

Full Year 2021 Results Presentation

23 February 2022



OCBC Financial Results



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Agenda

1 Financial Highlights

2 Group Performance Trends

3 Appendices: Major Subsidiaries' Results

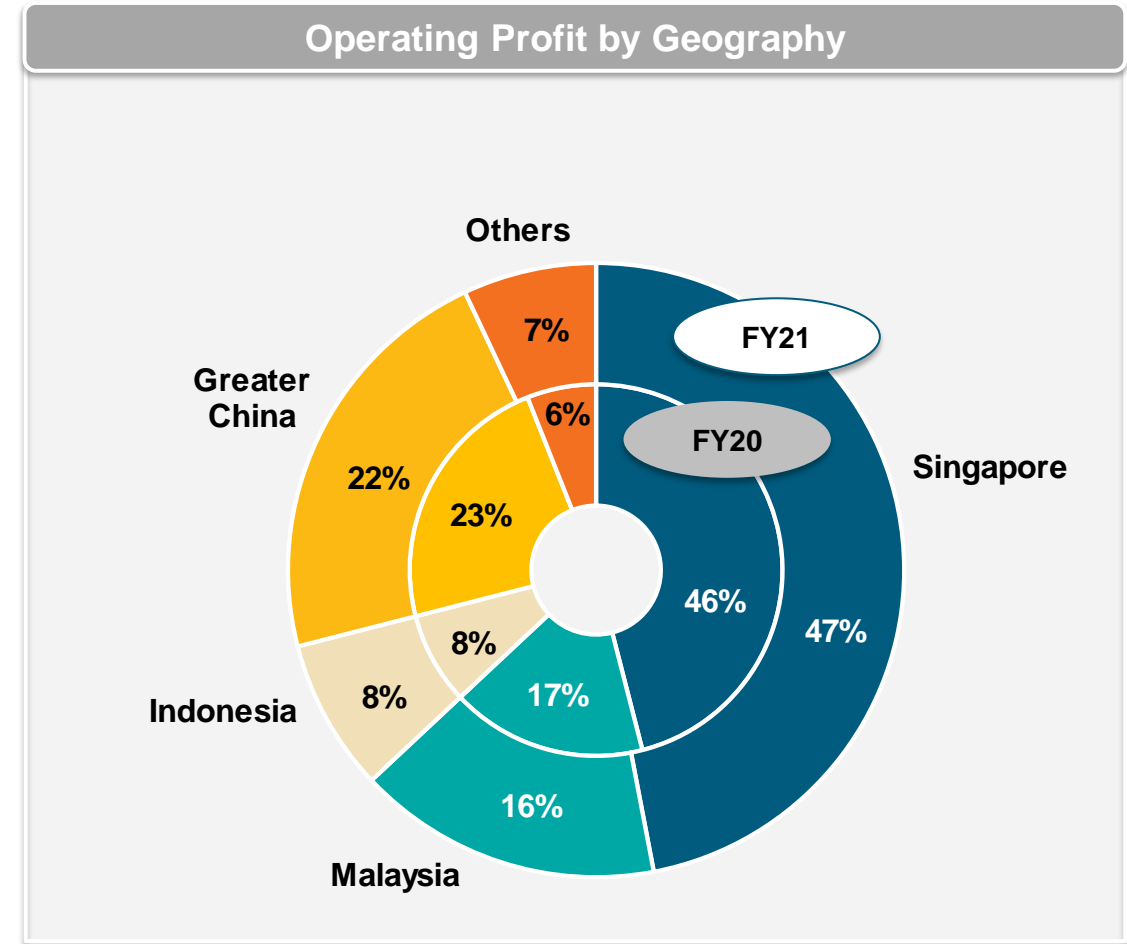
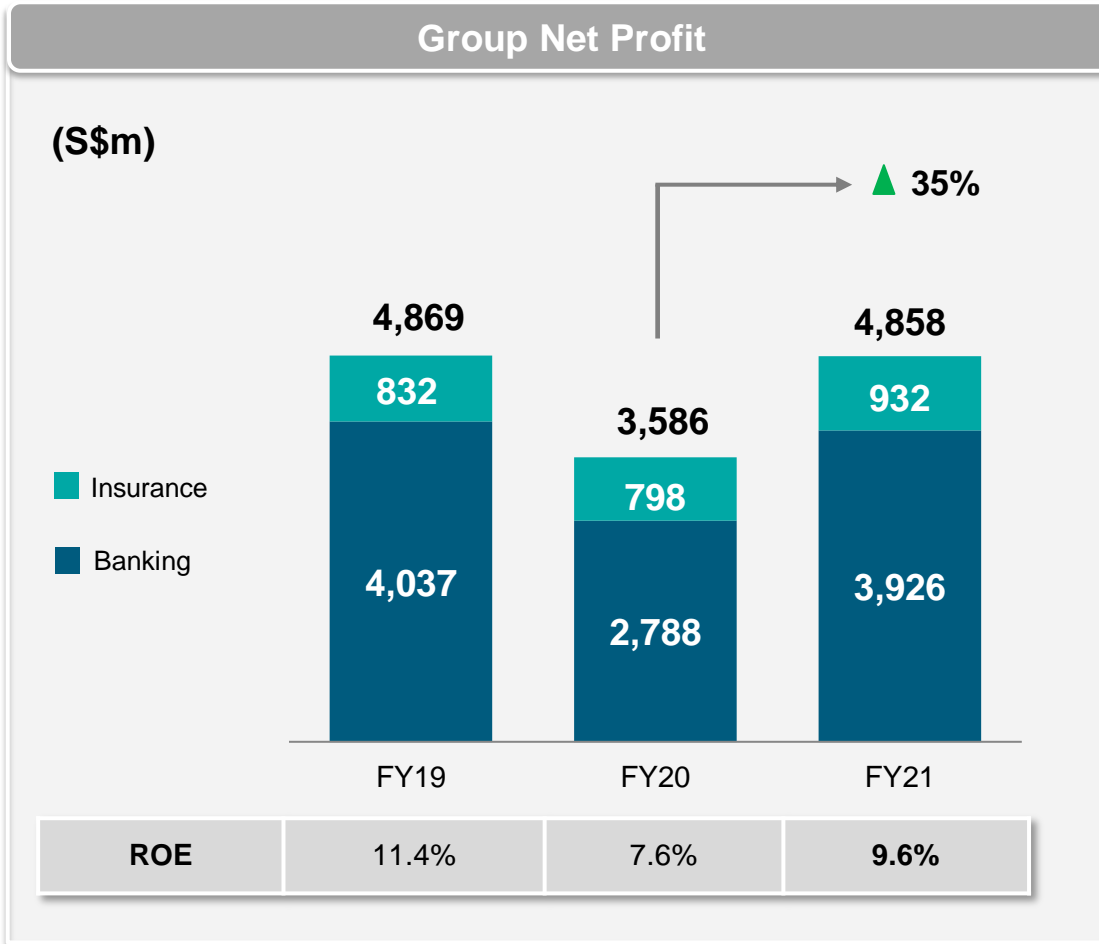
Resilient FY21 Performance

FY21 net profit up 35% to S\$4.86b on strong business momentum and improved credit environment

- ❑ Robust franchise of banking, wealth management and insurance businesses all performed strongly
 - Banking operations net profit climbed 41% to S\$3.93b
 - GEH's net profit contribution up 17% to S\$932m; TWNS and NBEV up 28% and 21% respectively
 - Wealth management income at a record S\$3.92b
- ❑ Net interest margin at 1.54%
- ❑ Non-interest income at new high from broad-based growth
- ❑ Higher expenses driven by an increase in headcount and investments to support growth
- ❑ Substantially lower allowances, two-year cumulative credit costs of 96bps below 100-130bps guidance
- ❑ Customer loans grew 8% YoY and CASA deposits were up 14%
- ❑ NPL ratio stable YoY and QoQ at 1.5%
- ❑ CET1 ratio at 15.5%
- ❑ Proposed final dividend per share raised to 28 cents, bringing full year dividend to 53 cents

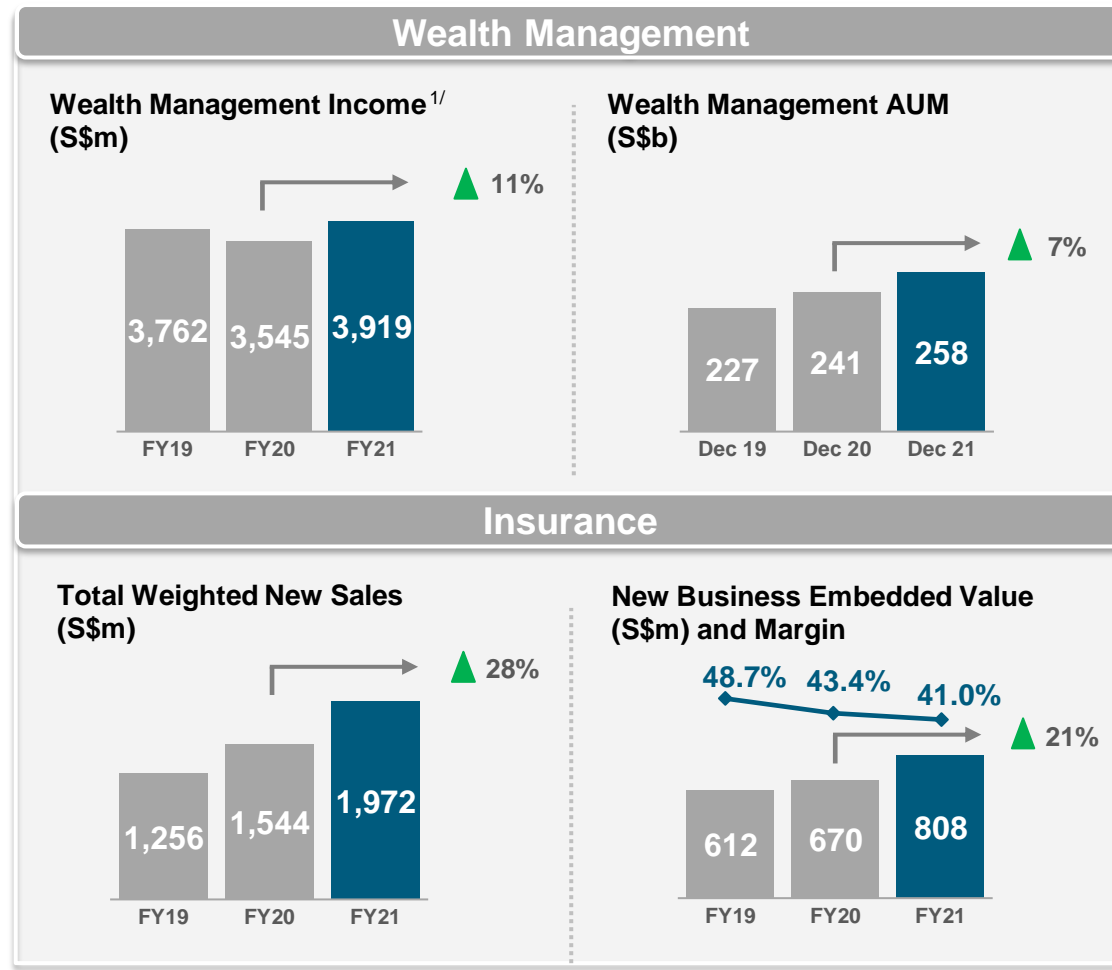
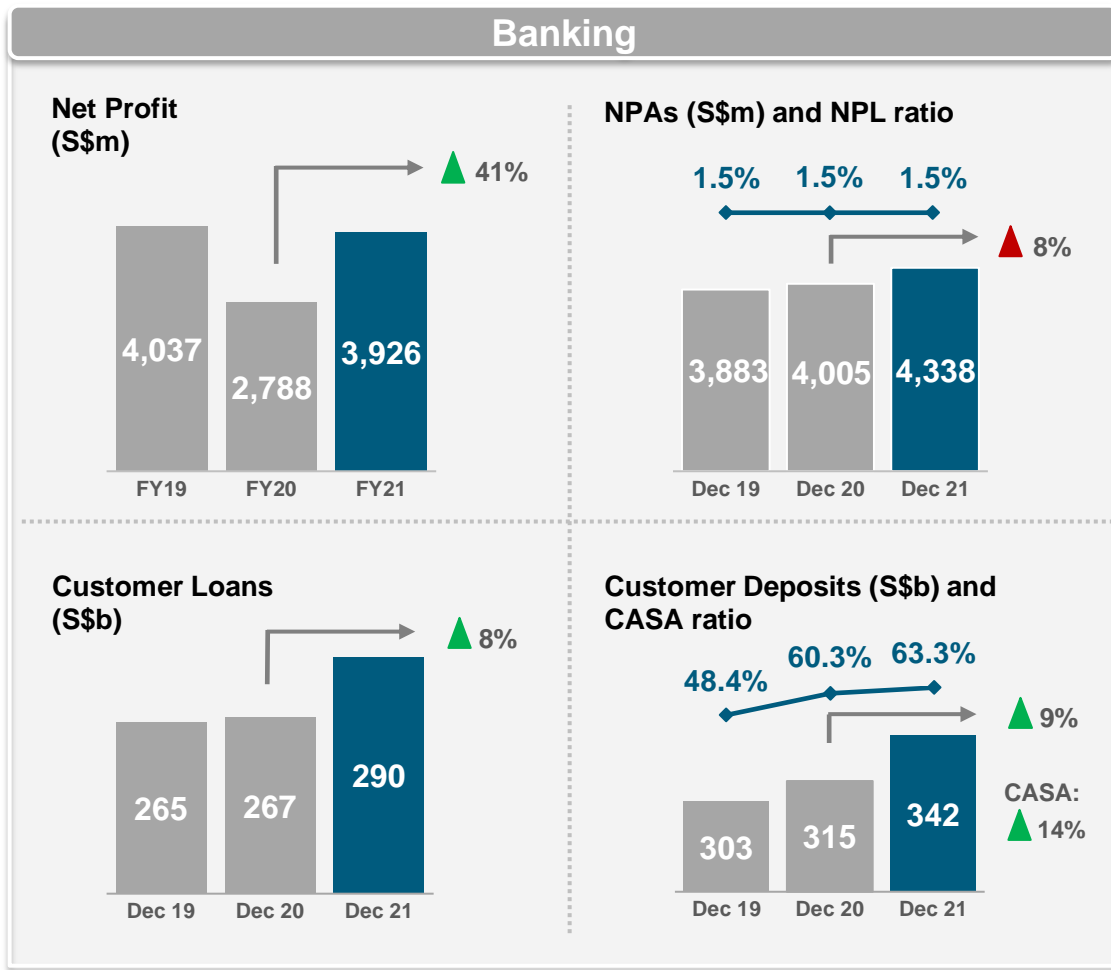
FY21 Financial Highlights

FY21 earnings back to pre-pandemic levels



FY21 Financial Highlights

Delivering consistent and sustainable growth backed by strong business fundamentals



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

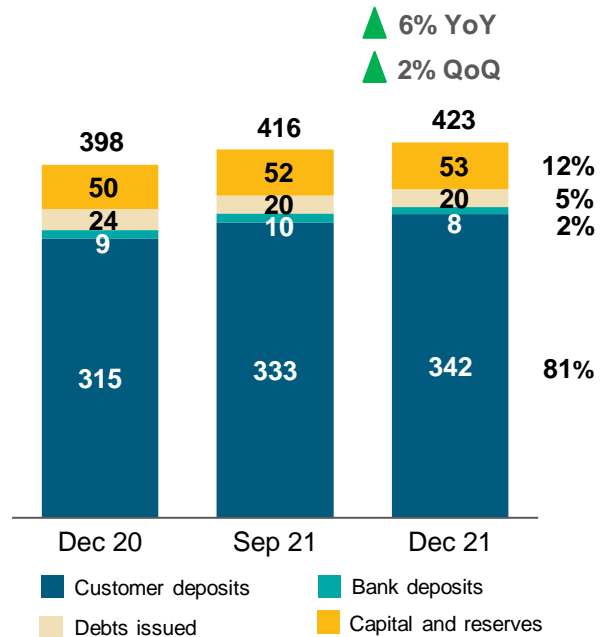
Strong Balance Sheet Fundamentals

Robust funding, liquidity and capital positions to pursue sustained growth

Funding

- Around 80% from customer deposits
- NSFR at 121%

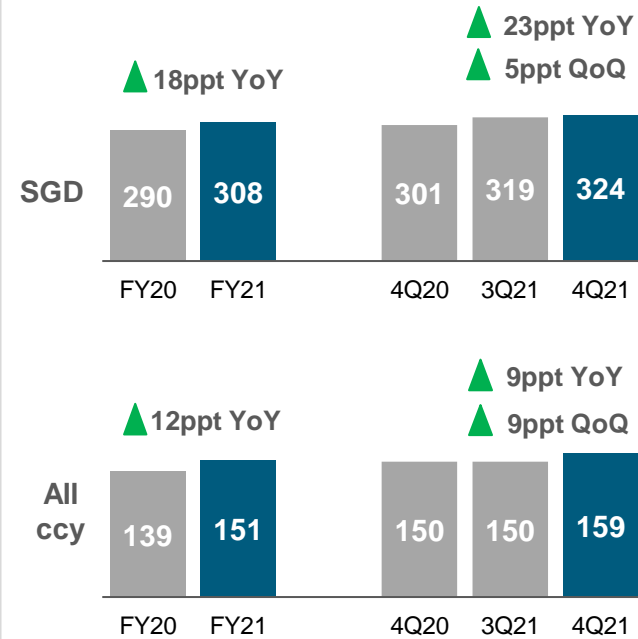
Composition (S\$b)



Liquidity

- Sound liquidity position
- LCR well above minimum required

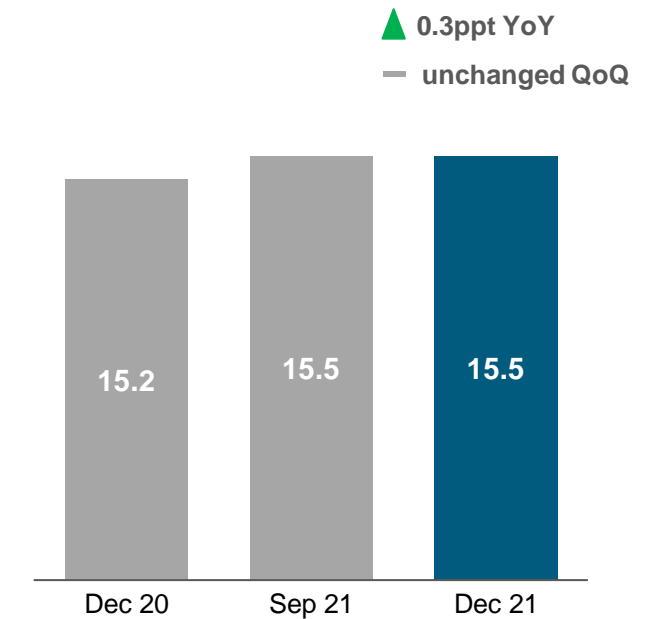
LCR (%)



Capital

- Strong capital base
- Leverage ratio at 7.7%

CET 1 CAR (%)



Group Performance

FY21 net profit up 35% YoY to S\$4.86b, second highest on record

OCBC Group	FY21 S\$m	FY20 S\$m	YoY +/(-)%	4Q21 S\$m	4Q20 S\$m	YoY +/(-)%	3Q21 S\$m	QoQ +/(-)%
Net interest income	5,855	5,966	(2)	1,492	1,436	4	1,461	2
Non-interest income	4,741	4,173	14	1,058	1,049	1	1,099	(4)
Total income	10,596	10,139	5	2,550	2,485	3	2,560	–
Operating expenses	(4,764)	(4,439)	7	(1,289)	(1,125)	15	(1,188)	8
Operating profit	5,832	5,700	2	1,261	1,360	(7)	1,372	(8)
Associates	824	612	35	198	131	51	204	(3)
Operating profit before allowances	6,656	6,312	5	1,459	1,491	(2)	1,576	(7)
Allowances for impaired assets	(855)	(1,179)	(28)	(387)	(237)	64	(185)	110
Allowances (charge)/write-back for non-impaired assets	(18)	(864)	(98)	70	(48)	(243)	22	(218)
Amortisation, tax and NCI	(925)	(683)	35	(169)	(75)	124	(189)	(10)
Net profit	4,858	3,586	35	973	1,131	(14)	1,224	(20)

Banking Operations Performance

FY21 net profit from Banking Operations increased 41% YoY

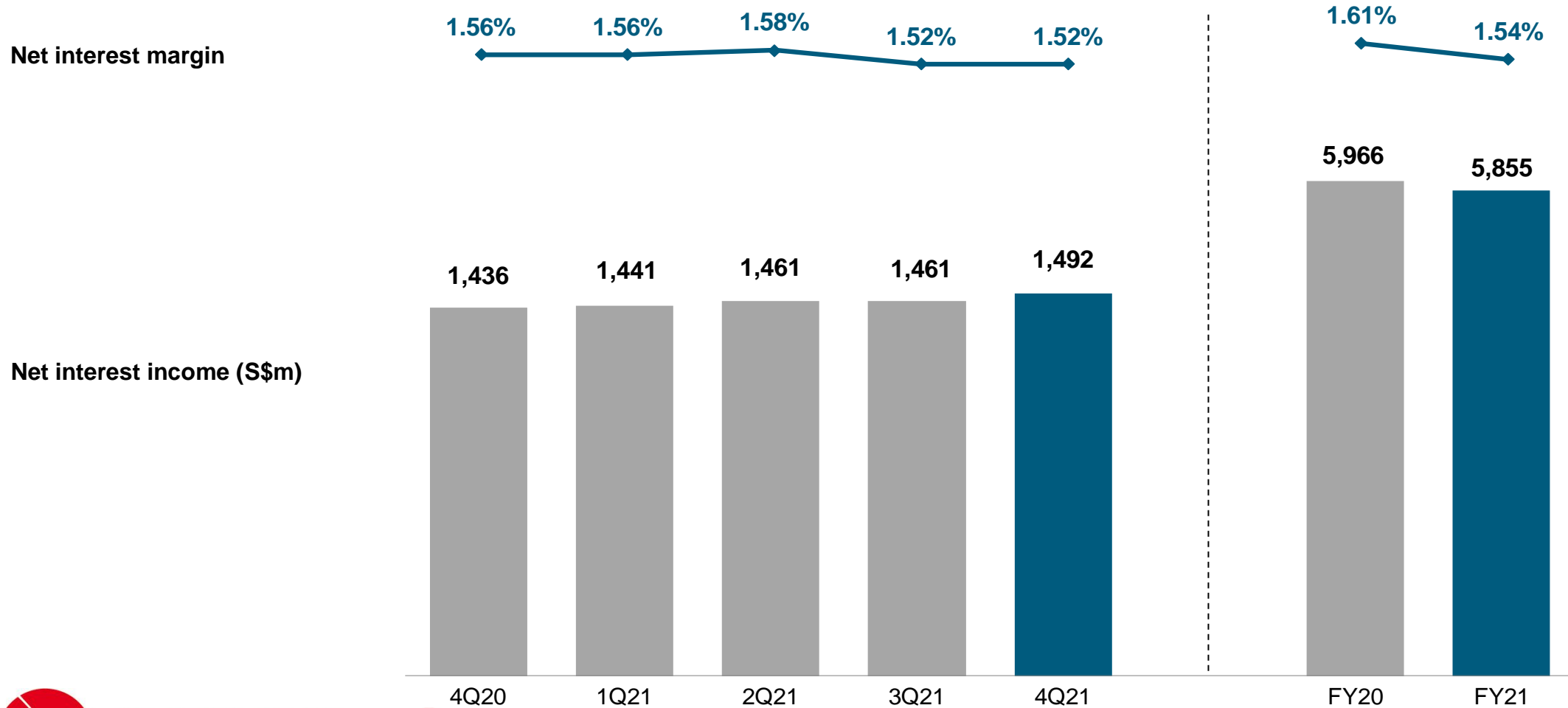
Banking Operations	FY21 S\$m	FY20 S\$m	YoY +/(-)%	4Q21 S\$m	4Q20 S\$m	YoY +/(-)%	3Q21 S\$m	QoQ +/(-)%
Net interest income	5,757	5,860	(2)	1,467	1,414	4	1,437	2
Non-interest income	3,245	3,004	8	733	747	(2)	806	(9)
Total income	9,002	8,864	2	2,200	2,161	2	2,243	(2)
Operating expenses	(4,440)	(4,132)	7	(1,198)	(1,034)	16	(1,104)	8
Operating profit	4,563	4,733	(4)	1,002	1,127	(11)	1,139	(12)
Associates	842	639	32	203	142	43	205	(1)
Operating profit before allowances	5,405	5,371	1	1,205	1,268	(5)	1,344	(10)
Allowances for impaired assets	(855)	(1,179)	(28)	(387)	(237)	64	(185)	110
Allowances (charge)/write-back for non-impaired assets	(20)	(863)	(98)	68	(50)	(237)	20	(241)
Amortisation, tax and NCI	(604)	(541)	12	(103)	(140)	(26)	(131)	(22)
Net profit from banking operations	3,926	2,788	41	783	842	(7)	1,048	(25)
GEH net profit contribution	932	798	17	190	288	(34)	176	8
OCBC Group net profit	4,858	3,586	35	973	1,131	(14)	1,224	(20)

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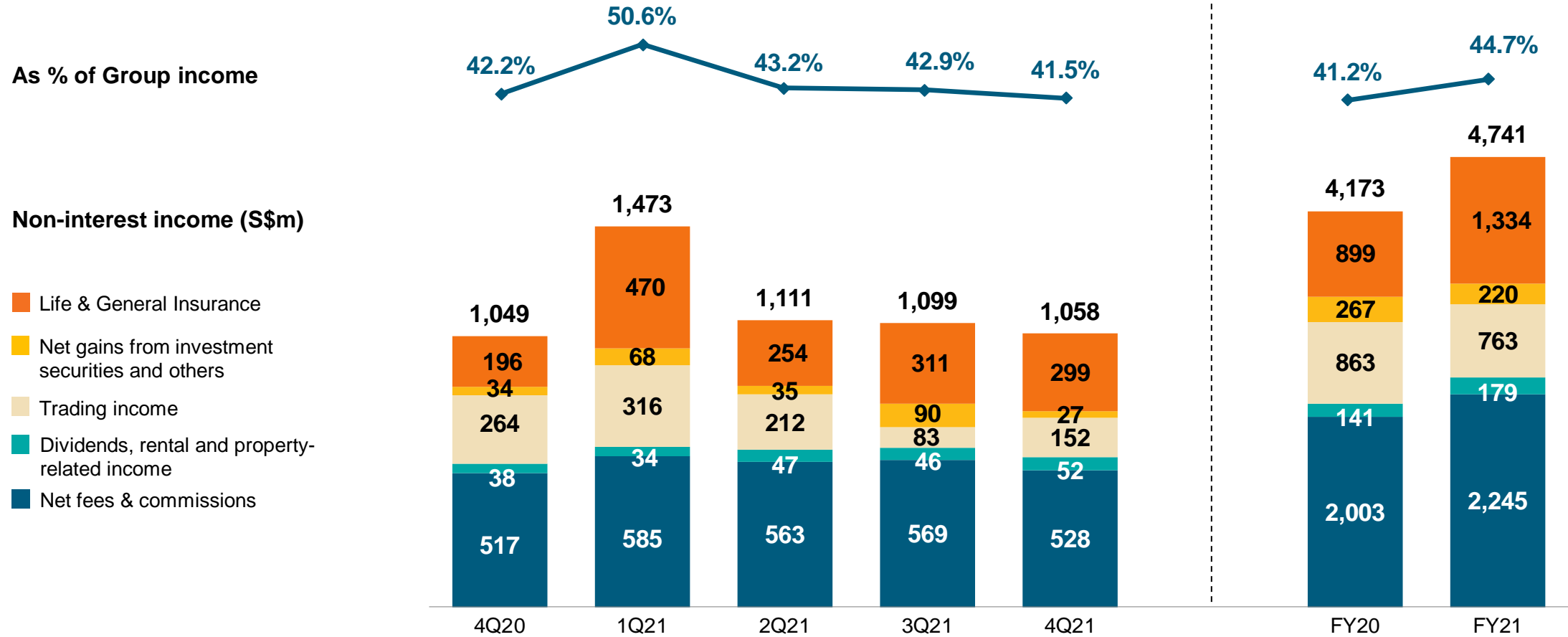
Net Interest Income

4Q21 net interest income higher at S\$1.49b driven by asset growth



Non-interest Income

FY21 non-interest income up 14% YoY to a new high from robust customer-related business growth

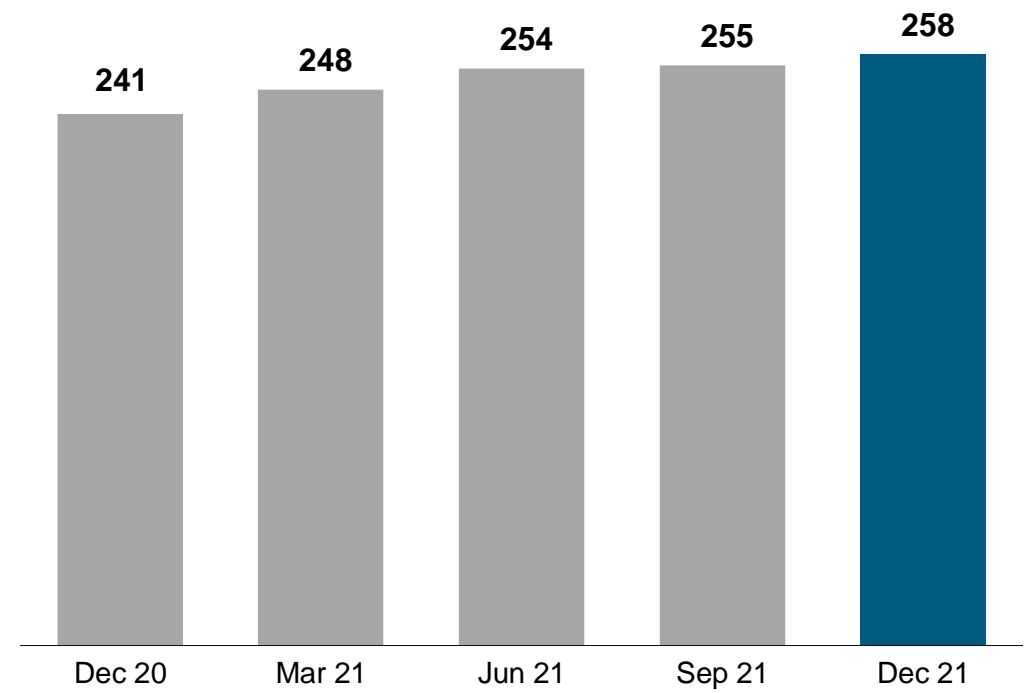
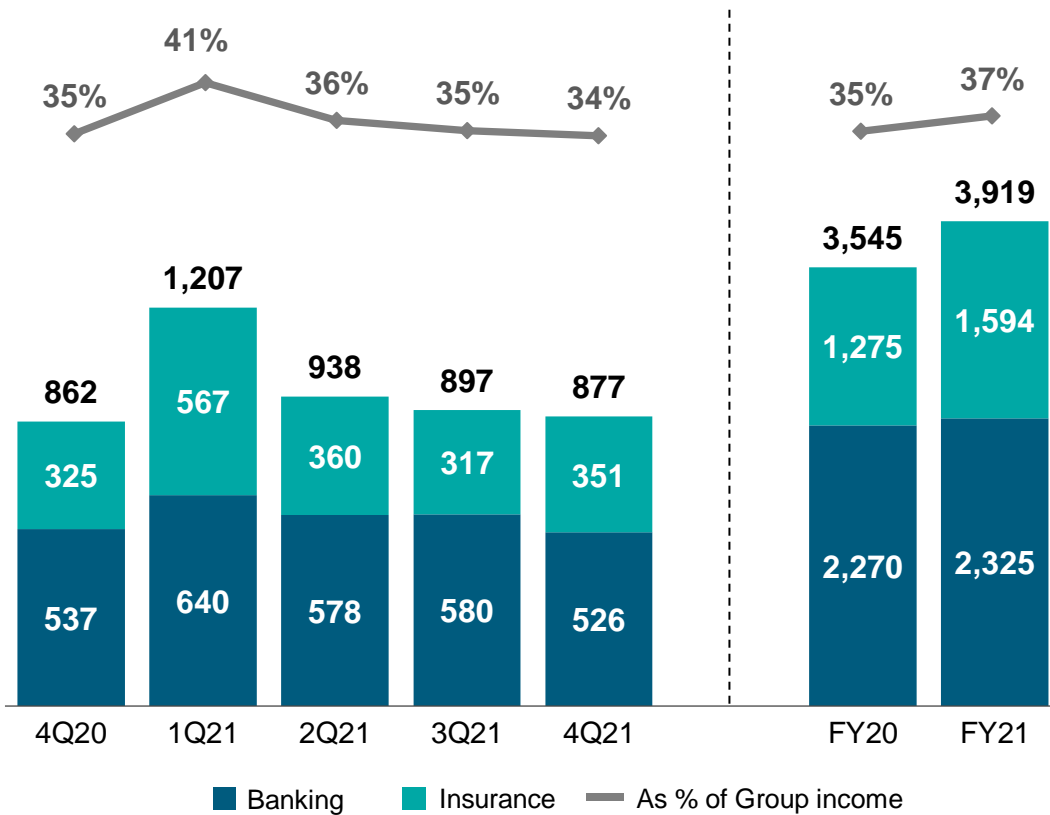


Wealth Management Franchise

FY21 WM income rose 11% to S\$3.92b; WM AUM higher YoY and QoQ

Wealth Management Income (S\$m)

Wealth Management Assets Under Management (S\$b)



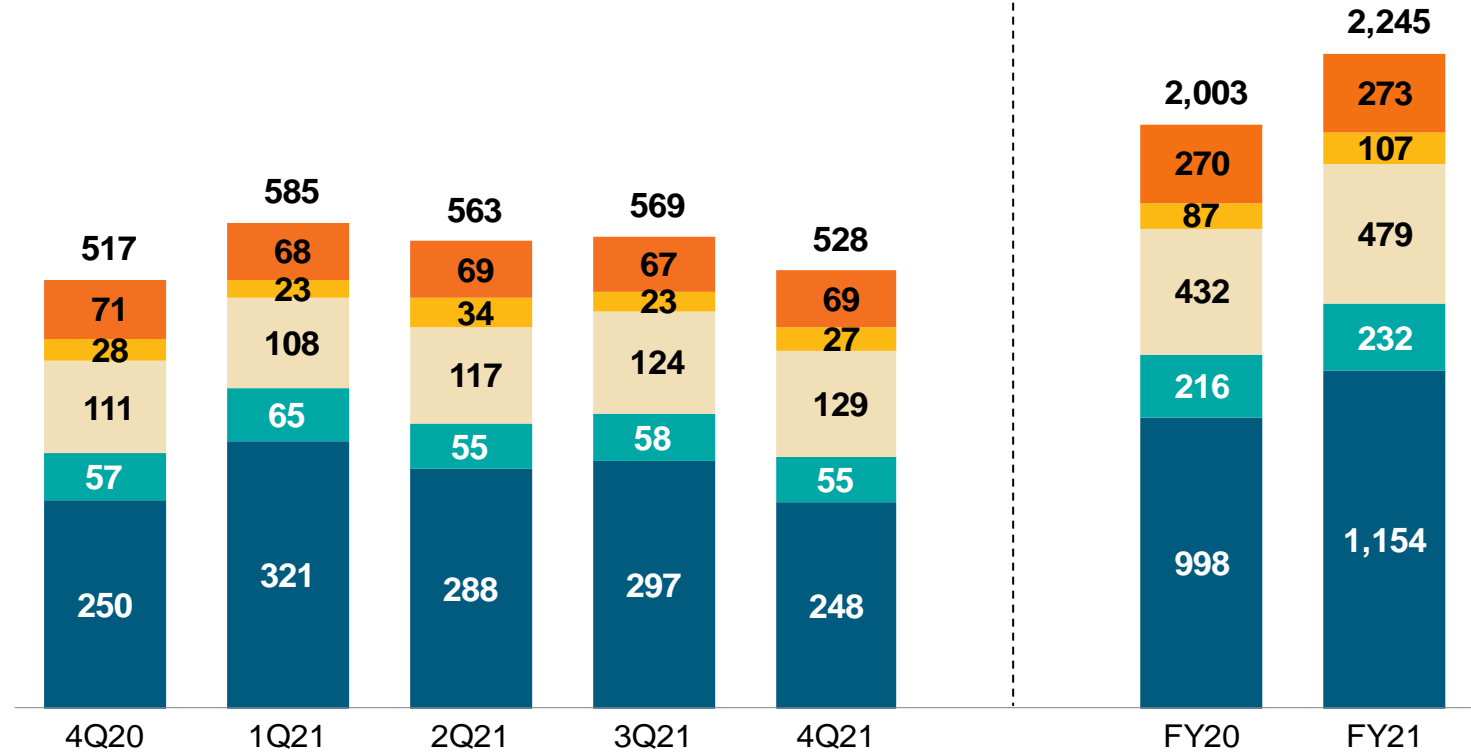
Note: Wealth Management income comprises the consolidated income from insurance, premier and private banking, asset management and stockbroking.

Net Fees & Commissions

Growth across all segments drove 12% YoY increase in FY21 fee income to a record

Net fees & commissions (S\$m)

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

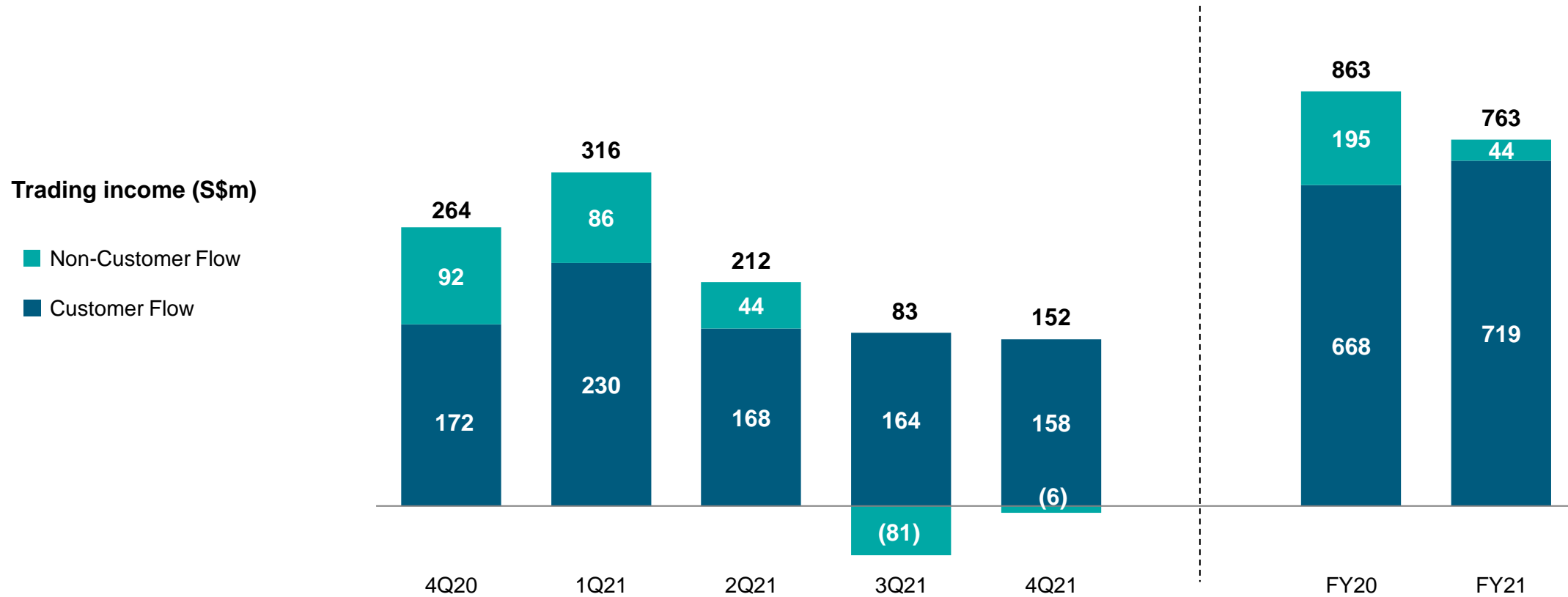


1/ Wealth management comprises mainly income from private banking, and sales of unit trusts, bancassurance products, structured deposits and other treasury products to consumer customers.

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

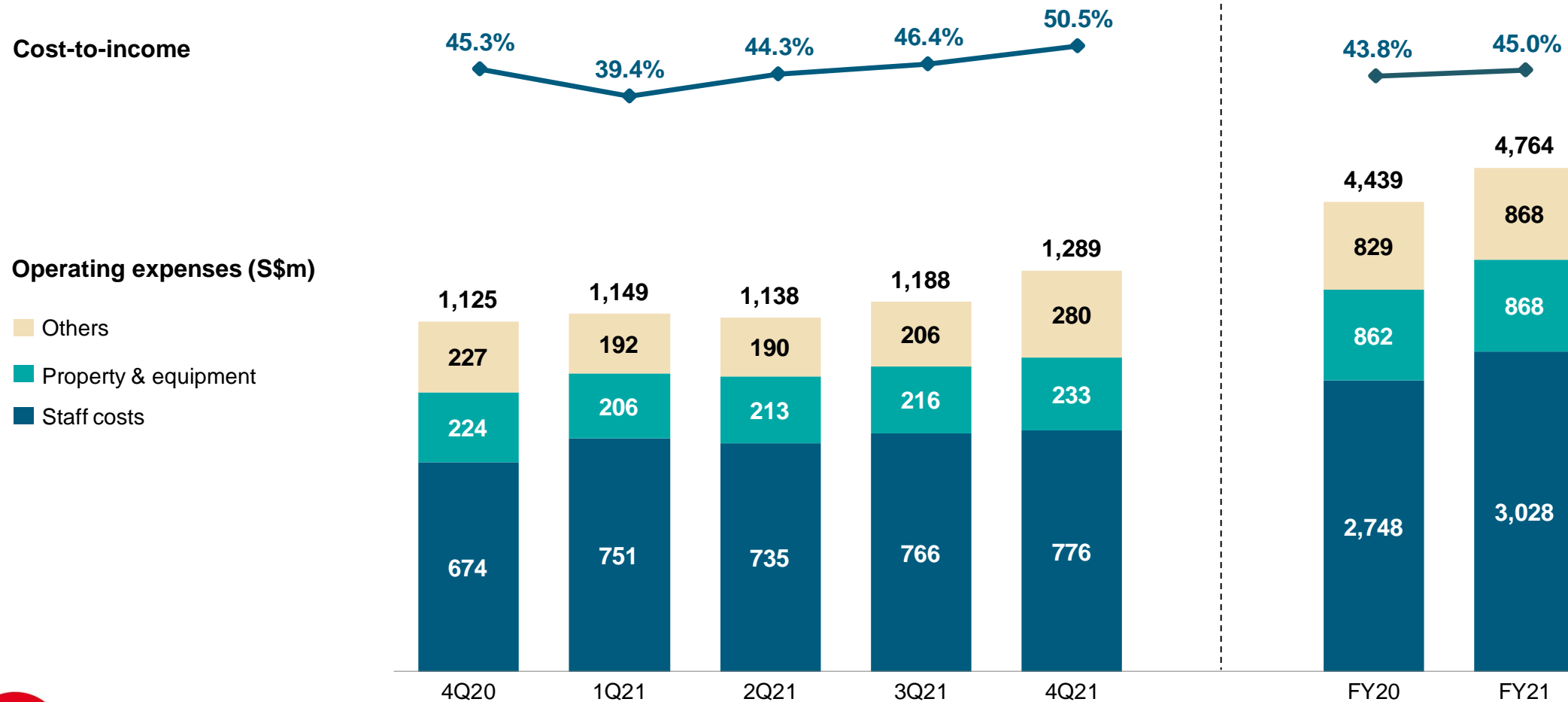
Trading Income

FY21 customer flow treasury income higher YoY at S\$719m



Operating Expenses

FY21 expenses higher at S\$4.76b in tandem with increased business activities

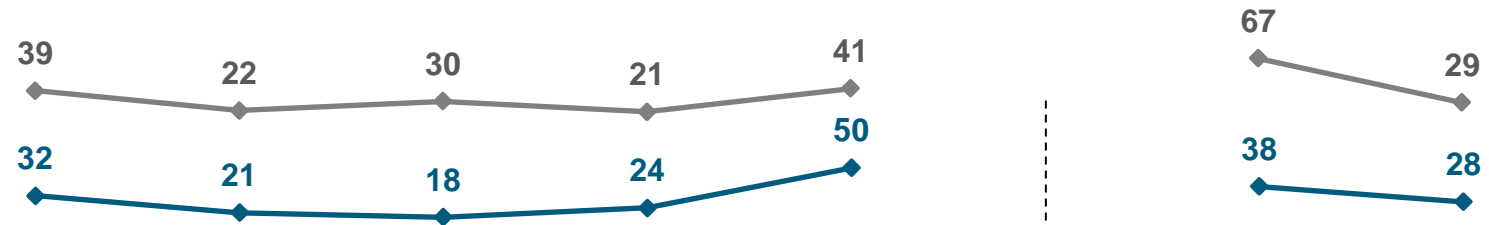


Allowances

FY21 allowances substantially lower YoY; total credit costs at 29bps compared to 67bps in FY20

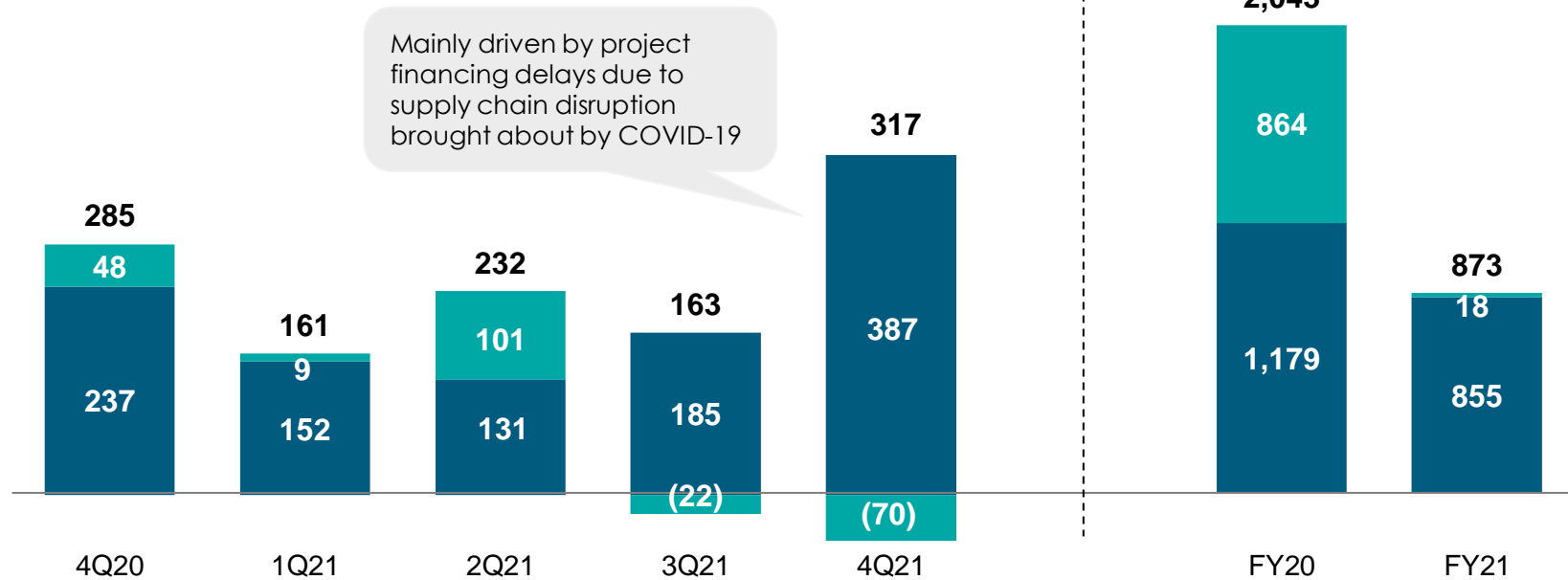
Credit costs (bps) ^{1/}

- Total
- Impaired



Allowances (\$m)

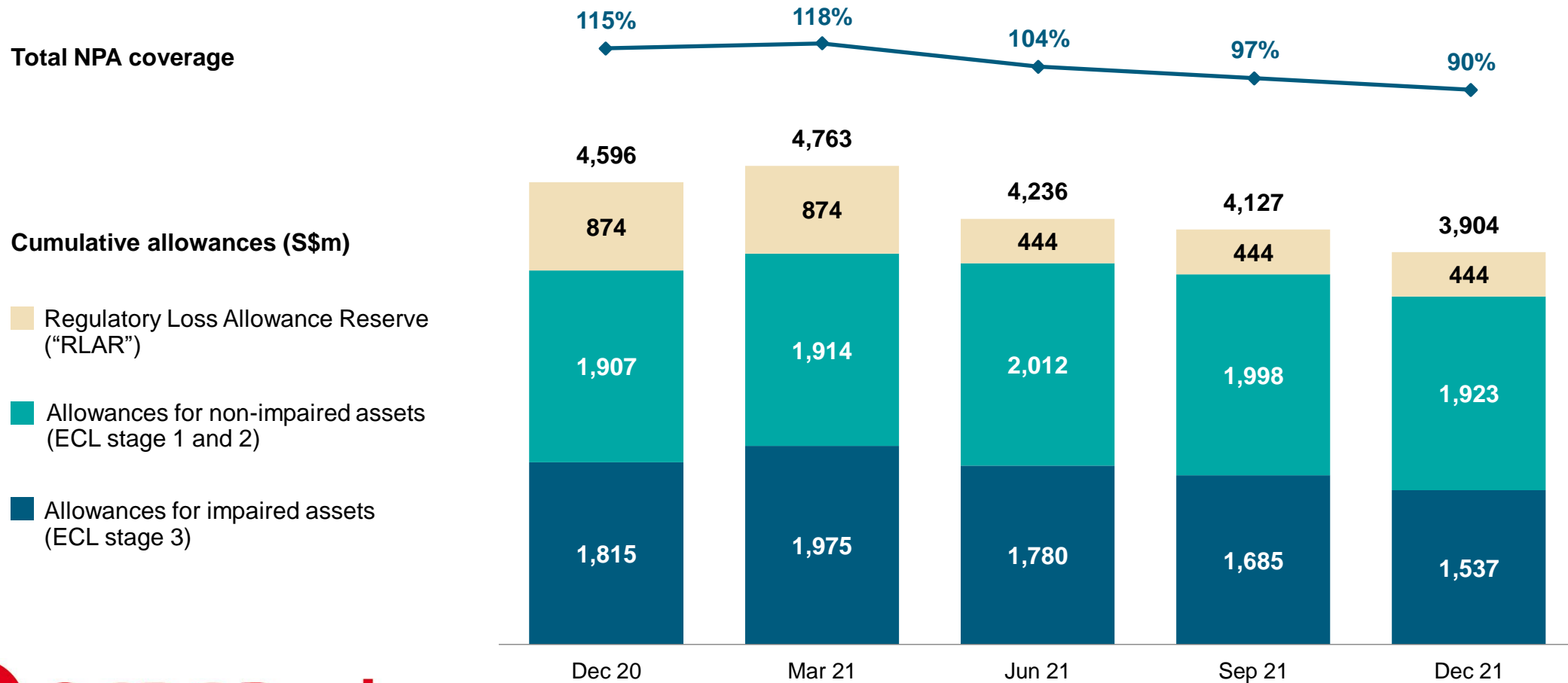
- Allowances for non-impaired assets (ECL stage 1 and 2)
- Allowances for impaired assets (incl. ECL stage 3)



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

Total Cumulative Allowances

NPA coverage ratio at 90%



Asset Quality

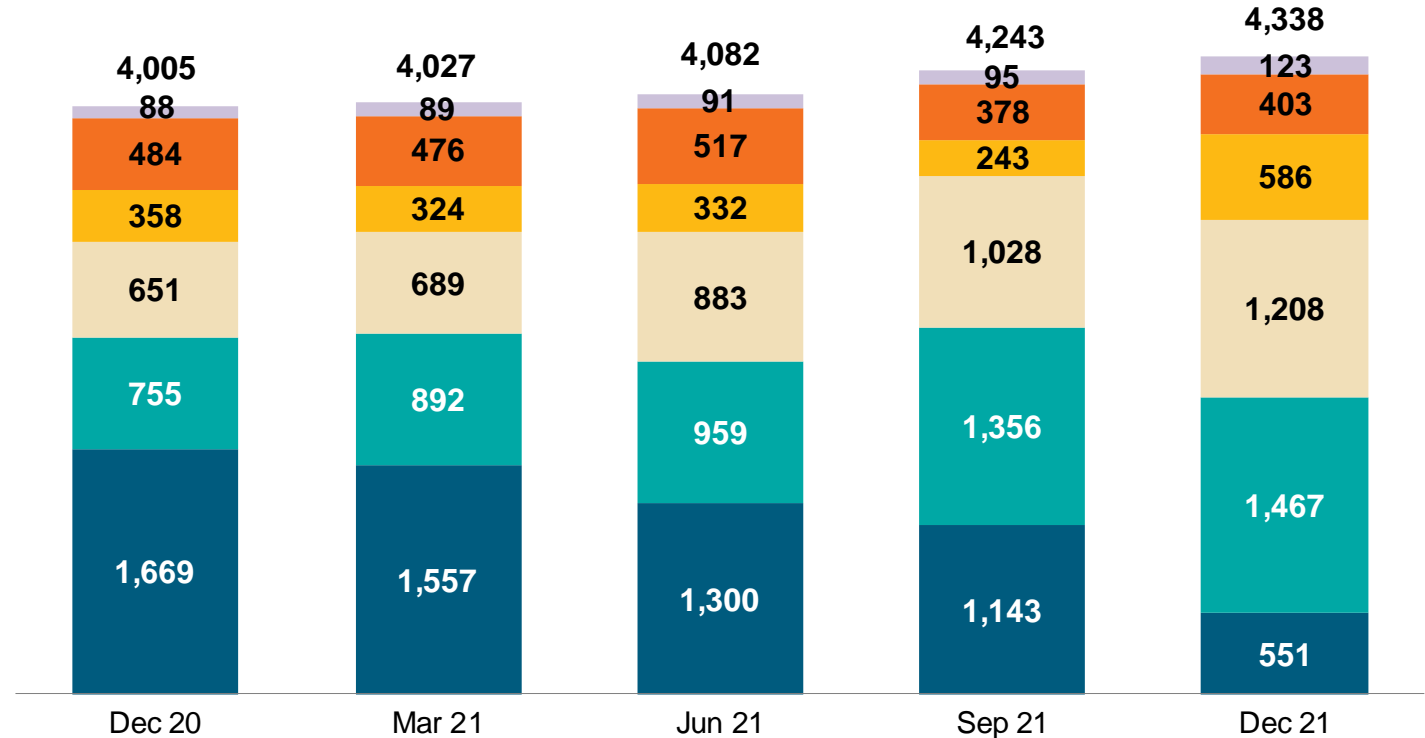
Total NPAs at S\$4.34b; NPL ratio remained stable at 1.5%

NPL ratio



Non-performing Assets (S\$m)

- Debt securities / Contingent liabilities
- Rest of the World NPLs
- Greater China NPLs
- Indonesia NPLs
- Malaysia NPLs
- Singapore NPLs



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



Asset Quality

Higher recoveries/upgrades and write-offs were offset by a rise in new NPAs in 4Q21

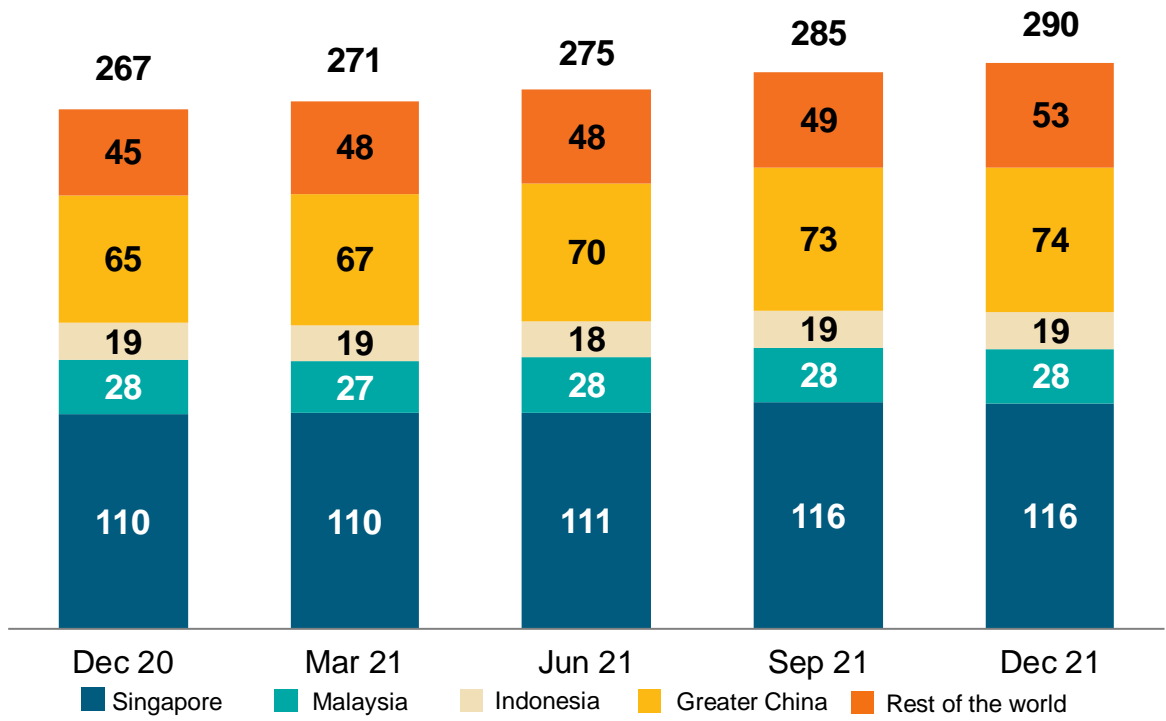
S\$m	4Q20	3Q21	4Q21	FY20	FY21
At start of period	4,255	4,082	4,243	3,883	4,005
New NPAs					
Corporate/ Commercial Banking and Others	160	435	808	1,088	1,838
Consumer Banking/ Private Banking	136	369	249	497	1,052
	296	804	1,057	1,585	2,890
Net recoveries/ upgrades					
Corporate/ Commercial Banking and Others	(90)	(271)	(273)	(251)	(954)
Consumer Banking/ Private Banking	(108)	(88)	(98)	(390)	(365)
	(198)	(359)	(371)	(641)	(1,319)
Write-offs					
Corporate/ Commercial Banking and Others	(253)	(311)	(542)	(630)	(1,192)
Consumer Banking/ Private Banking	(17)	(16)	(20)	(105)	(75)
	(270)	(327)	(562)	(735)	(1,267)
Foreign currency translation	(78)	43	(29)	(87)	29
At end of period	4,005	4,243	4,338	4,005	4,338

Customer Loans

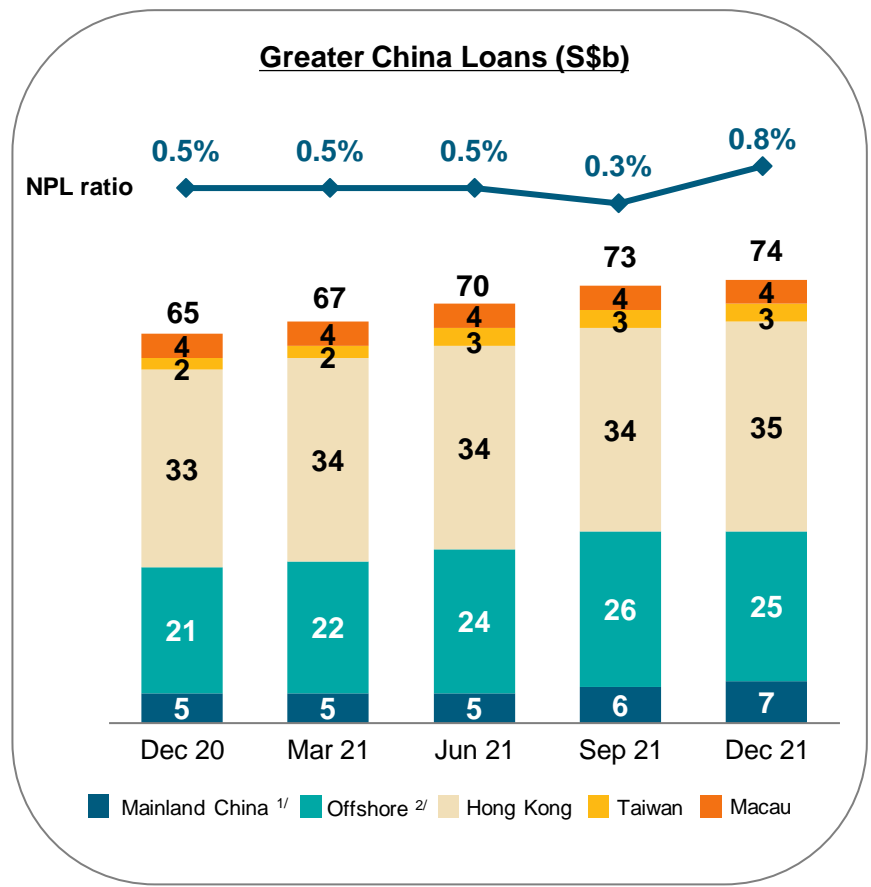
Continued momentum drove loan growth up 8% YoY to S\$290b

Loans by Geography (S\$b)

▲ 8% YoY (▲ 8% in constant ccy terms)
 ▲ 2% QoQ (▲ 2% in constant ccy terms)



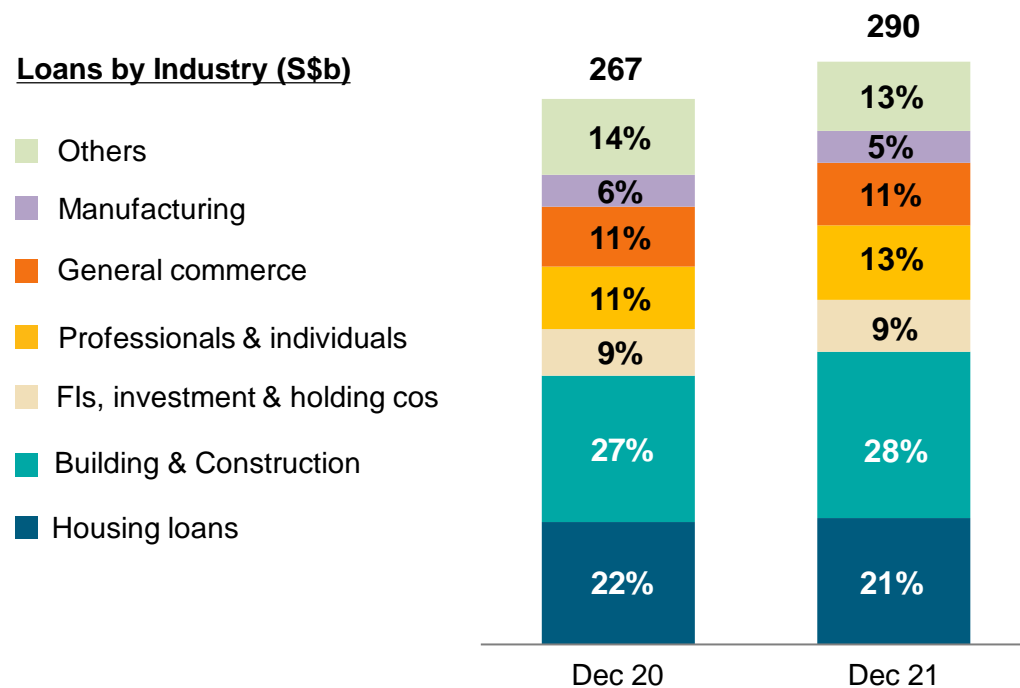
Greater China Loans (S\$b)



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 continued to be well-diversified across industries



Corporate, SME and Consumer/Private Banking comprise **51%, 10% and 39%** of loan book respectively

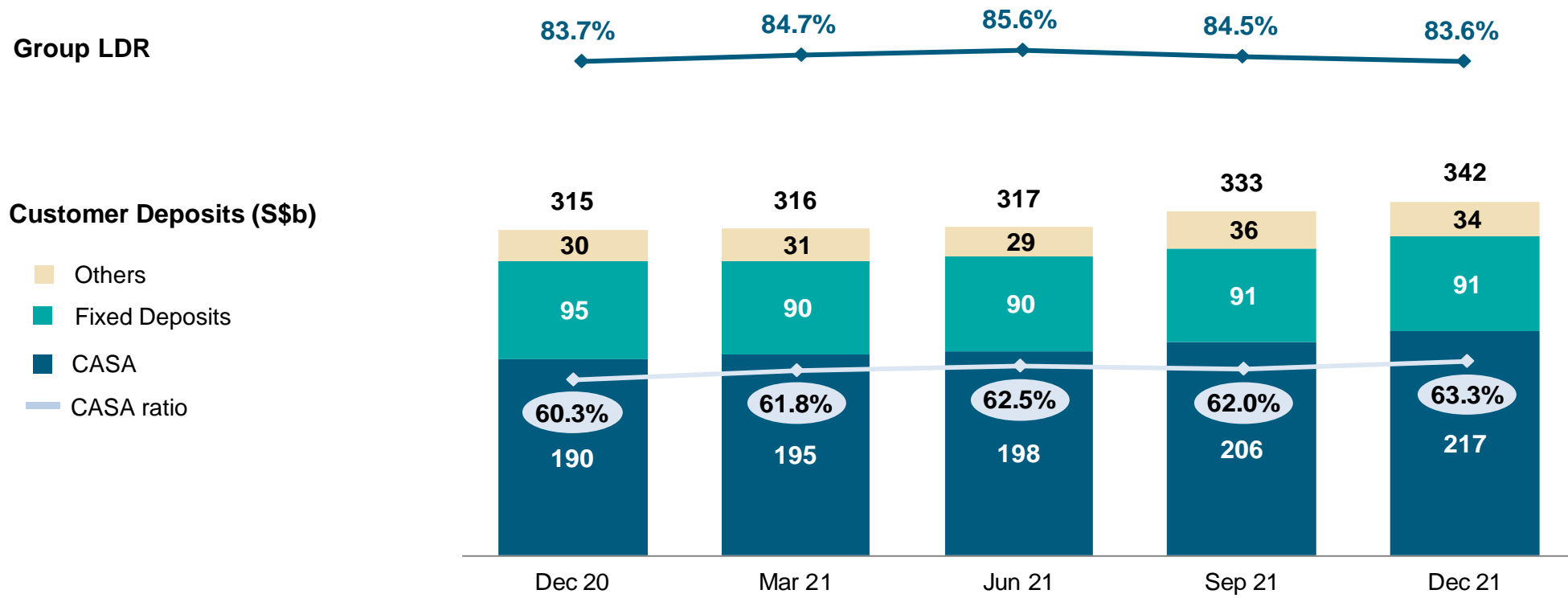
Green and sustainable finance portfolio **up 66% YoY** to **S\$23.3b** (8% of loan book)

O&G sector comprise **4%** of loan book (within which, 1% were OSV)

Relief loans made up **1%** of loan book

Customer Deposits

Customer deposits grew 9% YoY to S\$342b, led by higher CASA deposits



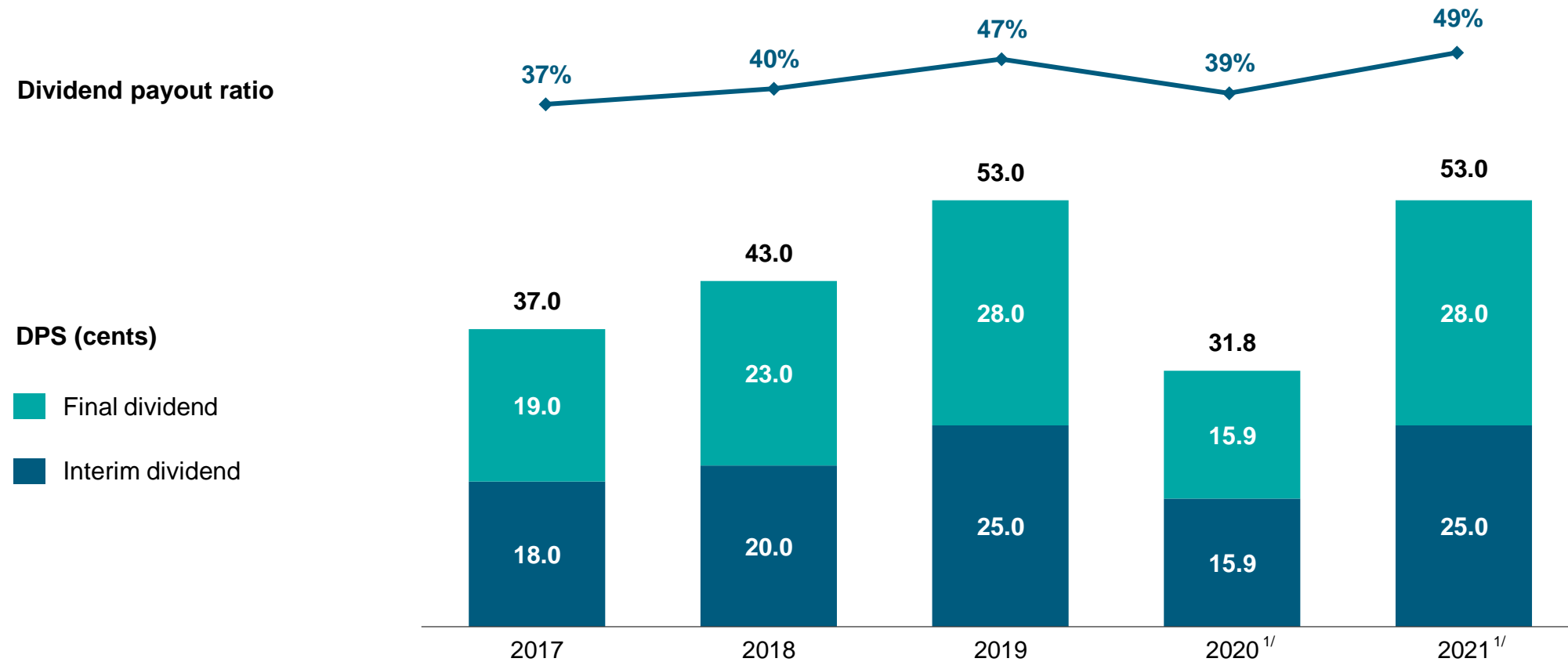
LDR

	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21
SGD	78.3%	77.8%	78.3%	79.3%	76.7%
USD	65.6%	68.8%	68.0%	67.0%	66.5%



FY21 Total Dividend at 53 cents; Payout Ratio at 49%

Proposed final dividend increased to 28 cents per share



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Great Eastern Holdings' Performance

FY21 net profit contribution rose 17% to S\$932m

S\$m	FY21	FY20	YoY +/(-)%	4Q21	4Q20	YoY +/(-)%	3Q21	QoQ +/(-)%
Profit from insurance business	1,174	742	58	248	151	64	274	(9)
- Operating profit	753	731	3	174	77	126	249	(30)
- Non-operating profit/ (loss)	290	(89)	427	45	47	(5)	(5)	nm
- Others	131	100	31	29	27	7	30	-
Profit from Shareholders' Fund	96	226	(58)	12	83	(85)	(41)	130
Profit from operations	1,270	968	31	260	234	11	233	12
Allowances write-back/(charge)	1	(2)	(182)	2	1	(63)	2	22
Tax and NCI	(158)	(5)	nm	(32)	107 ^{2/}	(130)	(22)	46
Net profit	1,113	961	16	230	341	(33)	213	8
Group adjustments ^{1/}	(181)	(163)	11	(40)	(53)	(25)	(37)	5
Net profit contribution to Group	932	798	17	190	288	(34)	176	8



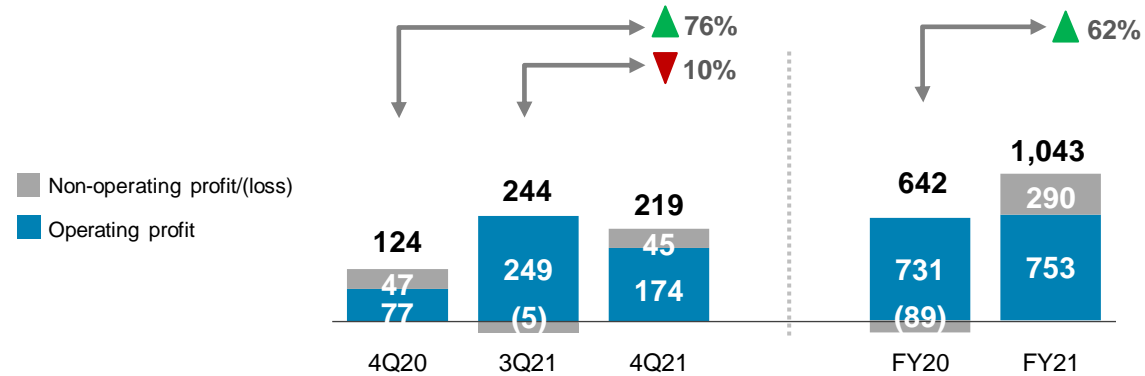
1/ Primarily from adjustments made to amortisation for intangibles and non-controlling interests.

2/ 4Q20 included a one-off positive tax impact arising from the finalisation of prior years' tax assessment at GEH.

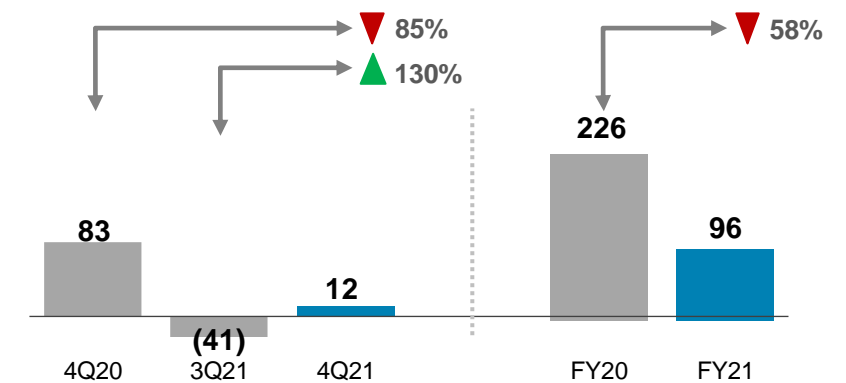
Great Eastern Holdings' Financial Highlights

Key Performance Trends

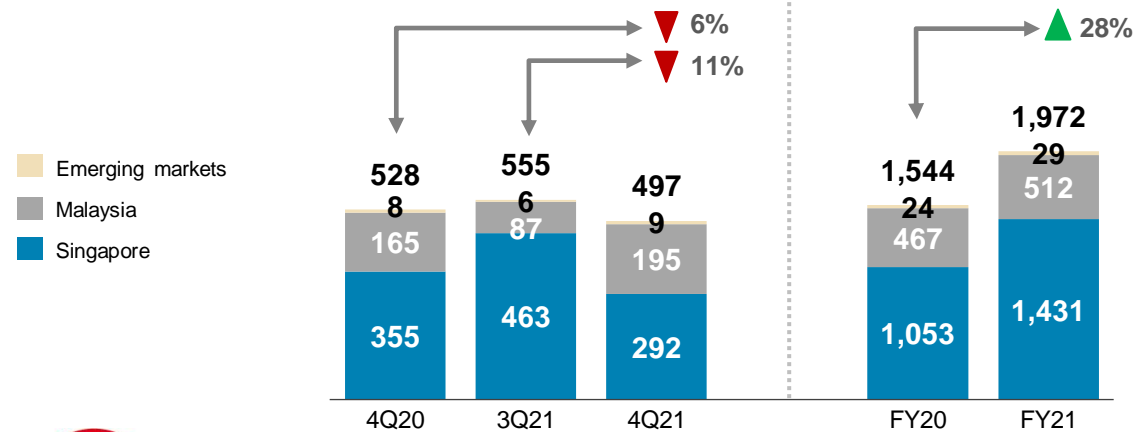
Profit from Insurance Business (S\$m)



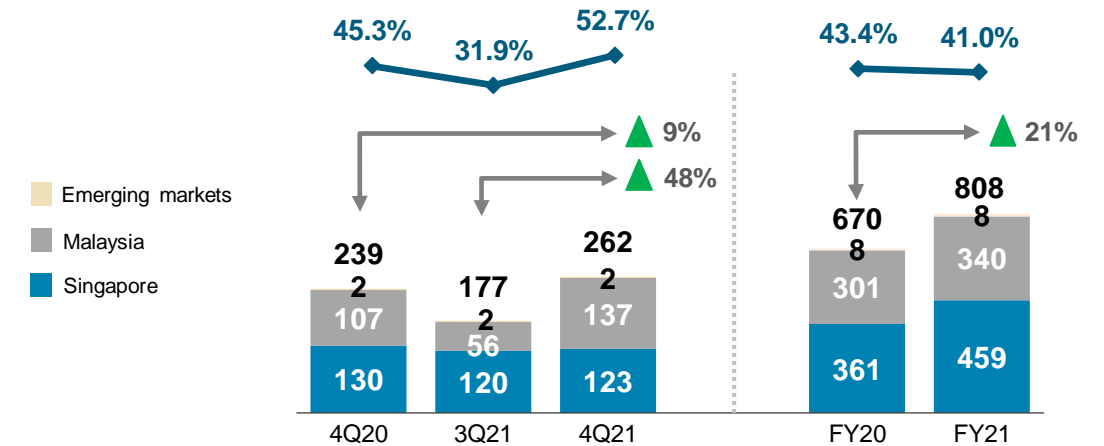
Profit from Shareholders' Fund (S\$m)



Total Weighted New Sales (S\$m)



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



OCBC Wing Hang Hong Kong & Macau's Performance

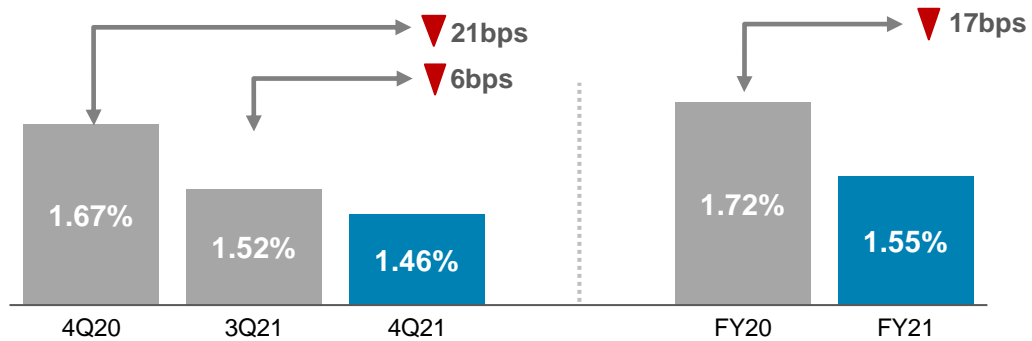
FY21 net profit at HKD2.01b

HKD m	FY21	FY20	YoY +/(-)%	4Q21	4Q20	YoY +/(-)%	3Q21	QoQ +/(-)%
Net interest income	3,495	3,913	(11)	849	946	(10)	860	(1)
Non-interest income	1,118	1,301	(14)	376	309	22	207	81
Total income	4,613	5,214	(12)	1,225	1,255	(2)	1,067	15
Operating expenses	(2,367)	(2,194)	8	(684)	(502)	36	(552)	24
Operating profit	2,246	3,020	(26)	541	753	(28)	515	5
Allowances write-back/(charge)	31	(146)	(122)	(16)	(19)	(20)	(34)	(54)
Associates	98	65	50	18	26	(31)	7	148
Profit before tax	2,375	2,939	(19)	543	760	(28)	488	11
Tax	(362)	(448)	(19)	(81)	(113)	(28)	(80)	1
Net profit – local reporting	2,013	2,491	(19)	462	647	(29)	408	13

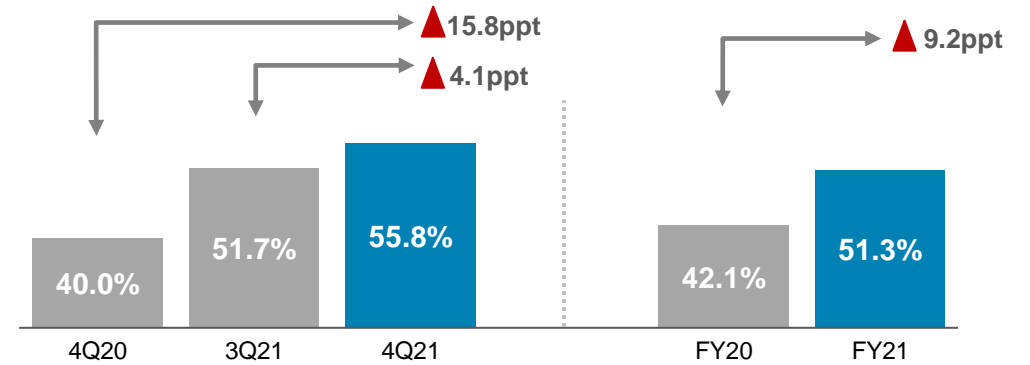
OCBC Wing Hang Hong Kong & Macau Financial Highlights

Key Performance Trends

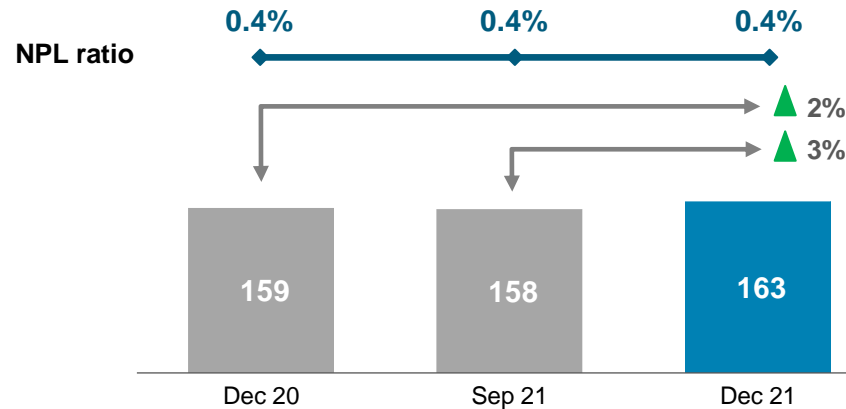
Net Interest Margin



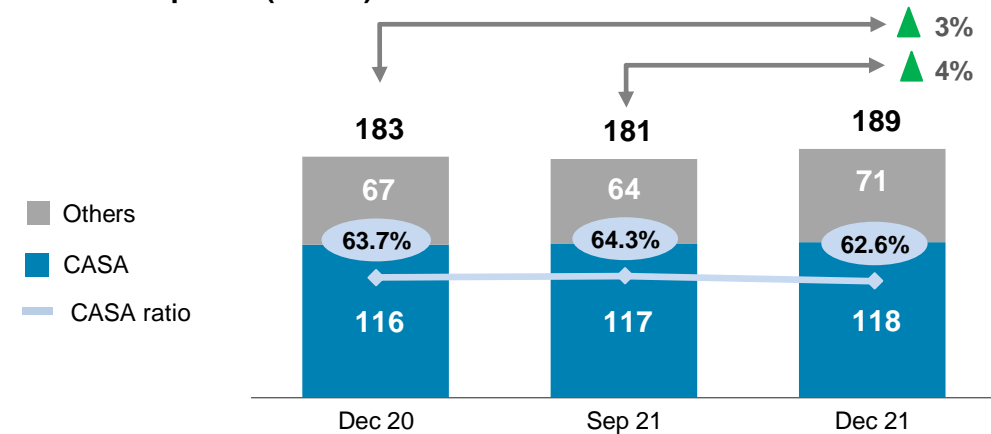
Cost-to-Income



Customer Loans (HKD b)



Customer Deposits (HKD b)



OCBC Malaysia's Performance

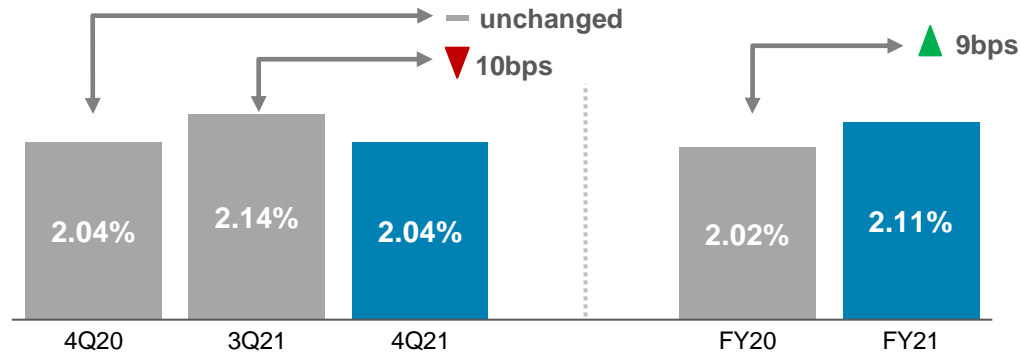
FY21 net profit up 18% to RM664m

RM m	FY21	FY20	YoY +/(-)%	4Q21	4Q20	YoY +/(-)%	3Q21	QoQ +/(-)%
Net interest income	1,580	1,489	6	383	376	2	407	(6)
Islamic banking income ^{1/}	471	446	6	112	110	2	120	(7)
Non-interest / finance income	726	723	–	176	227	(22)	167	5
Total income	2,777	2,658	4	671	713	(6)	694	(3)
Operating expenses	(1,223)	(1,234)	(1)	(314)	(322)	(2)	(316)	(1)
Operating profit	1,554	1,424	9	357	391	(9)	378	(6)
Allowances	(721)	(676)	7	(180)	(140)	29	(292)	(38)
Profit before tax	833	748	11	177	251	(29)	86	106
Tax	(169)	(184)	(8)	0	(63)	(100)	(23)	(100)
Net profit – local reporting	664	564	18	177	188	(6)	63	181

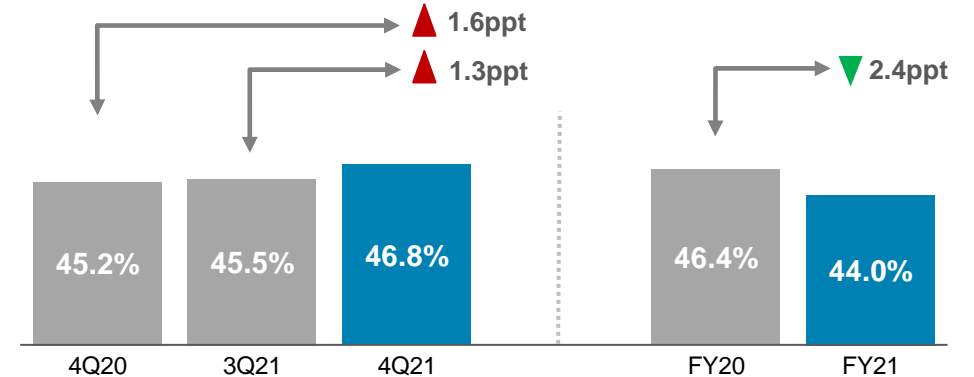
OCBC Malaysia Financial Highlights

Key Performance Trends

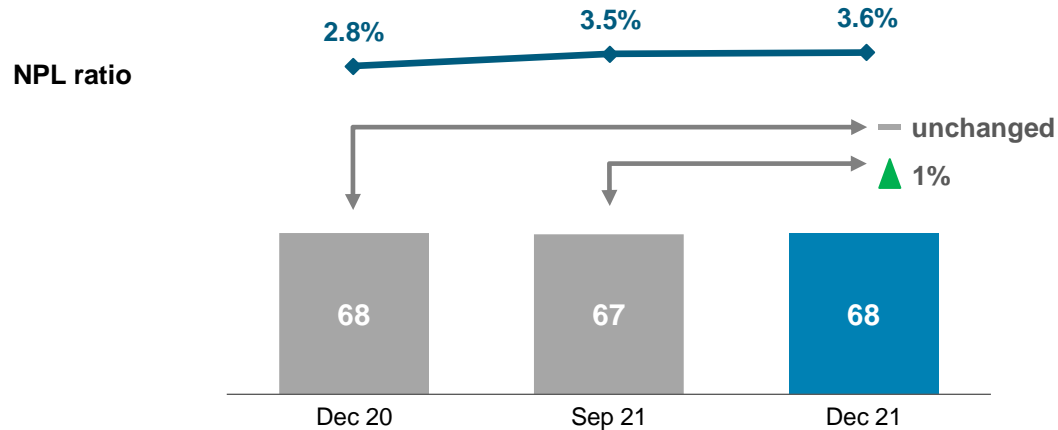
Net Interest Margin



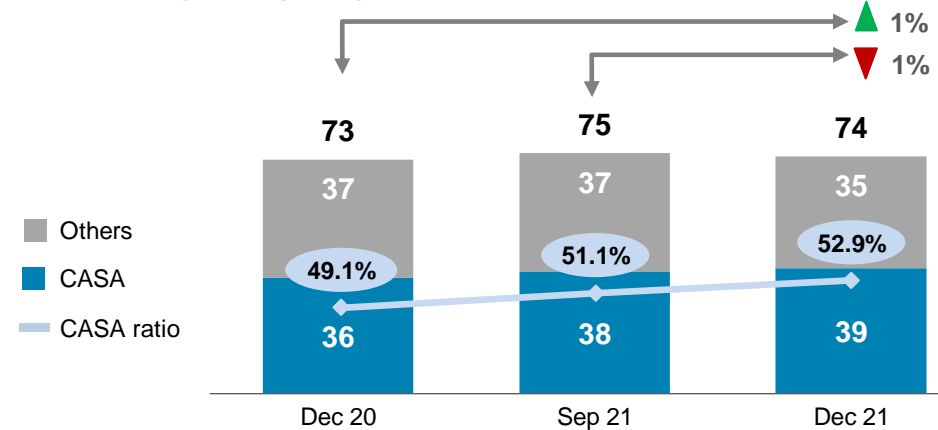
Cost-to-Income



Customer Loans (RM b)



Customer Deposits (RM b)



Bank OCBC NISP's Performance

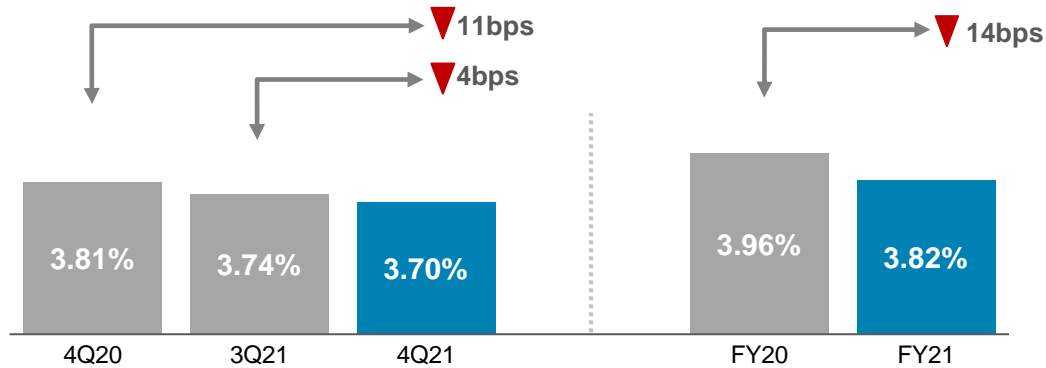
Record operating profit and lower allowances drove 20% increase in FY21 net profit to IDR2.52t

IDR b	FY21	FY20	YoY +/(-)%	4Q21	4Q20	YoY +/(-)%	3Q21	QoQ +/(-)%
Net interest income	7,643	7,113	7	1,928	1,851	4	1,845	5
Non-interest income	2,059	2,249	(8)	505	497	2	513	(2)
Total income	9,702	9,362	4	2,433	2,348	4	2,358	3
Operating expenses	(4,214)	(4,126)	2	(1,003)	(1,074)	(7)	(1,042)	(4)
Operating profit	5,488	5,236	5	1,430	1,274	12	1,316	9
Allowances	(2,285)	(2,455)	(7)	(931)	(1,083)	(14)	(568)	64
Non-operating income	1	4	(91)	0	4	(137)	0	nm
Profit before tax	3,204	2,785	15	499	195	155	748	(33)
Tax	(684)	(683)	–	(14)	(40)	(64)	(186)	(92)
Net profit – local reporting	2,520	2,102	20	485	155	212	562	(14)

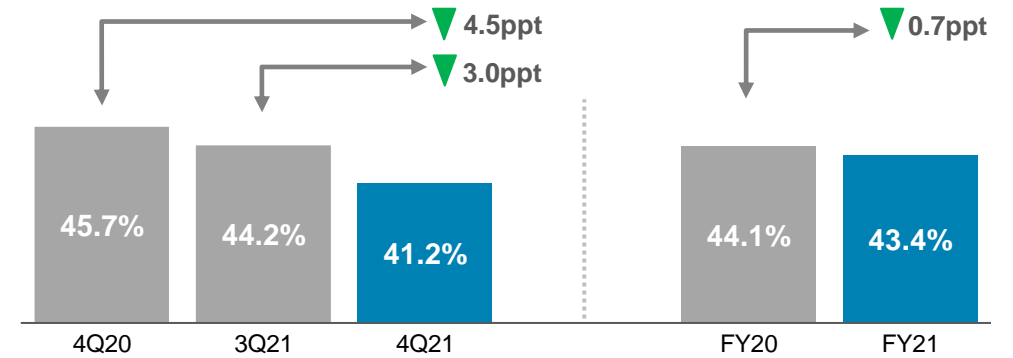
Bank OCBC NISP Financial Highlights

Key Performance Trends

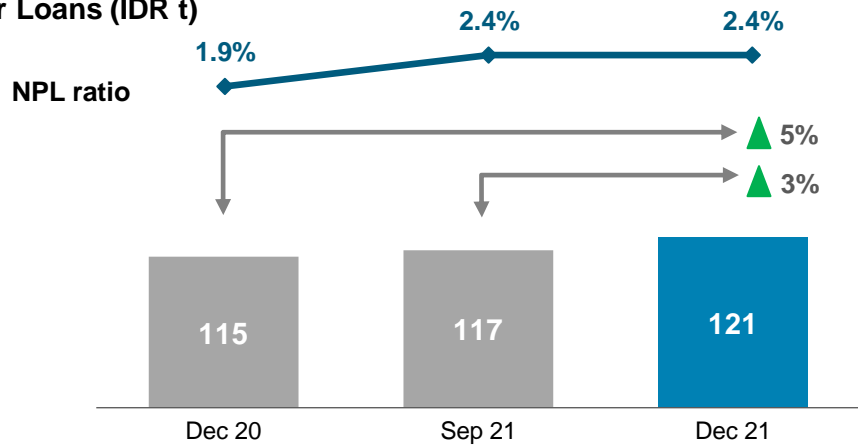
Net Interest Margin



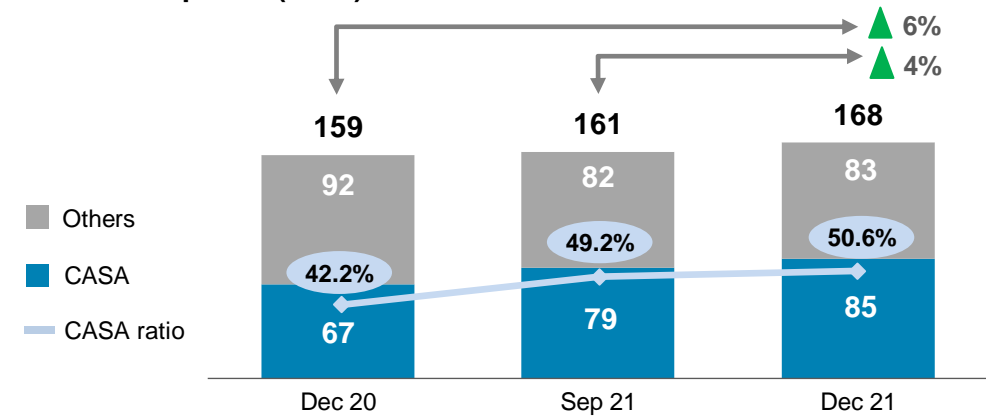
Cost-to-Income



Customer Loans (IDR t)



Customer Deposits (IDR t)





Full Year 2021 Results Presentation

Thank You

