package for all employees.
- ❑ More than 20,000 staff enabled to work from home.
- ❑ Future Smart Workforce Programme to help employees navigate changes. Between January and April 2020, held 1,100 virtual trainings with 53,000 attendance groupwide.

Customers

Reaching out to customers with relief programmes

- ❑ Offered targeted support to all retail and corporate customers across the region. In Singapore, reached out to 90% of SME customer base.
- ❑ Expect to extend moratorium relief and government-assisted loans of S\$42 billion to over 165,000 individuals, SME and corporate customers across Singapore, Malaysia, Hong Kong, Macau and Indonesia.
- ❑ In Singapore, all personal financing facilities are now under COVID-19 Relief Programme. S\$4 billion of loan moratorium to individuals approved to date, mostly for home loans.

Customers

Helping customers go digital

- ❑ Minimal disruption to service levels.
- ❑ 24 branches in Singapore and majority of branches overseas stayed open.
- ❑ Full network of ATMs remain operational with heightened hygiene measures.
- ❑ Multiple short instructions videos to guide less technology savvy customers to adopt digital channels.
- ❑ Digital Ambassadors at branches. Video and tele-advisory for Wealth. Digital signatures and other electronic authentication for transaction and trade instructions.
- ❑ Relief applications processed and approved digitally in Singapore and Malaysia.



Stay In
Stay Strong
Stay Connected

Customers

Increased customer adoption of digital services during this period

Corporates and SMEs

SME accounts
opened digitally

2.4X

Numbers of accounts
1Q20 vs. 1Q19

91% of all accounts done digitally

PayNow Corporates

7X

Increase in
transactions vs. 1Q19

SME loans
applied digitally

49%

1Q20
– up from 30% in 4Q19

Consumer Banking

Consumer accounts
opened digitally

1.9X

Numbers of accounts
1Q20 vs. 1Q19

PayNow Consumer

2.8X

Value
1Q20 vs. 1Q19

Online Trading

104%

Increase in
transactions vs. 4Q19

Community

Giving back, doing our part as a member of the community

- ❑ S\$2.2 million of donations from Bank and staff to support individuals, households and community across core markets, including:
 - 1,000 needy Singaporean families
 - 55,800 migrant workers in Singapore
 - Frontline healthcare workers

- ❑ Great Eastern pledged S\$1 million of COVID-19 Customer Care Fund for its policyholders.



**Do Well
Do Good**

Shareholders

Protect franchise to generate sustainable returns to shareholders

- ❑ Our franchise is made up of Customers, Employees and the Community.
- ❑ Protecting Customer Franchise allows us to deliver long-term sustainable value to Shareholders.



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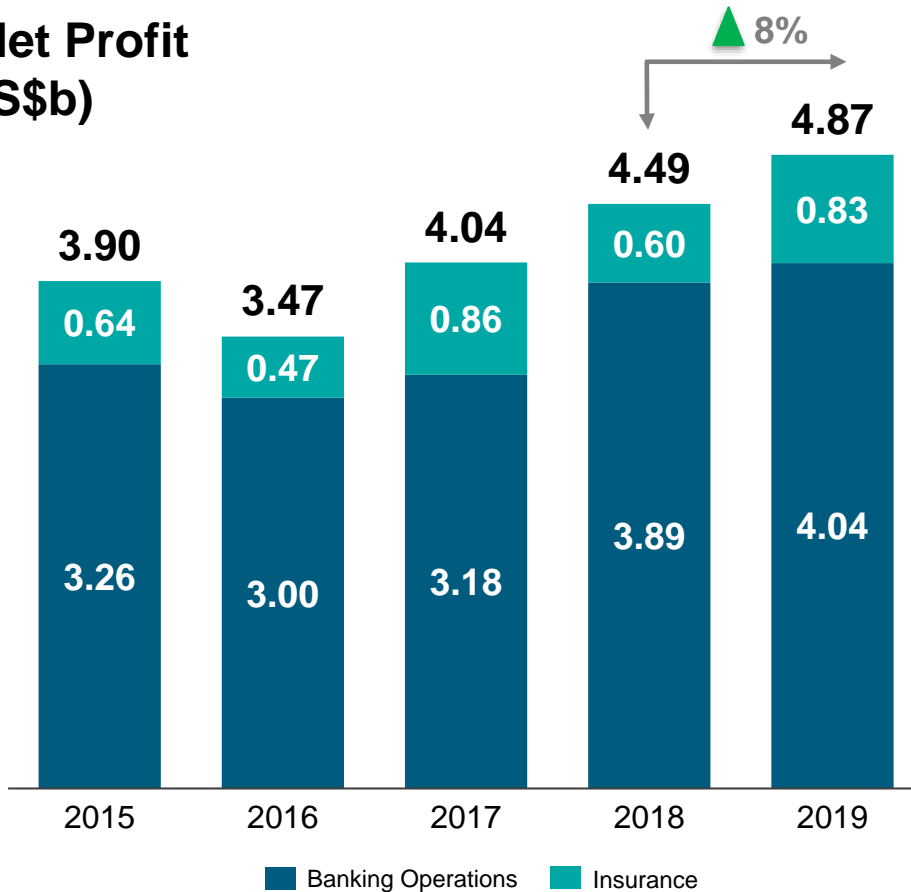
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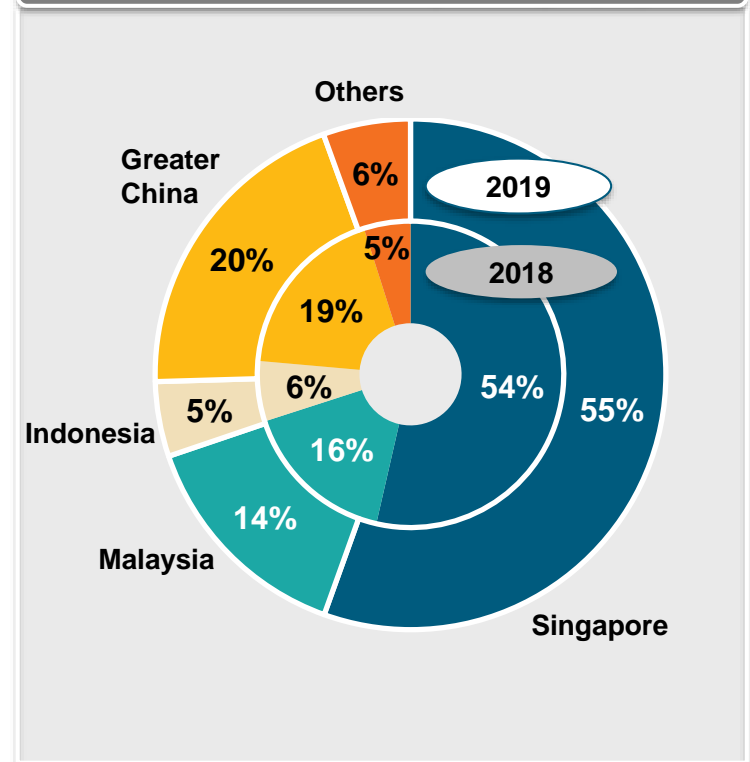
Long-term Sustainable Growth

Well-positioned across the Group's key markets for **diversified** business growth

Net Profit (S\$b)



Profit before Tax by Geography



Robust 2019 Performance

Third consecutive year of record profits

OCBC Group	2019 S\$m	2018 S\$m	YoY +/(-)%
Net interest income	6,331	5,890	7
Non-interest income	4,540	3,811	19
Total income	10,871	9,701	12
Operating expenses	(4,644)	(4,214)	10
Operating profit	6,227	5,487	13
Associates	566	455	24
Operating profit before allowances	6,793	5,942	14
Allowances	(890)	(288)	210
Amortisation of intangibles	(103)	(102)	1
Tax & NCI	(931)	(1,060)	(12)
Reported net profit	4,869	4,492	8

Diversified Business Franchise

Banking Franchise – strong interconnected framework



**Supporting
our Customers
with our Strong
Interconnected
Network**

Well-placed to connect our customers to opportunities within Asia and globally

- ❑ Broad geographical footprint in North and Southeast Asia, with a highly-connected international network.
- ❑ Well-entrenched Greater China franchise to capture trade, capital and wealth flows across our key markets.
- ❑ Redefine customer banking experience through continuous digital transformation.

Robust banking performance

- ❑ Banking Operations net profit crossed S\$4 billion for the first time in 2019.
- ❑ Loans well-diversified across geographies; healthy loans growth at 3% YoY.
- ❑ Strong deposits base, well-supported by continuous build-up of CASA.
- ❑ Asset quality satisfactory with NPL ratio stable at 1.5%.
- ❑ Strong capital, funding and liquidity position.

Diversified Business Franchise

Wealth Management Franchise



Integrated Wealth Management Franchise

Growing from strength-to-strength

- ❑ Major acquisitions from 2010: ING Asia Private Bank in 2010, Barclays Wealth and Investment Business (SG and HK) in 2016 and National Australia Bank's Wealth Business (SG and HK) in 2017.
- ❑ Established a new subsidiary in Luxembourg in 2019, with branch operations in London, to capture wealth flows in the region.
- ❑ "Best Private Bank in Singapore" by The Banker; "Best Private Wealth Management Bank in Singapore and Southeast Asia" by Alpha Southeast Asia.

Delivering franchise growth

- ❑ Robust wealth management income of S\$3.4 billion in 2019, up 20% YoY.
- ❑ Wealth management fees rose from S\$200 million in 2010 to S\$949 million in 2019 (CAGR of 19%).
- ❑ Strong AUM growth from US\$26 billion in 2010 to US\$117 billion in 2019 (CAGR of 18%).
- ❑ Continuous net new money inflows.

Diversified Business Franchise

Insurance Franchise



**Oldest and
Most Established
Life Insurance
Group
in Singapore
and Malaysia**

Committed to delivering innovative solutions and empowering customers

- ❑ Strong partnership across OCBC Group to capture growth opportunities and expand our regional footprint.
- ❑ Strengthened distribution capabilities through digital platforms to provide improved advisory experience.
- ❑ Completed acquisition of PT QBE Insurance in Indonesia as part of our broader strategy to build general insurance operations.

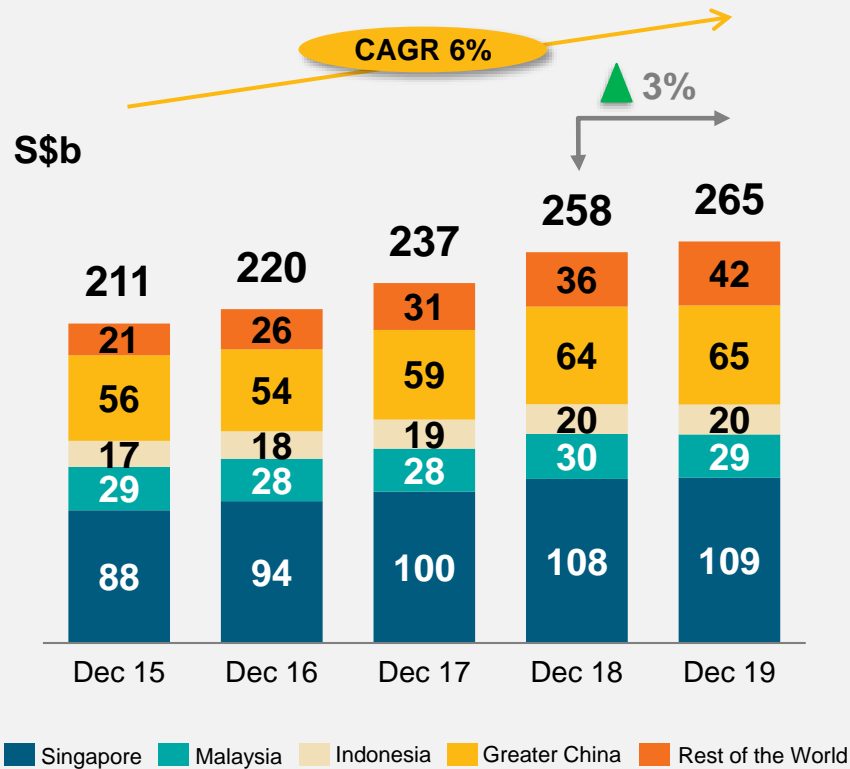
Strong underlying business fundamentals

- ❑ Strong profit contribution of S\$832 million, an increase of 38% YoY.
- ❑ Embedded Value higher at S\$15.5 billion, up 15% YoY.
- ❑ New Business Embedded Value (NBEV) grew 15% YoY to S\$616 million.
- ❑ NBEV Margin improved to 48.8% as a result of product mix and distribution optimisation (from 43.0%).

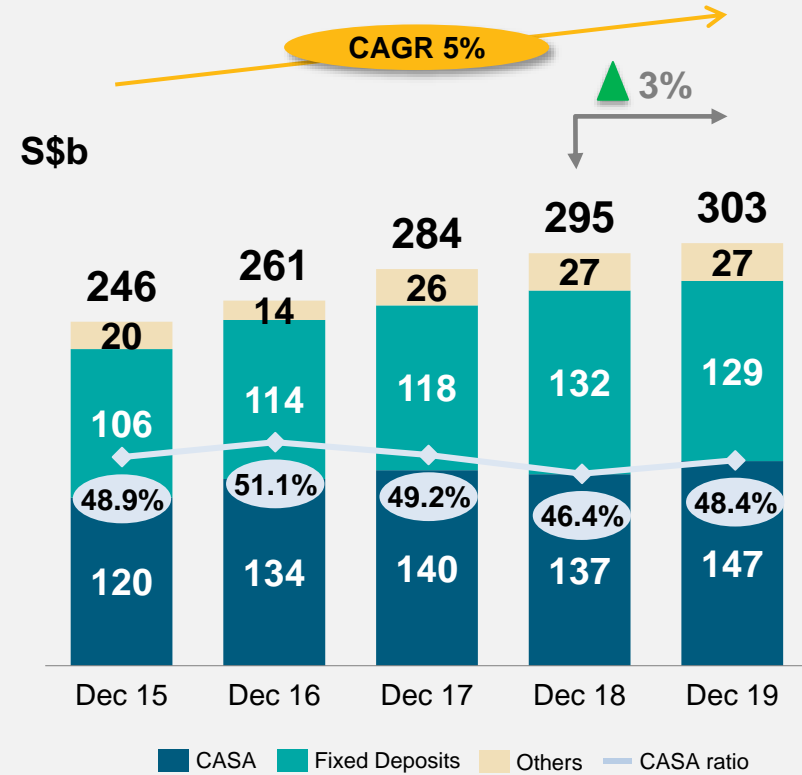
Customer Loans and Deposits

Loans well-diversified across geographies; Deposits well-supported by CASA growth

Customer Loans by Geography



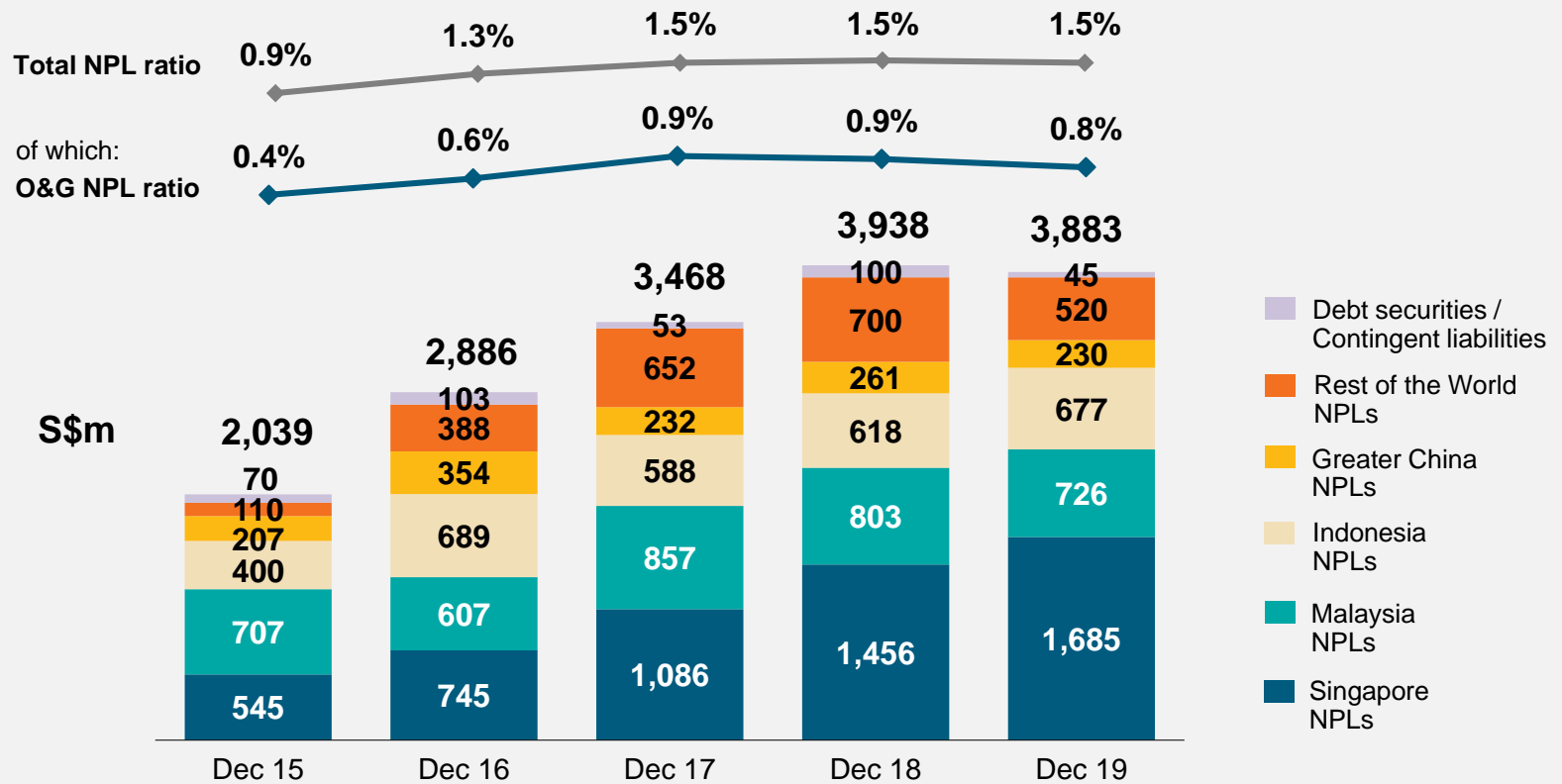
Customer Deposits



Asset Quality

Portfolio quality remained stable

Non-Performing Assets and NPL ratio



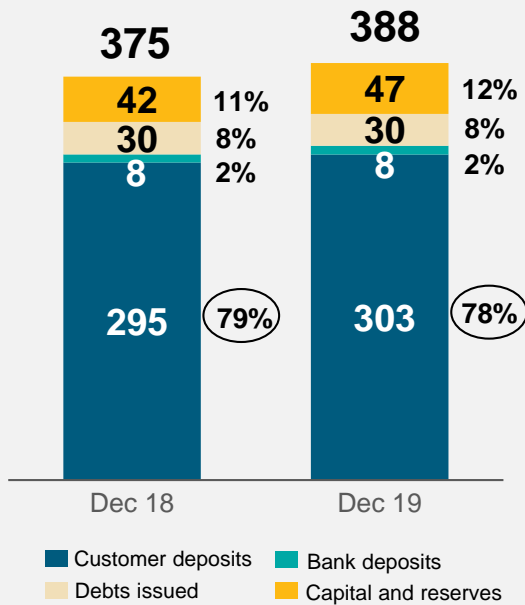
Strong Balance Sheet Fundamentals

Robust funding, liquidity and capital position to withstand market volatility

Funding

- Nearly 80% from customer deposits
- Stable NSFR at 111%

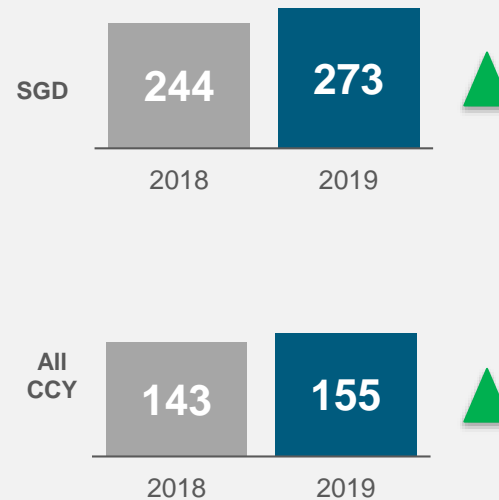
Composition (\$b)



Liquidity

- Sound liquidity position
- LCR well above minimum required

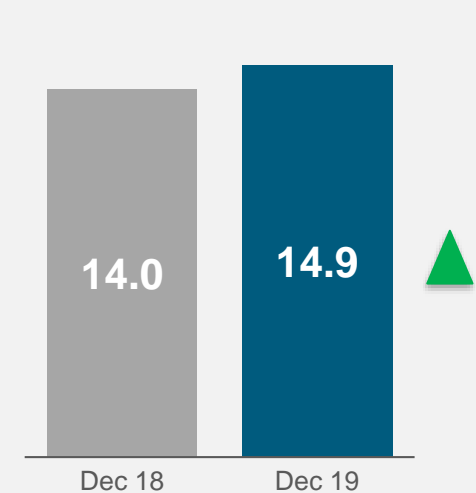
LCR (%)



Capital

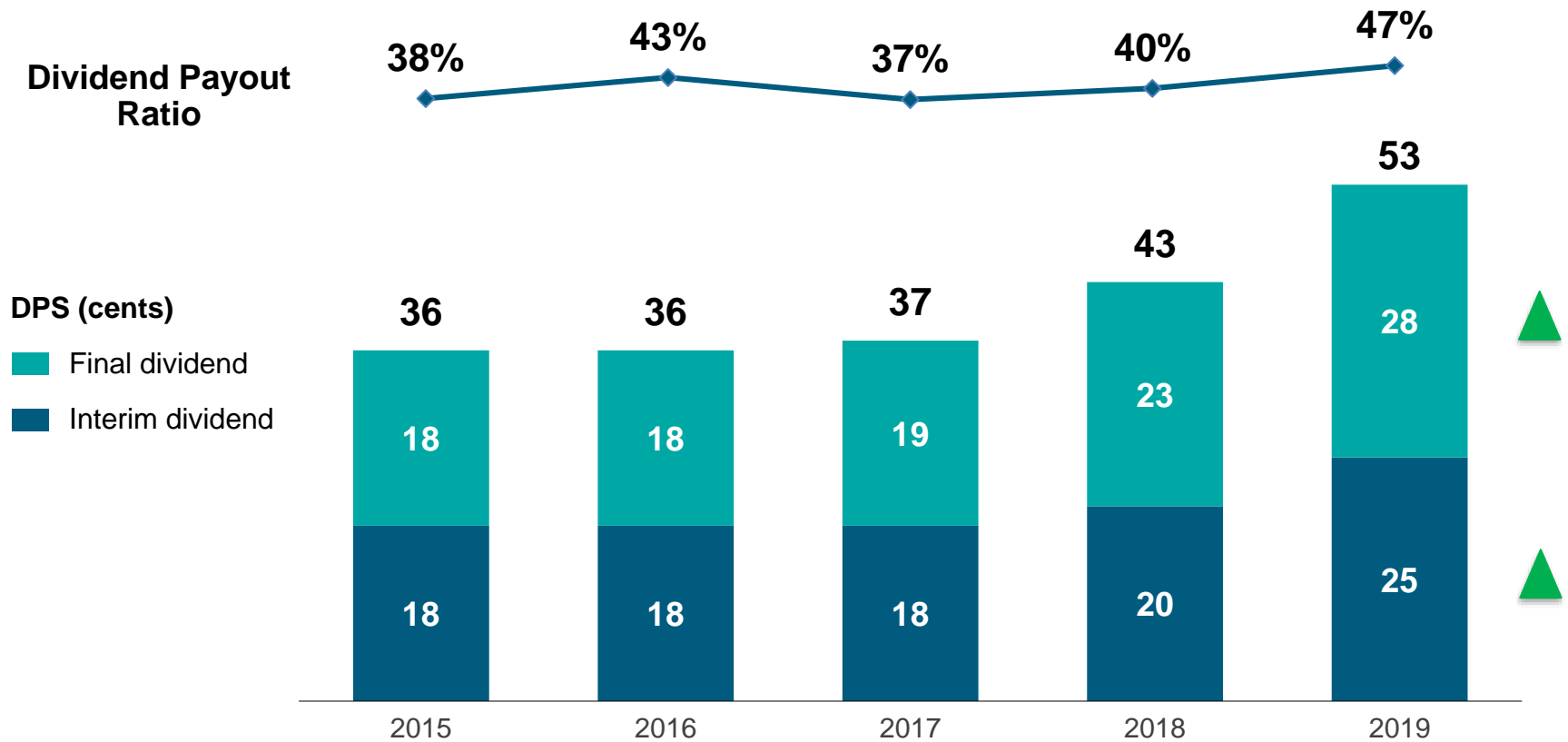
- Strong capital base
- Healthy leverage ratio at 7.7%

CET 1 CAR (%)



Progressive and Sustainable Dividends

2019 dividend up 10 cents or 23% to 53 cents per share; payout ratio raised to 47%



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OCBC Well-positioned Despite Uncertainties Ahead

Priority to support customers during this pandemic

- ❑ Health crisis leading to a global economic crisis. Extent of economic fallout very uncertain, recovery unlikely until 2021 at earliest.
- ❑ Crisis likely to spread out over 2020 and 2021. Watchful of impact to near-term earnings growth. Remain vigilant of vulnerable sectors.
- ❑ Loan growth to be muted; will continue to pro-actively support customers.
- ❑ NIM compression expected in subsequent quarters from full effect of rate cuts. Focus on asset composition and CASA deposits.
- ❑ Shore up allowances to recognise uncertain operating environment.
- ❑ Costs to be controlled in line with revenue expectations.
- ❑ Dividends to be managed in context of capital ratio and market developments.

Committed to Long-term Sustainable Growth

Building a sustainable future for our stakeholders

- ❑ Maintain long-term strategy. Well-diversified customer franchise and earnings base with strong capital, liquidity and funding positions.
- ❑ Confident of OCBC's strong track record of delivering sustainable earnings over economic cycles.
- ❑ Franchise includes maintaining and building a committed and talented workforce.
- ❑ Active risk management to respond to unanticipated event risks and cyber security threats.
- ❑ Forge ahead with digital transformation.
- ❑ Uphold our core values in our dealings with Customers and Employees, and doing our part for the Community and Shareholders.

Continued Focus on Executing Corporate Strategy

Deepen Presence in Core Markets

A leading Asian financial services group with a broad geographical footprint in North and Southeast Asia. A resilient and diversified business that generates sustainable long-term value for shareholders, customers, staff and the community.

Singapore

Malaysia

Indonesia

Greater China

Core Businesses

Banking

Wealth Management

Insurance

Core Competencies

Disciplined Risk
Management

Diversified
Funding Base

Digital
Transformation

Future-Smart
Talent

Core Environmental, Social and Governance Pillars

Putting
Customers First

Being
Environmentally
and Socially
Responsible

Acting with
Integrity

Valuing
Our People

Engaging
Communities

Capture New Business Opportunities as They Arise

**Well-Positioned to Navigate Through Key Global Megatrends
Shaping Asia's Growth**

**Rising
Asian Wealth**

**Increasing
Dominance of
China**

**Growing
Silver and Gig
Economies**

**Digital
Prominence
and Threats**

**Rising
Protectionism
and Populism**

**Focus on
Sustainability**

Do Well and Do Good

Anchor on our **core values**

For almost 90 years, OCBC has earned a well-deserved reputation for a deep-seated culture of Responsible Banking and Fair Dealing, Honesty and Integrity in the conduct of our business, and always putting customers first.

For all Stakeholders – our Employees, Customers, the Community, Shareholders, the Environment – we will continue to:

- Do Well by delivering consistent and sustainable business performance.
- Do Good by always employing fair and socially responsible business practices.



Thank You



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