

Group Chief Executive Officer Update

5 November 2020



OCBC Financial Results



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Taking stock of the past nine months

Economic conditions gradually stabilising in the region, but COVID-19 uncertainty continues

- ❑ Nine months performance reflects robustness and resilience of customer franchise
 - Group wealth management income up 3% YoY to a record
 - Private Banking AUM grew 5% YoY
 - Customer-flow treasury income rose 12% YoY to a new high
 - Insurance sales climbed 18% YoY
 - Active cost management – 3 consecutive quarters of expense reduction
- ❑ Capital, liquidity and funding positions strengthened against uncertain outlook
- ❑ Loan portfolio proactively managed in the midst of government relief programme exits
- ❑ Prudent allowances set aside on a forward-looking basis with Management Overlay; 109% NPA coverage
- ❑ First-time digital customer sign-ups rose more than 50% QoQ

Loan relief update

Ensuring orderly and smooth transition from loan relief programmes

	31 Jul 2020	30 Sep 2020		Last week of Oct 2020 - adjusted for end of Malaysia's relief programme
Total Loans under Relief (S\$b)	26.7 (88% secured)	23.7 (91% secured)		13.6 (93% secured)
% of Group Loans	10%	9%		~5%
<u>By Geography (S\$b)</u>		% of country loans	% Secured	
Singapore	9.0	8.8	4%	96%
Individuals	5.1	5.0		
Businesses	3.9	3.8		
Malaysia	13.8	11.8	53%	87%
Individuals	6.9	6.6		
Businesses	6.9	5.2		
Indonesia	1.9	1.6	15%	84%
Individuals	0.2	0.2		
Businesses	1.7	1.5		
HK & Macau	1.9	1.5	5%	97%
Individuals	0.3	0.3		
Businesses	1.6	1.2		

1.7 (82% secured)
0.7 Individuals
1.0 Businesses
(8% of country loans)

Malaysia's relief programme ended on 30 Sep 2020. From 1 Oct 2020, banks to provide targeted relief extension and loan repayment flexibilities only on application and approval basis.

Out of the above S\$1.7b in Malaysia, S\$1b have requested for further relief, mostly on modified repayment. The remaining S\$0.7b relate to the balance of loans yet to roll-off from the earlier relief programme.

Looking ahead

Visibility still weak; economic growth will be uneven and uncertain

- ❑ Challenging economic environment to persist; vigilant of virus continuing
- ❑ Repayment upon moratorium relief exit may be better than expected, but sustainability not certain yet. Further relief to be targeted and disciplined
- ❑ Finance new areas of customer activities – sustainability & renewables, supply chain transformation, restructuring, acquisitions, overseas diversification
- ❑ No M&A plans under review

Well-positioned for recovery

Focused on driving long-term sustainable value

- ❑ Maintain strong capital and balance sheet to buffer against headwinds and uncertainty
- ❑ Optimise balance sheet in a low interest rate environment and continue focus on fee income activities
- ❑ Accelerate digital transformation with increased investments to boost customer engagement, increase productivity and achieve greater cost efficiency
- ❑ Credit cost estimate unchanged at 100-130 bps from 2020 to 2021, and gross NPL ratio at 2.5% – 3.5%



Thank You

