

Full Year 2020 Results Presentation

24 February 2021



OCBC Financial Results



Disclaimer: This presentation should be read as an overview of OCBC's current business activities and operating environment which may contain statements relating to OCBC's growth strategy and future business aspirations. These statements involve risks and uncertainties and should not be solely relied upon by investors or potential investors when making an investment decision. OCBC Bank accepts no liability whatsoever with respect to the use of this document or its content.



Agenda

Financial Highlights

Group Performance Trends

**Appendices:
Major Subsidiaries' Results**



Note: - Certain comparative figures have been restated to conform with the current period's presentation.
- Amounts less than S\$0.5m are shown as "0";
- "nm" denotes not meaningful;
- "na" denotes not applicable;
- Figures may not sum to stated totals because of rounding.

4Q20 Net Profit up 10% QoQ to S\$1.13b

Continued traction in business momentum across the Group

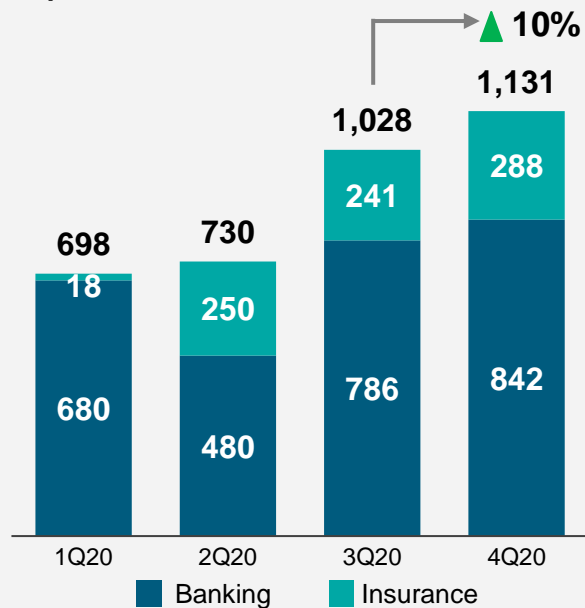
- ❑ Net profit up for three consecutive quarters
- ❑ NII rose QoQ; NIM improved 2bps to 1.56%
- ❑ 4Q20 fee income and trading income up 3% and 4% QoQ respectively
- ❑ Private banking AUM at new high of US\$121b
- ❑ Insurance TWNS and NBEV grew 22% and 72% QoQ respectively
- ❑ Operating expenses up 2% QoQ in line with increased business activities
- ❑ NPA coverage ratio raised to 115%
- ❑ NPL ratio lower QoQ at 1.5%; FY20 total credit costs at 67bps
- ❑ Loans up QoQ in constant currency terms; CASA deposits at new high
- ❑ CET1 ratio at 15.2%
- ❑ Proposed final dividend of 15.9 cents per share; FY20 payout ratio at 39%

4Q20 Financial Highlights

4Q20 net profit highest in four quarters from improved operating conditions

Group Net Profit

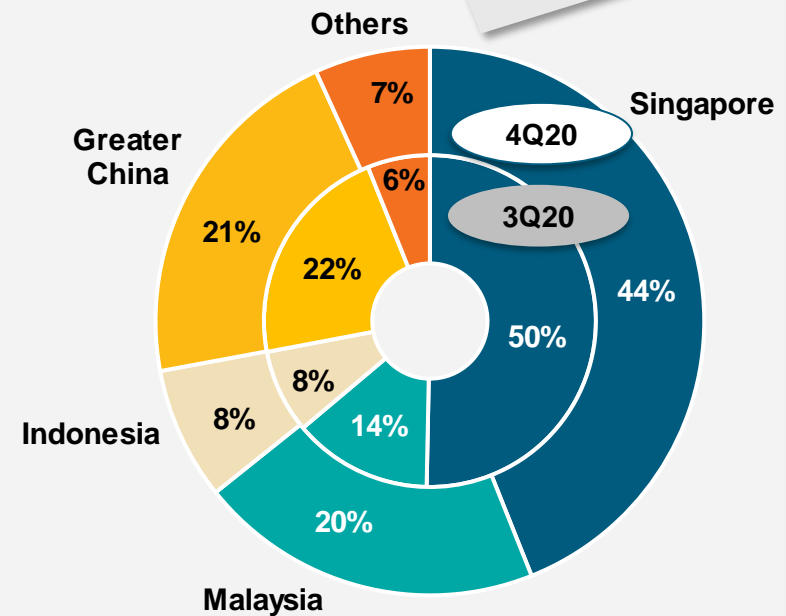
(S\$m)



ROE	6.0%	6.2%	8.7%	9.3%
ROTE	7.0%	7.2%	10.0%	10.6%

Operating Profit by Geography

As a proportion of the Group's operating profit, contribution from Singapore was lower QoQ mainly from lower insurance profit. Malaysia's earnings was up QoQ from higher banking and insurance contributions.

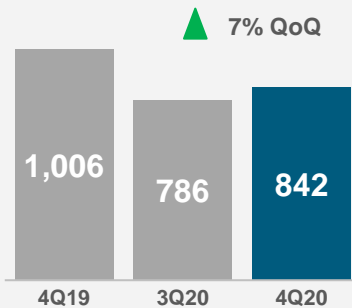


4Q20 Financial Highlights

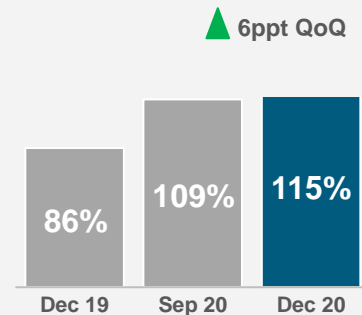
Strong business fundamentals drove fourth quarter performance

Banking

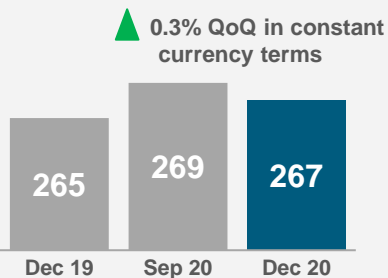
Net Profit
(S\$m)



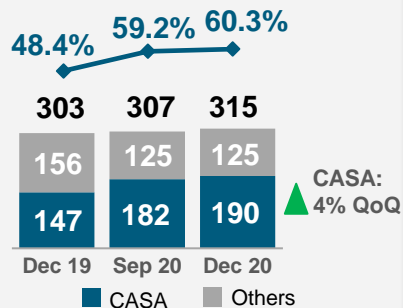
Total NPA Coverage



Customer Loans
(S\$b)

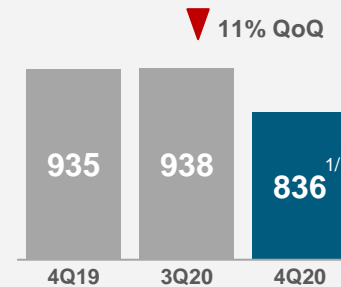


Customer Deposits
(S\$b) and CASA ratio

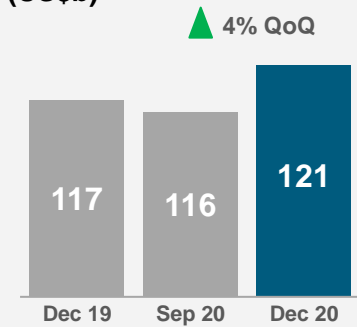


Wealth Management

Group Wealth Management
Income (S\$m)

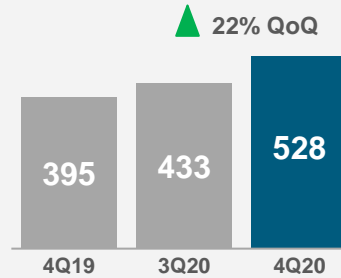


Bank of Singapore's AUM
(US\$b)

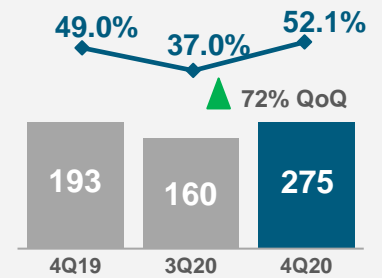


Insurance

Total Weighted New Sales
(S\$m)



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



OCBC Bank

^{1/} 4Q20 included a provision for higher expected future insurance claims at subsidiary Great Eastern Holdings ("GEH").

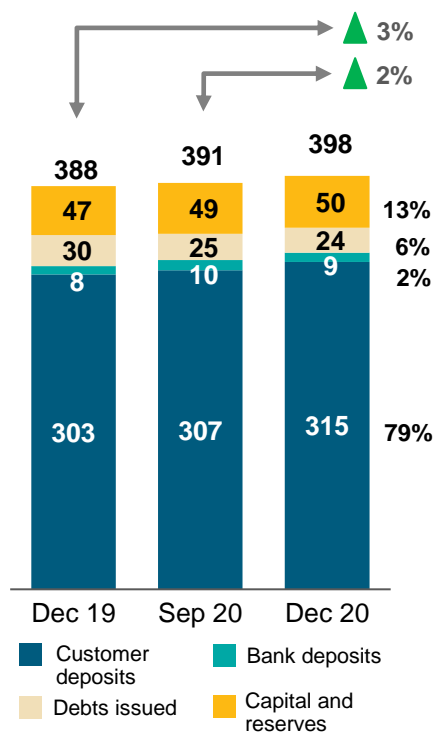
Robust Funding, Liquidity and Capital Buffers

Well-positioned for future growth

Funding

- Nearly 80% from customer deposits
- NSFR at 125%

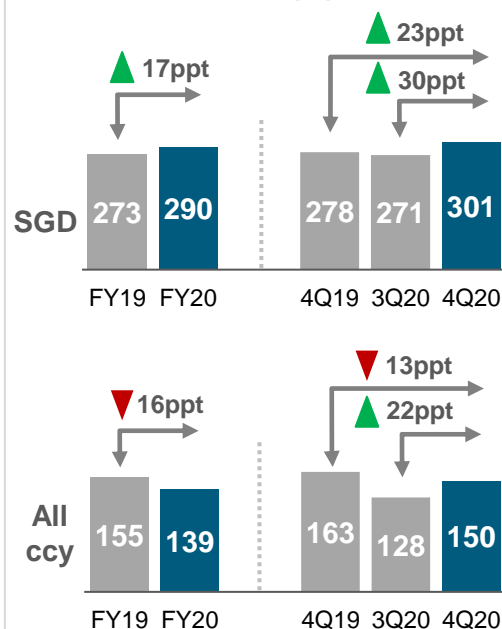
Composition (\$b)



Liquidity

- Sound liquidity position
- LCR well above minimum required

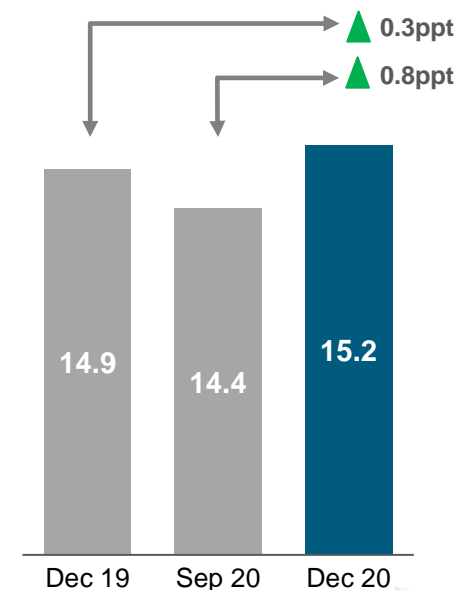
LCR (%)



Capital

- Strong capital base
- Leverage ratio at 7.7%

CET 1 CAR (%)



Dec 20 included impact of migration to internal ratings-based (IRB) approach at OCBC Wing Hang Bank: approximately +0.5ppt

4Q20 Group Performance

Net profit increased 10% QoQ mainly from lower allowances and tax write-backs

OCBC Group	4Q20 S\$m	3Q20 S\$m	QoQ +/(-)%	4Q19 S\$m	YoY +/(-)%
Net interest income	1,436	1,421	1	1,610	(11)
Non-interest income	1,049 ^{1/}	1,118	(6)	1,312	(20)
Total income	2,485	2,539	(2)	2,922	(15)
Operating expenses	(1,125)	(1,098)	2	(1,266)	(11)
Operating profit	1,360	1,441	(6)	1,656	(18)
Associates	131	153	(15)	94	38
Operating profit before allowances	1,491^{2/}	1,594	(6)	1,750	(15)
Allowances for impaired assets	(237)	(148)	59	(271)	(12)
Allowances (charge) / write-back for non-impaired assets	(48)	(202)	(76)	64	177
Amortisation, tax and NCI	(75) ^{3/}	(216)	(65)	(300)	(75)
Net profit	1,131	1,028	10	1,243	(9)



1/ 4Q20 included a provision for higher expected future insurance claims at GEH.

2/ Excluding the provision above, operating profit before allowances would have been up 1% QoQ.

3/ 4Q20 included a one-off positive tax impact arising from the finalisation of prior years' tax assessment at GEH.

4Q20 Banking Operations Performance

4Q20 net profit from Banking Operations up 7% QoQ

Banking Operations	4Q20 S\$m	3Q20 S\$m	QoQ +/(-)%	4Q19 S\$m	YoY +/(-)%
Net interest income	1,414	1,395	1	1,580	(11)
Non-interest income	747	744	–	903	(17)
Total income	2,161	2,139	1	2,482	(13)
Operating expenses	(1,034)	(1,010)	2	(1,145)	(10)
Operating profit	1,127	1,130	–	1,338	(16)
Associates	142	161	(12)	99	43
Operating profit before allowances	1,268	1,291	(2)	1,437	(12)
Allowances for impaired assets	(237)	(149)	59	(271)	(13)
Allowances (charge) / write-back for non-impaired assets	(50)	(203)	(75)	63	178
Amortisation, tax and NCI	(140)	(153)	(9)	(223)	(37)
Net profit from banking operations	842	786	7	1,006	(16)
GEH net profit contribution	288	241	19	237	22
OCBC Group net profit	1,131	1,028	10	1,243	(9)

FY20 Group Performance

Net profit below last year's record high, which reflected economic impact of COVID-19

OCBC Group	FY20 S\$m	FY19 S\$m	YoY +/(-)%
Net interest income	5,966	6,331	(6)
Non-interest income	4,173 ^{1/}	4,540	(8)
Total income	10,139	10,871	(7)
Operating expenses	(4,439)	(4,644)	(4)
Operating profit	5,700	6,227	(8)
Associates	612	566	8
Operating profit before allowances	6,312	6,793	(7)
Allowances for impaired assets	(1,179)	(858)	37
Allowances for non-impaired assets	(864)	(32)	nm
Amortisation, tax and NCI	(683) ^{2/}	(1,034)	(34)
Net profit	3,586	4,869	(26)

FY20 Banking Operations Performance

Operating profit second highest on record despite challenging conditions

Banking Operations	FY20 S\$m	FY19 S\$m	YoY +/(-)%
Net interest income	5,860	6,219	(6)
Non-interest income	3,004	3,182	(6)
Total income	8,864	9,401	(6)
Operating expenses	(4,132)	(4,289)	(4)
Operating profit	4,733	5,112	(7)
Associates	639	585	9
Operating profit before allowances	5,371	5,696	(6)
Allowances for impaired assets	(1,179)	(858)	37
Allowances for non-impaired assets	(863)	(32)	nm
Amortisation, tax and NCI	(541)	(769)	(30)
Net profit from banking operations	2,788	4,037	(31)
GEH net profit contribution	798	832	(4)
OCBC Group net profit	3,586	4,869	(26)

Agenda

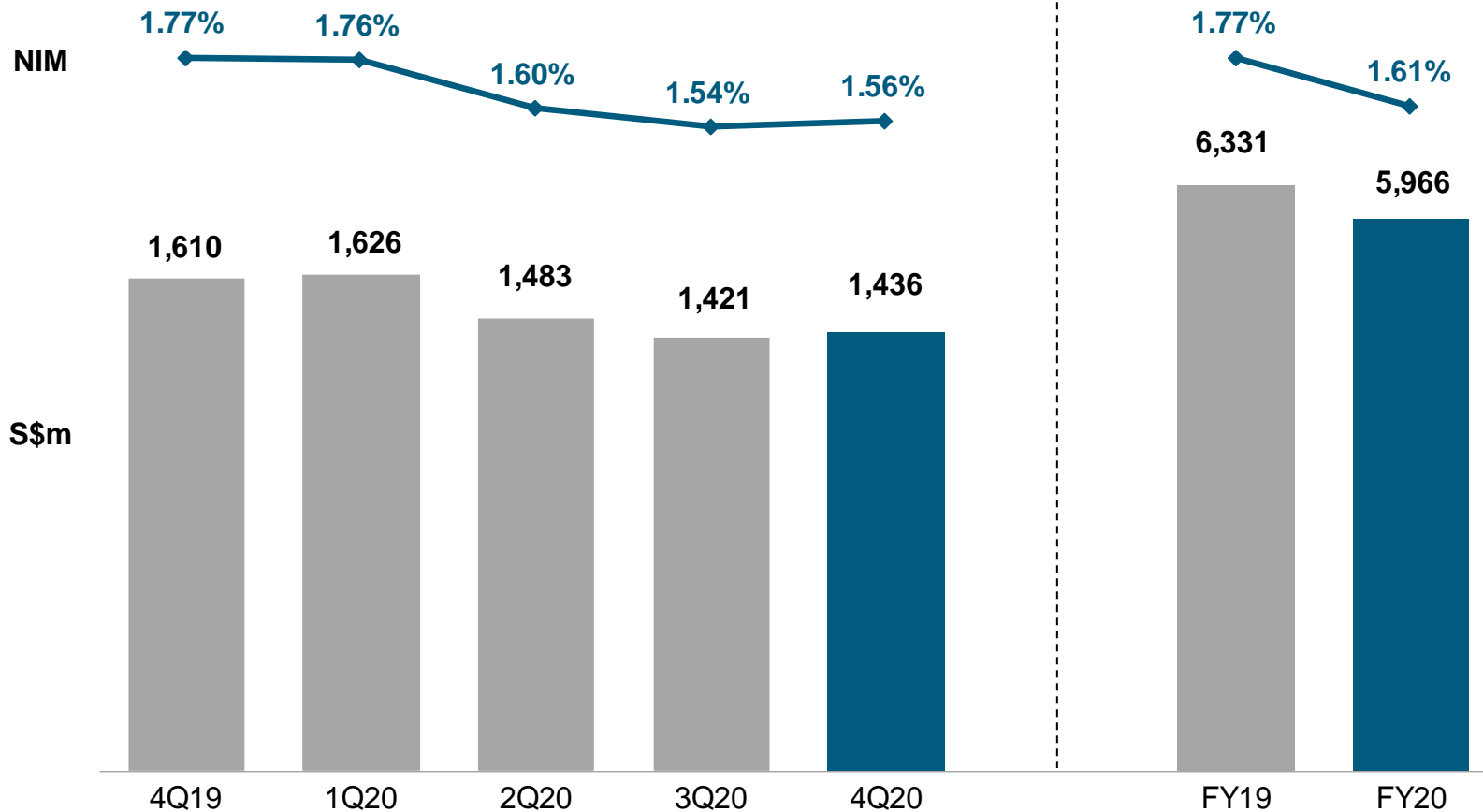
Financial Highlights

Group Performance Trends

Appendices:
Major Subsidiaries' Results

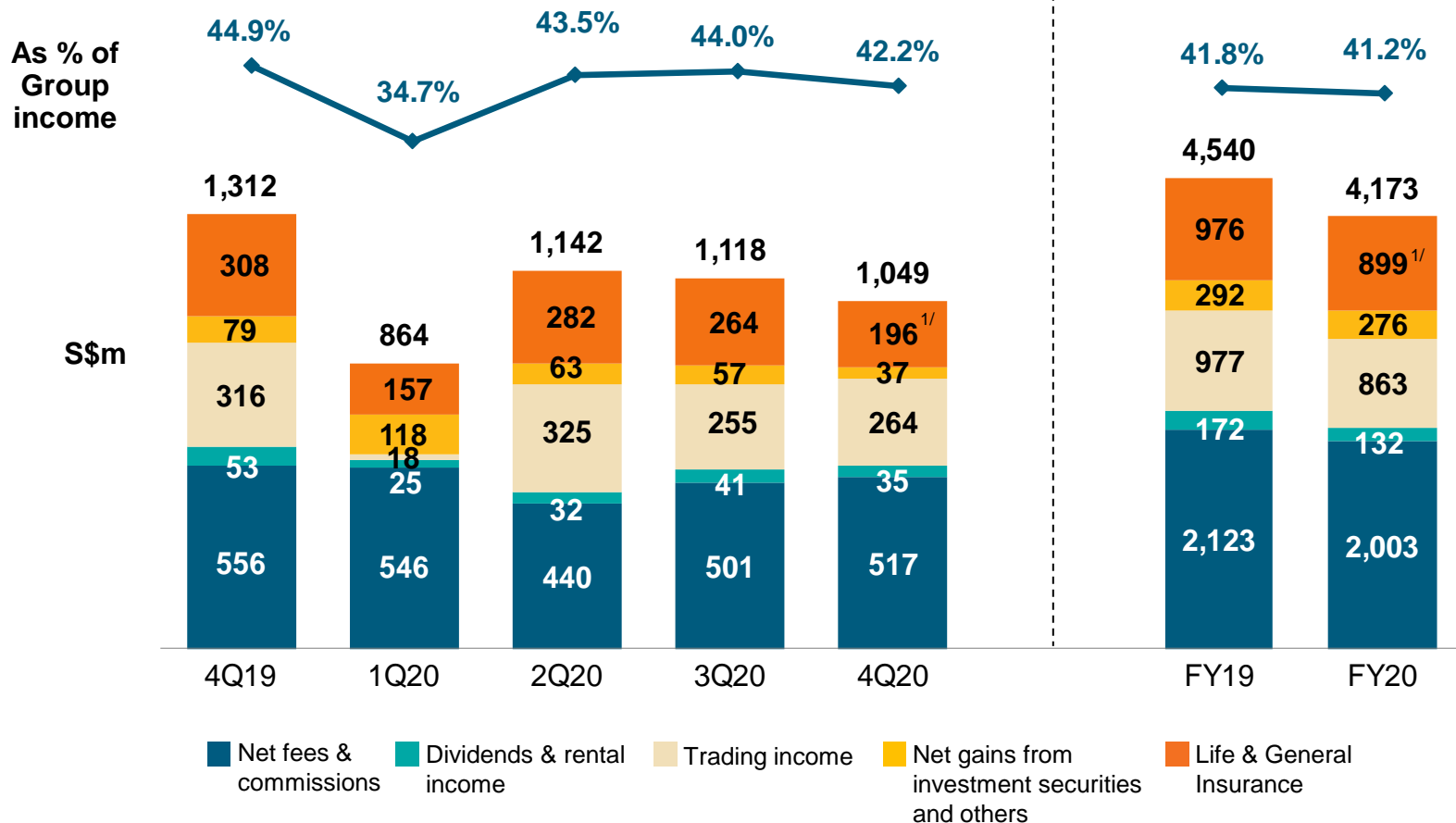
Net Interest Income

4Q20 NIM improved 2bps from continued balance sheet optimisation



Non-interest Income

4Q20 non-interest income at S\$1.05b

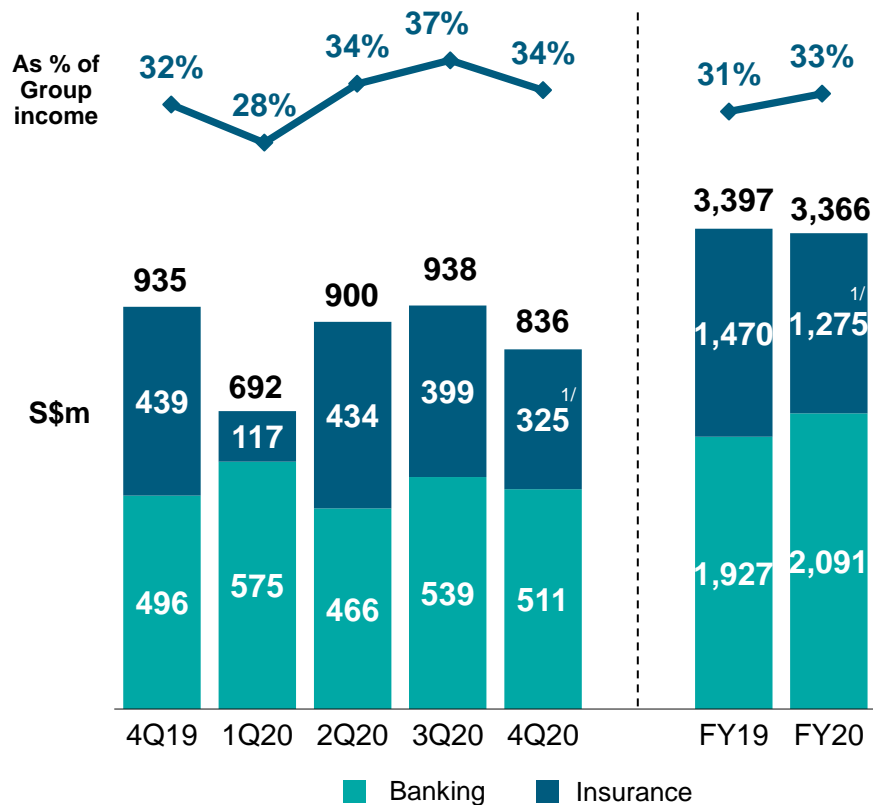


^{1/} See footnote 1 in slide 7.

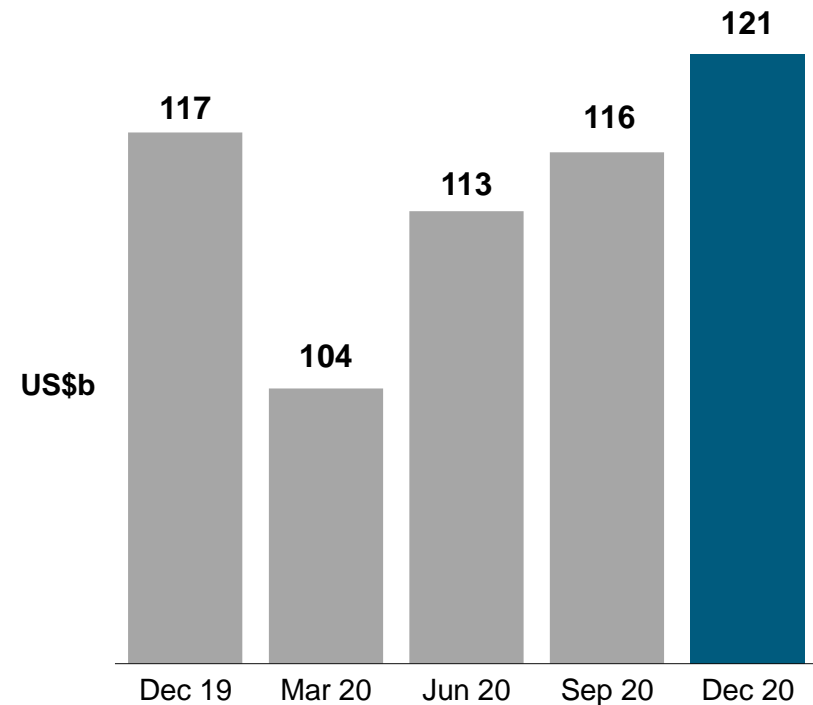
Wealth Management Franchise

WM income slightly below FY19's record; private banking AUM at a new high of US\$121b

Total Wealth Management Income



Bank of Singapore's Assets Under Management

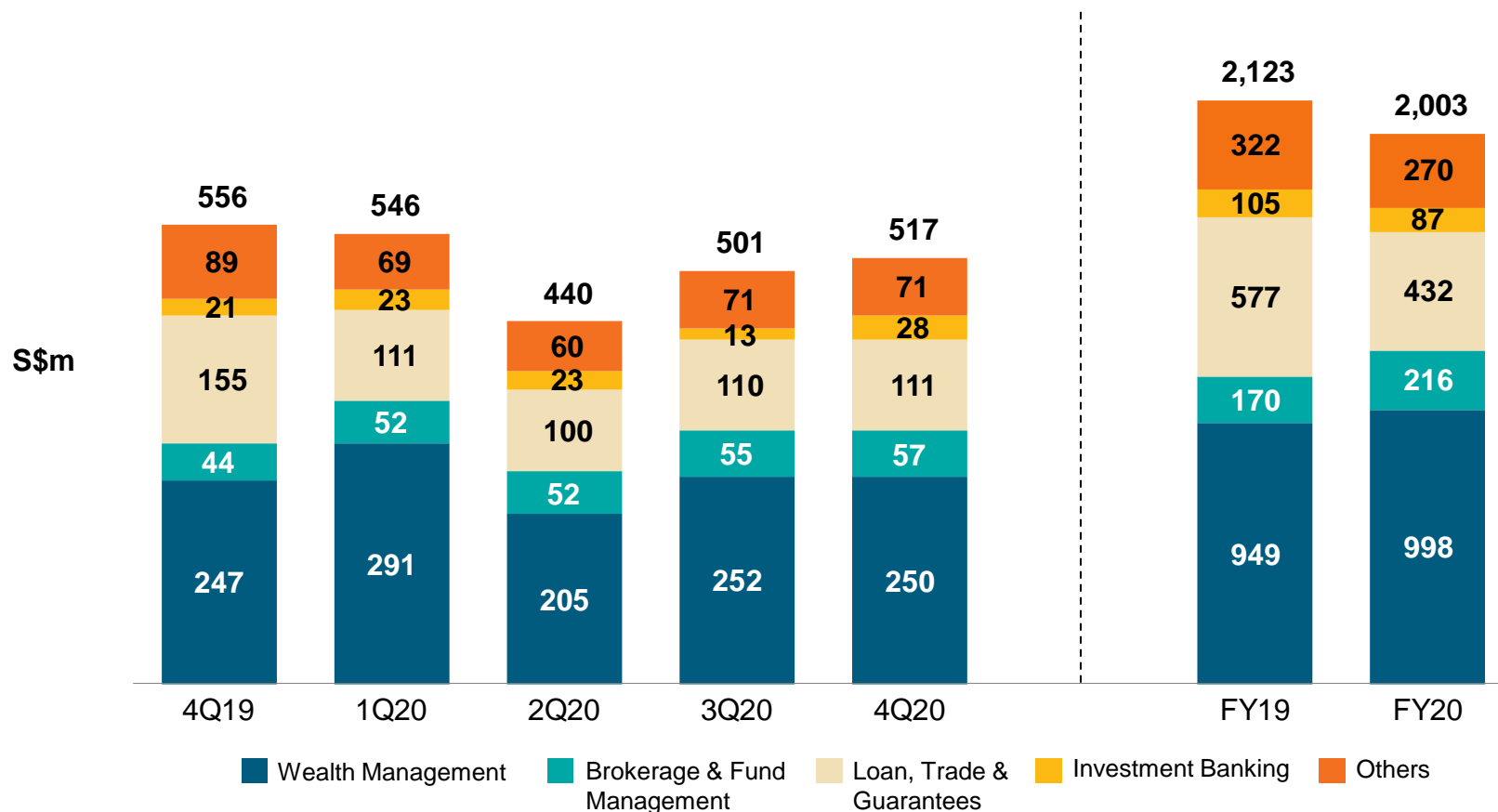


Note: Wealth management income comprises the consolidated income from insurance, asset management, stockbroking and private banking subsidiaries, plus the Group's income from the sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

^{1/} See footnote 1 in slide 7.

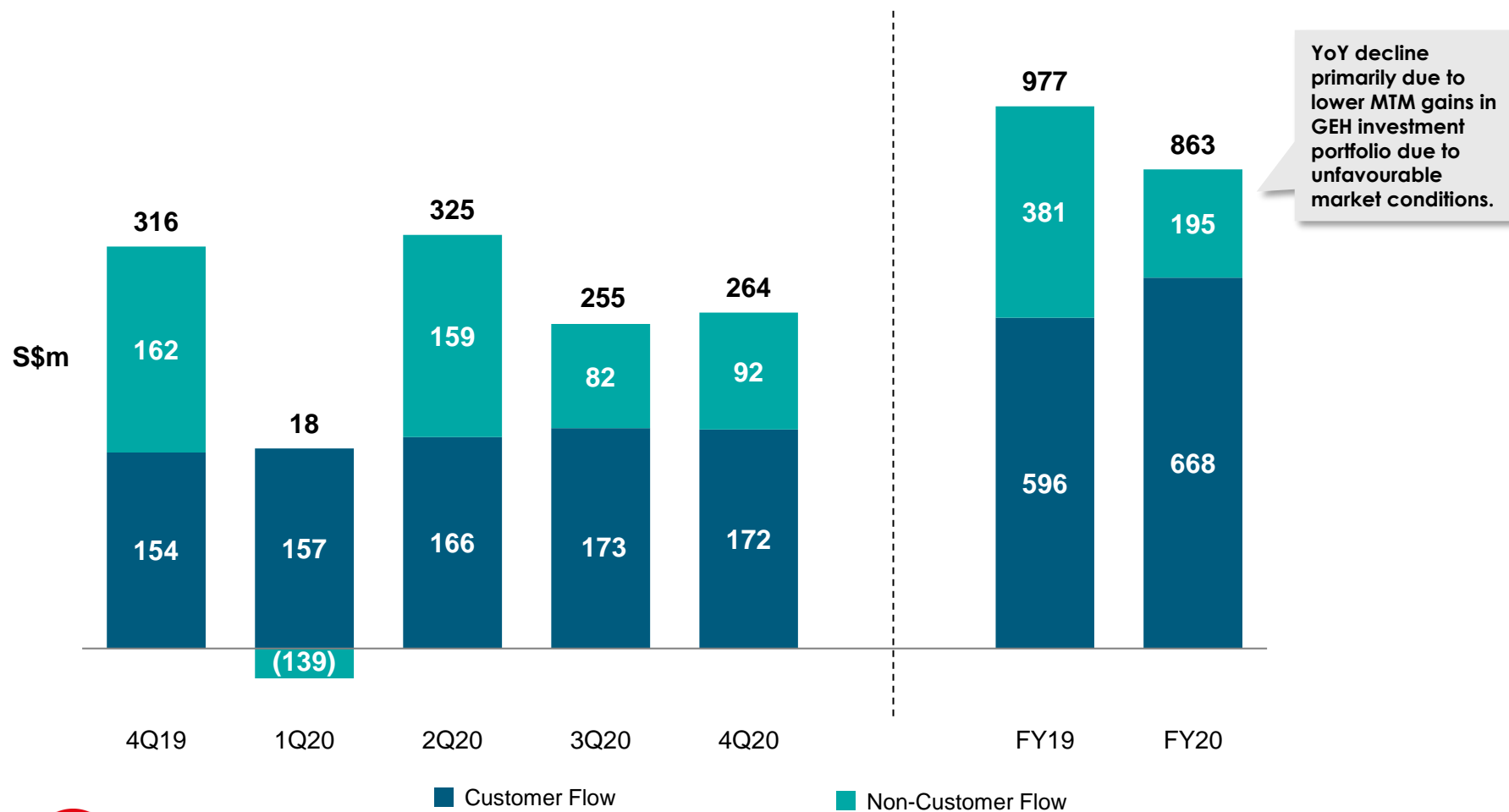
Net Fees & Commissions

FY20 wealth management fees climbed to a new high



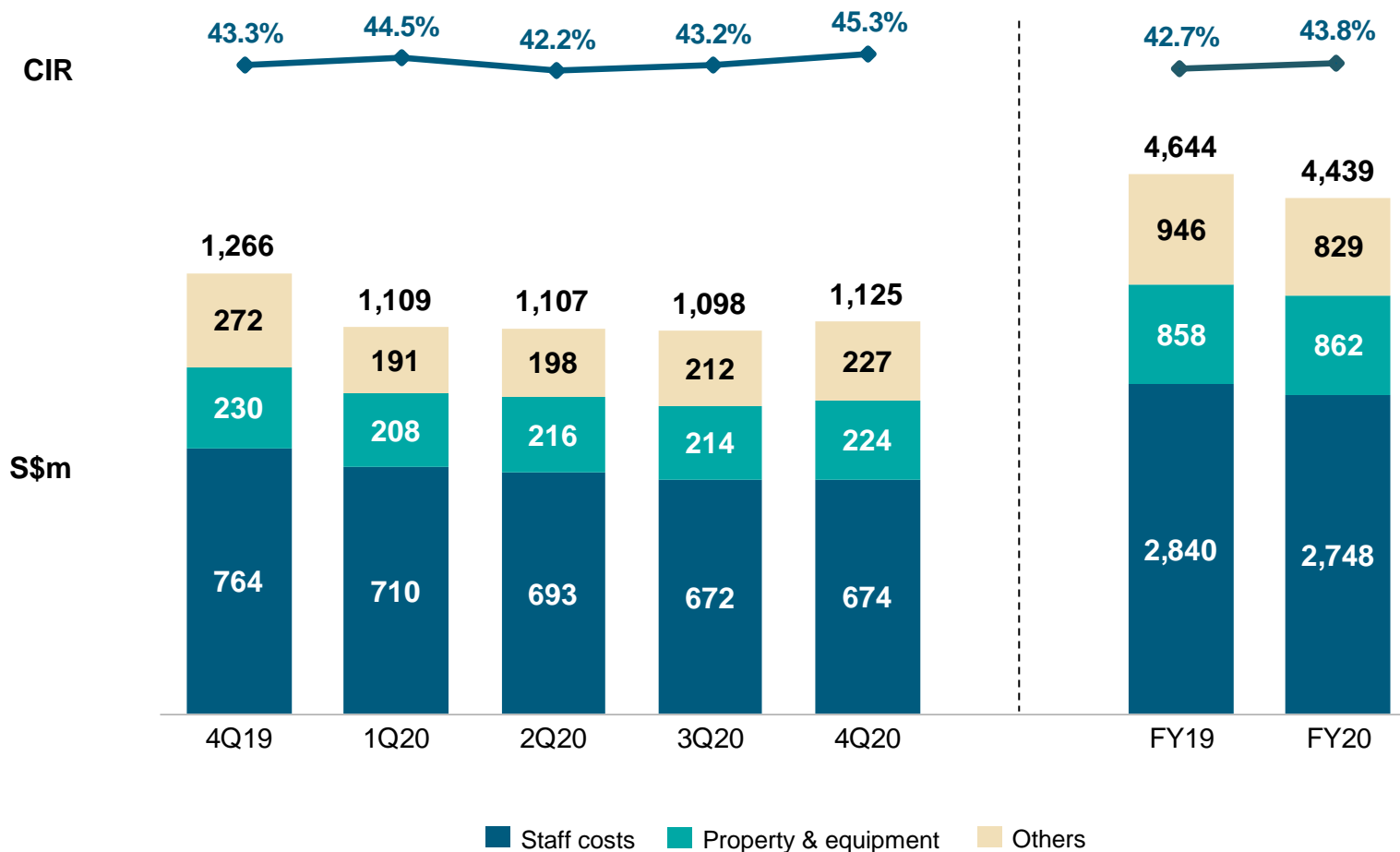
Trading Income

Strong client activity drove FY20 customer flow income to a record



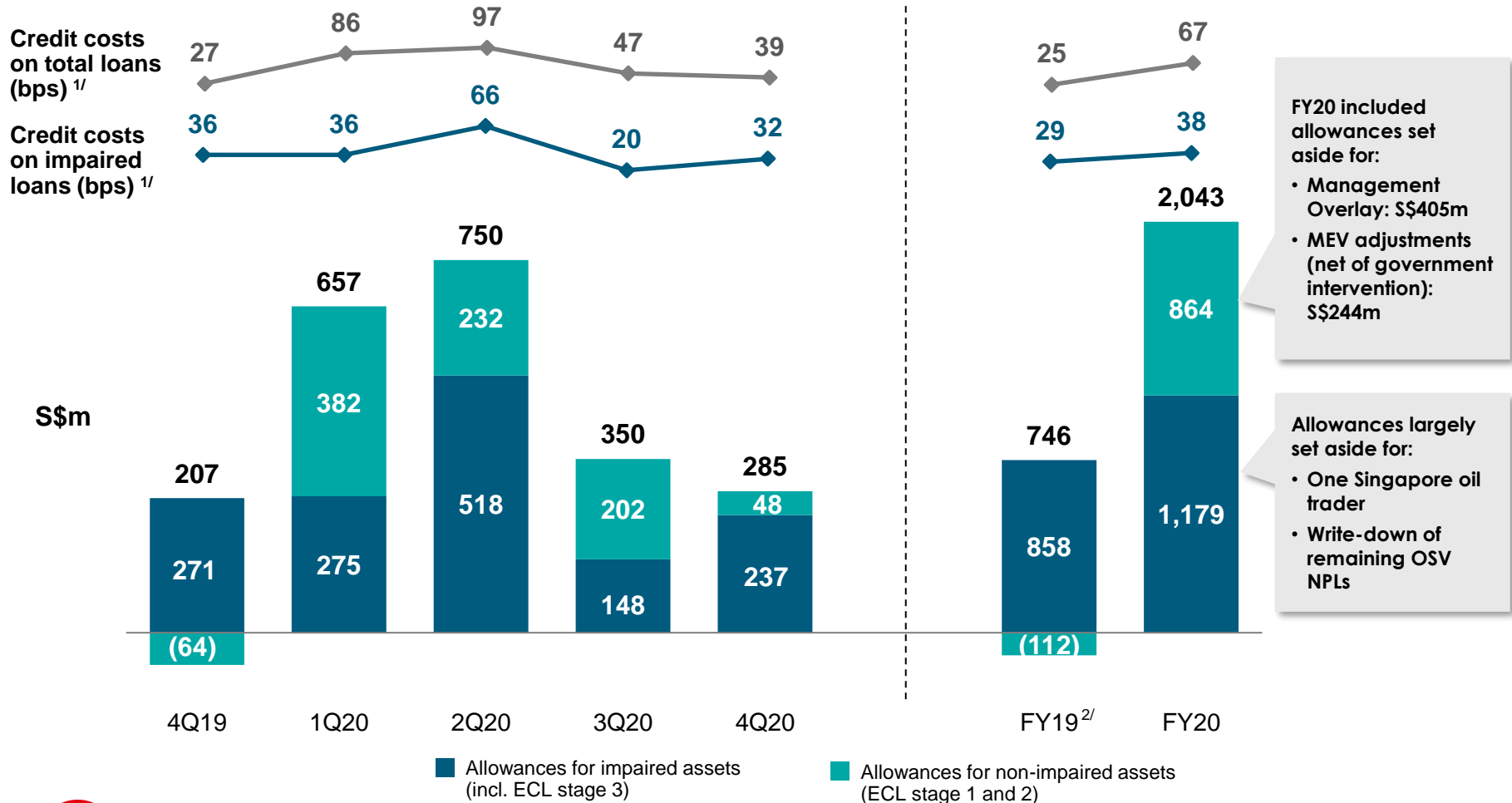
Operating Expenses

Costs tightly controlled; FY20 expenses down 4% YoY



Allowances

Conservative provisioning amid uncertain environment; FY20 credit costs at 67bps

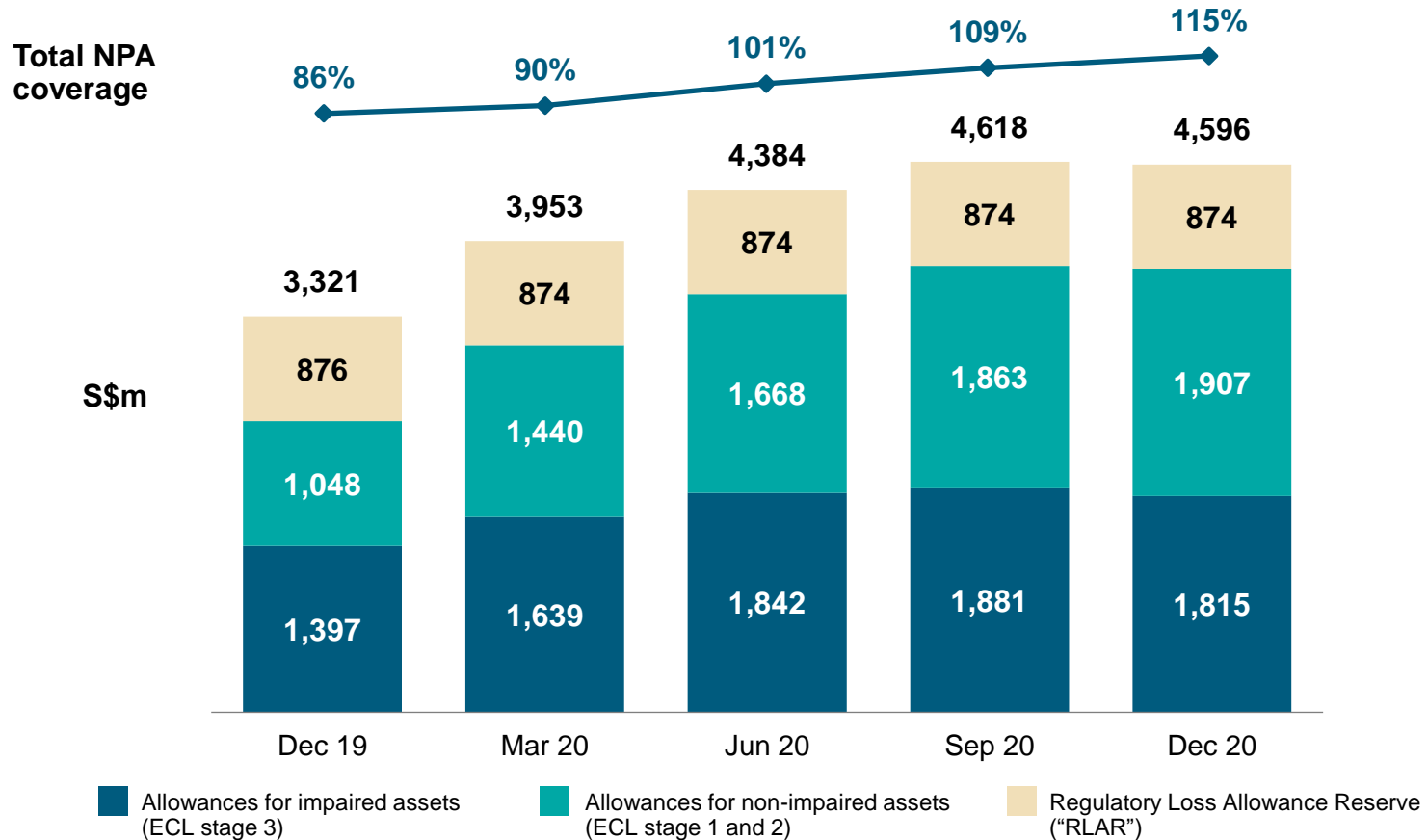


^{1/} Total credit costs refer to allowances for loans as a percentage of average loans, on annualised basis.

^{2/} FY19 excluded one-off item of S\$144m, arising from a refinement in the Group's ECL modelling approach for its Indonesian banking subsidiary, Bank OCBC NISP, relating to allowances for non-impaired assets as it prepared for the introduction of International Financial Reporting Standard 9 Financial Instruments, which commenced on 1 January 2020.

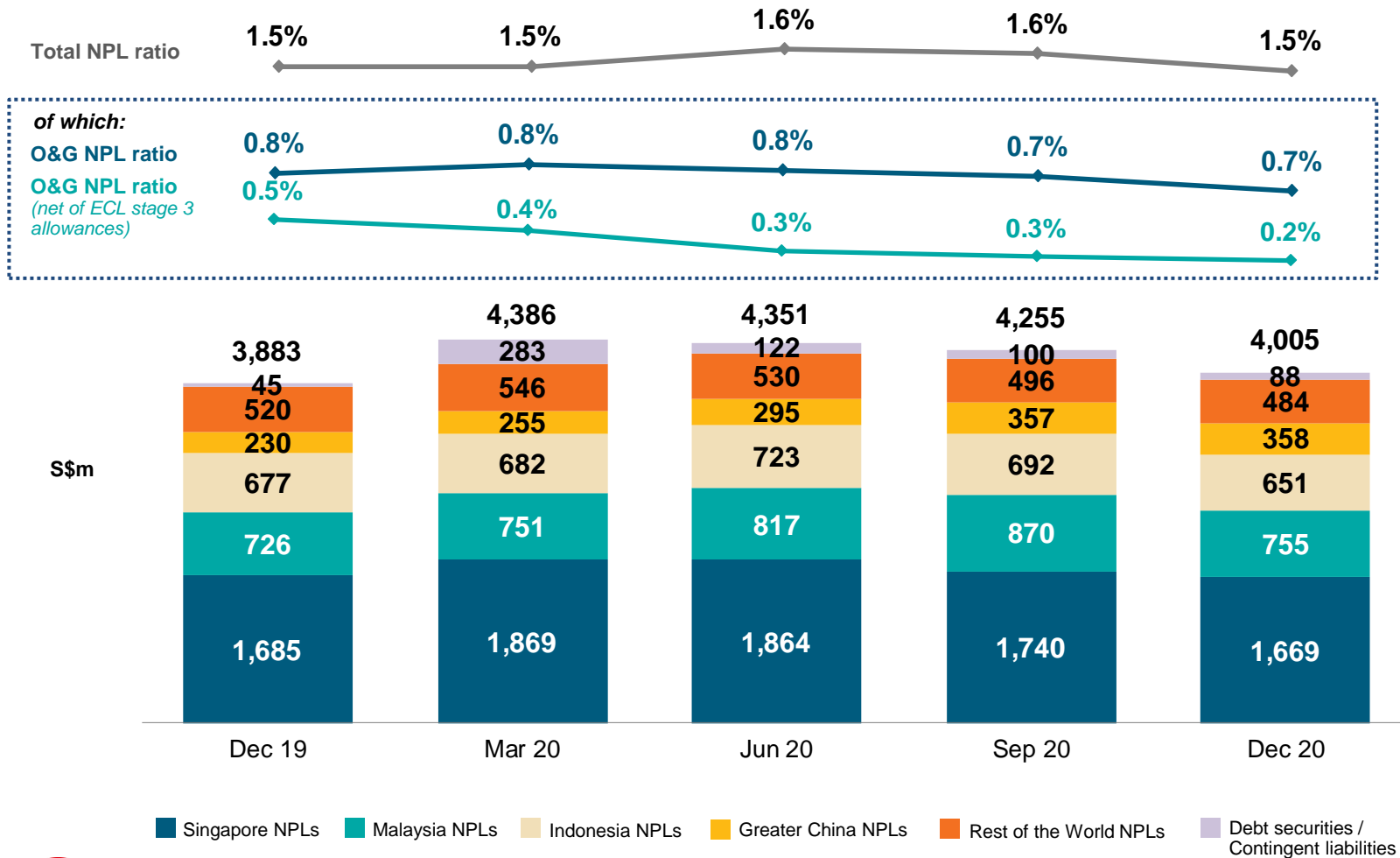
Total Cumulative Allowances

NPA coverage ratio of 115% well above 86% a year ago



Asset Quality

Total NPAs down QoQ; NPL ratio lower at 1.5%



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

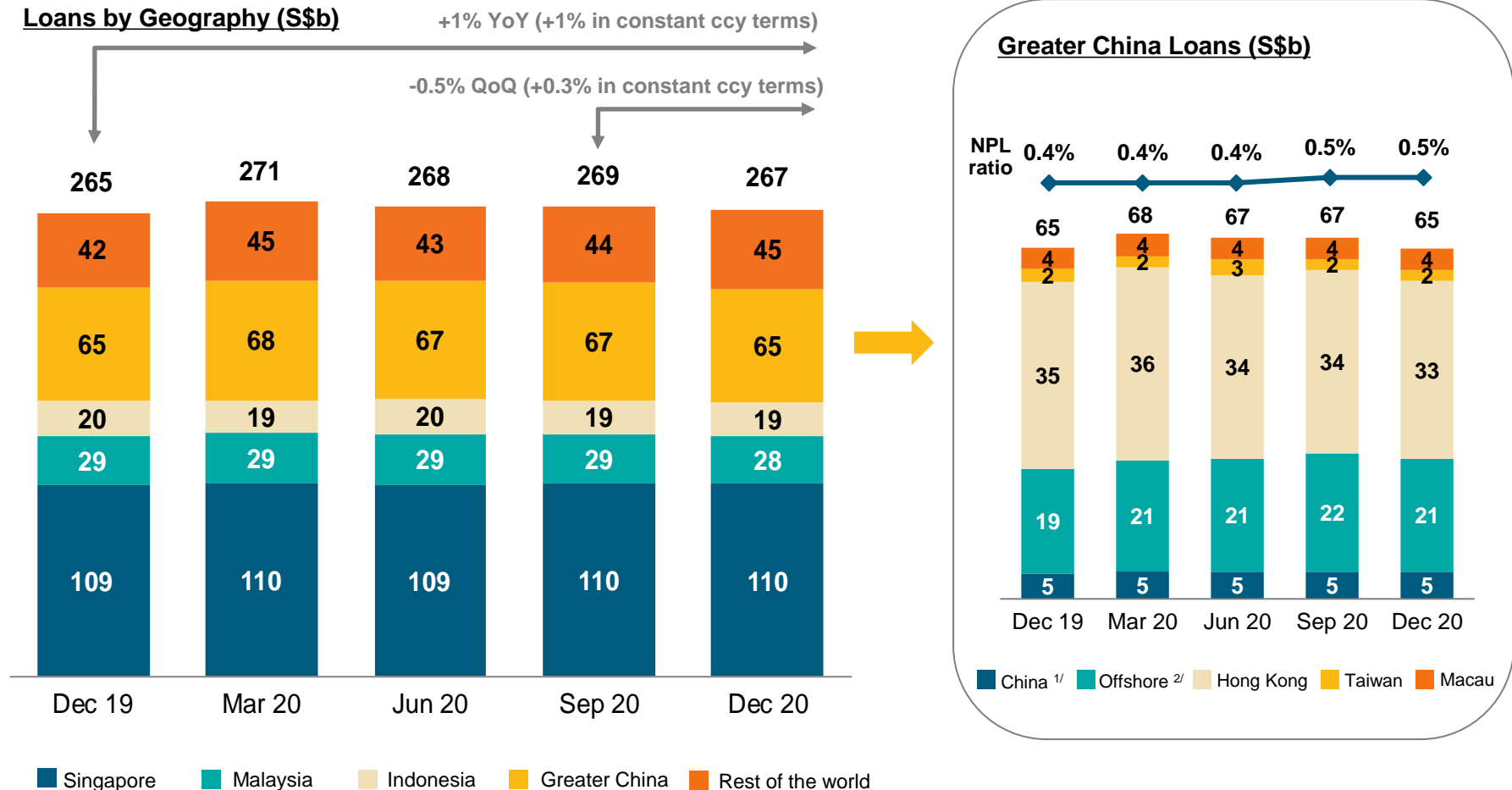
Asset Quality

FY20 new NPA formation lower YoY

S\$m	3Q20	4Q20	FY19	FY20
At start of period	4,351	4,255	3,938	3,883
Corporate/ Commercial Banking and Others				
New NPAs	177	160	1,318	1,088
Net recoveries/ upgrades	(118)	(90)	(700)	(252)
Write-offs	(61)	(253)	(637)	(630)
	(2)	(183)	(19)	206
Consumer Banking/ Private Banking				
New NPAs	94	136	592	497
Net recoveries/ upgrades	(83)	(108)	(501)	(389)
Write-offs	(30)	(17)	(96)	(105)
	(19)	11	(5)	3
Foreign currency translation	(75)	(78)	(31)	(87)
At end of period	4,255	4,005	3,883	4,005

Customer Loans

Loans of S\$267b were higher QoQ and YoY in constant currency terms



Note: Based on where the credit risks reside.

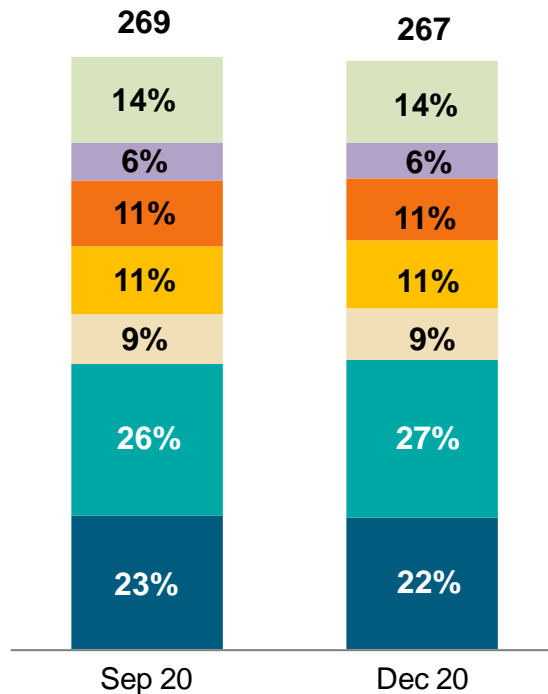
1/ Loans booked in China, where credit risks reside.

2/ Loans booked outside of China, but with credit risks traced to China.

Customer Loans

Loan portfolio remained well-diversified with limited sector concentration

Loans by Industry (S\$b)



Corporate, SME and Consumer/Private Banking comprise **49%**, **11%** and **40%** of loan book respectively

O&G sector comprise **4%** of loan book (within which, 2% were OSV. Excluding conglomerates and national oil companies, net of allowances/ collaterals, OSV exposures were about 0.2% of loan book)

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

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

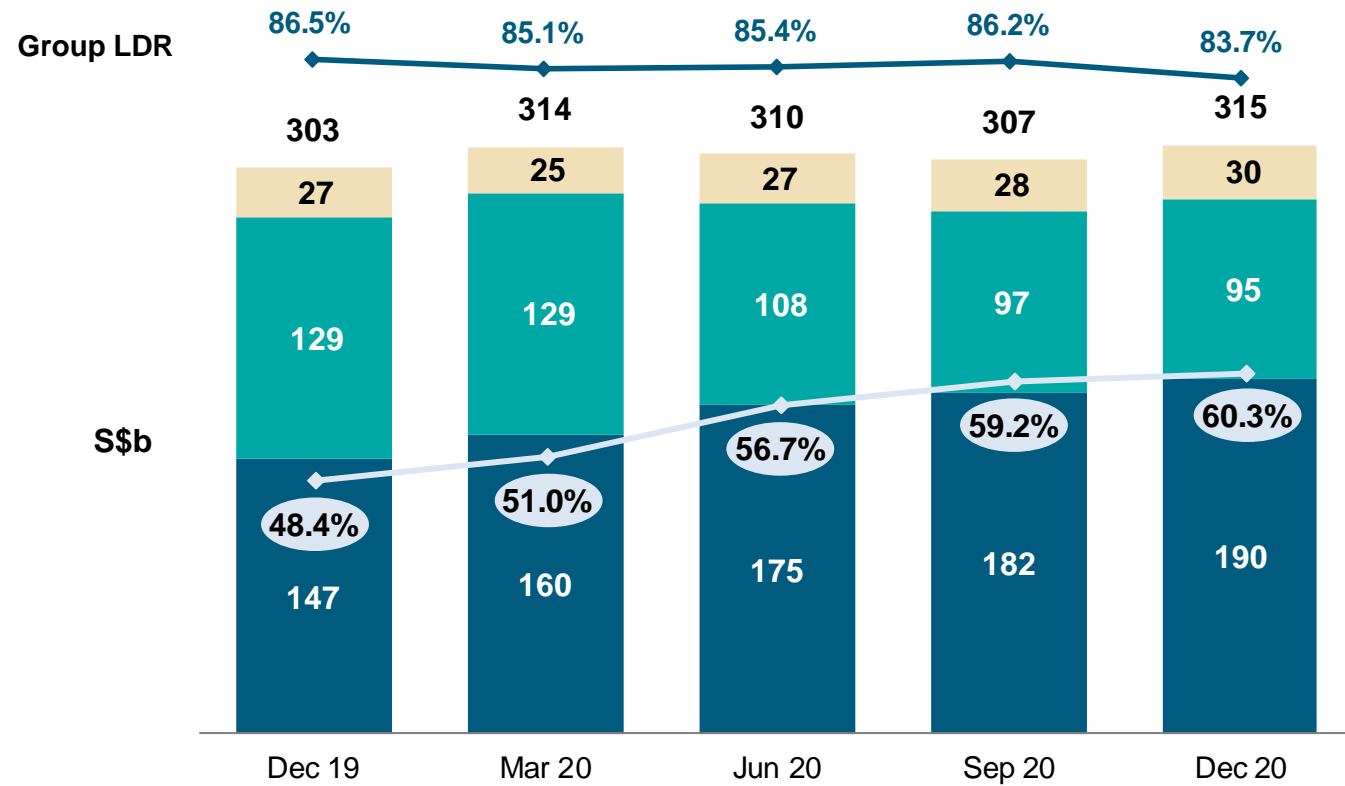
Aviation sector comprise **less than 1%** of loan book

Green and sustainable finance portfolio **up 3%** QoQ to **S\$14.0b** (5% of loan book)

■ Housing loans
 ■ Building & Construction
 ■ FIs, investment & holding cos
 ■ Professionals & individuals
 ■ General commerce
 ■ Manufacturing
 ■ Others

Customer Deposits

CASA deposits grew to a new high of S\$190b; CASA ratio at 60.3%



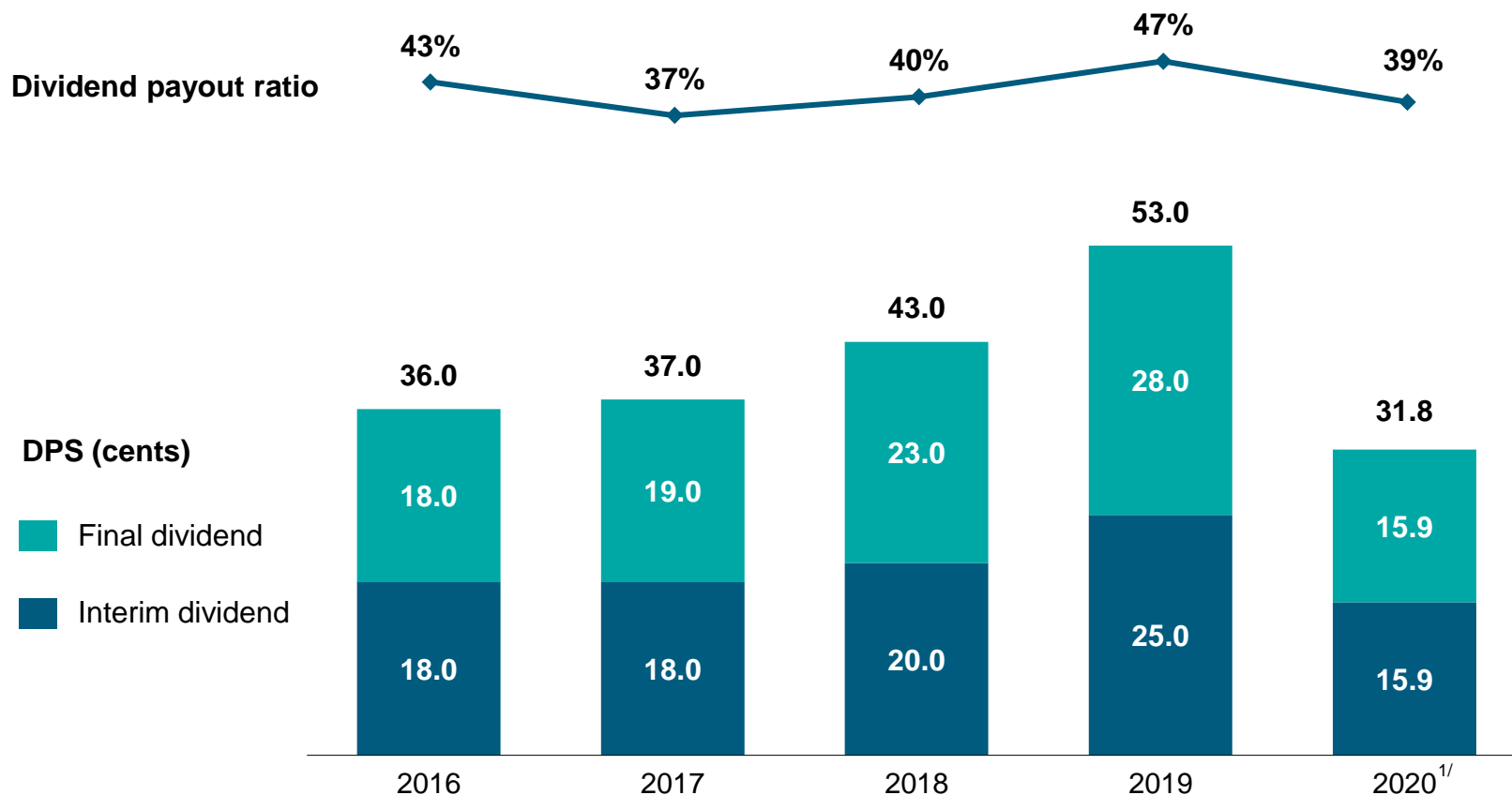
LDRs

	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20
SGD	87.2%	85.7%	83.2%	81.8%	78.3%
USD	63.4%	64.8%	64.0%	69.2%	65.6%



FY20 Dividend at 31.8 cents; Payout Ratio at 39%

Final dividend of 15.9 cents per share proposed



Agenda

Financial Highlights

Group Performance Trends

**Appendices:
Major Subsidiaries' Results**

Great Eastern Holdings' Performance

FY20 net profit at S\$961m

S\$m	4Q20	3Q20	QoQ +/(-)%	FY20	FY19	YoY +/(-)%
Profit from insurance business	151	225	(33)	742	815	(9)
- Operating profit	77 ^{1/}	171	(55)	732	660	11
- Non-operating profit/ (loss)	48	50	(5)	(90)	85	(207)
- Others	27	4	502	100	70	43
Profit from Shareholders' Fund	83	86	(3)	226	304	(26)
Profit from operations	234	311	(25)	968	1,119	(13)
Allowances	1	1	(3)	(2)	(0)	383
Tax and NCI	107 ^{2/}	(24)	(537)	(5)	(115)	(95)
Net profit	341	288	19	961	1,004	(4)
Group adjustments ^{3/}	(53)	(47)	14	(163)	(172)	(5)
Net profit contribution to Group	288	241	19	798	832	(4)



1/ See footnote 1 in slide 7.

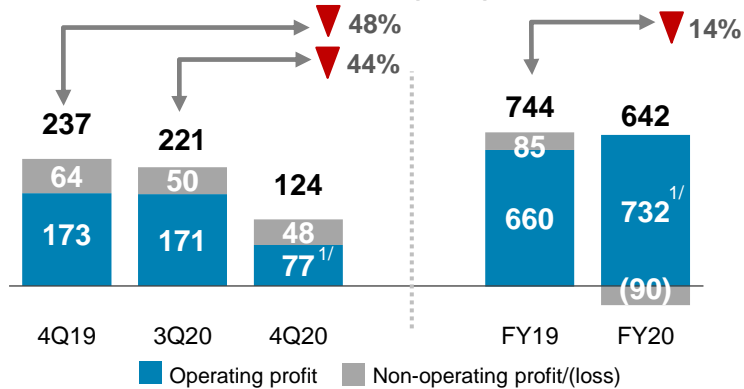
2/ See footnote 3 in slide 7.

3/ Primarily from adjustments made to amortisation for intangibles and non-controlling interests.

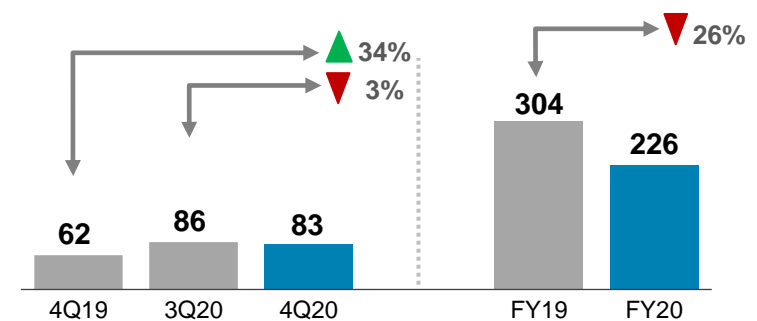
GEH: Financial Highlights

Key Performance Trends

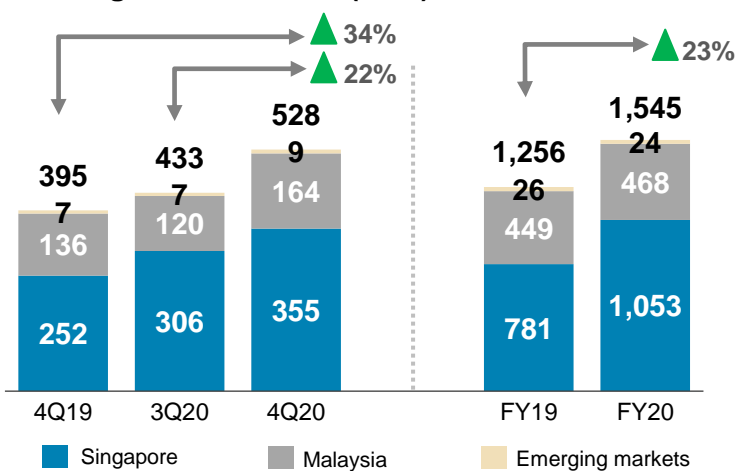
Profit from Insurance Business (S\$m)



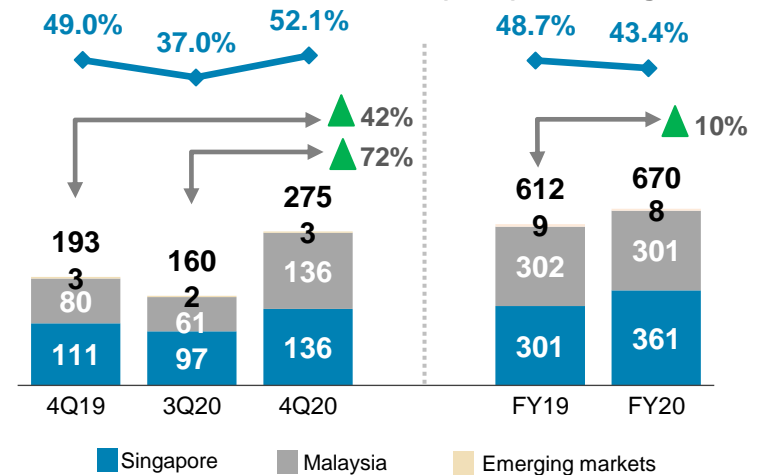
Profit from Shareholders' Fund (S\$m)



Total Weighted New Sales (S\$m)



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



OCBC Wing Hang Hong Kong & Macau's Performance

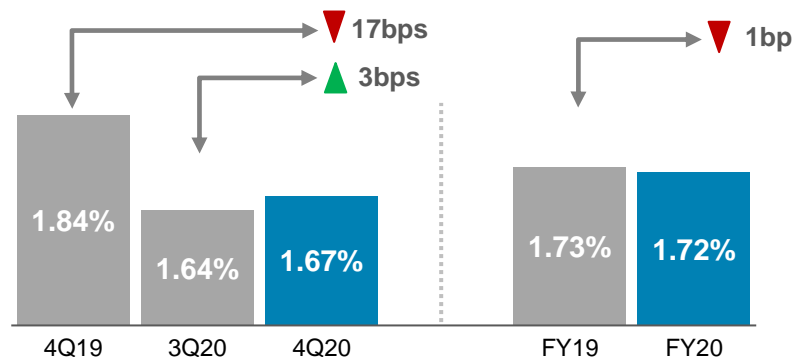
FY20 operating profit rose 10% YoY to a new high of HKD3.02b

HKD m	4Q20	3Q20	QoQ +/(-)%	FY20	FY19	YoY +/(-)%
Net interest income	946	947	–	3,913	3,945	(1)
Non-interest income	309	302	2	1,301	1,099	18
Total income	1,255	1,249	–	5,214	5,044	3
Operating expenses	(502)	(576)	(13)	(2,194)	(2,296)	(4)
Operating profit	753	673	12	3,020	2,748	10
Allowances	(19)	(6)	211	(146)	(75)	93
Associates	26	32	(19)	65	55	17
Profit before tax	760	699	9	2,939	2,728	8
Tax	(113)	(105)	8	(448)	(409)	9
Net profit – local reporting	647	594	9	2,491	2,319	7

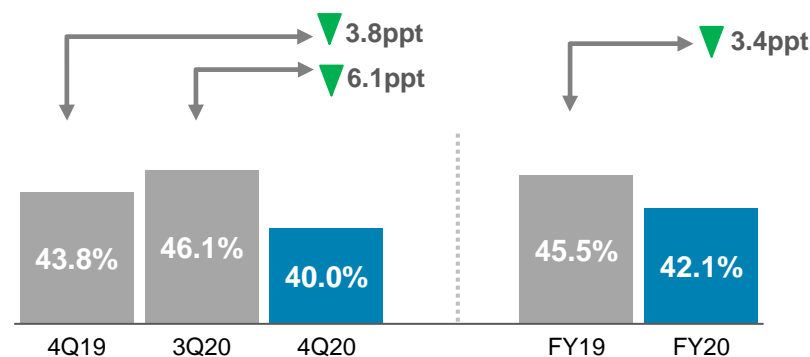
OCBC Wing Hang Hong Kong & Macau Financial Highlights

Key Performance Trends

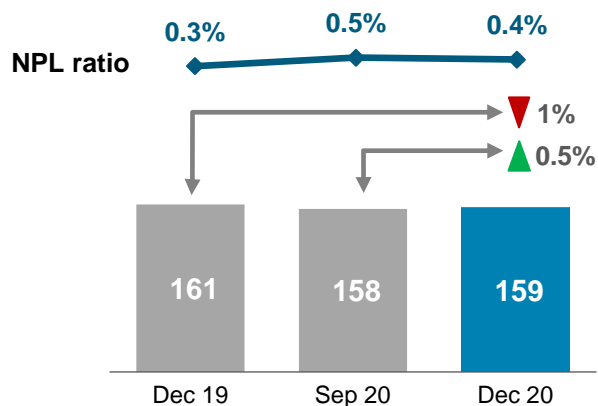
Net Interest Margin



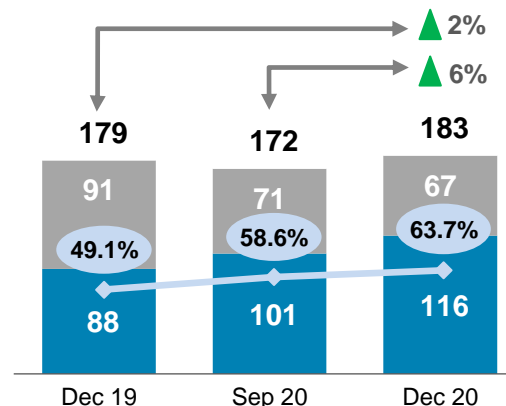
Cost-to-Income



Customer Loans (HKD b)



Customer Deposits (HKD b)



■ CASA ■ Others — CASA ratio

OCBC Malaysia's Performance

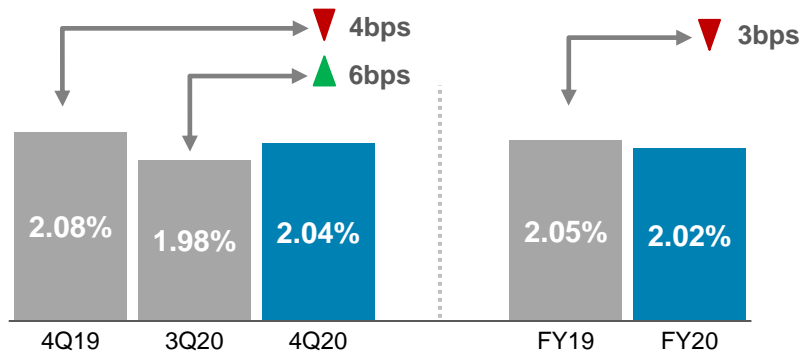
FY20 operating profit at RM1.42b

RM m	4Q20	3Q20	QoQ +/(-)%	FY20	FY19	YoY +/(-)%
Net interest income	376	370	2	1,489	1,507	(1)
Islamic banking income ^{1/}	110	114	(4)	446	448	–
Non-interest / finance income	227	130	75	723	726	–
Total income	713	614	16	2,658	2,681	(1)
Operating expenses	(322)	(302)	7	(1,234)	(1,233)	–
Operating profit	391	312	25	1,424	1,448	(2)
Allowances	(140)	(219)	(36)	(676)	(217)	211
Profit before tax	251	93	170	748	1,231	(39)
Tax	(63)	(23)	174	(184)	(277)	(34)
Net profit – local reporting	188	70	169	564	954	(41)

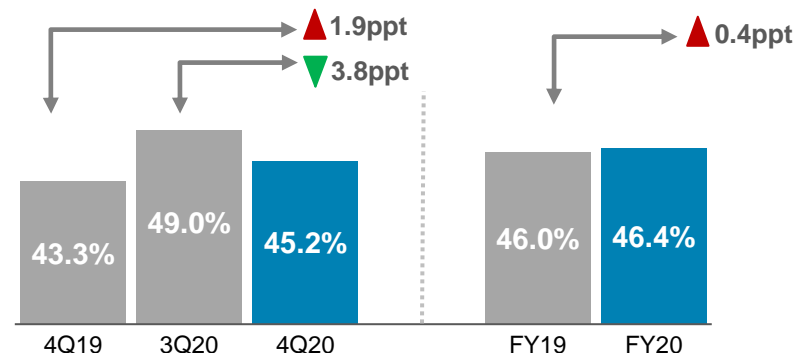
OCBC Malaysia Financial Highlights

Key Performance Trends

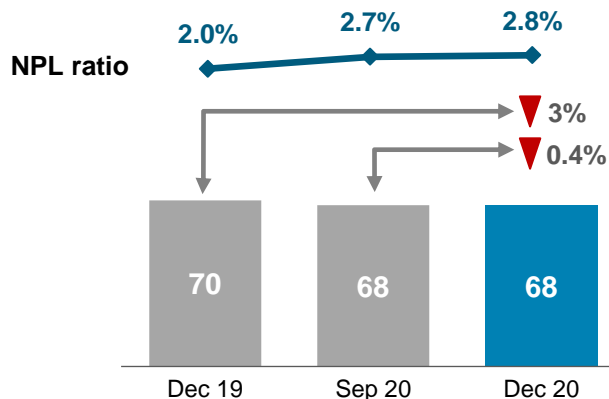
Net Interest Margin



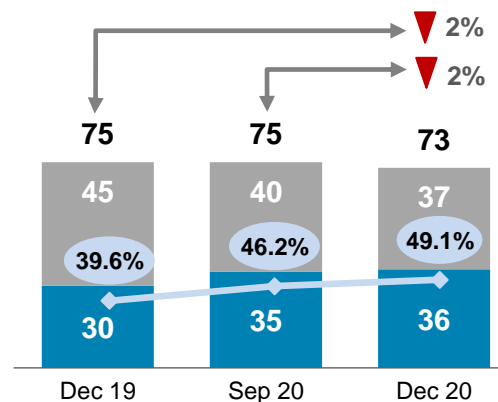
Cost-to-Income



Customer Loans (RM b)



Customer Deposits (RM b)



■ CASA ■ Others — CASA ratio

Bank OCBC NISP's Performance

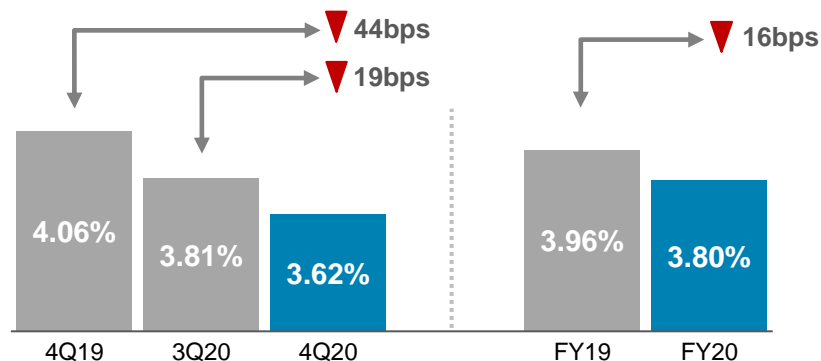
FY20 operating profit up 14% YoY to a record, underpinned by strong income growth

IDR b	4Q20	3Q20	QoQ +/(-)%		FY20	FY19	YoY +/(-)%
Net interest income	1,775	1,727	3		6,827	6,439	6
Non-interest income	497	572	(13)		2,249	1,913	18
Total income	2,272	2,299	(1)		9,076	8,352	9
Operating expenses	(998)	(938)	6		(3,840)	(3,769)	2
Operating profit	1,274	1,361	(6)		5,236	4,583	14
Allowances	(1,083)	(875)	24		(2,455)	(695)	253
Non-operating income	4	0	478		4	3	19
Profit before tax	195	486	(60)		2,785	3,891	(28)
Tax	(40)	(102)	(61)		(683)	(952)	(28)
Net profit – local reporting	155	384	(60)		2,102	2,939	(28)

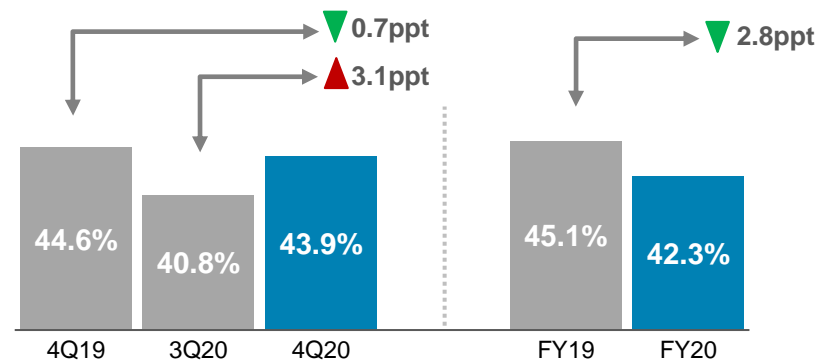
Bank OCBC NISP Financial Highlights

Key Performance Trends

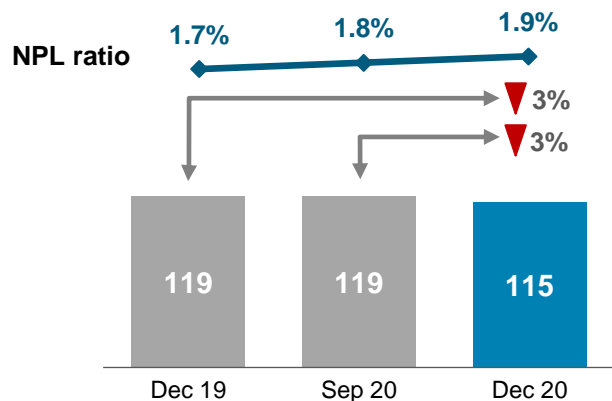
Net Interest Margin



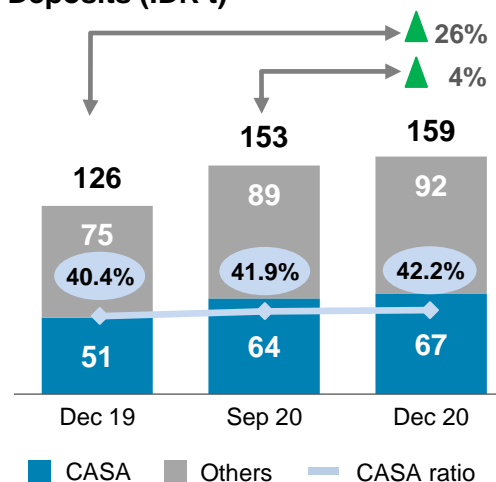
Cost-to-Income



Customer Loans (IDR t)



Customer Deposits (IDR t)





Full Year 2020 Results Thank You