

Third Quarter 2021 Results Highlights

3 November 2021



OCBC Financial Results



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Agenda

1 Financial Highlights

2 Group Performance Trends

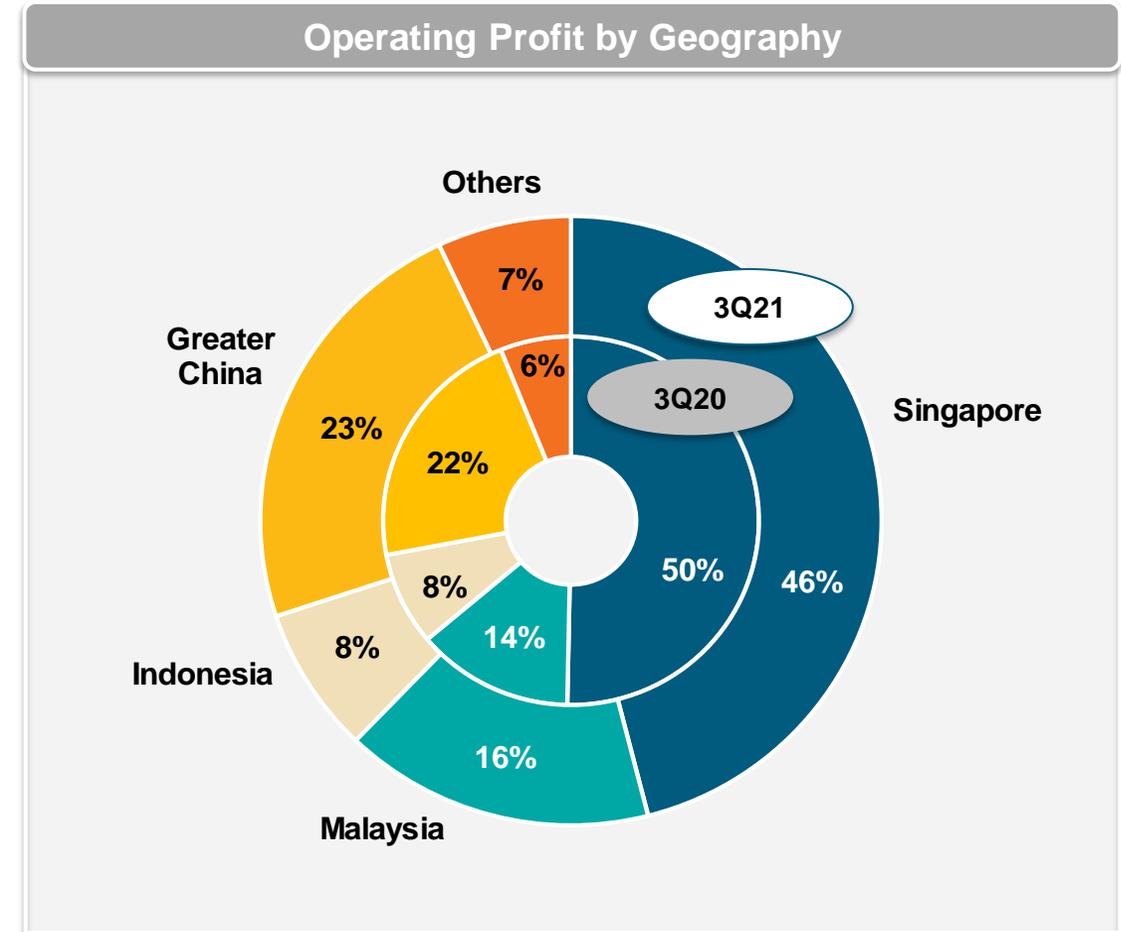
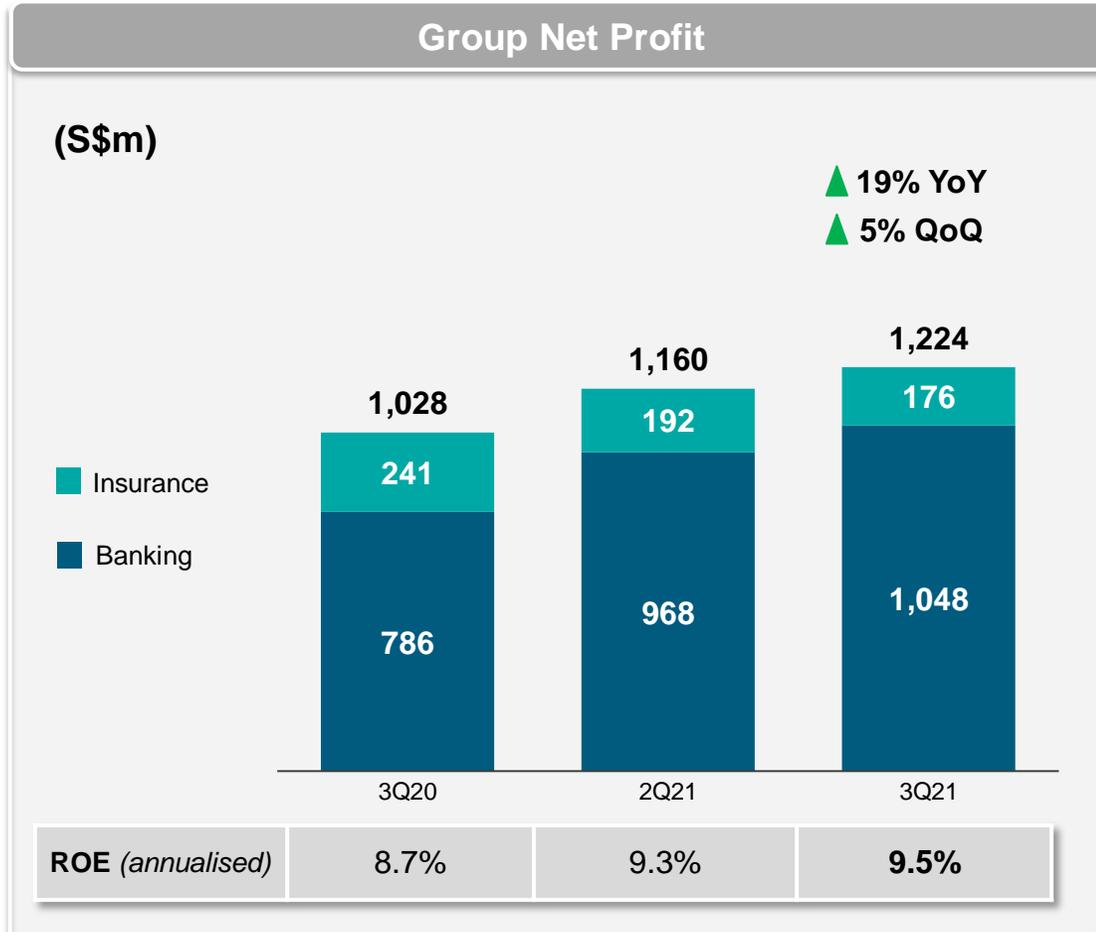
3Q21 Performance

3Q21 net profit grew 19% YoY to S\$1.22b

- ❑ Earnings momentum supported by improved operating conditions
 - Banking operations net profit rose 33% YoY; loans growth of 6% YoY and 4% QoQ
 - Private banking AUM of US\$123b; continued inflows of net new money
 - Profit from insurance up 18% YoY to S\$311m; TWNS and NBEV rose 29% and 3% YoY respectively
- ❑ Net interest income up 3% YoY driven by assets growth
- ❑ Broad-based fee income growth of 14% YoY
- ❑ Trading income down 67% YoY from weaker investment performance
- ❑ Expenses up 8% YoY from rise in headcount, volume-related compensation and lower government job support grants
- ❑ Allowances decreased 54% YoY from improved credit environment
- ❑ CASA deposits grew 13% YoY and 4% QoQ
- ❑ NPL ratio stable at 1.5%
- ❑ CET1 ratio at 15.5%

3Q21 Financial Highlights

Group net profit up YoY and QoQ; ROE higher at 9.5%



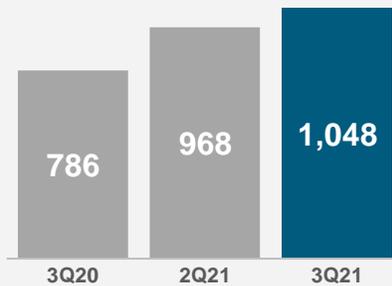
3Q21 Financial Highlights

Resilient performance across OCBC's diversified franchise

Banking

Net Profit (S\$m)

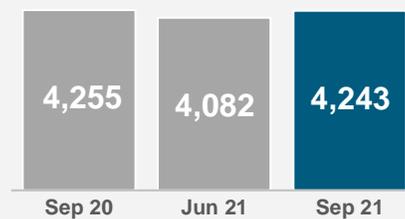
▲ 33% YoY
▲ 8% QoQ



NPAs (S\$m) and NPL ratio

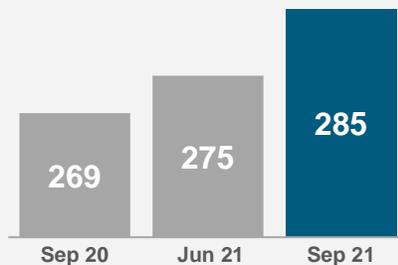
1.6% 1.5% 1.5%

— unchanged YoY
▲ 4% QoQ



Customer Loans (S\$b)

▲ 6% YoY
▲ 4% QoQ



Customer Deposits (S\$b) and CASA ratio

59.2% 62.5% 62.0%

CASA:
▲ 13% YoY
▲ 4% QoQ



Wealth Management

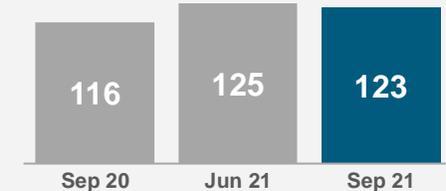
Group Wealth Management Income^{1/} (S\$m)

▼ 7% YoY
▼ 4% QoQ



Bank of Singapore's AUM (US\$b)

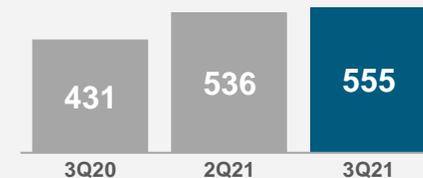
▲ 6% YoY
▼ 2% QoQ



Insurance

Total Weighted New Sales (S\$m)

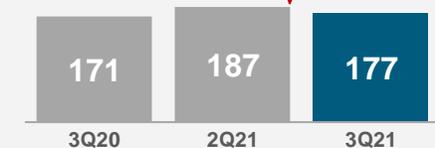
▲ 29% YoY
▲ 4% QoQ



New Business Embedded Value (S\$m) and Margin

39.7% 34.8% 31.9%

▲ 3% YoY
▼ 5% QoQ



^{1/} Wealth Management income comprises the consolidated income from insurance, premier and private banking, asset management and stockbroking.

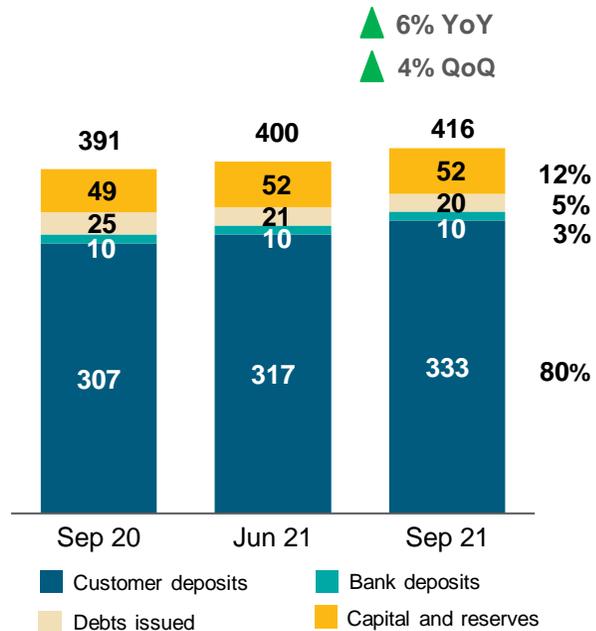
Strong Balance Sheet Fundamentals

Solid funding, liquidity and capital positions to support growth

Funding

- 80% from customer deposits
- NSFR at 125%

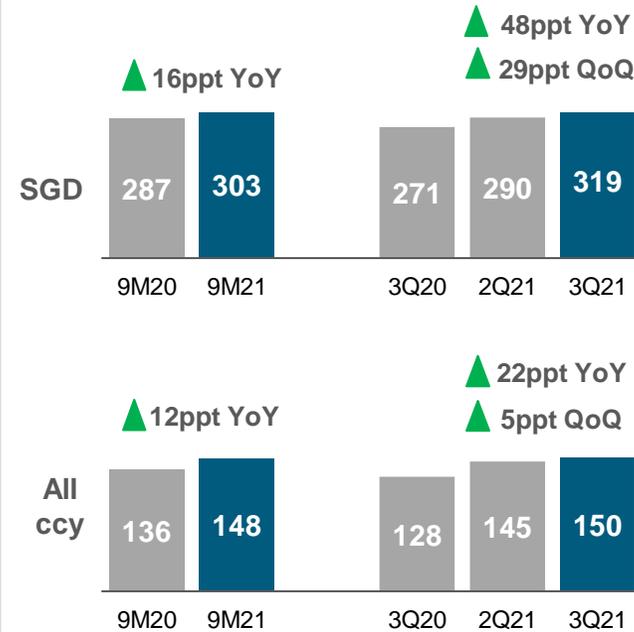
Composition (S\$b)



Liquidity

- Sound liquidity position
- LCR well above minimum required

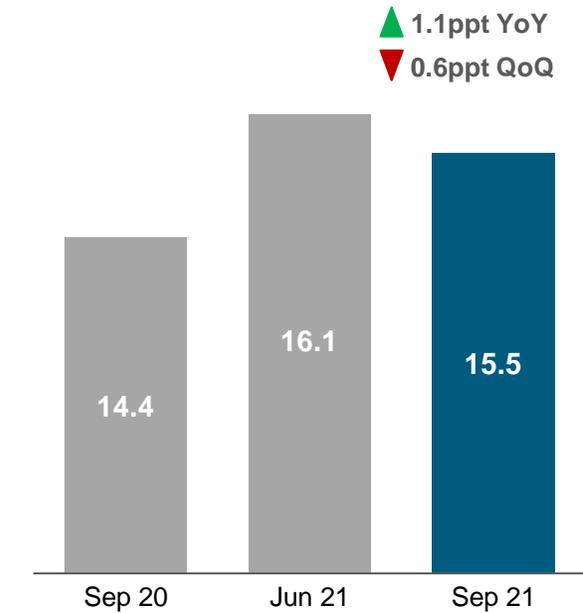
LCR (%)



Capital

- Strong capital base
- Leverage ratio at 7.8%

CET 1 CAR (%)



Group Performance

3Q21 net profit rose 19% YoY to S\$1.22b; 9M21 net profit up 58%

OCBC Group	9M21 S\$m	9M20 S\$m	YoY +/(-)%	3Q21 S\$m	3Q20 S\$m	YoY +/(-)%	2Q21 S\$m	QoQ +/(-)%
Net interest income	4,363	4,530	(4)	1,461	1,421	3	1,461	–
Non-interest income	3,683	3,124	18	1,099	1,118	(2)	1,111	(1)
Total income	8,046	7,654	5	2,560	2,539	1	2,572	–
Operating expenses	(3,476)	(3,314)	5	(1,188)	(1,098)	8	(1,138)	4
Operating profit	4,570	4,340	5	1,372	1,441	(5)	1,434	(4)
Associates	626	481	30	204	153	33	213	(5)
Operating profit before allowances	5,196	4,821	8	1,576	1,594	(1)	1,647	(4)
Allowances for impaired assets	(467)	(942)	(50)	(185)	(148)	24	(131)	41
Allowances (charge)/write-back for non-impaired assets	(88)	(816)	(89)	22	(202)	(111)	(101)	(122)
Amortisation, tax and NCI	(756)	(608)	24	(189)	(216)	(13)	(255)	(26)
Net profit	3,885	2,455	58	1,224	1,028	19	1,160	5

Banking Operations Performance

3Q21 Banking Operations' net profit higher YoY and QoQ

Banking Operations	9M21 S\$m	9M20 S\$m	YoY +/(-)%	3Q21 S\$m	3Q20 S\$m	YoY +/(-)%	2Q21 S\$m	QoQ +/(-)%
Net interest income	4,290	4,446	(4)	1,437	1,395	3	1,436	—
Non-interest income	2,512	2,257	11	806	744	8	775	4
Total income	6,802	6,704	1	2,243	2,139	5	2,212	1
Operating expenses	(3,242)	(3,098)	5	(1,104)	(1,010)	9	(1,061)	4
Operating profit	3,561	3,606	(1)	1,139	1,130	1	1,151	(1)
Associates	639	497	29	205	161	27	220	(6)
Operating profit before allowances	4,200	4,103	2	1,344	1,291	4	1,371	(2)
Allowances for impaired assets	(468)	(943)	(50)	(185)	(149)	24	(131)	41
Allowances (charge)/write-back for non-impaired assets	(88)	(813)	(89)	20	(203)	(110)	(100)	(120)
Amortisation, tax and NCI	(501)	(402)	25	(131)	(153)	(14)	(173)	(24)
Net profit from banking operations	3,143	1,946	62	1,048	786	33	968	8
GEH net profit contribution	741	509	46	176	241	(27)	192	(9)
OCBC Group net profit	3,885	2,455	58	1,224	1,028	19	1,160	5

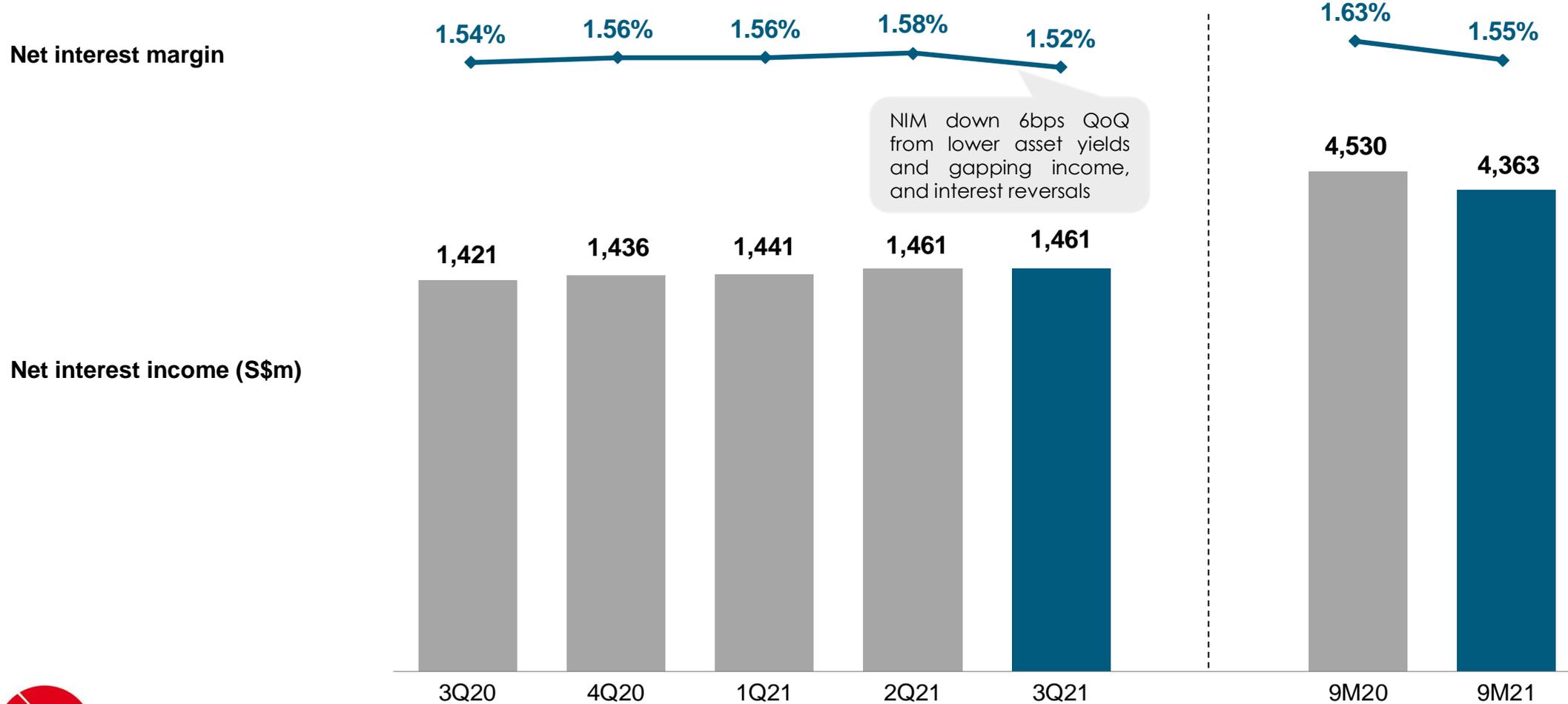
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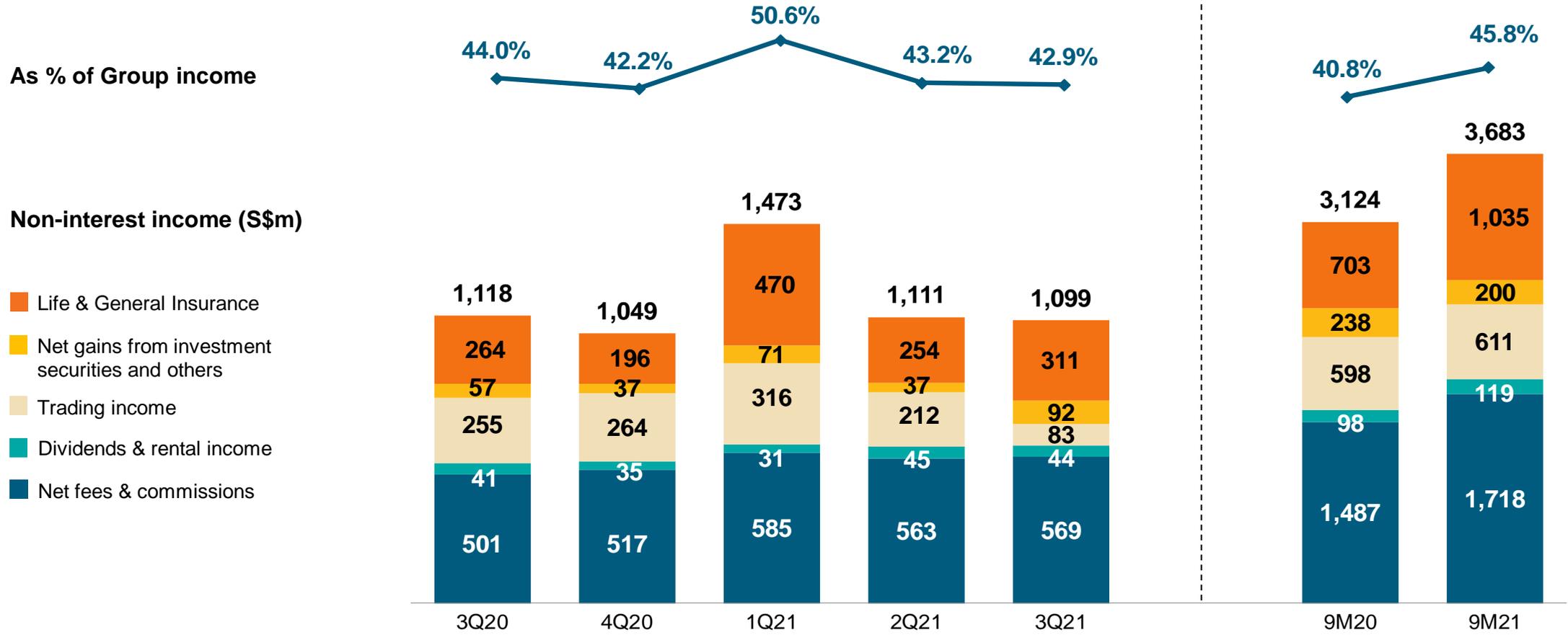
Net Interest Income

3Q21 net interest income up 3% YoY supported by asset growth



Non-interest Income

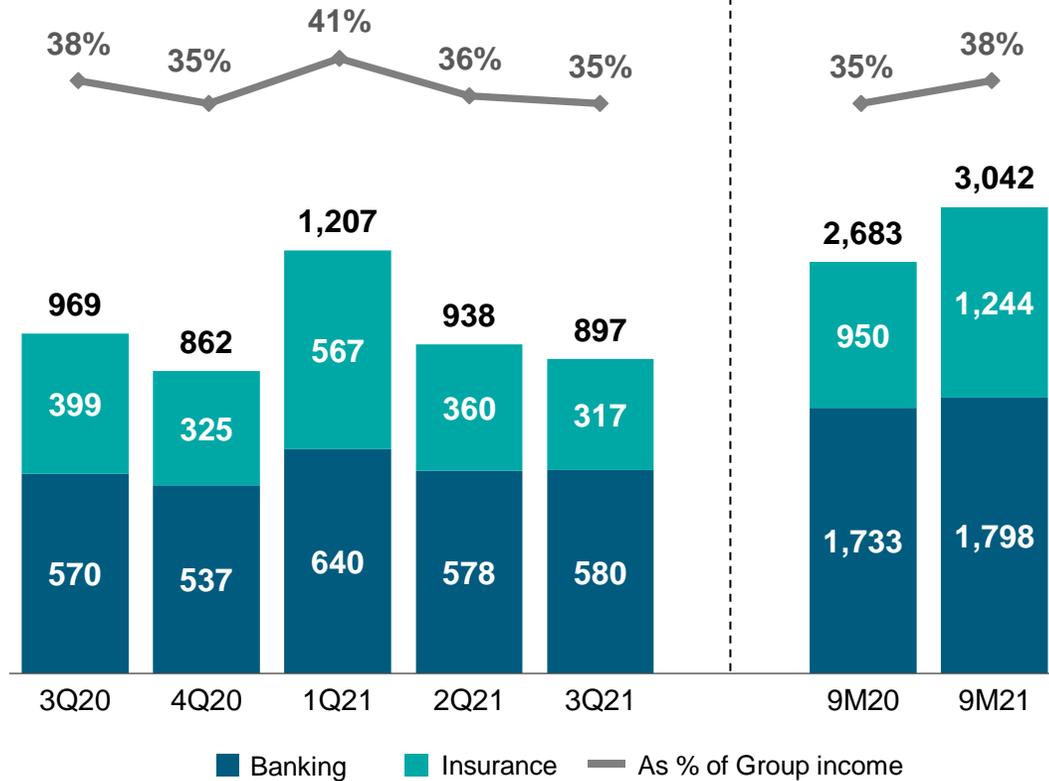
Non-interest income for 3Q21 at S\$1.10b



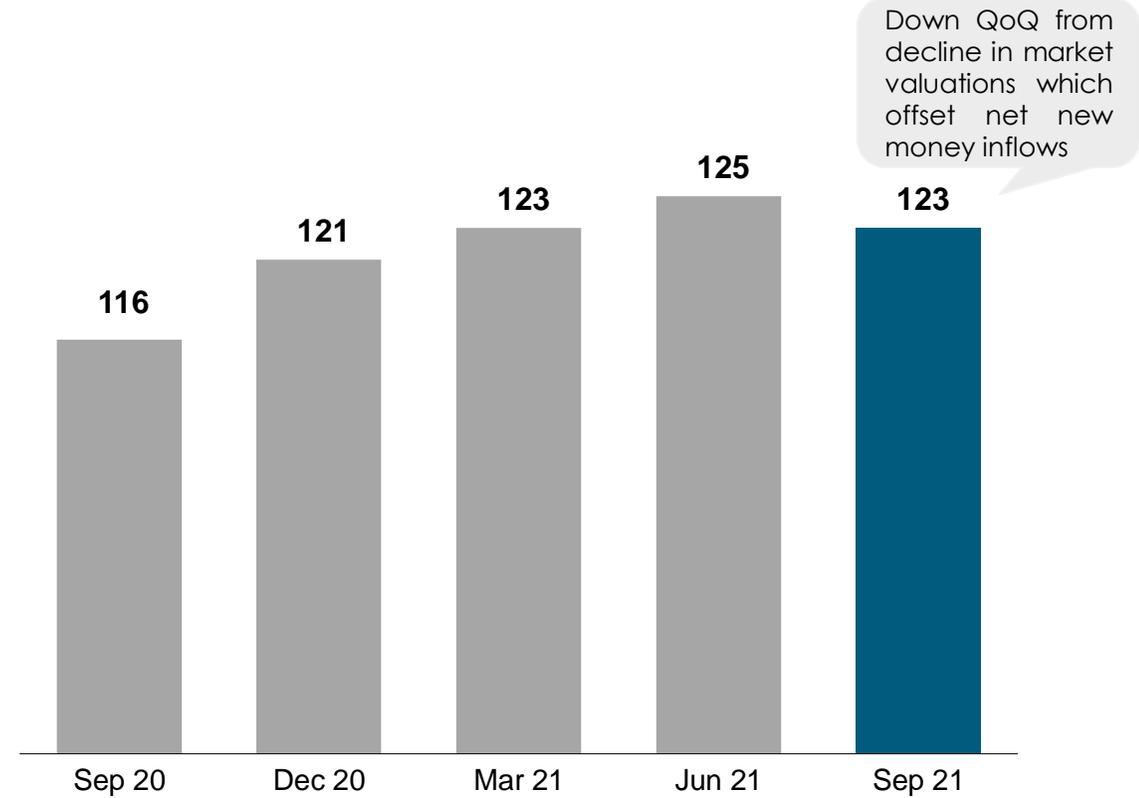
Wealth Management Franchise

9M21 WM income rose 13% to S\$3.04b; private banking AUM grew 6% YoY to US\$123b

Total Wealth Management Income (S\$m)



Bank of Singapore's Assets Under Management (US\$b)



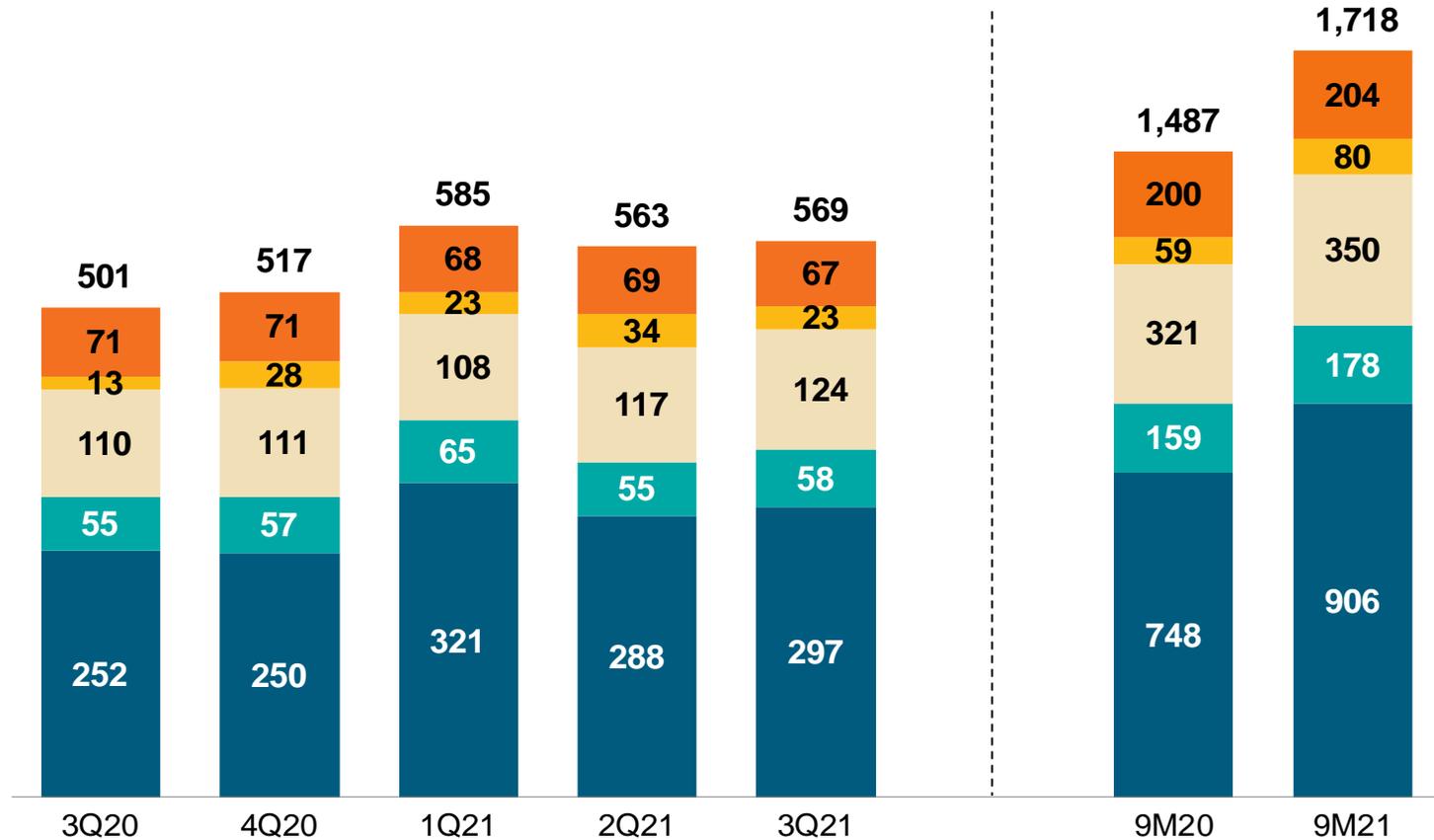
Note: Wealth Management income comprises the consolidated income from insurance, premier and private banking, asset management and stockbroking.

Net Fees & Commissions

3Q21 fee income higher from continued growth in customer activities

Net fees & commissions (S\$m)

- Others ^{2/}
- Investment Banking
- Loan, Trade, Guarantees & Remittances
- Brokerage & Fund Management
- Wealth Management ^{1/}

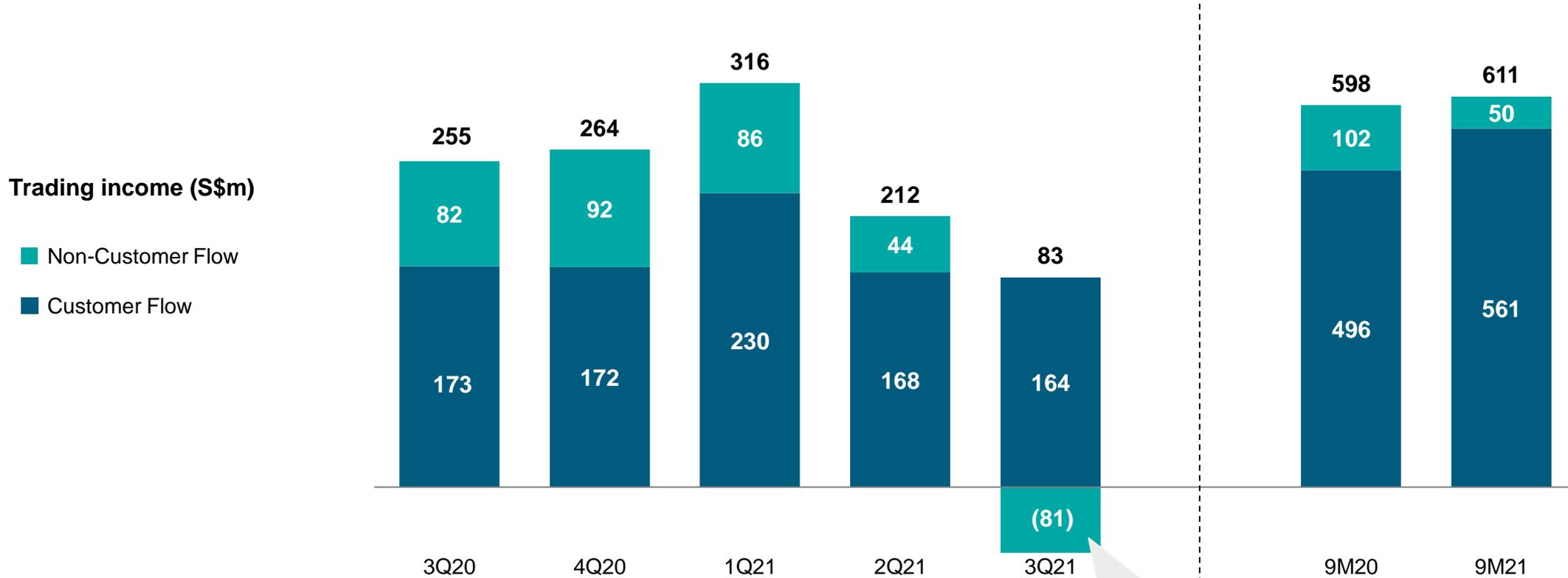


^{1/} Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

^{2/} "Others" includes credit card fees, service charges and other fee and commission income.

Trading Income

Customer flow treasury income resilient



Non-customer flow income lower, largely driven by unrealised MTM losses in GEH's investment portfolio

Operating Expenses

3Q21 expenses rose to S\$1.19b

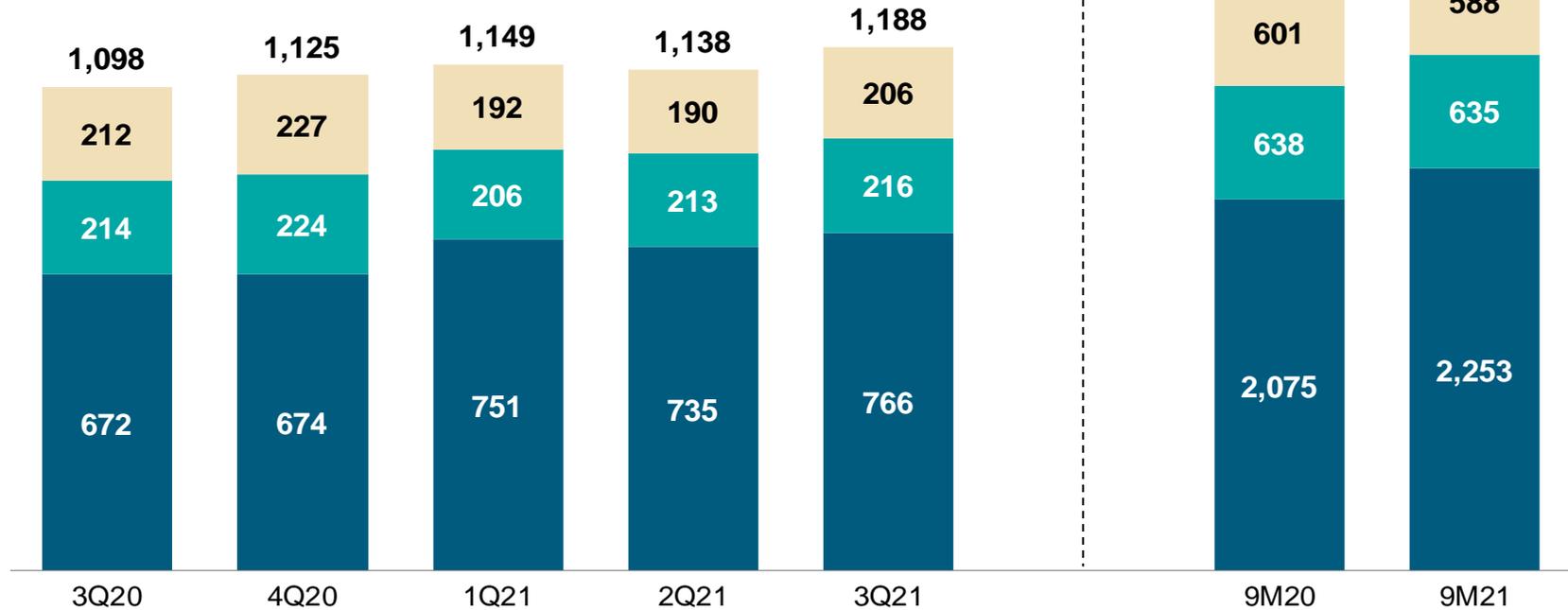
Cost-to-income



Up YoY from rise in headcount, compensation linked to higher business volumes and lower government job support grants

Operating expenses (S\$m)

- Others
- Property & equipment
- Staff costs

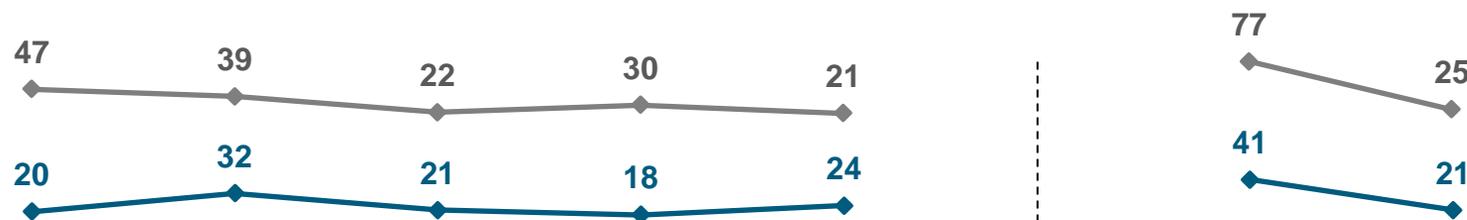


Allowances

3Q21 allowances down YoY and QoQ; credit costs lower at 21 bps

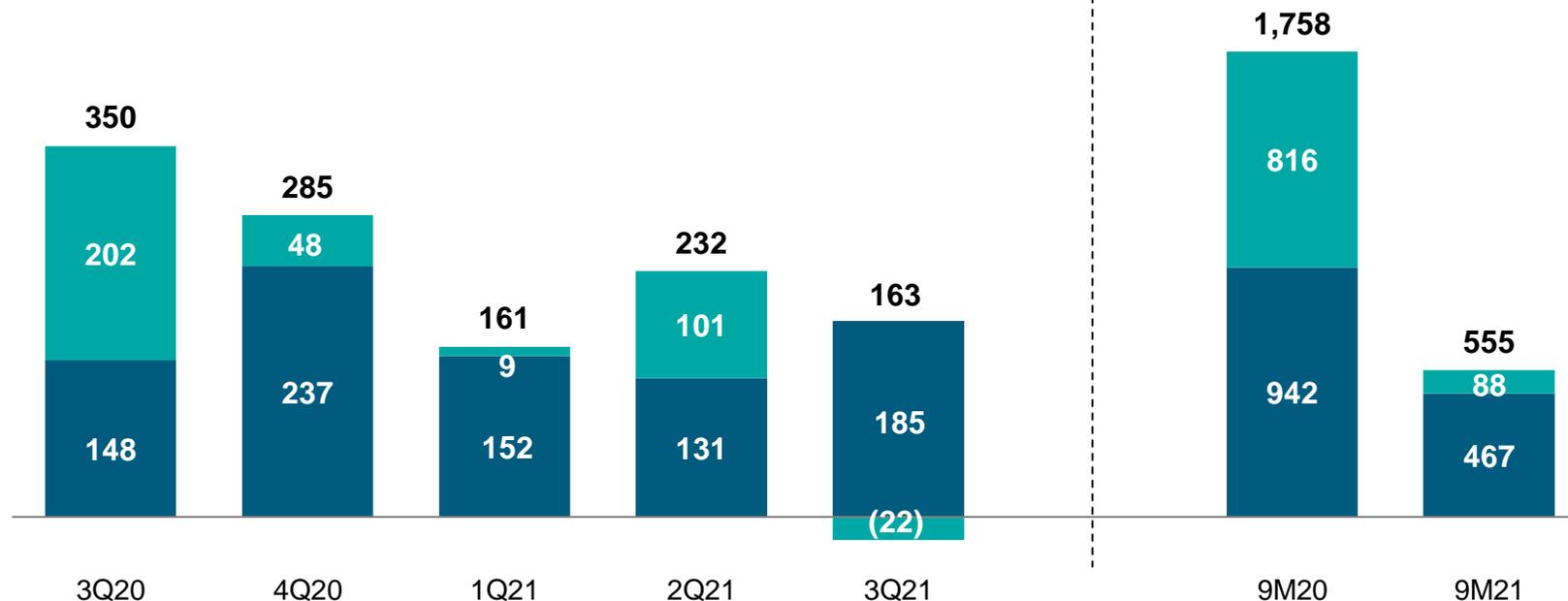
Credit costs (bps) ^{1/}

- Total
- Impaired



Allowances (\$m)

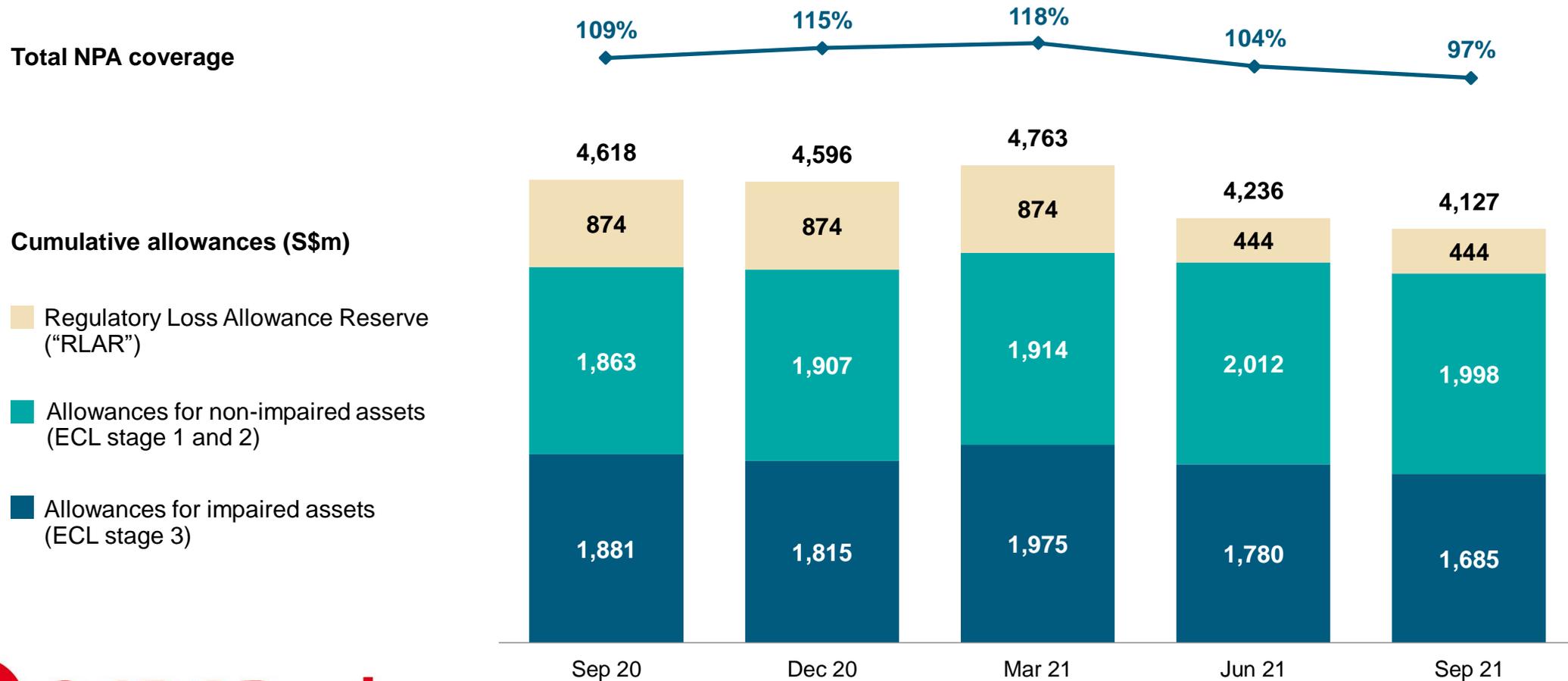
- Allowances for non-impaired assets (ECL stage 1 and 2)
- Allowances for impaired assets (incl. ECL stage 3)



^{1/} Credit costs refer to allowances for loans as a percentage of average loans, on annualised basis.

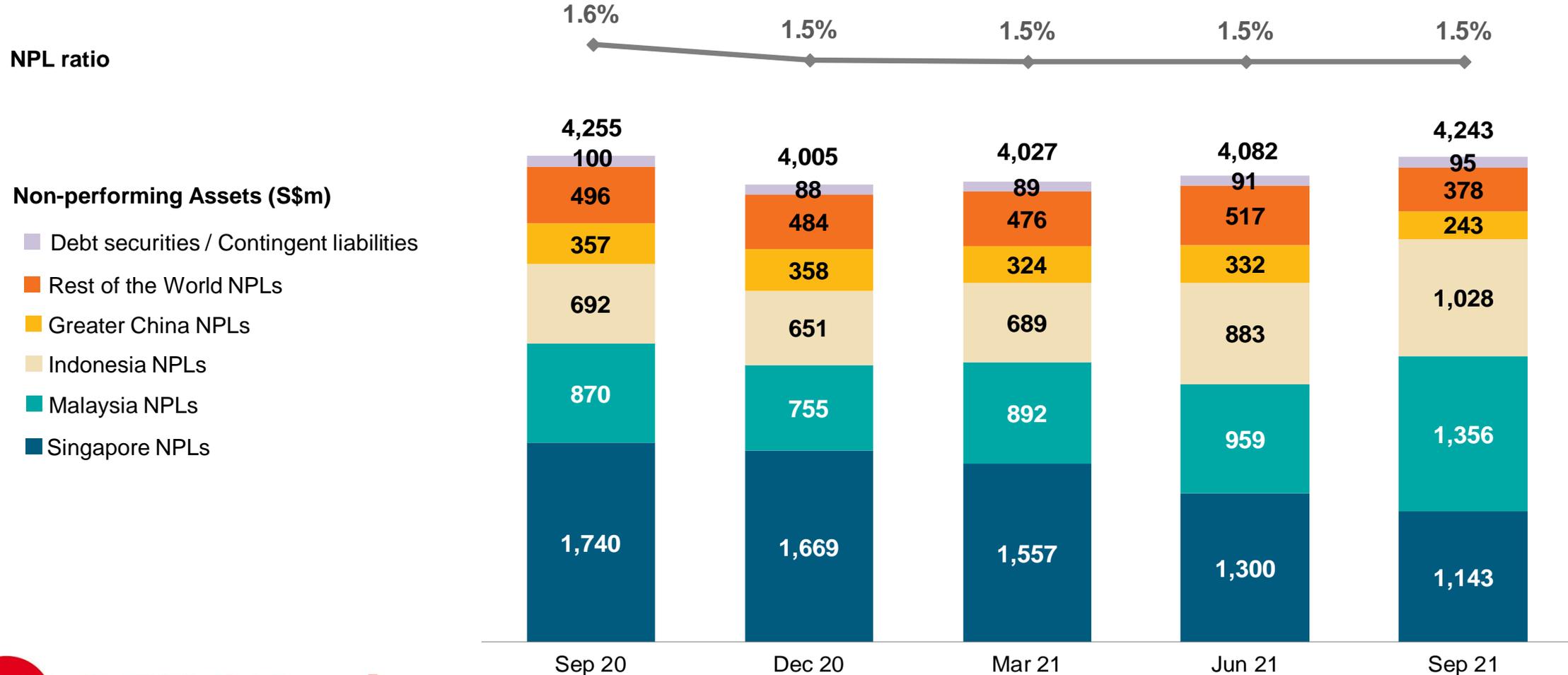
Total Cumulative Allowances

NPA coverage ratio at 97%



Asset Quality

NPL ratio stable at 1.5% for the past four quarters



Note: NPAs by geography are based on where the credit risks reside.



Asset Quality

3Q21 new NPA formation up QoQ largely from downgrades of secured consumer loans in Malaysia

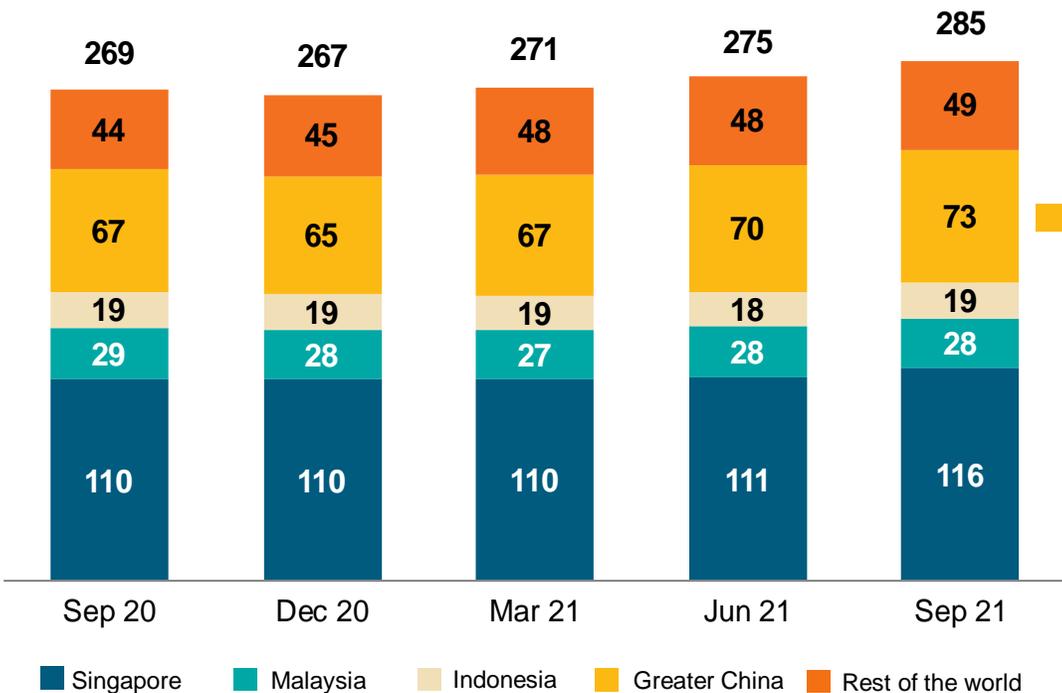
S\$m	3Q20	2Q21	3Q21	9M20	9M21
At start of period	4,351	4,027	4,082	3,883	4,005
New NPAs					
Corporate/ Commercial Banking and Others	177	459	435	982	1,035
Consumer Banking/ Private Banking	94	203	369	361	803
	271	662	804	1,343	1,838
Net recoveries/ upgrades					
Corporate/ Commercial Banking and Others	(114)	(172)	(271)	(215)	(686)
Consumer Banking/ Private Banking	(87)	(80)	(88)	(282)	(267)
	(201)	(252)	(359)	(497)	(953)
Write-offs					
Corporate/ Commercial Banking and Others	(61)	(324)	(311)	(377)	(650)
Consumer Banking/ Private Banking	(30)	(22)	(16)	(88)	(55)
	(91)	(346)	(327)	(465)	(705)
Foreign currency translation	(75)	(9)	43	(9)	58
At end of period	4,255	4,082	4,243	4,255	4,243

Customer Loans

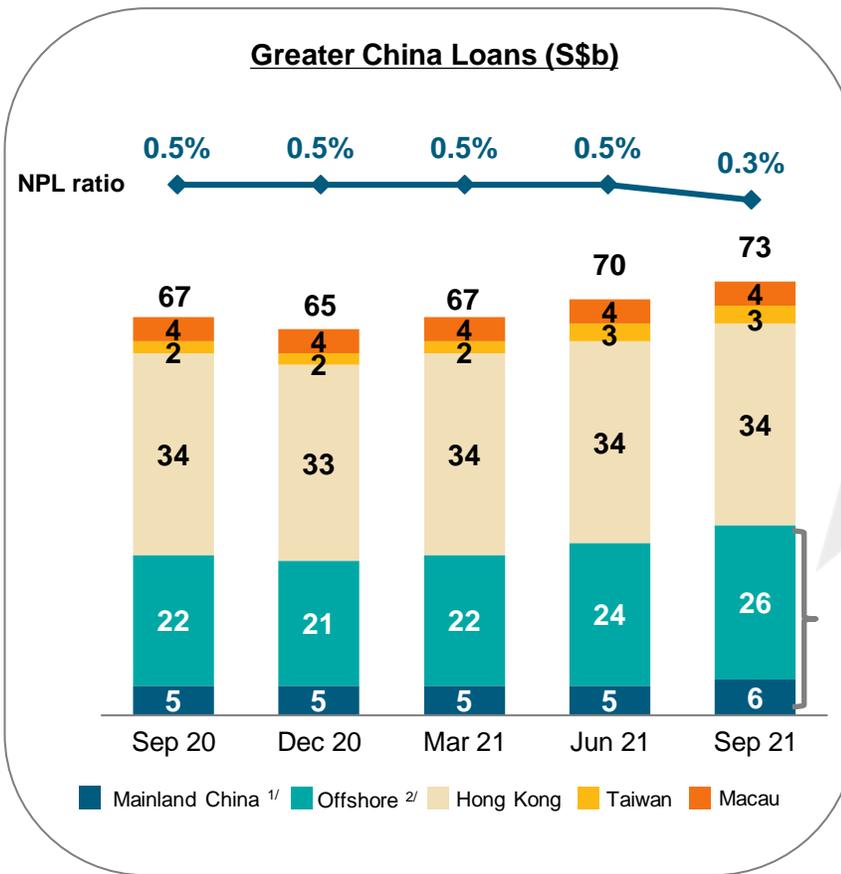
Customer loans up 7% year-to-date

Loans by Geography (S\$b)

▲ 6% YoY (▲ 6% in constant ccy terms)
 ▲ 4% QoQ (▲ 3% in constant ccy terms)



Greater China Loans (S\$b)



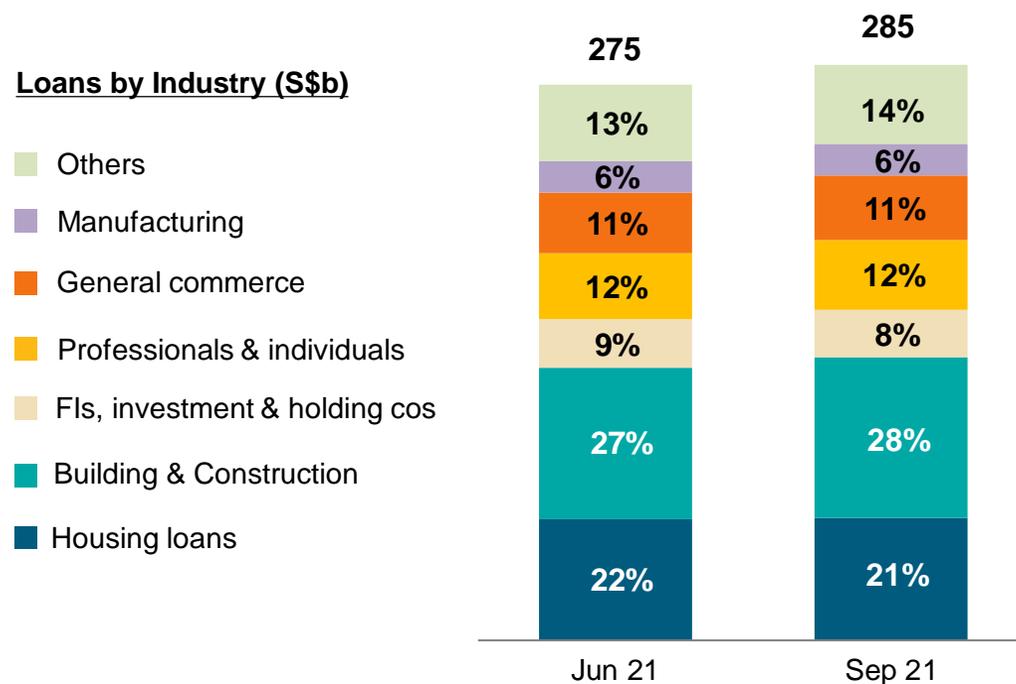
- Total China onshore and offshore loans made up about 11% of Group loans; largely comprising lending to top state-owned enterprises, large local corporates, as well as our network customers
- Mainland China onshore exposure at 2% of Group loans. Of these, less than one-third are corporate real estate loans, largely lending to our network customers



Note: Based on where the credit risks reside.
 1/ Loans booked in China, where credit risks reside.
 2/ Loans booked outside of China, but with credit risks traced to China.

Customer Loans

Loan composition by industry stable quarter-on-quarter



Corporate, SME and Consumer/Private Banking comprise **50%**, **12%** and **38%** of loan book respectively

O&G sector comprise **5%** of loan book (within which, 1% were OSV)

Commodities sector account for **5%** of loan book

Shipping sector (ex OSV) made up **2%** of loan book

Aviation sector comprise **less than 1%** of loan book

Green and sustainable finance portfolio **up 12%** QoQ to **S\$19.5b** (7% of loan book)

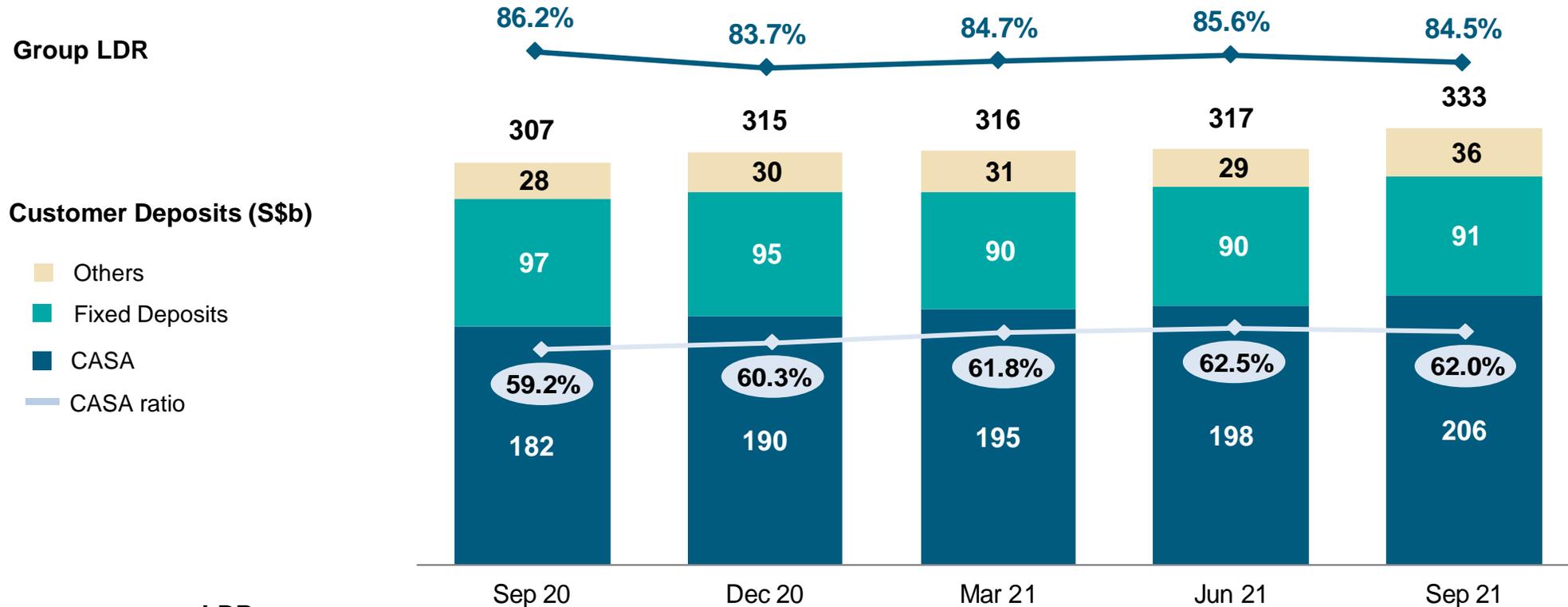
Loan Relief Update

Relief loans made up S\$6.3b or 2% of Group loans

	30 Jun 2021		30 Sep 2021	
Loans under moratorium – Group	S\$4.5b	<i>90% secured</i>	S\$6.3b	<i>89% secured</i>
% of Group loans	2%		2%	
<u>By Geography</u>	S\$b	% of country loans	S\$b	% of country loans
Singapore	2.2	1%	1.6	1%
Individuals	1.1		1.1	
Businesses	1.1		0.5	
Malaysia	1.5	7%	4.0	19%
Individuals	0.8		2.4	
Businesses	0.7		1.7	
Indonesia	0.6	6%	0.6	5%
Individuals	0.1		0.1	
Businesses	0.5		0.5	
Hong Kong and Macau	0.2	1%	<0.1	0.1%
Individuals	0.0		0.0	
Businesses	0.2		0.0	

Customer Deposits

CASA deposits grew 13% YoY to S\$206b; CASA ratio at 62.0%



<u>LDR</u>	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21
SGD	81.8%	78.3%	77.8%	78.3%	79.3%
USD	69.2%	65.6%	68.8%	68.0%	67.0%



Thank You

