

First Half 2021 Results Presentation

4 August 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

1 Financial Highlights

2 Group Performance Trends

3 Appendices: Major Subsidiaries' Results

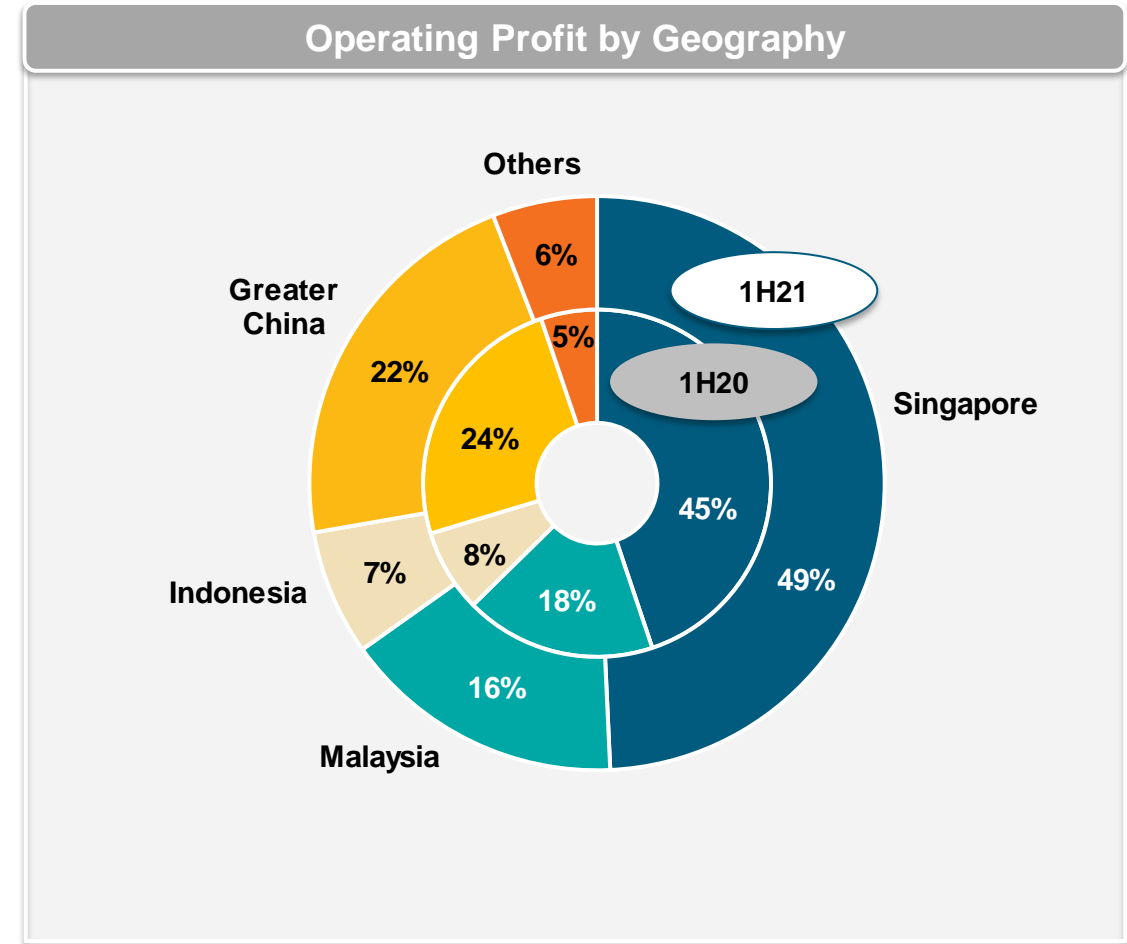
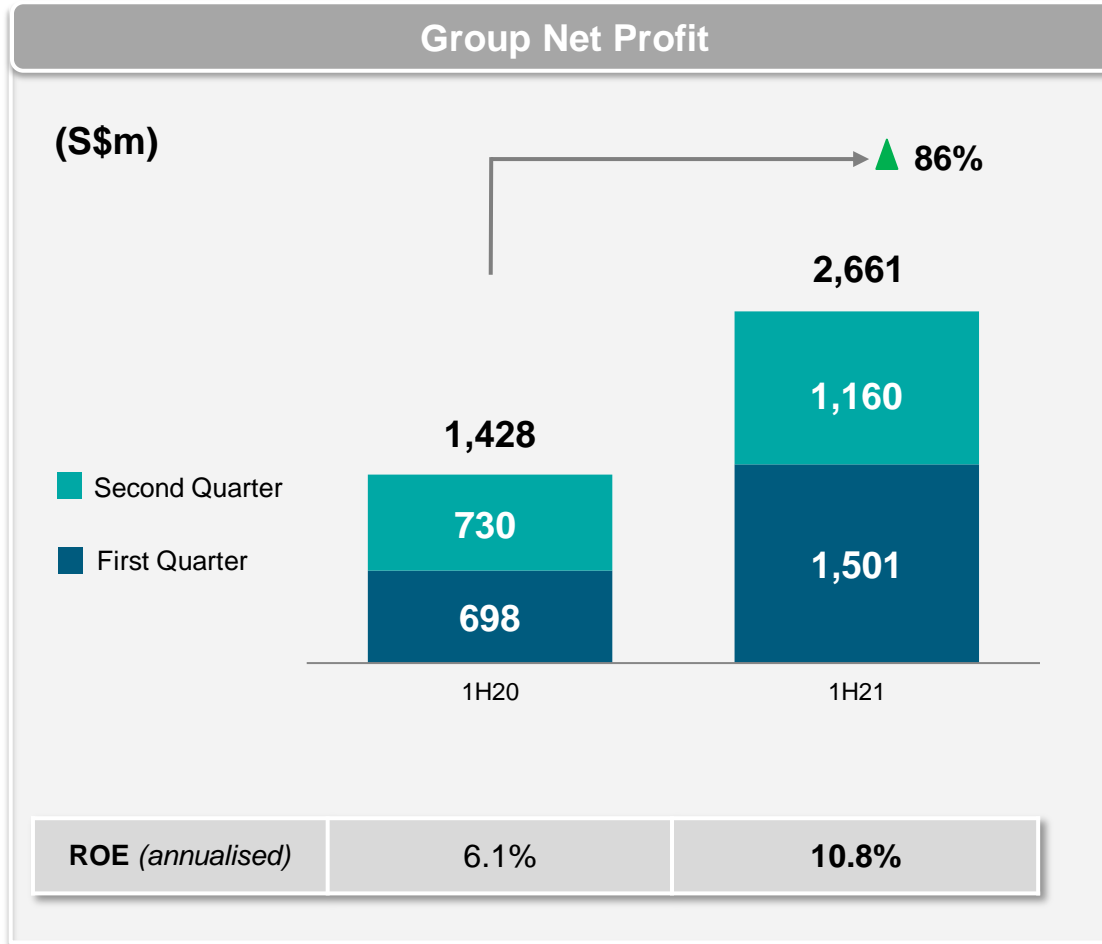
1H21 Performance

1H21 net profit up 86% to S\$2.66b; ROE higher at 10.8%

- ❑ Resilient Group performance as economic outlook improved
 - Net profit for banking franchise up 81% to S\$2.10b
 - GEH's net profit contribution more than doubled to S\$565m; strong TWNS and NBEV growth
 - Record wealth management income
 - Private banking AUM rose to US\$125b
- ❑ NIM stabilised for the past three quarters from balance sheet optimisation
- ❑ Non-interest income growth broad-based
- ❑ CIR lower at 41.7% from positive operating jaws
- ❑ Allowances substantially lower
- ❑ Customer loans grew 3% YoY and CASA deposits rose 13%
- ❑ NPL ratio stable at 1.5%
- ❑ CET1 ratio higher at 16.1%
- ❑ Interim dividend raised to 25 cents

1H21 Financial Highlights

1H21 earnings driven by broad-based franchise growth

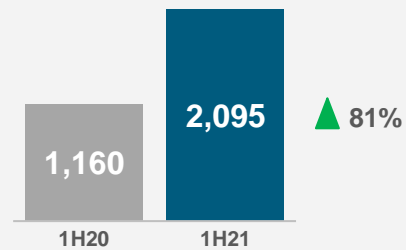


1H21 Financial Highlights

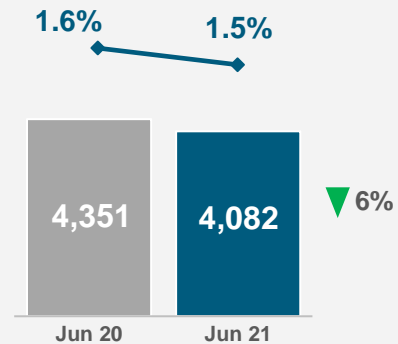
Performance reflected strength of OCBC's well-diversified business franchise

Banking

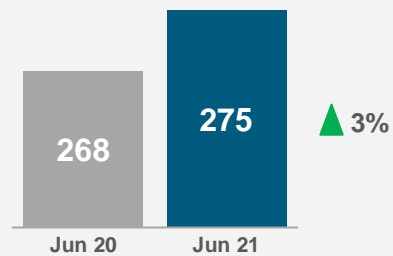
Net Profit
(S\$m)



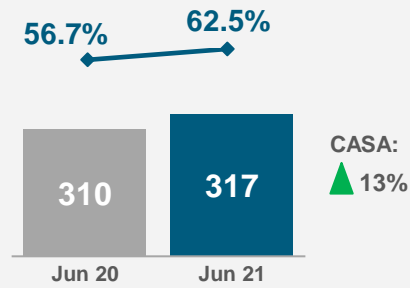
NPAs (S\$m) and NPL ratio



Customer Loans
(S\$b)

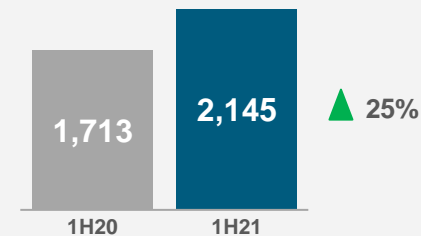


Customer Deposits (S\$b) and
CASA ratio

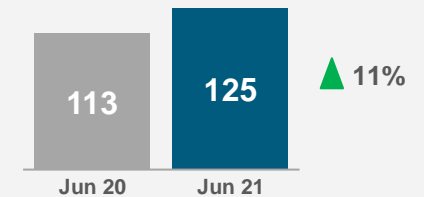


Wealth Management

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

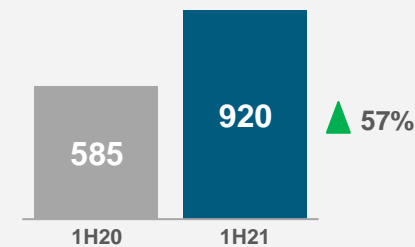


Bank of Singapore's AUM
(US\$b)

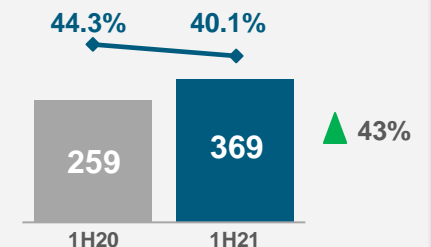


Insurance

Total Weighted New Sales
(S\$m)



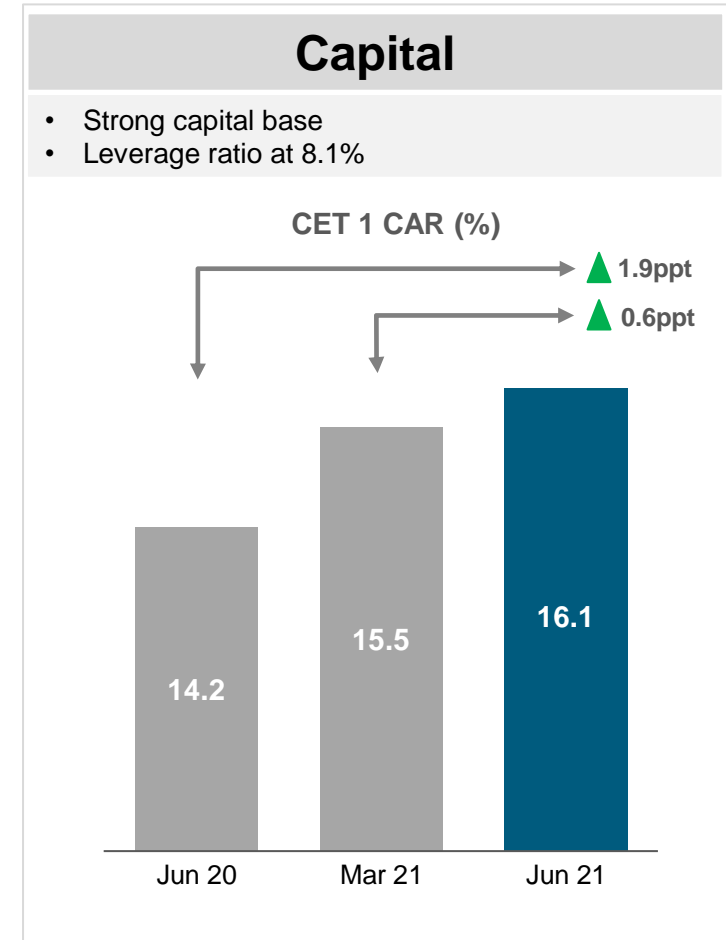
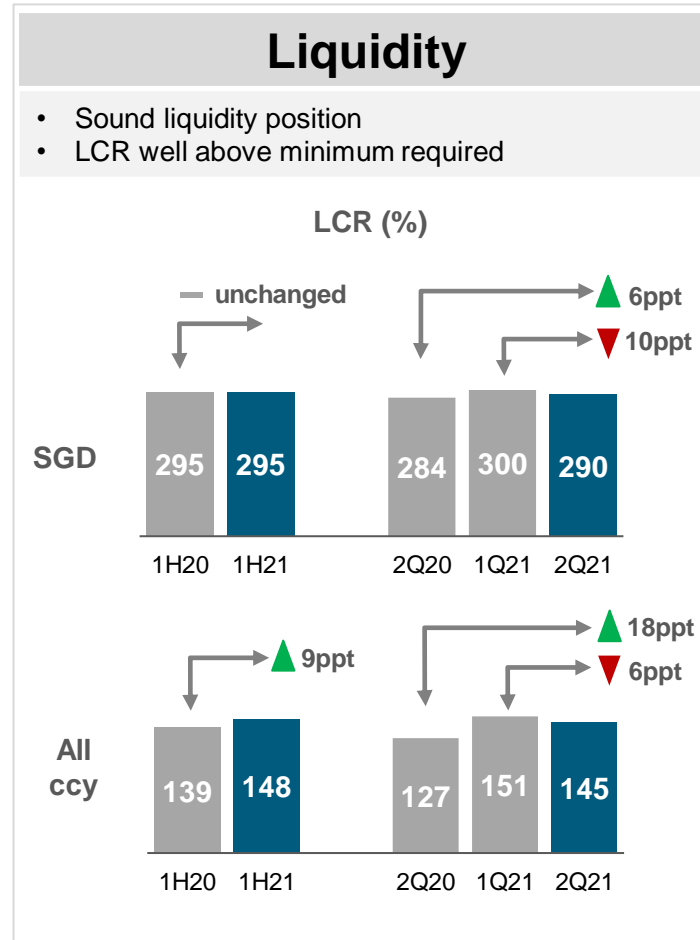
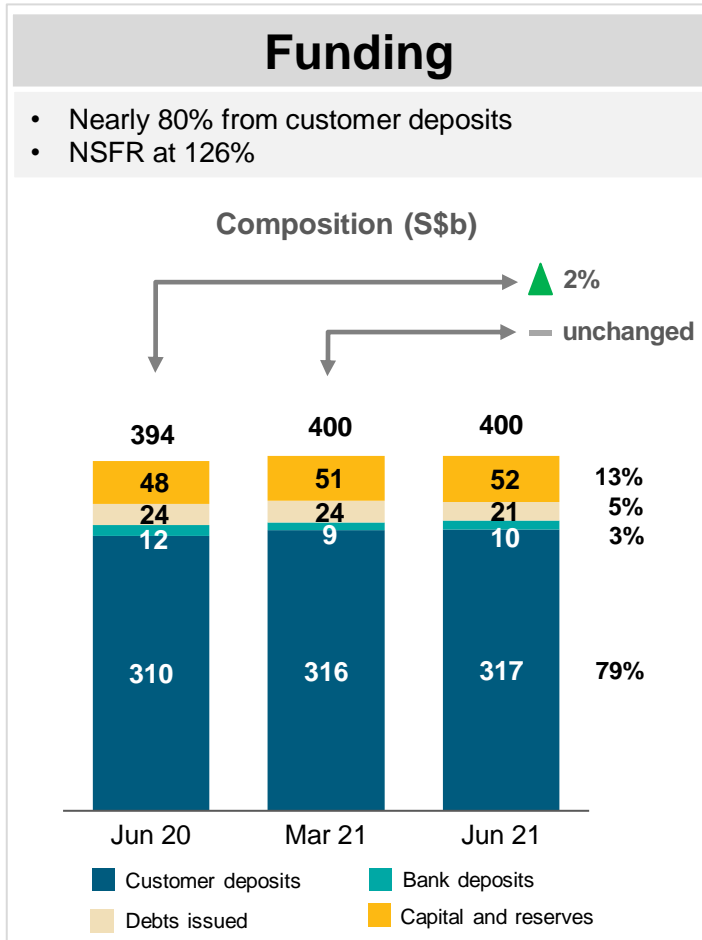
New Business Embedded Value
(S\$m) and Margin



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

Strong Balance Sheet Fundamentals

Ample funding, liquidity and capital buffers to weather through the cycle



Group Performance

1H21 Group net profit of S\$2.66b driven by income growth and lower allowances

| OCBC Group | 1H21 S\$m | 1H20 S\$m | YoY +/(-)% | 2H20 S\$m | HoH +/(-)% | 2Q21 S\$m | 2Q20 S\$m | YoY +/(-)% | 1Q21 S\$m | QoQ +/(-)% |
|---|--------------|--------------|---------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|
| Net interest income | 2,902 | 3,109 | (7) | 2,857 | 2 | 1,461 | 1,483 | (2) | 1,441 | 1 |
| Non-interest income | 2,584 | 2,006 | 29 | 2,167 | 19 | 1,111 | 1,142 | (3) | 1,473 | (25) |
| Total income | 5,486 | 5,115 | 7 | 5,024 | 9 | 2,572 | 2,625 | (2) | 2,914 | (12) |
| Operating expenses | (2,287) | (2,216) | 3 | (2,223) | 3 | (1,138) | (1,107) | 3 | (1,149) | (1) |
| Operating profit | 3,199 | 2,899 | 10 | 2,801 | 14 | 1,434 | 1,518 | (6) | 1,765 | (19) |
| Associates | 422 | 328 | 29 | 284 | 48 | 213 | 163 | 32 | 209 | 2 |
| Operating profit before allowances | 3,621 | 3,227 | 12 | 3,085 | 17 | 1,647 | 1,681 | (2) | 1,974 | (17) |
| Allowances for impaired assets | (283) | (793) | (64) | (385) | (27) | (131) | (518) | (75) | (152) | (14) |
| Allowances for non-impaired assets | (110) | (614) | (82) | (251) | (56) | (101) | (232) | (57) | (9) | 922 |
| Amortisation, tax and NCI | (567) | (392) | 45 | (291) | 94 | (255) | (201) | 28 | (312) | (18) |
| Net profit | 2,661 | 1,428 | 86 | 2,158 | 23 | 1,160 | 730 | 59 | 1,501 | (23) |

Banking Operations Performance

1H21 Banking Operations' net profit higher YoY at S\$2.10b

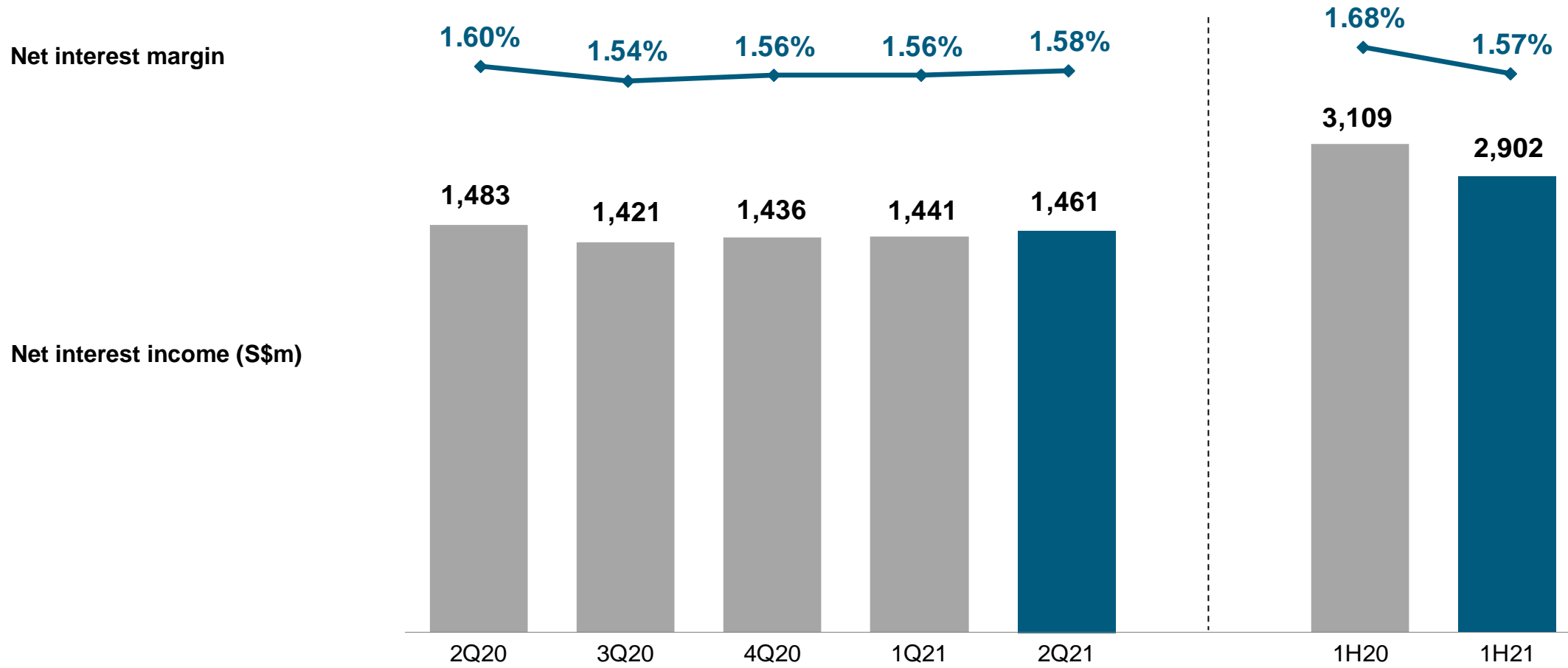
| Banking Operations | 1H21 S\$m | 1H20 S\$m | YoY +/(-)% | 2H20 S\$m | HoH +/(-)% | 2Q21 S\$m | 2Q20 S\$m | YoY +/(-)% | 1Q21 S\$m | QoQ +/(-)% |
|---|--------------|--------------|---------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|
| Net interest income | 2,853 | 3,051 | (6) | 2,809 | 2 | 1,436 | 1,456 | (1) | 1,417 | 1 |
| Non-interest income | 1,706 | 1,513 | 13 | 1,491 | 14 | 775 | 735 | 5 | 931 | (17) |
| Total income | 4,559 | 4,564 | – | 4,300 | 6 | 2,212 | 2,191 | 1 | 2,347 | (6) |
| Operating expenses | (2,137) | (2,088) | 2 | (2,044) | 5 | (1,061) | (1,026) | 3 | (1,077) | (2) |
| Operating profit | 2,422 | 2,476 | (2) | 2,256 | 7 | 1,151 | 1,165 | (1) | 1,271 | (9) |
| Associates | 434 | 336 | 29 | 303 | 43 | 220 | 171 | 29 | 214 | 3 |
| Operating profit before allowances | 2,856 | 2,812 | 2 | 2,559 | 12 | 1,371 | 1,335 | 3 | 1,485 | (8) |
| Allowances for impaired assets | (283) | (794) | (64) | (386) | (27) | (131) | (518) | (75) | (152) | (14) |
| Allowances for non-impaired assets | (107) | (610) | (82) | (252) | (57) | (100) | (228) | (56) | (8) | nm |
| Amortisation, tax and NCI | (370) | (248) | 49 | (293) | 26 | (173) | (109) | 59 | (197) | (12) |
| Net profit from banking operations | 2,095 | 1,160 | 81 | 1,628 | 29 | 968 | 480 | 102 | 1,128 | (14) |
| GEH net profit contribution | 565 | 268 | 111 | 530 | 7 | 192 | 250 | (23) | 373 | (48) |
| OCBC Group net profit | 2,661 | 1,428 | 86 | 2,158 | 23 | 1,160 | 730 | 59 | 1,501 | (23) |

Agenda

- 1 Financial Highlights
- 2 Group Performance Trends**
- 3 Appendices: Major Subsidiaries' Results

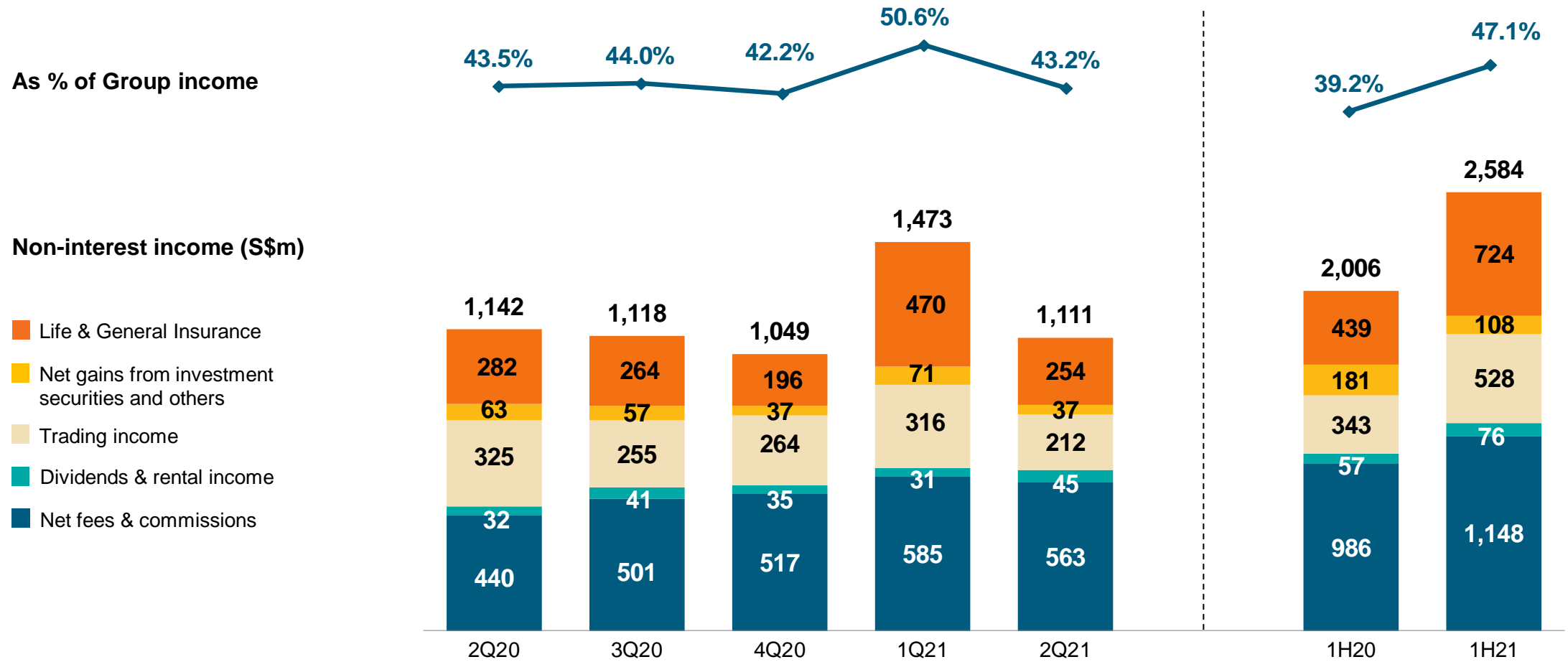
Net Interest Income

1H21 net interest income at S\$2.90b; NIM relatively stable for the past three quarters



Non-interest Income

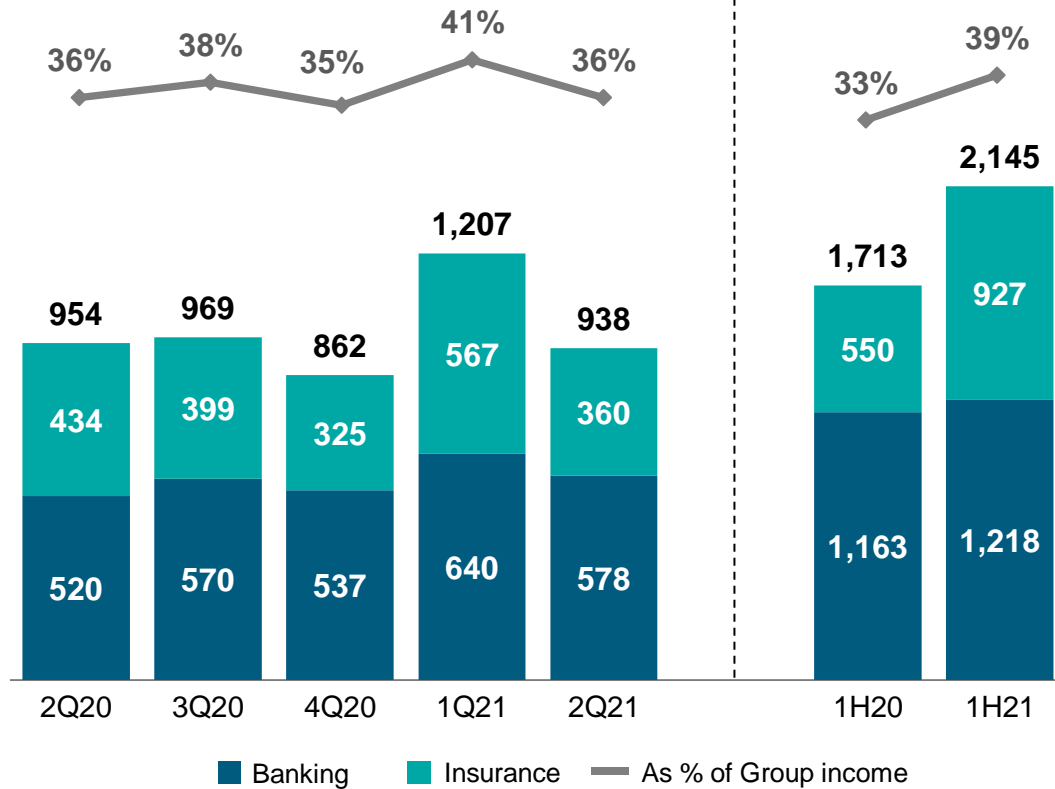
1H21 non-interest income rose 29% YoY to S\$2.58b



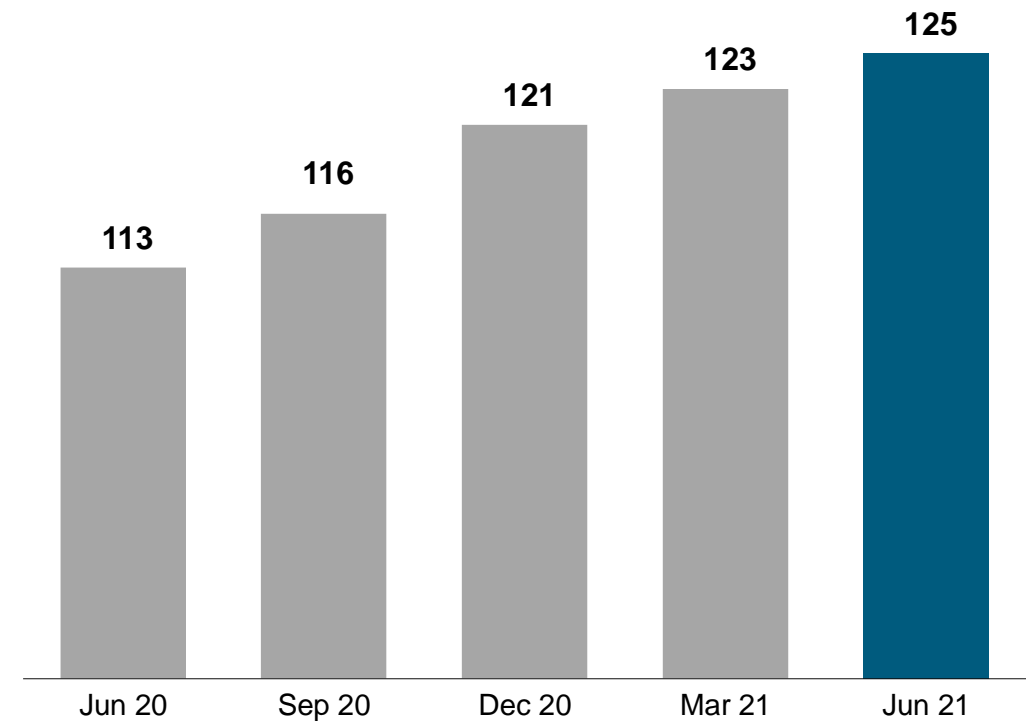
Wealth Management Franchise

1H21 WM income rose to S\$2.14b; private banking AUM grew 11% YoY to US\$125b

Total Wealth Management Income (S\$m)



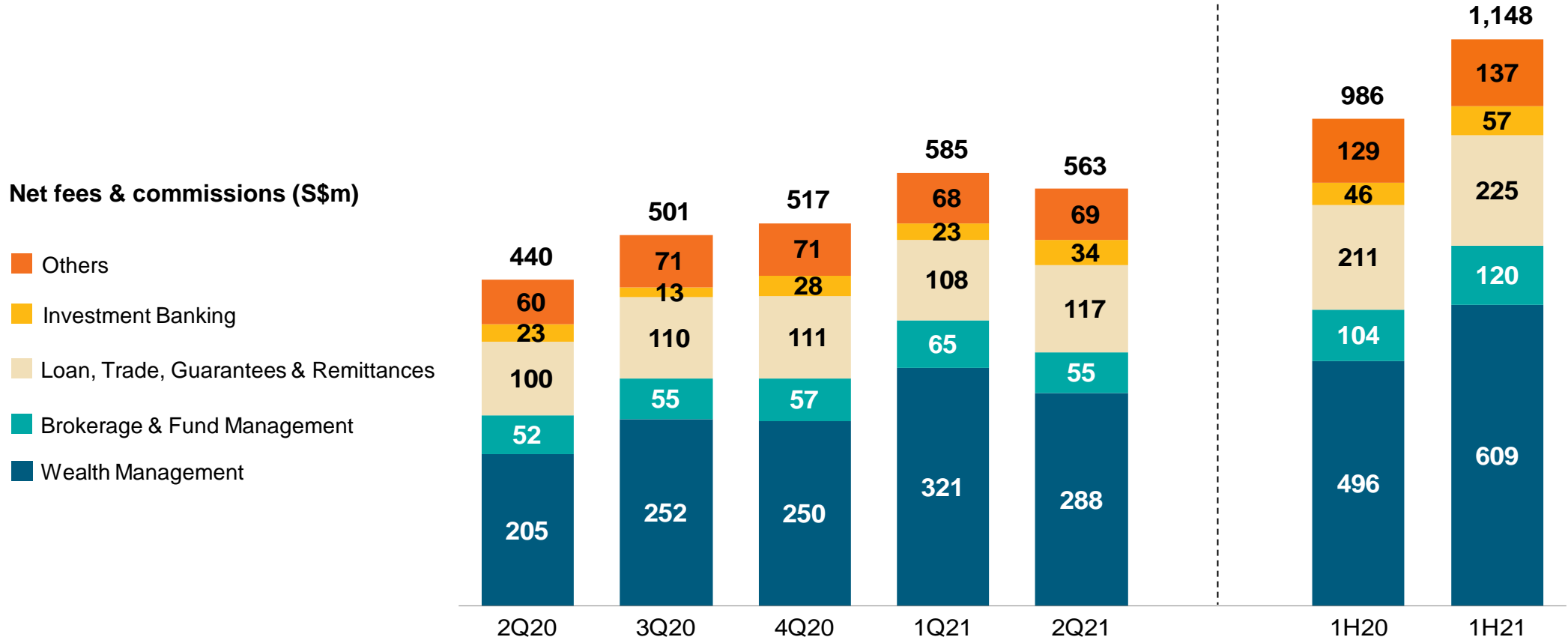
Bank of Singapore's Assets Under Management (US\$b)



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

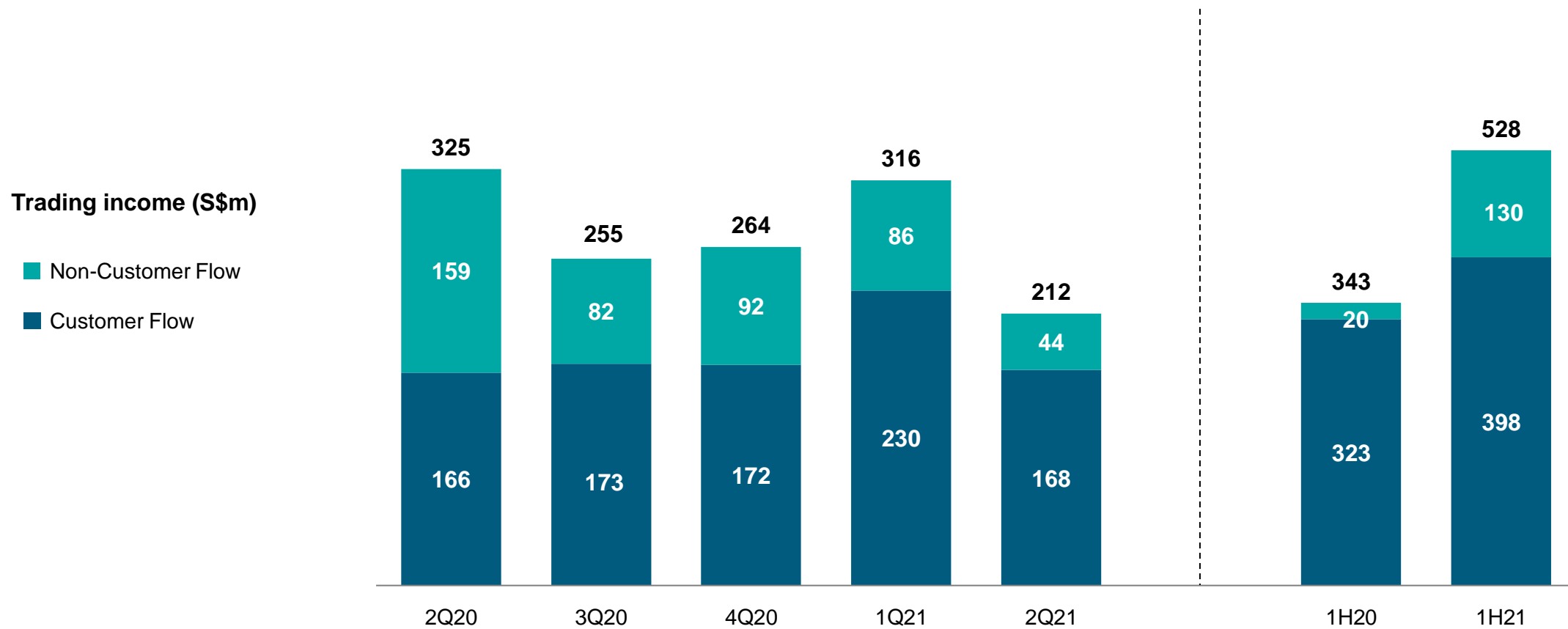
Net Fees & Commissions

1H21 fee income at a new high of S\$1.15b from broad-based growth



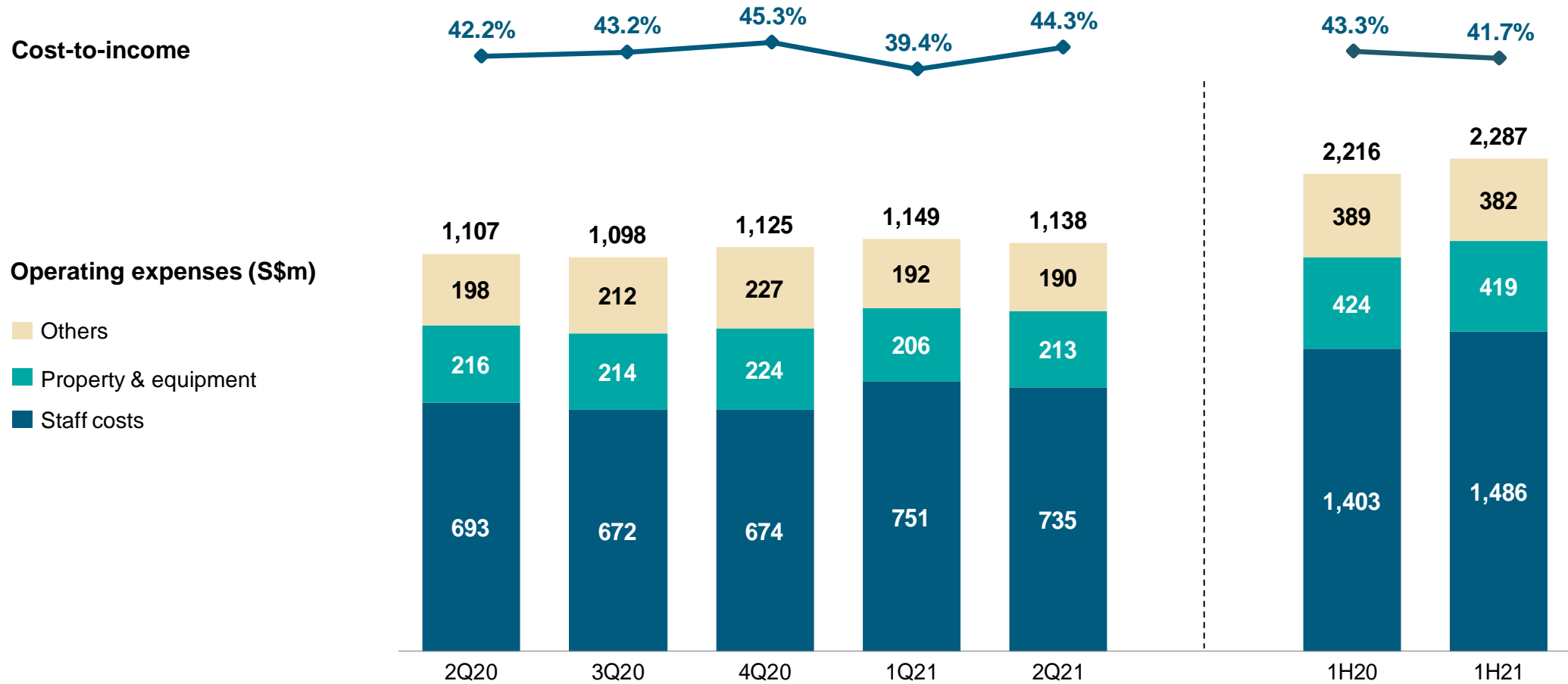
Trading Income

1H21 trading income higher YoY at S\$528m



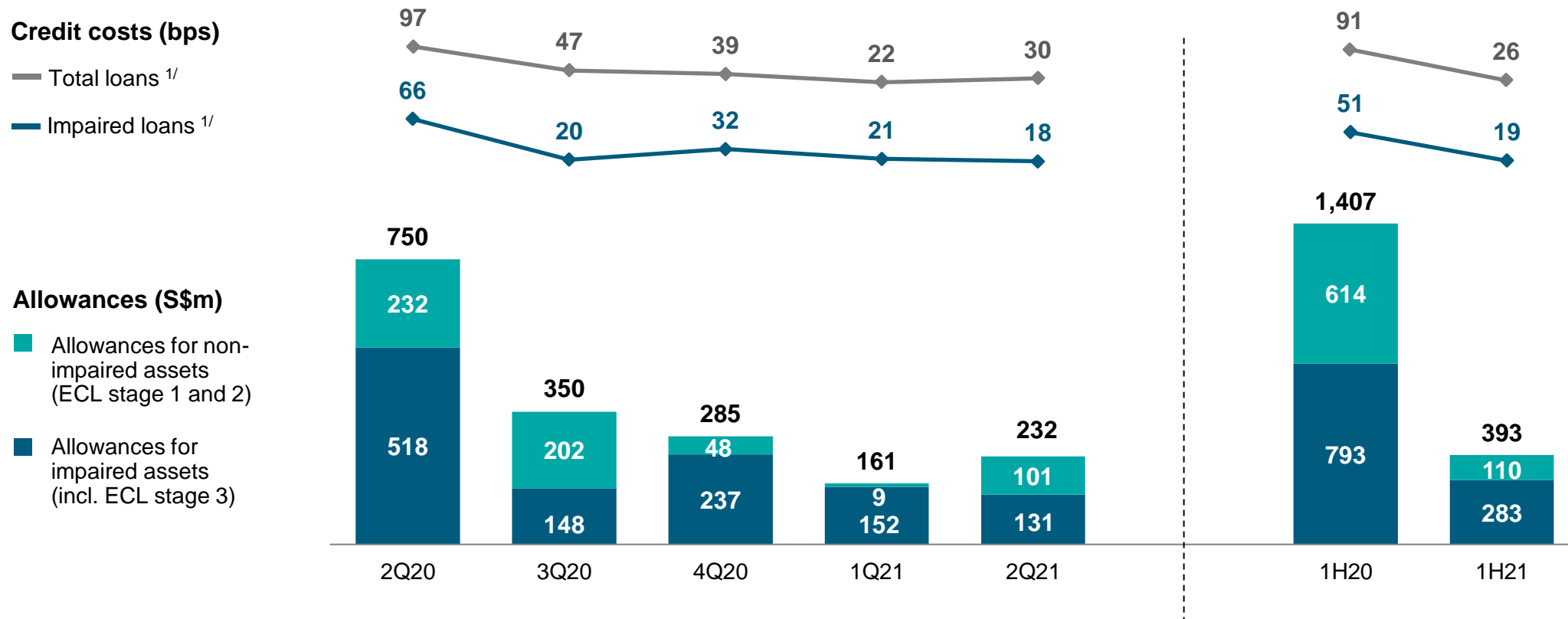
Operating Expenses

Costs remained well-managed; CIR lower at 41.7% from positive operating jaws



Allowances

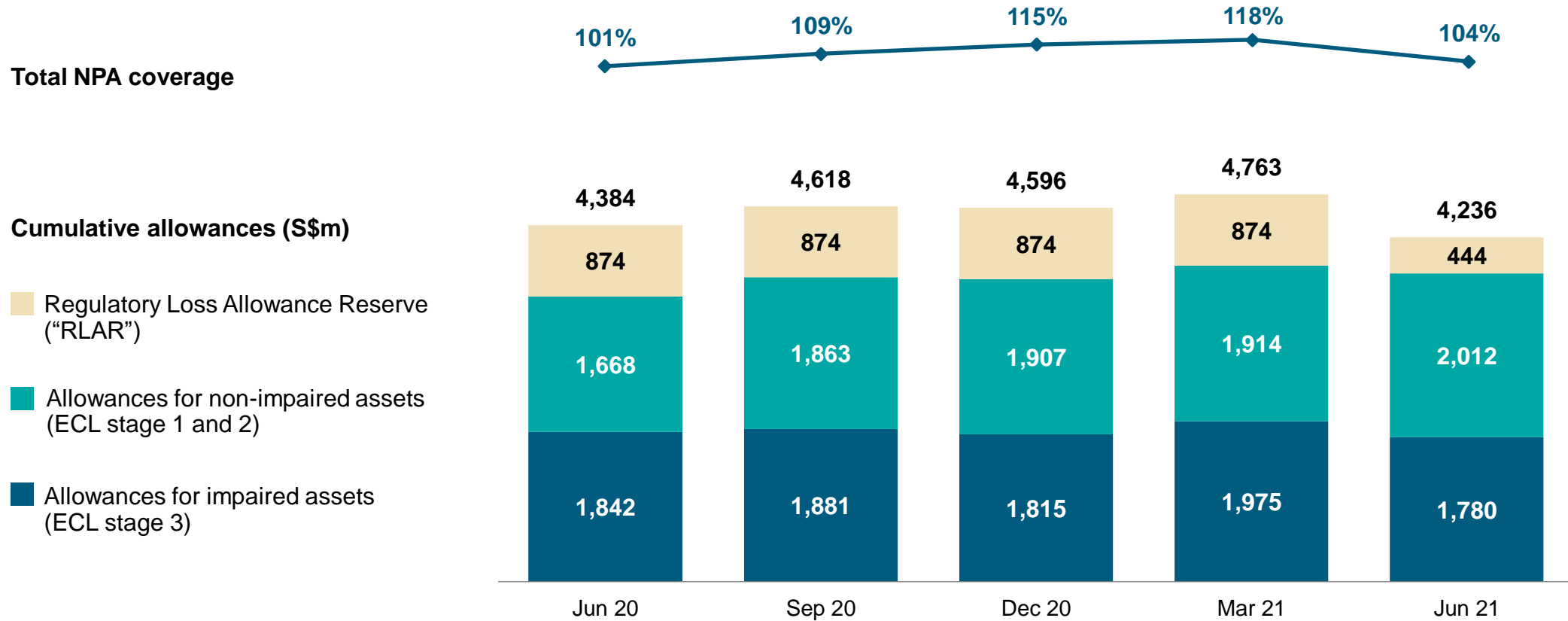
1H21 allowances substantially lower from a year ago as operating conditions gradually improved



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

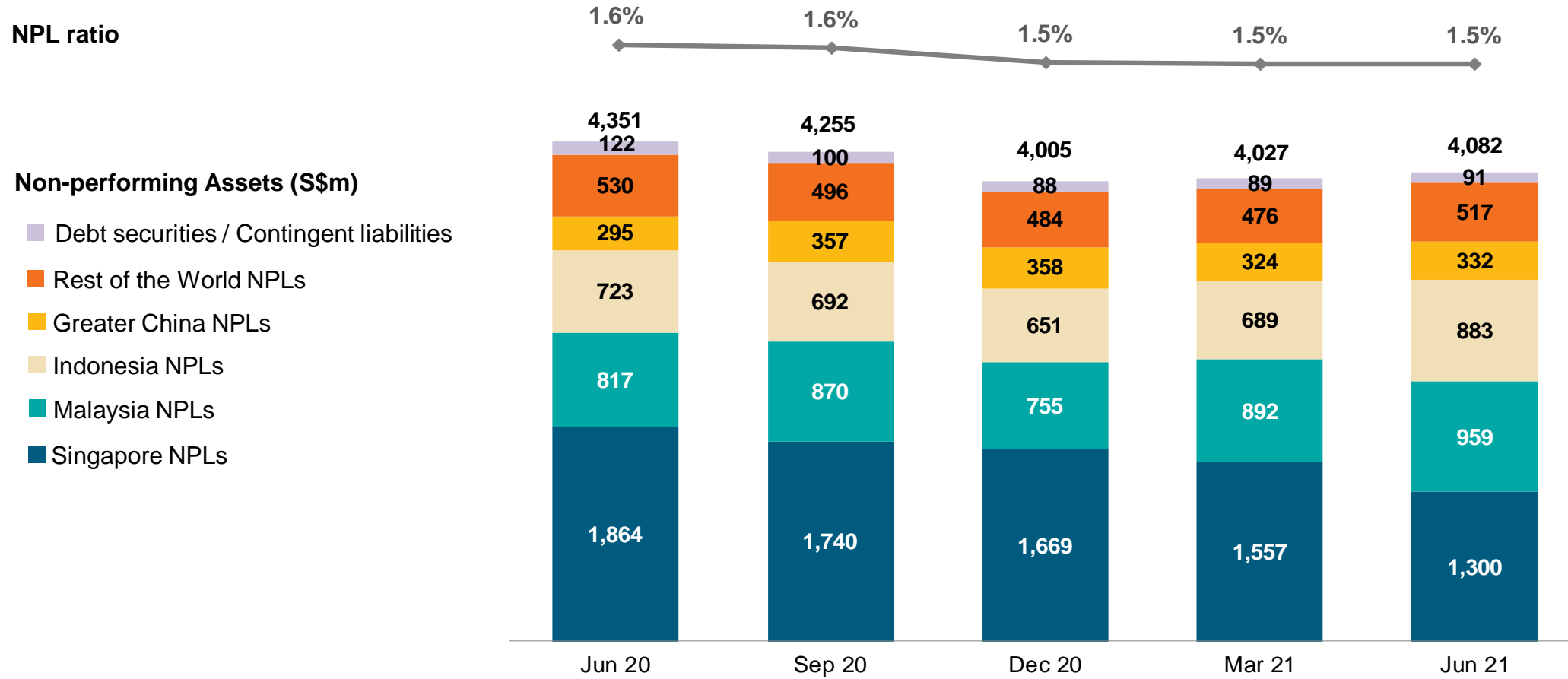
Total Cumulative Allowances

NPA coverage ratio at 104%



Asset Quality

Total NPAs down YoY; NPL ratio at 1.5%



Asset Quality

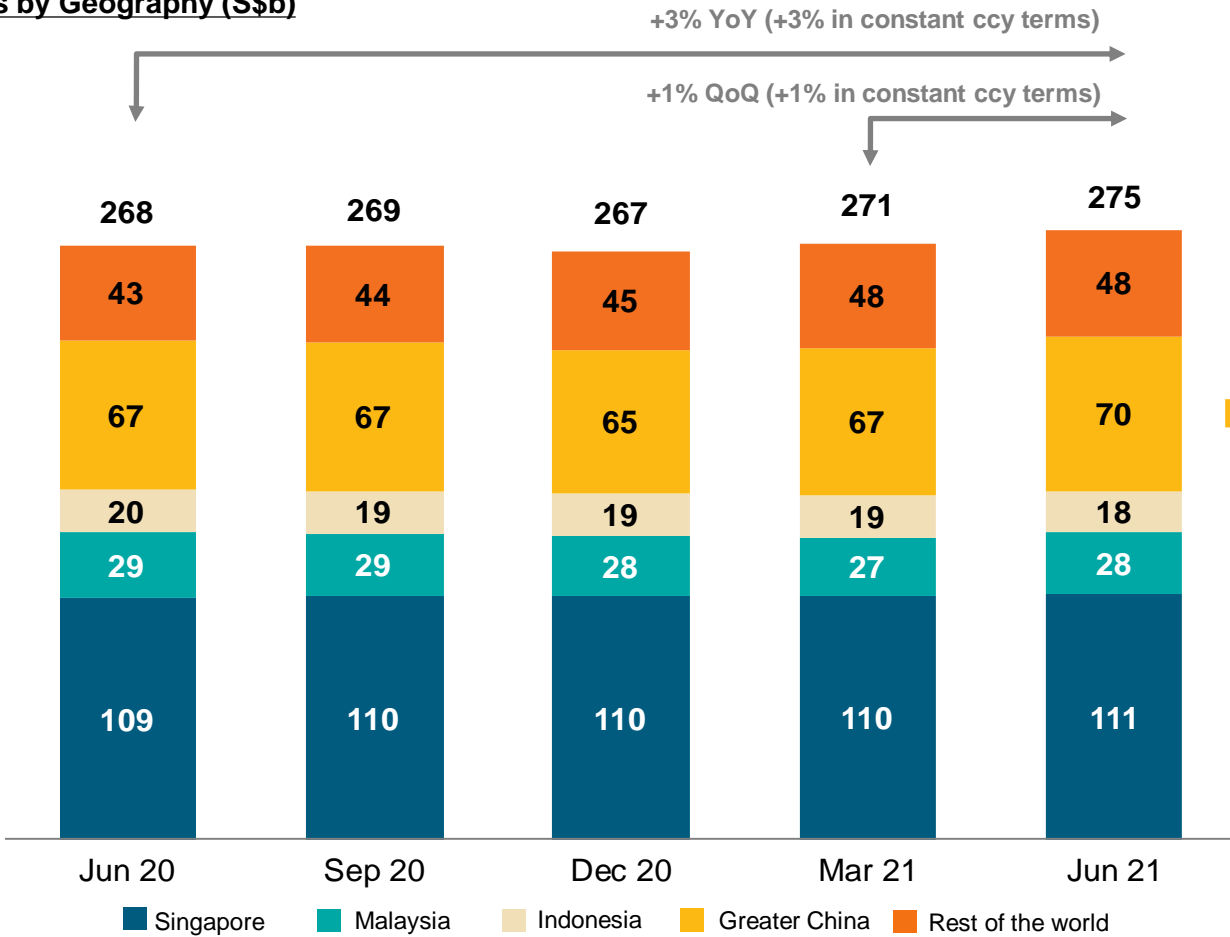
1H21 NPAs lower YoY driven by higher recoveries

| S\$m | 2Q20 | 1Q21 | 2Q21 | 1H20 | 1H21 |
|--|--------------|--------------|--------------|--------------|--------------|
| At start of period | 4,386 | 4,005 | 4,027 | 3,883 | 4,005 |
| New NPAs | | | | | |
| Corporate/ Commercial Banking and Others | 384 | 144 | 459 | 852 | 601 |
| Consumer Banking/ Private Banking | 112 | 231 | 203 | 268 | 434 |
| | 496 | 375 | 662 | 1,120 | 1,035 |
| Net recoveries/ upgrades | | | | | |
| Corporate/ Commercial Banking and Others | (108) | (245) | (172) | (147) | (415) |
| Consumer Banking/ Private Banking | (95) | (99) | (80) | (196) | (179) |
| | (203) | (344) | (252) | (343) | (594) |
| Write-offs | | | | | |
| Corporate/ Commercial Banking and Others | (272) | (15) | (324) | (317) | (339) |
| Consumer Banking/ Private Banking | (32) | (17) | (22) | (58) | (39) |
| | (304) | (32) | (346) | (375) | (378) |
| Foreign currency translation | (24) | 23 | (9) | 66 | 14 |
| At end of period | 4,351 | 4,027 | 4,082 | 4,351 | 4,082 |

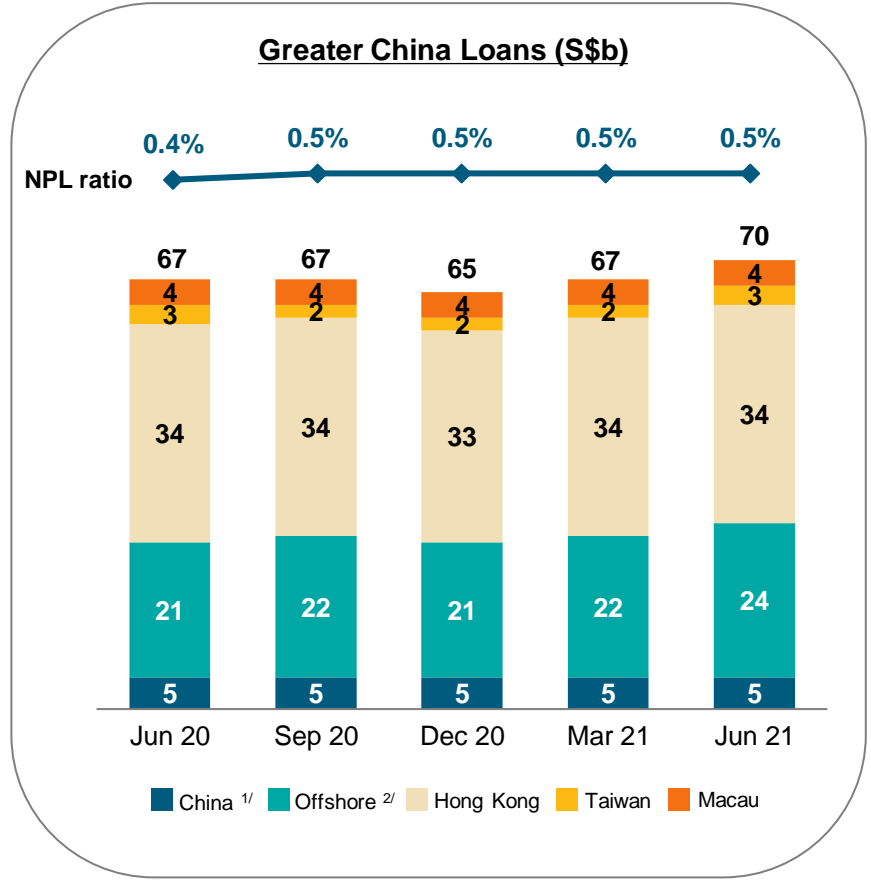
Customer Loans

Loans of S\$275b were higher QoQ and YoY

Loans by Geography (S\$b)



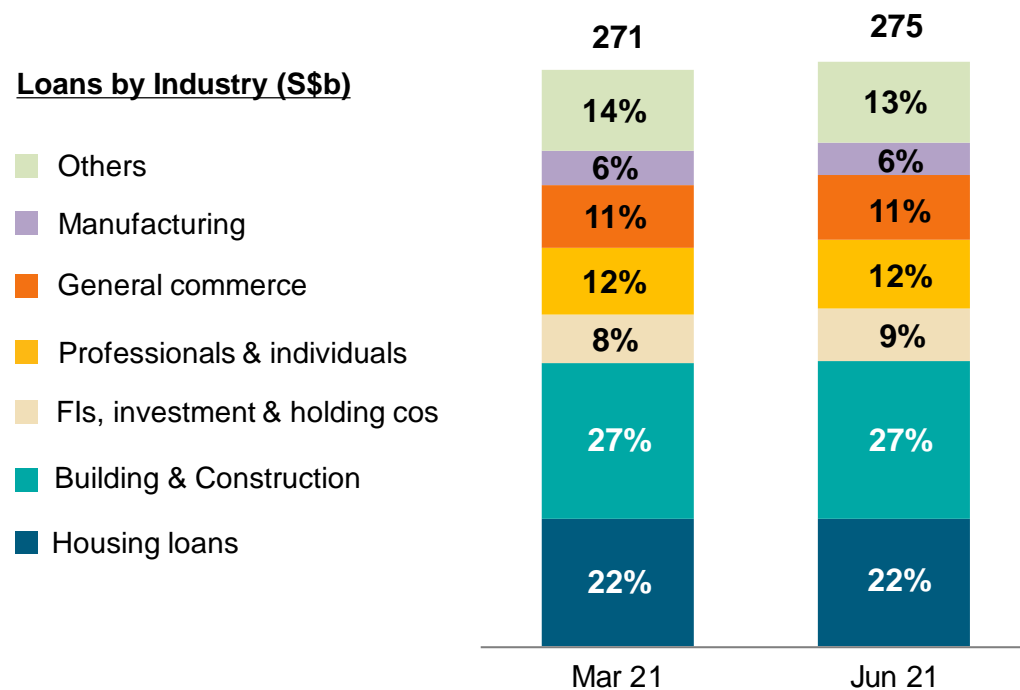
Greater China Loans (S\$b)



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



Corporate, SME and Consumer/Private Banking comprise **49%**, **12%** and **39%** of loan book respectively

O&G sector comprise **4%** 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 13%** QoQ to **S\$17.4b** (6% of loan book)

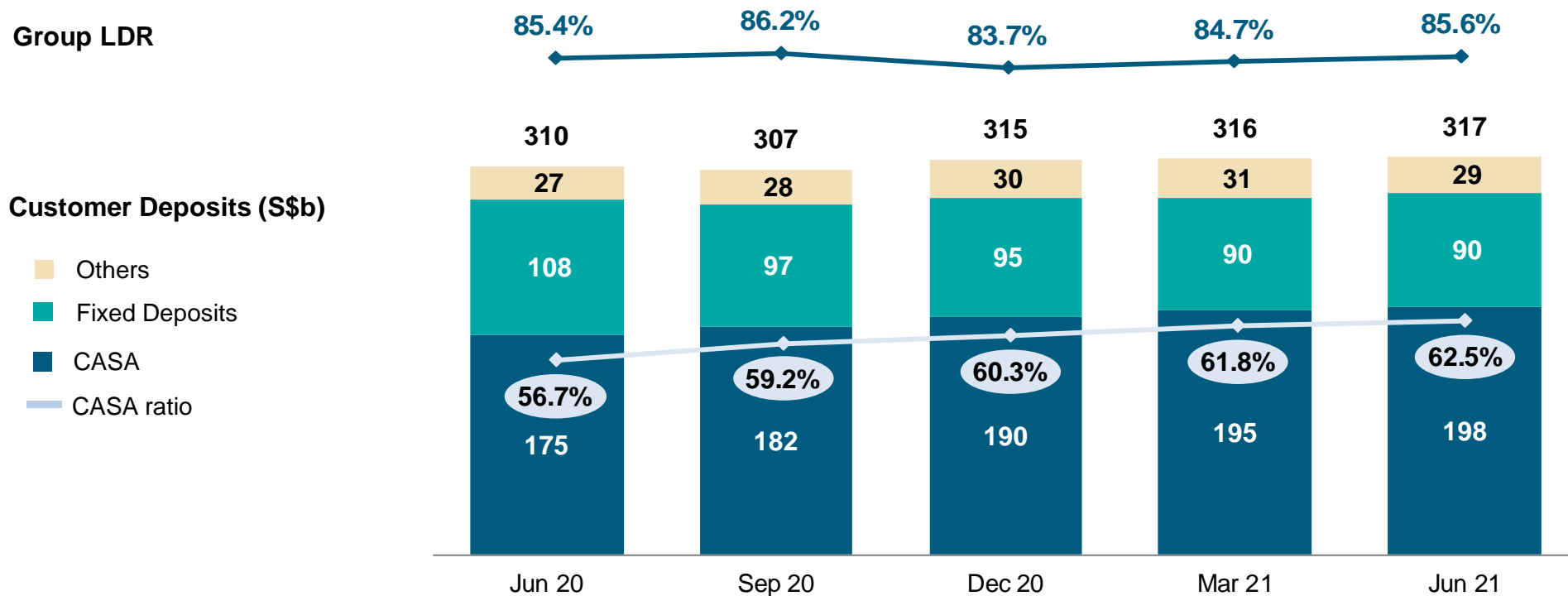
Loan Relief Update

Relief loans made up S\$4.5b or 2% of Group loans

| | 31 Mar 2021 | | 30 Jun 2021 | |
|--|-------------|---------------------------|-------------|---------------------------|
| Total Loans under Moratorium (S\$b) | 5.1 | <i>92% secured</i> | 4.5 | <i>90% secured</i> |
| % of Group Loans | 2% | | 2% | |
| <u>By Geography (S\$b)</u> | | % of country loans | | % of country loans |
| Singapore | 2.6 | 1% | 2.2 | 1% |
| Individuals | 1.1 | | 1.1 | |
| Businesses | 1.5 | | 1.1 | |
| Malaysia | 1.3 | 6% | 1.5 | 7% |
| Individuals | 0.8 | | 0.8 | |
| Businesses | 0.5 | | 0.7 | |
| Indonesia | 0.7 | 7% | 0.6 | 6% |
| Individuals | 0.1 | | 0.1 | |
| Businesses | 0.6 | | 0.5 | |
| HK & Macau | 0.4 | 2% | 0.2 | 1% |
| Individuals | 0.0 | | 0.0 | |
| Businesses | 0.4 | | 0.2 | |

Customer Deposits

CASA deposits increased to S\$198b; CASA ratio at 62.5%

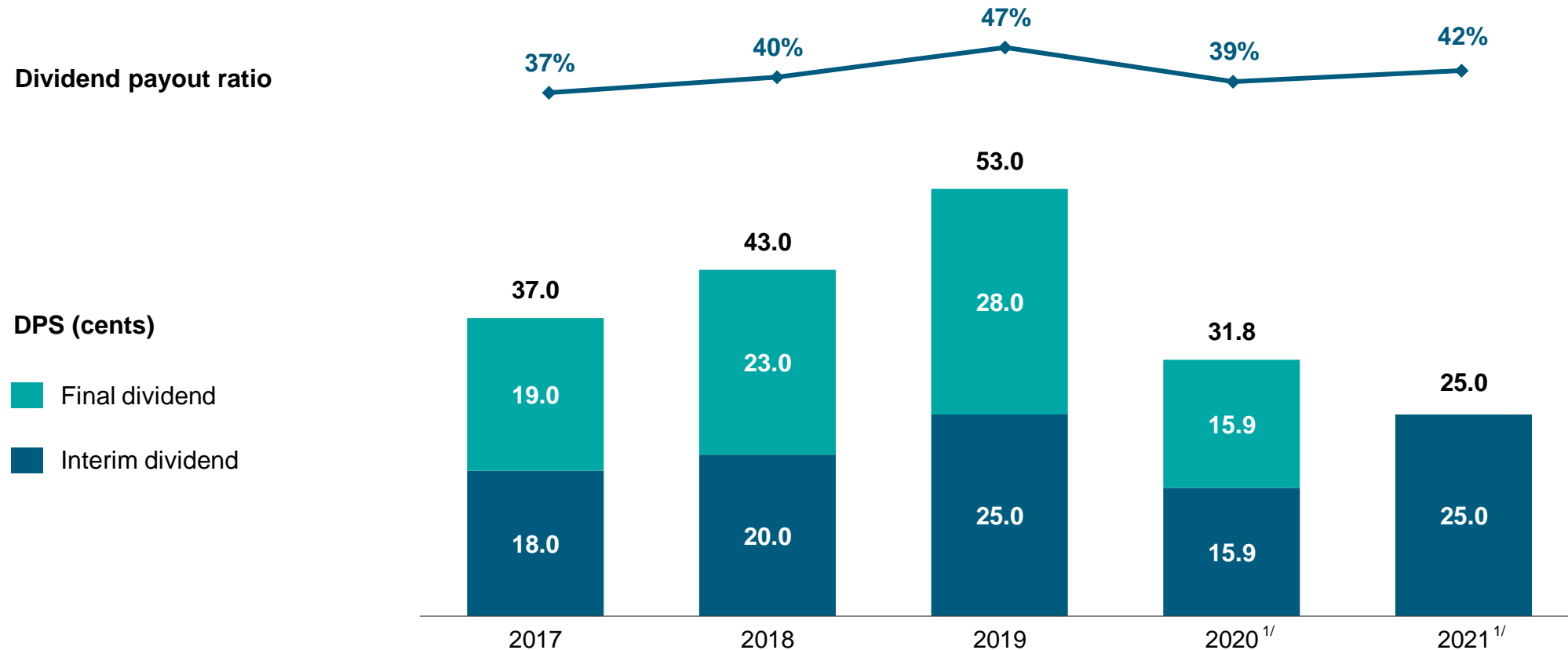


LDR

| | | | | | |
|------------|-------|-------|-------|-------|--------------|
| SGD | 83.2% | 81.8% | 78.3% | 77.8% | 78.3% |
| USD | 64.0% | 69.2% | 65.6% | 68.8% | 68.0% |

1H21 Interim Dividend at 25 cents; Payout Ratio at 42%

Interim dividend raised to 25 cents per share



Agenda

- 1 Financial Highlights
- 2 Group Performance Trends
- 3 Appendices: Major Subsidiaries' Results**

Great Eastern Holdings' Performance

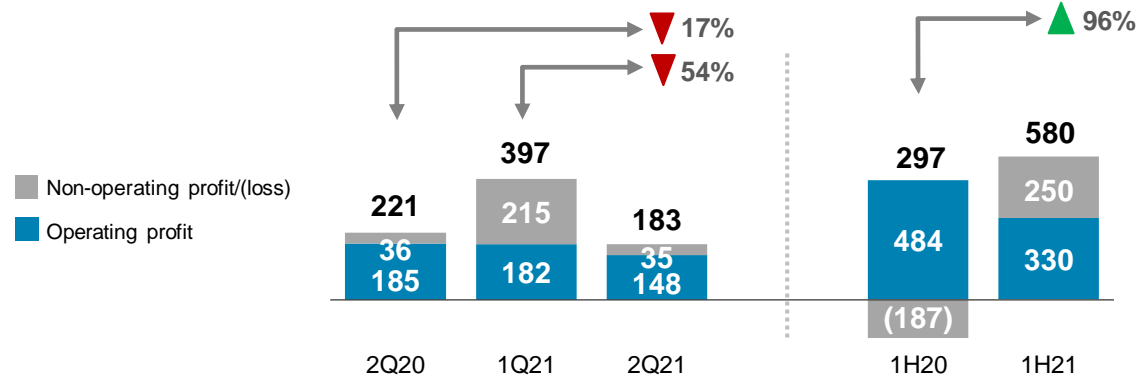
1H21 net profit contribution higher at S\$565m

| S\$m | 1H21 | 1H20 | YoY +/(-)% | 2Q21 | 2Q20 | YoY +/(-)% | 1Q21 | QoQ +/(-)% |
|---|------------|------------|---------------|------------|------------|---------------|------------|---------------|
| Profit from insurance business | 652 | 365 | 79 | 220 | 251 | (12) | 432 | (49) |
| - Operating profit | 330 | 484 | (32) | 148 | 185 | (20) | 182 | (19) |
| - Non-operating profit/ (loss) | 250 | (187) | 233 | 35 | 36 | (2) | 215 | (84) |
| - Others | 72 | 68 | 6 | 37 | 30 | 27 | 35 | 2 |
| Profit from Shareholders' Fund | 125 | 58 | 117 | 63 | 103 | (39) | 62 | 2 |
| Profit from operations | 777 | 423 | 84 | 283 | 354 | (20) | 494 | (43) |
| Allowances | (3) | (4) | (32) | (1) | (4) | (84) | (2) | (66) |
| Tax and NCI | (104) | (88) | 19 | (50) | (52) | (5) | (55) | (9) |
| Net profit | 670 | 331 | 102 | 232 | 298 | (22) | 438 | (47) |
| Group adjustments ^{1/} | (105) | (63) | 64 | (40) | (48) | (17) | (65) | (38) |
| Net profit contribution to Group | 565 | 268 | 111 | 192 | 250 | (23) | 373 | (48) |

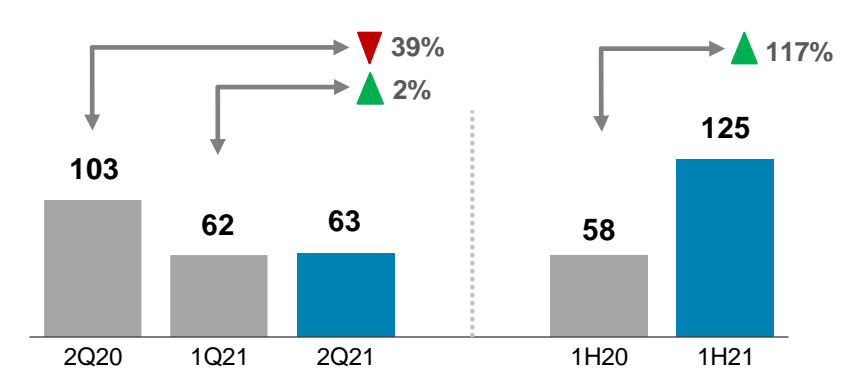
Great Eastern Holdings' Financial Highlights

Key Performance Trends

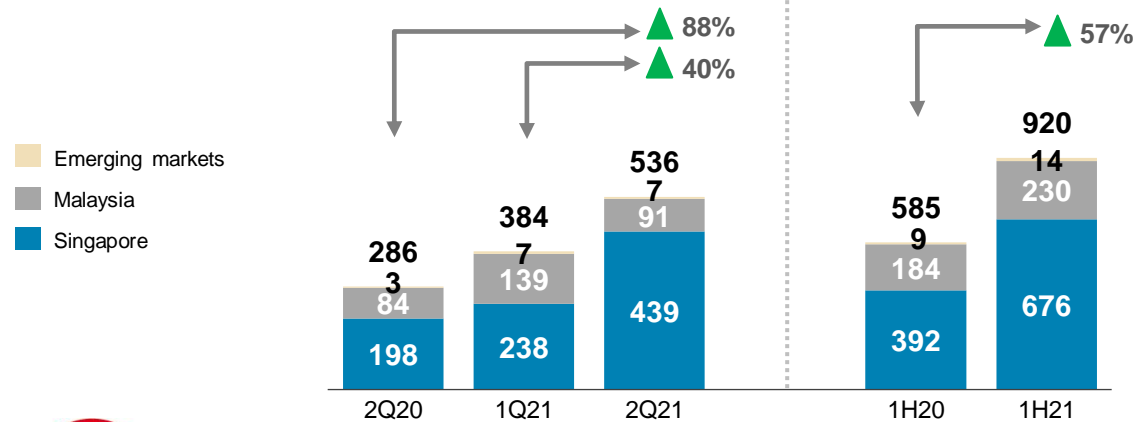
Profit from Insurance Business (S\$m)



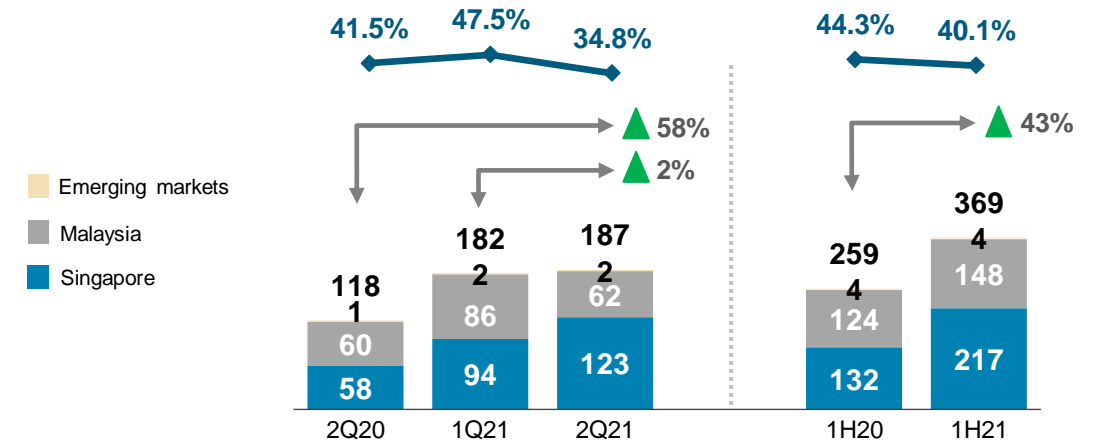
Profit from Shareholders' Fund (S\$m)



Total Weighted New Sales (S\$m)



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



OCBC Wing Hang Hong Kong & Macau's Performance

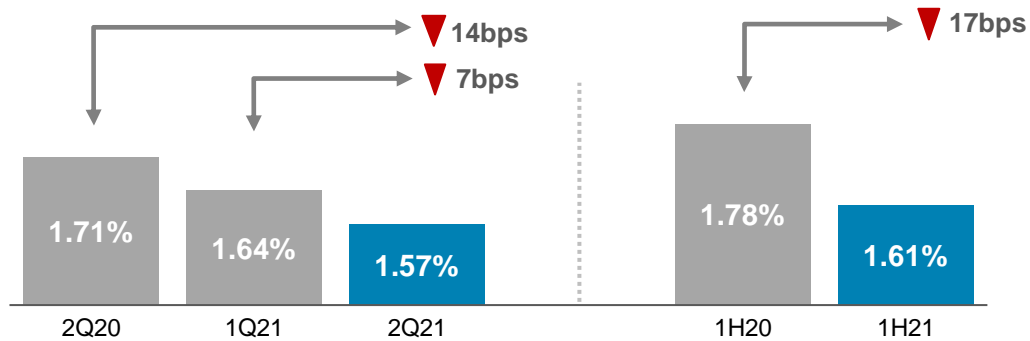
1H21 net profit at HKD1.14b

| HKD m | 1H21 | 1H20 | YoY +/(-)% | 2Q21 | 2Q20 | YoY +/(-)% | 1Q21 | QoQ +/(-)% |
|-------------------------------------|--------------|--------------|---------------|------------|------------|---------------|------------|---------------|
| Net interest income | 1,787 | 2,020 | (12) | 882 | 975 | (10) | 905 | (2) |
| Non-interest income | 534 | 690 | (22) | 240 | 322 | (25) | 294 | (19) |
| Total income | 2,321 | 2,710 | (14) | 1,122 | 1,297 | (13) | 1,199 | (6) |
| Operating expenses | (1,131) | (1,117) | 1 | (563) | (578) | (3) | (568) | (1) |
| Operating profit | 1,190 | 1,593 | (25) | 559 | 719 | (22) | 631 | (12) |
| Allowances write-back/(charge) | 81 | (121) | (167) | 68 | (26) | (363) | 13 | (427) |
| Associates | 73 | 8 | 826 | 27 | 3 | 879 | 46 | (42) |
| Profit before tax | 1,344 | 1,480 | (9) | 654 | 696 | (6) | 690 | (5) |
| Tax | (201) | (229) | (12) | (99) | (107) | (7) | (102) | (4) |
| Net profit – local reporting | 1,143 | 1,251 | (9) | 555 | 589 | (6) | 588 | (6) |

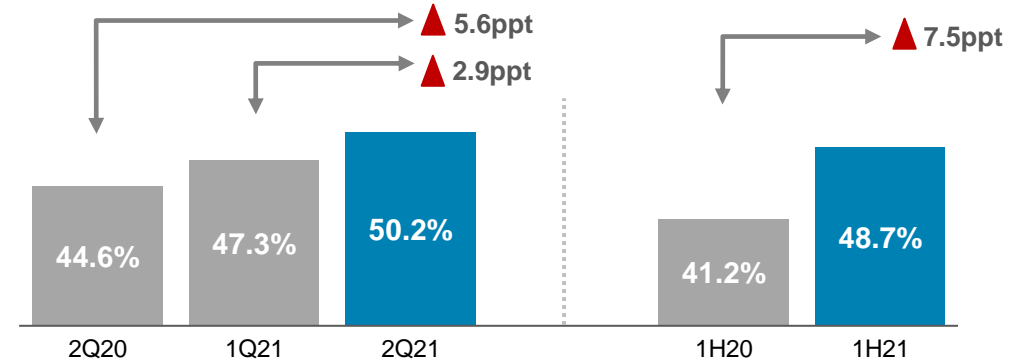
OCBC Wing Hang Hong Kong & Macau Financial Highlights

Key Performance Trends

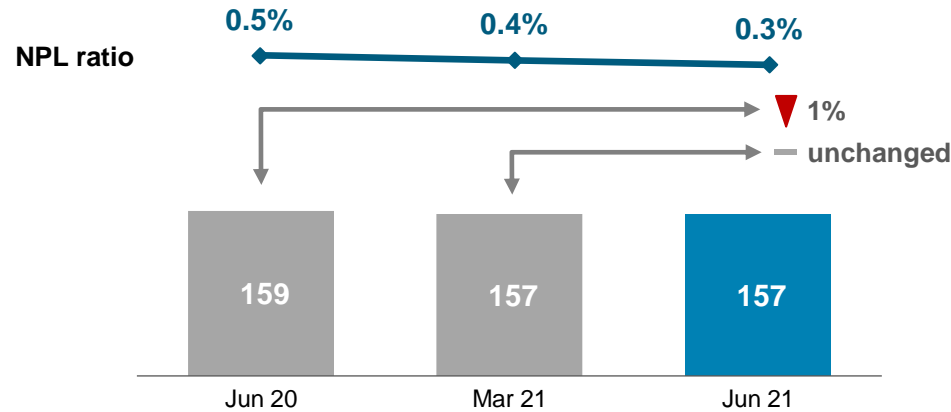
Net Interest Margin



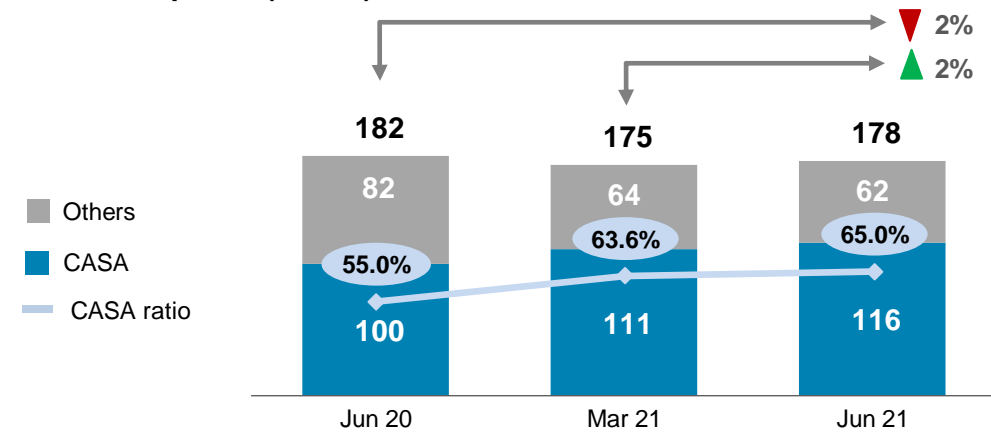
Cost-to-Income



Customer Loans (HKD b)



Customer Deposits (HKD b)



OCBC Malaysia's Performance

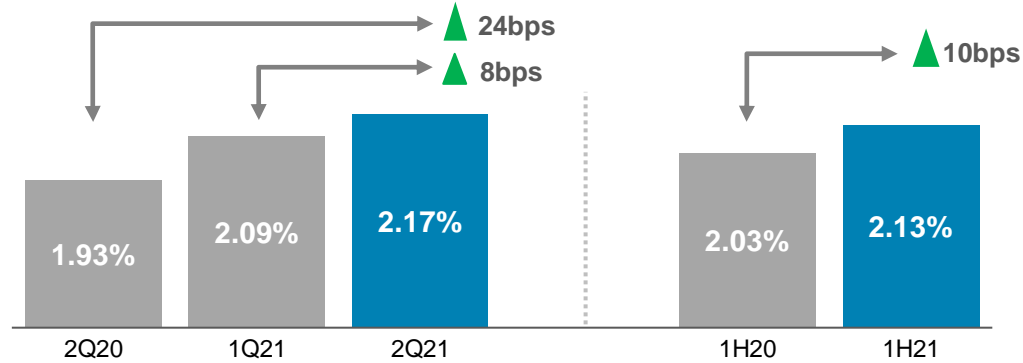
1H21 net profit rose 39% to RM424m

| RM m | 1H21 | 1H20 | YoY +/(-)% | 2Q21 | 2Q20 | YoY +/(-)% | 1Q21 | QoQ +/(-)% |
|--------------------------------------|--------------|--------------|---------------|------------|------------|---------------|------------|---------------|
| Net interest income | 790 | 742 | 6 | 409 | 360 | 14 | 381 | 7 |
| Islamic banking income ^{1/} | 239 | 222 | 8 | 118 | 102 | 16 | 121 | (2) |
| Non-interest / finance income | 383 | 366 | 5 | 208 | 167 | 25 | 175 | 19 |
| Total income | 1,412 | 1,330 | 6 | 735 | 629 | 17 | 677 | 9 |
| Operating expenses | (593) | (610) | (3) | (318) | (302) | 5 | (275) | 16 |
| Operating profit | 819 | 720 | 14 | 417 | 327 | 28 | 402 | 4 |
| Allowances | (249) | (316) | (21) | (246) | (134) | 84 | (3) | nm |
| Profit before tax | 570 | 404 | 41 | 171 | 193 | (11) | 399 | (57) |
| Tax | (146) | (98) | 49 | (43) | (46) | (7) | (103) | (58) |
| Net profit – local reporting | 424 | 306 | 39 | 128 | 147 | (13) | 296 | (57) |

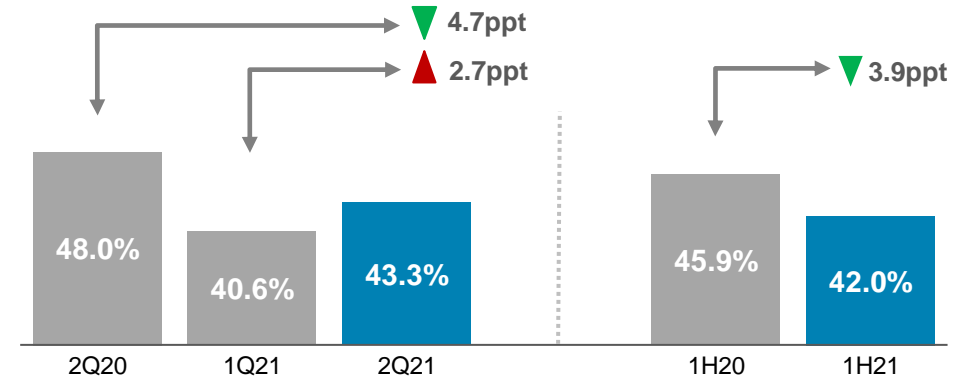
OCBC Malaysia Financial Highlights

Key Performance Trends

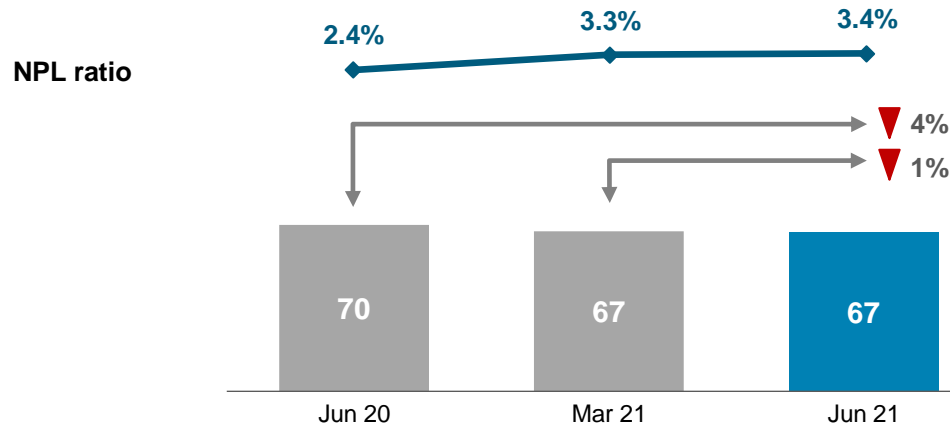
Net Interest Margin



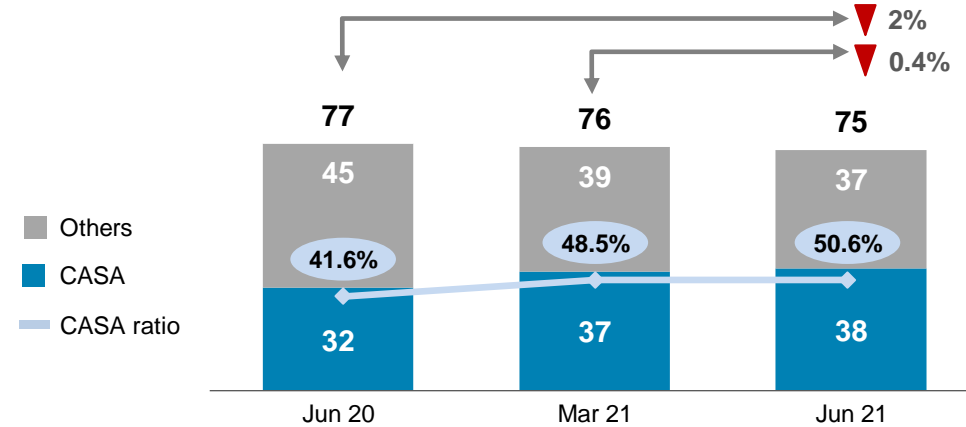
Cost-to-Income



Customer Loans (RM b)



Customer Deposits (RM b)



Bank OCBC NISP's Performance

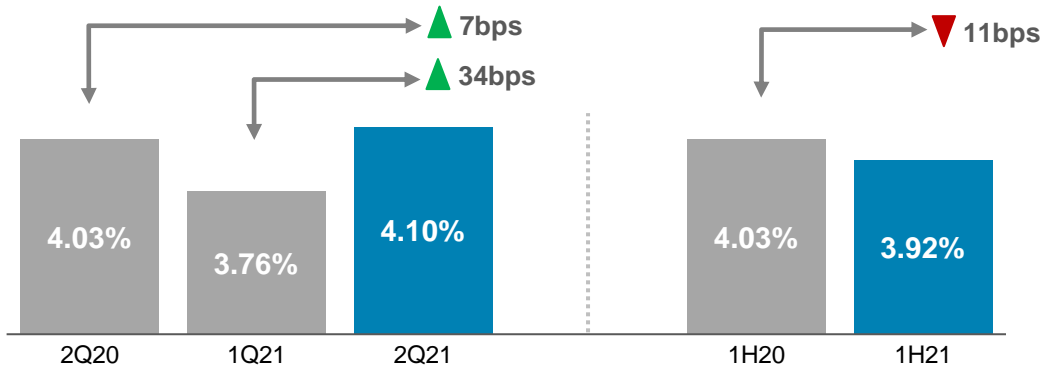
1H21 net profit at IDR1.47t

| IDR b | 1H21 | 1H20 | YoY +/(-)% | | 2Q21 | 2Q20 | YoY +/(-)% | 1Q21 | QoQ +/(-)% |
|-------------------------------------|----------------|--------------|---------------|--|----------------|--------------|---------------|--------------|---------------|
| Net interest income | 3,870 | 3,462 | 12 | | 1,960 | 1,730 | 13 | 1,910 | 3 |
| Non-interest income | 1,041 | 1,180 | (12) | | 557 | 461 | 21 | 485 | 15 |
| Total income | 4,911 | 4,642 | 6 | | 2,516 | 2,191 | 15 | 2,395 | 5 |
| Operating expenses | (2,169) | (2,041) | 6 | | (1,092) | (953) | 15 | (1,077) | 1 |
| Operating profit | 2,742 | 2,601 | 5 | | 1,424 | 1,238 | 15 | 1,318 | 8 |
| Allowances | (786) | (498) | 58 | | (122) | (253) | (52) | (664) | (82) |
| Non-operating income | 1 | 1 | 83 | | 0 | 0 | nm | 1 | (52) |
| Profit before tax | 1,957 | 2,104 | (7) | | 1,302 | 985 | 32 | 655 | 99 |
| Tax | (484) | (541) | (10) | | (344) | (213) | 61 | (140) | 146 |
| Net profit – local reporting | 1,473 | 1,563 | (6) | | 958 | 772 | 24 | 515 | 86 |

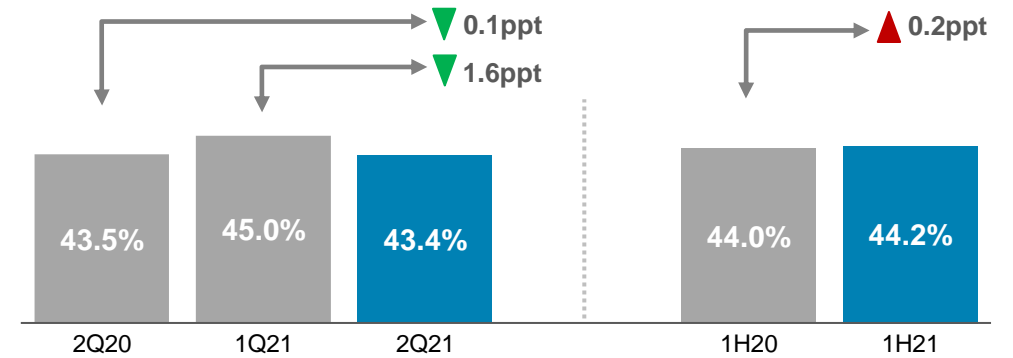
Bank OCBC NISP Financial Highlights

Key Performance Trends

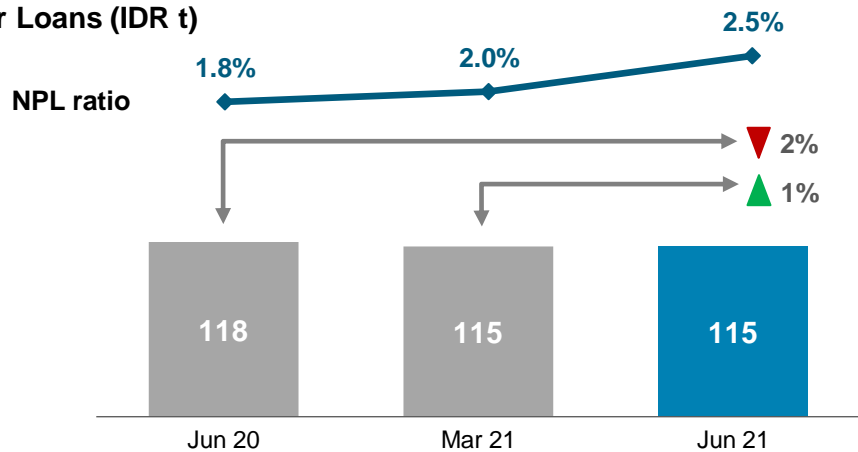
Net Interest Margin



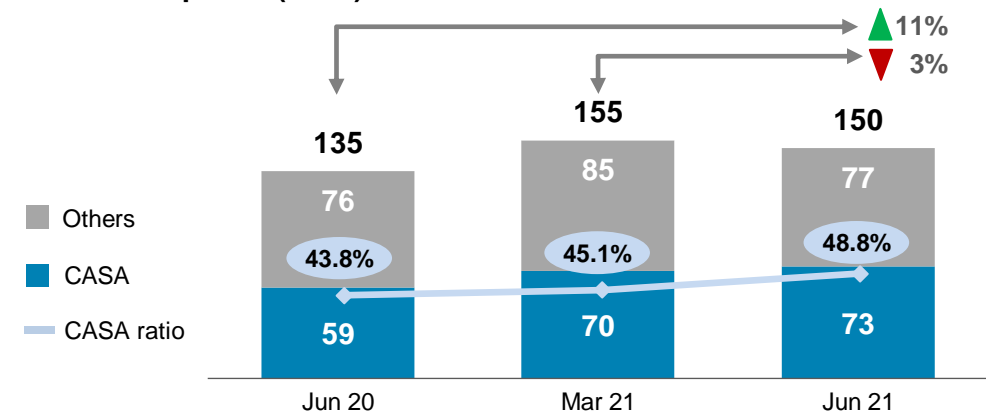
Cost-to-Income



Customer Loans (IDR t)



Customer Deposits (IDR t)



First Half 2021 Results
Thank You

