

A photograph of a city skyline featuring several skyscrapers. The most prominent one is a tall, cylindrical building with the OCBC Bank logo at the top. In the foreground, there are older, multi-story buildings with red-tiled roofs along a waterfront. The sky is blue with light clouds.

Group Chief Executive Officer Remarks

23 February 2022



OCBC Financial Results



Agenda



2021 Performance and Outlook

Update on SMS Phishing Scam

Refreshed Corporate Strategy

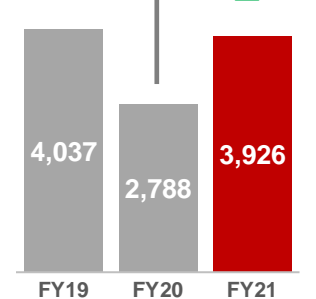
2021 Year in Review

Demonstrated resiliency throughout the pandemic

Delivered Well-balanced Financial Performance

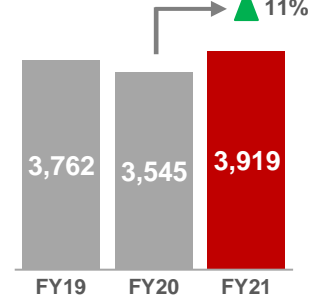
Banking

Net Profit
(S\$m)



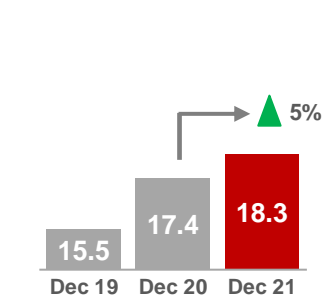
Wealth

Group WM Income
(S\$m)

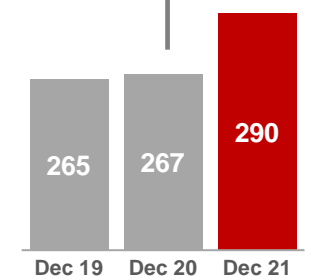


Insurance

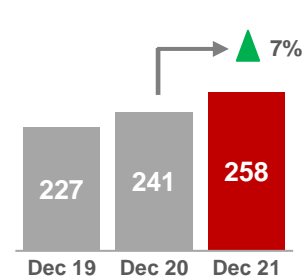
Embedded Value
(S\$b)



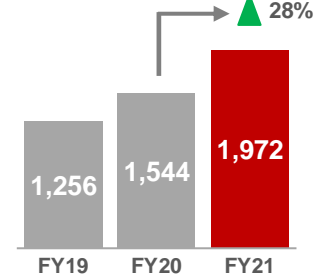
Customer Loans
(S\$b)



Group WM AUM
(S\$b)



TWNS
(S\$m)



Catalysed Sustainability

Extended more than **S\$34 billion** sustainable financing to customers as at 31 Dec 2021

First bank in Southeast Asia to adopt the **Poseidon Principles**

AA rating for MSCI ESG Ratings Assessment

ASEAN's Top 20 listed companies for Corporate Governance

Published OCBC's first **TCFD report**

Accelerated Digital Adoption

Consumers

95%
of transactions were digital

4x
YoY Digital wealth sales volume

3x
YoY Digital secured loans (62% digital share of new sales)

SMEs

86%
of transactions were digital

98%
SME accounts opened digitally

6x
Digital vs Manual transactions (Digital transactions up 39% YoY)

2022 Outlook

Well-placed to capitalise on growth opportunities across franchise

- ❑ **Global economic recovery momentum is expected to carry on through 2022**
 - Asia expected to be fastest growing region, our key markets to see GDP growth between 3-6%
 - Rising vaccination rates allow economies to reopen as COVID-19 evolves into a liveable endemic
 - Liberalisation of international travel and easing of movement restrictions to boost consumption
 - Potential US Fed interest rate hikes to provide net interest income uplift

- ❑ **Remain watchful of potential headwinds**
 - Tapering of stimulus measures and tightening of US monetary and fiscal policies
 - Inflationary pressures from supply chain disruptions, rising energy prices and higher wages
 - Emergence of new COVID-19 variants can prolong pandemic
 - Geo-political environment remains uncertain

Agenda



2021 Performance and Outlook

Update on SMS Phishing Scam

Refreshed Corporate Strategy

The SMS Phishing Scam

Overview of the most aggressive and largest scam

- ❑ **First detected on 8 Dec 21 with three cases**
 - Vs an average of 18 daily cases of other scams particularly job scams
 - Cases increased from 15 Dec 21 in similar trend as other scams, then surged to double digit on 23 Dec 21 and grew in aggression till 30 Dec 21
- ❑ **It was unprecedented**
 - Well-orchestrated and highly coordinated, using SMS spoofing tactics on OCBC and fake OCBC log-in sites
 - OCBC impersonation scam attack on a large number of consumers was fast and furious, many OCBC customers among the consumers hit were duped
- ❑ **Impact on customers**
 - More than 40% surge in customer calls to Contact Centre
 - 80% of total scam loss occurred between 23 Dec 21 to 30 Dec 21
 - Cases came down significantly on 31 Dec 21, no new cases seen in early Jan 22 onwards

The SMS Phishing Scam

Actions taken in response to the scam

❑ During the attack

- Public and targeted education was stepped up from early Dec 21, intensified from mid Dec 21
- Active blocking and taking-down of phishing sites
- Cancelled training, leave and recalled frontline staff
- Expedited additional security measures – e.g cooling-off period for 2FA activation, lowered daily payment limits, and stepped up monitoring of transaction red flags including multiple transactions to same beneficiary within a defined period

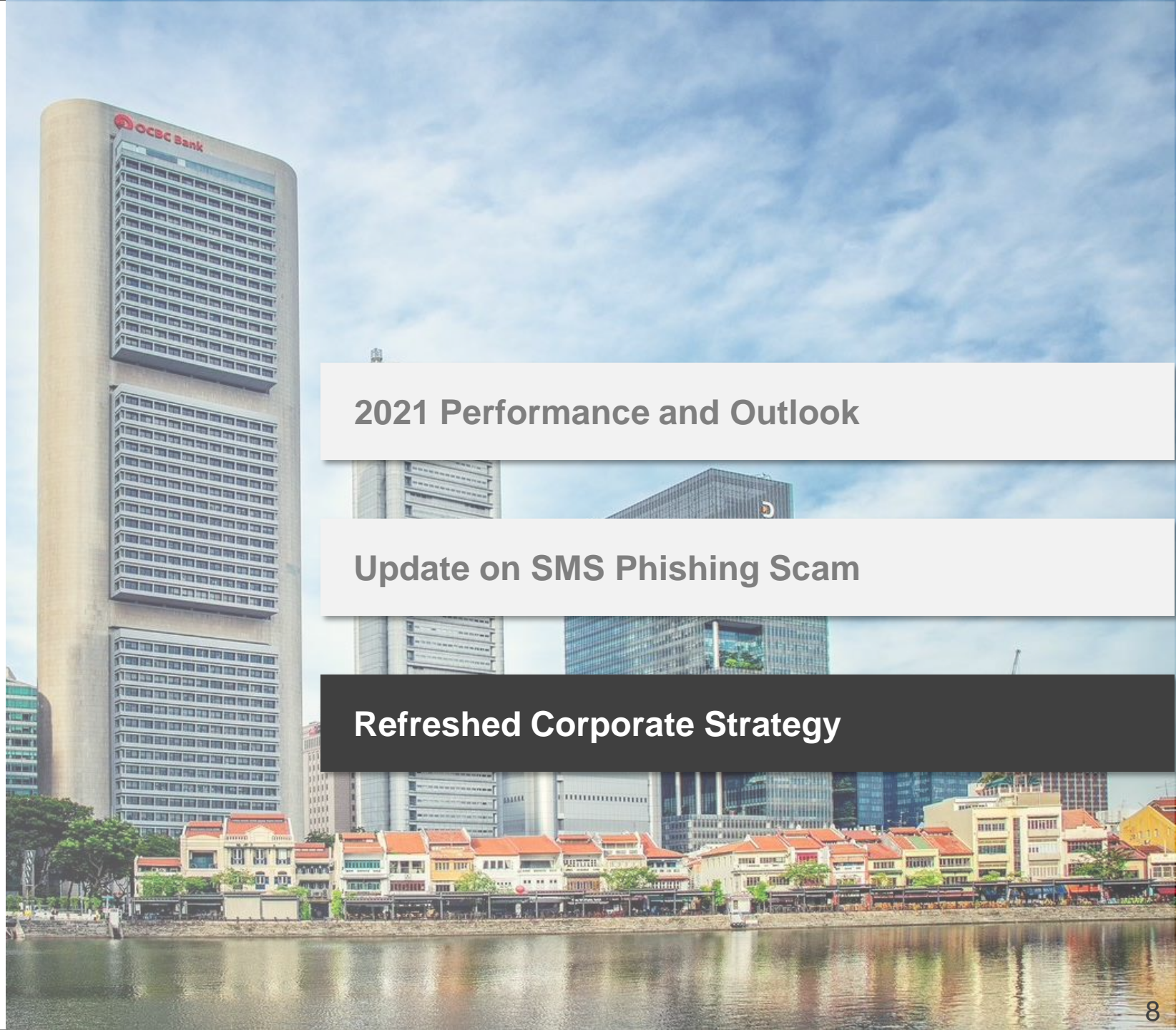
❑ From 1 Jan 22

- Announced one-off goodwill payout given the circumstances of the scam with most already paid
- S\$2m recovered, working with the Singapore Police Force
- Implemented the MAS and ABS security measures announced on 19 Jan 22
- Rolled out emergency kill-switch on 16 Feb 22

❑ Ongoing enhancements

- Continued public and customer education efforts
- Continually review and improve security and customer response measures to better support and help customers
- More safeguards being coordinated and taken at industry and national level – working closely with MAS and ABS, Anti-Scam Centre, and other government agencies
- Working with ABS and MAS on an industry shared-responsibility payouts framework

Agenda



2021 Performance and Outlook

Update on SMS Phishing Scam

Refreshed Corporate Strategy

Corporate Strategy to *Excel for Sustainable Growth*

3-year strategy refresh to drive growth and reinforce core strengths

Drive Growth

- 1 Capture rising **Asian wealth** with our SG-HK hubs and digital propositions
- 2 Support increasing ASEAN-Greater China **trade and investment flows**
- 3 Unlock value from **New Economy** and high-growth industries
- 4 Drive transition to a **sustainable** low-carbon world

Reinforce Strengths

- 5 Comprehensive regional franchise under “**One Group**”
- 6 Invest in accelerating **digital transformation**
- 7 Strengthen our **people assets** and culture
- 8 Build on our **capital and risk management strengths**

Drive Sustainable Growth

Banking on four growth priorities to capture regional trade, investment and wealth flows

Asian Wealth

Deepen wealth management capacities to enhance competitive position

- Further enhance Group Wealth Platform to deliver best-in-class wealth management offerings
- Strengthen hub capabilities across SG, HK, Dubai, and London to capture growth
- Build up regional wealth teams in key markets

Trade and Investment Flows

Increase global share of trade & investment flows towards ASEAN & Greater China

- Harness network strength in Asia with twin-hub capabilities of SG & HK
- Capture increasing ASEAN-Greater China flows to grow strategic value along regional corridor
- Bolster transaction banking & investment banking propositions

New Economy

Unlock value via partnerships and high growth industries

- Deepen banking relationship with high-growth and emerging sectors
- Partner new digital players
- Invest and develop digital assets and tokenisation capabilities and customer propositions

Sustainability

Capture green opportunities as clients and communities transition to low-carbon world

- Regional leader in sustainable finance and investing
- Develop comprehensive suite of sustainable financing and investment propositions, grow sustainable financing portfolio to S\$50b by 2025
- Create decarbonisation pathway for operational & financed emissions, achieve carbon neutrality for OCBC's banking operational emissions in 2022

Reinforce Strengths to Excel

Accelerating investments in transformation, digitalisation and people assets

“One Group”

Leverage collaborative business models across Group to capture synergies

- Enhance customer experience with collaborative business models across geographies, entities and products
- Capture synergies and unique strengths of diversified business franchise
- Scale up product capabilities and distribution across three business pillars

Transformation and Digitalisation

Drive transformation for operational and business excellence

- Accelerate investments in digitalisation and data analytics
- Elevate customer experience excellence to create greater value throughout customer journeys
- Embed ‘Agile’ concept into the way we operate

People

Attract, retain and develop the best talent to be future-ready

- Enable employees to realise full potential through culture of learning
- Develop and attract fresh talent for the future
- Prioritise employee safety and wellbeing

Capital and Risk Management

Strong balance sheet fundamentals & prudent risk management to drive growth

- Deliver sustainable growth through franchise expansion with robust capital base and prudent risk management



Thank You



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