Earnings contribution from Greater China tripled over the last five years

Samuel Tsien
Group Chief Executive Officer
OCBC Group

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OCBC Group has undertaken deliberate strategic initiatives to grow a well-entrenched Greater China business.

**2012**
- Establishment of China Business Office

**2014**
- Acquisition of Wing Hang Bank
- Increase of stake in Bank of Ningbo to 20%

**2016**
- Acquisition of Barclays’ wealth and investment business in Hong Kong and Singapore
- Merger of OCBC China and Wing Hang China to form OCBC Wing Hang China
OCBC Group has undertaken deliberate strategic initiatives to grow a well-entrenched Greater China business.

- **2017**
  - Announcement of Greater Bay Area strategy
  - Acquisition of National Australia Bank’s Private Wealth business in Hong Kong and Singapore

- **2018**
  - Establishment of Regional Digital Centre in Shenzhen
  - Deepened partnership with Bank of Shanghai with signing of MOU to support Chinese enterprises expanding into Southeast Asia
Earnings contribution from Greater China has tripled from 6% to 19%

Profit Before Tax by geography

FY13: S$3,567m
- Singapore: S$2,975m (59%)
- Malaysia: S$916m (26%)
- Indonesia: S$182m (6%)
- Greater China: S$208m (4%)
- Rest of the World: S$170m (5%)

FY18: S$5,552m
- Singapore: S$2,975m (54%)
- Malaysia: S$913m (16%)
- Indonesia: S$354m (6%)
- Greater China: S$1,037m (19%)
- Rest of the World: S$273m (5%)

Note:
- The geographical segment analysis is based on the location where assets or transactions are booked.
- Greater China comprises China, Hong Kong, Macau and Taiwan.
The Greater China franchise has grown from strength to strength

**OPERATING PROFIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>S$476m</td>
<td>S$1,628m</td>
</tr>
<tr>
<td>Increase</td>
<td>3.4X</td>
<td></td>
</tr>
</tbody>
</table>

**INCOME**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>S$708m</td>
<td>S$2,393m</td>
</tr>
<tr>
<td>Increase</td>
<td>3.4X</td>
<td></td>
</tr>
</tbody>
</table>

**LOANS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>S$27b</td>
<td>S$64b</td>
</tr>
<tr>
<td>Increase</td>
<td>2.4X</td>
<td></td>
</tr>
</tbody>
</table>

**WEALTH MANAGEMENT ASSETS UNDER MANAGEMENT**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>US$9b</td>
<td>US$36b</td>
</tr>
<tr>
<td>Increase</td>
<td>4.0X</td>
<td></td>
</tr>
</tbody>
</table>

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^ Based on internal management reports for the Group’s Greater China franchise.

^^ Assets under management excludes CASA deposits of mass consumer segment.
The Wing Hang acquisition has strongly positioned OCBC to achieve growth

In 2014, we said the acquisition would position OCBC in:

1. Capitalising on **economic growth** in Greater China and the **increased connectivity** between North and Southeast Asia

2. Deepening and widening OCBC’s **product capabilities** with access to **broader funding base**

3. Enhancing **franchise value** through ‘**Merger of Scope’**
Successfully capitalising on strong economic growth in Greater China and increased connectivity between North and Southeast Asia

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREATER CHINA CONTRIBUTION TO PROFIT</td>
<td>6%</td>
<td>19%</td>
</tr>
<tr>
<td>INCOME</td>
<td>S$708m</td>
<td>S$2,393m</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>S$476m</td>
<td>S$1,628m</td>
</tr>
</tbody>
</table>

CAGR of 28%
Enlarged USD and HKD funding base broadens product capabilities and supports strong loans growth

**TREASURY INCOME^**

- **2013 (S$)**: 185.4m
- **2018 (S$)**: 314.4m
  - CAGR of 11%

**LOANS**

- **2013 (S$)**: 27b
- **2018 (S$)**: 64b
  - CAGR of 19%

**FUNDING BASE**

- **USD**
  - **2013 (S$)**: 45.8b
  - **2018 (S$)**: 91b
    - Increased from 23% to 31% of total funding base

- **HKD**
  - **2013 (S$)**: 3.4b
  - **2018 (S$)**: 28.4b
    - Increased from 2% to 10% of total funding base

^ Based on the Group’s treasury income generated from the Greater China region, excluding associates contributions and head office allocations, which may differ from the customer’s country of residence or the booking location of the loans
Significantly expanded presence in Greater China resulting from merger of scope

**GREATER CHINA NETWORK**
- **2013**: 11 cities (9 cities in China + Hong Kong + Taiwan)
- **2018**: 17 cities (14 cities in China + Hong Kong + Taiwan + Macau)

**CUSTOMER BASE**
- **2013**: 28,000+
- **2018**: 545,000+

**Increase**:
- Cities: 1.5x
- Customer Base: 19x
And added new business segments for a more diversified franchise

1. STRONG SME FRANCHISE
   - SME LOAN BALANCE: 2013 Not meaningful, 2018 S$2.8b
   - SME CUSTOMER BASE: 2013 25,700, 2018 Not meaningful

2. MARKET LEADER IN AUTO LOANS
   - AUTO LOAN BALANCE: 2013 S$0, 2018 S$1.9b

3. WEALTH MANAGEMENT
   - TOTAL ASSETS UNDER MANAGEMENT: 2013 S$12b (US$9b), 2018 S$49b (US$36b)
Greater China will continue to be our largest market outside Singapore

Focusing on 3 key areas in the Greater China region:

Jing-Jin-Ji Region 京津冀地區 (Beijing as the hub)

Yangtze River Delta Region 長三角地區 (Shanghai as the hub)

Greater Bay Area 粵港澳大灣區 (7+4)
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2023 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFIT BEFORE TAX^</td>
<td>S$551m</td>
<td>S$605m</td>
<td>S$1b</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Required CAGR to achieve target 11%</td>
</tr>
<tr>
<td>LOANS^</td>
<td>S$42b</td>
<td>S$45b</td>
<td>S$80b</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Required CAGR to achieve target 12%</td>
</tr>
<tr>
<td>EMPLOYEES</td>
<td>3,500</td>
<td>3,600</td>
<td>4,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Required CAGR to achieve target 3%</td>
</tr>
</tbody>
</table>

^ Based on internal management reports that reflect a more complete picture of the Greater Bay Area franchise value.
Optimising existing strengths to support continued sustainable growth

- Deepening connectivity between OCBC Wing Hang China network with OCBC Hong Kong, Macau, Taiwan as well as South East Asian network

- Capturing the trade, wealth and capital flows between Greater China and ASEAN, including supply chain re-positioning in the region

- Building strong treasury capabilities
<table>
<thead>
<tr>
<th>Programme</th>
<th>Name</th>
<th>Position and Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>• OCBC Wing Hang – A defining first 5 years</td>
<td>Na Wu Beng</td>
<td>Chief Executive Officer, OCBC Wing Hang</td>
</tr>
<tr>
<td>• Wealth Management – High and Ultra-High</td>
<td>Derrick Tan</td>
<td>Chief Executive, Bank of Singapore Hong Kong Branch &amp; Global Market Head, Greater</td>
</tr>
<tr>
<td>Net Worth Individuals</td>
<td></td>
<td>China and North Asia</td>
</tr>
<tr>
<td>• Wealth Management – Affluent</td>
<td>Eric Ong</td>
<td>Head of Retail Banking, OCBC Wing Hang</td>
</tr>
<tr>
<td>• SME Banking</td>
<td>Johnny Wei</td>
<td>Head of Corporate Banking, OCBC Wing Hang</td>
</tr>
<tr>
<td>• Corporate Banking</td>
<td>Helen Chan</td>
<td>Head of Treasury, OCBC Wing Hang</td>
</tr>
</tbody>
</table>
Strong annual growth of 13% with Preserve, Enhance, Grow strategy

**Preserve 2014-2015**
- Customers & Revenue streams
- People & Institutional Knowledge

**Enhance 2015-2016**
- Deepen customer relationships
- Improved Productivity & Efficiency
- Expansion of Product Suite
- Implementation of OCBC Sales Framework
- Leveraging OCBC’s IT capabilities
- Development of talent base

**Grow 2017 - now**
- Grow Existing & New Customer Franchise
- New Revenue Streams
- Realize Regional Bank Potential
- Greater Bay Area Strategy

OCBC Bank
Accelerating annual growth in profit since 2016

OCBC Wing Hang
Profit Before Tax
(HK$ million)

CAGR 13.0% (2014 – 2018)

CAGR 17.4% (2016 – 2018)

2014: 2,013
2015: 2,417
2016: 2,385
2017: 2,830
2018: 3,287
Strong overall growth in franchise across HK and Macau

<table>
<thead>
<tr>
<th></th>
<th>2014 (HK$)</th>
<th>2018 (HK$)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOANS</td>
<td>130b</td>
<td>164b</td>
<td>+26%</td>
</tr>
<tr>
<td>DEPOSITS</td>
<td>166b</td>
<td>192b</td>
<td>+16%</td>
</tr>
<tr>
<td>FEES AND COMMISSIONS</td>
<td>657m</td>
<td>831m</td>
<td>+26%</td>
</tr>
</tbody>
</table>

CASA ratio ↑10% to 40%
Successfully attracting new-to-bank customers across HK and Macau

NEW TO BANK CUSTOMERS  
(2014 to 2018)

- CORPORATE: ↑2,100
- SME: ↑16,000
- PREMIER: ↑2,900

Premier Customers after re-launch  
(2018)
Achieving sustainable franchise growth

Franchise growth continues as demonstrated in the growth phase between 2017 and 2018.

OCBC Wing Hang’s Profit Before Tax Growth of 16.1% in 2018 was higher than 5-year CAGR.

- **TOTAL INCOME** (2018 vs 2017): ↑15.7%
- **OPERATING PROFIT** (2018 vs 2017): ↑29.0%
- **PROFIT BEFORE TAX** (2018 vs 2017): ↑16.1%
- **IMPACT ON 2018 RoRWA** (due to IRB): 22bps
Hong Kong is core contributor to OWH results

**OWH Group 2018 Profit Before Tax**

- **Hong Kong**: 300,000+ Customers (73%)
- **Macau**: 180,000+ Customers (12%)
- **China**: 59,000+ Customers (15%)

**FY18: HK$3,287m**
Delivering growth through business transformation and infrastructure upgrades

Integration
- Acquisition of Wing Hang
- Integration with focus on synergies and alignment with Group

Business Segment Transformation for Growth
- Treasury
- Corporate Banking
- Retail Banking

Change Management
- Change Management involving: Process re-engineering, Hubbing, Optimisation of Organisation Structure, Strengthening of talent bench strength and Succession Planning

IT & Risk Infrastructure Upgrade
- Launch of IRB Programme
- Large-scale IT infrastructure Upgrade Projects
- Group Policy Alignment, Risk Framework, and Reporting
- Three Year Digitalisation Roadmap (HK$400m investment)
- Three Year Roadmap for Next Phase Risk Infrastructure Build
HK$400m investment over 3 years to enhance digital offerings

1. Build open banking services, upgrade channel capabilities and connect digital business ecosystems

2. Expand usage of intelligent data analytics

3. Digitalize operation processes to cope with massive digital transaction growth

4. Implement agile digital architecture and enhance cyber defence capabilities
Improving productivity through streamlining of processes

• Integration and streamlining of processes following merger of the two China entities
• Hubbing of Macau Treasury to Hong Kong
• Integration of Financial Institutions Business from HK Branch

**COST-TO-INCOME RATIO**
(2018 vs 2017)

**↓5.5%**
Improved to **46.9%**
Developing future-smart talent

Cultural Harmony

Underlying culture is aligned. There was strong buy-in throughout entire change process. Original Wing Hang workforce has adapted well to OCBC’s policy and methodologies.

Development of Bench Strength

We continue to hire quality talent to enhance our bench strength.

Implementation of Graduate Talent and Exceptional Talent programs in 2017 continue to develop internal talent pool.

People Development

Re-vitalized Learning & Development programme. Focus on career development programs, competency focused learning programs, and digital learning to support staff’s structured learning and career development paths.

Performance Measurement

Implementation of Balanced Scorecard performance measurement.
Being recognised for our work

Best International Bank in Hong Kong

Best Bank in Macau
The next 5 years – Leveraging deep local knowledge and regional connectivity for growth

| Local Knowledge to provide Timely and Tailored Solutions |
| Utilising OCBC’s Network across ASEAN - Inflows and Outflows from PRD |
| Continuing to maintain Asset Quality and Risk Prudence |
| Customer Relationship Focus to drive Lasting Value |
| Sustainability - Sustainable Financing - Financial Inclusion |
| Continuous improvement in Funding Profile through CASA Growth |
| Expansion of Products and Solutioning Capabilities |
| Talent Development for Future growth |
| Digital Strategy |
Wealth Management –
High and Ultra-High Net Worth Individuals

Derrick Tan
Chief Executive, Hong Kong Branch
Global Market Head, Greater China & North Asia

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Leveraging on Group’s capabilities to capture the booming growth in Greater China

From Pure Play private bank to adopting 360° integrated model

**2010**

**Pure Play Private Banking Business**
- Focusing on high growth opportunities arising from rapid wealth creation in Asia

**OCBC acquired ING Asia Private Bank (Rebranded as Bank of Singapore)**

**2014**

**Amplifying Bank of Singapore’s solution to clients**
- Enhanced OCBC’s product capabilities, network and coverage

**OCBC acquired Wing Hang Bank (Rebranded as OCBC Wing Hang)**

**2016**

**One Bank Synergy to cover Greater China Clients**

**Merged OCBC Bank (China) Limited & Wing Hang Bank (China) Limited**
Unlocking growth through a 360° approach

**Before**

Targeted & segmented service offerings to clients

Clients enjoy:
- Private Banking

**Now**

360° integrated service offerings to clients

- Consumer Banking
- Treasury & Market
- Private Banking
- Investment Banking
- Corporate Banking
- Treasury & Market
Deeper penetration in Greater China market

- **AUM**: 3X increase from 2013 to 2018
- **REVENUE**: 2.8X increase from 2013 to 2018
- **AUM PER CLIENT**: 2.5X increase from 2013 to 2018
- **NNM PER RM**: 2X increase from 2013 to 2018
Effective strategy and elevated brand presence to attract talent

**Culture**
- Establish a harmonious **new workplace** which encourages collaboration
- **Embrace the changes together as a family & team** while we are expanding

**Talent**
- **Build up a team of experts with Greater China Market knowledge**
  (i.e. Marketing, Product & Risk)

**Future**
- Develop existing talents with **Management support, guidance & mentorship**
- Incubate young talents via **LEAD Programme**
Effective strategy and elevated brand presence to attract talent

### Overall Headcount

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>186</td>
</tr>
<tr>
<td>2018</td>
<td>401</td>
</tr>
</tbody>
</table>

### Cost Income Ratio decrease

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>- 4%</td>
</tr>
</tbody>
</table>
Recognised for our work

**ASIAN PRIVATE BANKER AWARDS**
- **ONE TO WATCH PRIVATE BANK HONG KONG** [2018]
- **EXCELLENCE IN PRIVATE BANKING, SINGAPORE** [2018]
- **EXCELLENCE IN LEARNING & DEVELOPMENT** [2018]
- **BEST PRIVATE BANK, SINGAPORE** [2016 - 2017]
- **BEST PRIVATE BANK TRAINING & DEVELOPMENT** [2017]

**PRIVATE BANKER INTERNATIONAL AWARDS**
- **HIGHLY COMMENDED: BEST PRIVATE BANK IN HONG KONG(FOREIGN)** [2018]
- **OUTSTANDING PRIVATE BANK ASIA PACIFIC REGIONAL PLAYER** [2017]
- **Winner: OUTSTANDING PRIVATE BANK – SOUTH EAST ASIA** [2017]
- **HIGHLY COMMENDED: BEST DISCRETIONARY & ADVISORY OFFERING** [2017]

**ALPHA SOUTHEAST ASIA’S BEST FINANCIAL INSTITUTION AWARDS**

**WEALTH BRIEFING ASIA GREATER CHINA AWARDS FOR PRIVATE BANKING EXCELLENCE**
- **EAM/FIM SERVICE PROVIDER** [2019]

**PWM/THE BANKER GLOBAL PRIVATE BANKING AWARD**
- **BEST PRIVATE BANK IN SINGAPORE** [2017]

**FINANCE ASIA COUNTRY AWARDS**
- **BEST PRIVATE BANK IN SINGAPORE (PRIVATE BANK COUNTRY AWARD – SINGAPORE)** [2017]

**GLOBAL FINANCE**
- **BEST PRIVATE BANK FOR ENTREPRENEURS IN ASIA PACIFIC** [2017]
Building scale and extending reach with a 3-pronged strategy

1. Capture U/HNWs through our IAM Excellence Center
2. Address diverse needs Via 360° Wealth Solutions
3. Capture the growing ‘Millennial’ Segment
Capturing Ultra-High Net Worth Individuals through IAM partnerships

**OUR ROADMAP**

- Continue to seek new partnership opportunities
- IAM Excellence Centre to scale the growth
  - IAMEC has empowered visible growth in last 12 mths
    - 3x AUM
    - 3x No. of on-boarded IAMs

Offering holistic wealth solutions which address diverse needs

Address diverse needs Via 360° Wealth Solutions

OUR ROADMAP

• Leveraging on Group’s total solution, we are able to execute GBA Strategy even better to engage Chinese Entrepreneurs and Business Owners

• With Chinese UHNWs paying increasing attention to Wealth Preservation and Succession objectives, we will leverage on our Wealth Planning and Structuring capabilities to help them plan and manage their wealth

Source: CreditEase – Approach to Inheritance: Special Report International Experience and China Practice of Wealth Planning
Engaging the new guardians of capital - the Millennial Generation

INSIGHTS

• In Asia – the Millennial Generation is expected to have the largest spending power of any generation ever, estimated USD 6 trillion by 2020

• This generation is also looking to benefit from the largest intergenerational wealth transfers ever

OUR ROADMAP

• Position as the modern bank for this rising segment through strategic partnerships with established brand ecosystems

• Engage them on wealth needs through lifestyle focused content and activities

Source:
1 Business Insider UK’s report of Boston Consulting Group analysis
2 Deloitte Consulting
• Wealth Management – Affluent
• SME Banking

Eric Ong
Head of Retail Banking, OCBC Wing Hang

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Supporting wealth management business for individual clients and SMEs on a single integrated platform

Differentiating customer proposition with ability to serve both SME Business and Business Owner’s / Individual’s needs within the same branch
## Transforming wealth management and SME banking

### SME, Consumer Banking and Wealth Management Transformation

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>Embarked on Treasury Transformation</td>
</tr>
<tr>
<td>2017</td>
<td>Enhanced Investment Solutions</td>
</tr>
<tr>
<td></td>
<td>Insurance Premium Financing Launch</td>
</tr>
<tr>
<td></td>
<td>Overseas Mortgage Launch via acquisition of National Australia Bank portfolio</td>
</tr>
<tr>
<td></td>
<td>New Wealth Sales &amp; Distribution Model</td>
</tr>
<tr>
<td>2018</td>
<td>Expand SME Guarantee Scheme Business</td>
</tr>
<tr>
<td></td>
<td>Insurance growth Operating Model Revamp</td>
</tr>
<tr>
<td></td>
<td>Premier Banking re-launch</td>
</tr>
<tr>
<td></td>
<td>Voyage Card Launch</td>
</tr>
<tr>
<td></td>
<td>Internet Banking Revamp</td>
</tr>
<tr>
<td></td>
<td>Mobile Banking Revamp</td>
</tr>
<tr>
<td>2019</td>
<td>Launch of Cash Management System to acquire operating account balance</td>
</tr>
</tbody>
</table>

**OCBC Bank**
Re-launching Premier Banking to focus on affluent segment

BEFORE RE-LAUNCH

Elite Gold Banking

Local Proposition
Product-driven Solutions

AFTER RE-LAUNCH IN NOV 2018

PREMIER BANKING
Regional Proposition
Need-based Wealth Solutions

• Leverage Group offerings to improve market competitiveness
• Transform local proposition to a regional proposition, and provide a coherent brand
• Better meet target affluent segment’s needs

PREMIER BANKING
Attracting affluent customers with a suite of services

<table>
<thead>
<tr>
<th>PREMIER BANKING</th>
<th>REGIONAL ACCESS &amp; PRIVILEGES</th>
<th>PREMIER VOYAGE CARD</th>
<th>OVERSEAS PROPERTY FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to over 60 Premier Centres across Asia and enjoy exclusive privileges</td>
<td>1st miles-earning lightweight metal card in Hong Kong</td>
<td>Only bank in Hong Kong with local approval and drawdown</td>
<td></td>
</tr>
<tr>
<td>PREMIER TEAM</td>
<td>WEALTH SOLUTIONS</td>
<td>MARKET INSIGHTS</td>
<td></td>
</tr>
<tr>
<td>Dedicated Relationship Manager, supported by a team of experienced investment, insurance, mortgage and SME specialists</td>
<td>Total Wealth Solutions and Financing, including Professional Investor Offerings</td>
<td>Timely market insights published by OCBC Wealth Panel, which draws on the collective expertise of wealth management experts from OCBC Group</td>
<td></td>
</tr>
</tbody>
</table>
Growing the consumer customer segment

- **NEW-TO-BANK CUSTOMERS** (2018 v 2014): ↑36%
- **AUM OF CONSUMER PORTFOLIO** (2018 v 2014): ↑32%
- **CASA BALANCE OF CONSUMER PORTFOLIO** (2018 v 2014): ↑26%
Going big on the affluent customer segment

NEW-TO-BANK PREMIER CUSTOMERS
(2018 v 2014)

PREMIER CUSTOMER BASE
(2018 v 2014)
Strong growth in wealth management offerings

**Investment & Insurance**
- **INVESTMENT REVENUE** (2018 v 2014) \(\uparrow 2x\)
- **INVESTMENT BALANCE** (2018 v 2014) \(\uparrow 2x\)
- **INSURANCE REVENUE** (2018 v 2014) \(\uparrow 2x\)

**Wealth RM Productivity**
- **RM PRODUCTIVITY** (2018 v 2014) \(\uparrow 2x\)
“53% of SME customers are also Consumer customers”
Significant expansion in SME customer base

SME CUSTOMERS (2018 v 2014)

↑ 50%

NEW-TO-BANK CUSTOMERS (2018 v 2014)

↑ 5x

MARKET SHARE OF NEWLY ESTABLISHED COMPANIES (2018 v 2014)

↑ 6x
Strong deposits and loans from SME segment

**SME CASA expanded significantly**

- CASA balance: \( \uparrow 2x \)
- CASA NII: \( \uparrow 2x \)

2018 v 2014

**SFGS loan expanded progressively**

- SFGS Loan:
  - No. of loan acquisition: \( \uparrow 5x \)
- SFGS loan market share:
  - No. of loan acquisition for the year: \( \uparrow 4x \)

2018 v 2014
Reaping the benefits of growing SME franchise

**NET INTEREST INCOME**
(2018 v 2017)
↑ 30%

**FEE INCOME**
(2018 v 2017)
↑ 38%

**TOTAL REVENUE**
(2018 v 2017)
↑ 31%
Expanding transaction banking business

Remittance Fee
(2018 v 2017)

Up 85%

Remittance Volume
By #
(2018 v 2017)

Up 2x

Launch of Award-winning Cash Management Platform
Velocity@ocbc
Corporate Banking

Johnny Wei
Head of Corporate Banking, OCBC Wing Hang

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Building strong corporate banking platform for future growth

Corporate Banking has delivered strong growth by gaining market share through new customer acquisitions, as well as deepening relationship with Wing Hang customers.

2014: Preservation of existing franchise and revenue streams
2015: Deepening Wing Hang customer relationships and re-profile of portfolios
2016: On-boarding external talent to boost bench strength
2017: Expanding franchise by acquiring new customers and tapping into new segments
2018: Improving proposition through expansion of product solutions
2019: Integration of Financial Institution Business from HK Branch

*Corporate Wealth Management refers to Universal Life Insurance as well as investment in equities and bonds for corporate customers.

Accelerating growth in Corporate Wealth Management
Launch of new cash management system to grow operating accounts
Supporting customers with integrated solutions

Expanding product penetration

2 Products ➔ 5 Products

Deepening Relationships

2X Revenue per Customer

↑ 5x
AUM referred to Bank of Singapore

↑ 3x
Treasury Advisory Income

↑ 10x
Corporate Wealth Management Income

Moving Up the Value Chain

Build Strategic Relationships

Broaden Main Bank Customer portfolios

Widen relationship touch points

↑ 3x
Fee & Commission Income

36
Capital Markets deals

(2014 to 2018 or 2018 v 2014)

Strategic Propositions
Private Banking, Capital Markets, Corporate Finance, Regional Connectivity

Value Added Services
Treasury, Cash Management, Insurance, Corporate Wealth Management

Transactional Products
Loan, Deposit

OCBC Bank
Income growth spurred by acquisition of new customers

Achievement of a broad-based income growth

**Revenue**
- (2018 v 2014)
- ↑42%

**Fee & Commission Income**
- (2018 v 2014)
- ↑3x

**Increase in Revenue Per Frontline Sales**
- (2018 v 2014)
- ↑42%

Acquisition of new customers as key growth driver

**New Customers**
- (2018 v 2014)
- ↑1,000

**New Business Contribution to Total Loan Growth**
- (2018)
- ↑38%

**New Business Contribution to Total Income Growth**
- (2018 based on run rate)
- ↑47%
Robust growth across corporate banking franchise

**Loan Growth (2018 vs 2014)**
- **28%**

**Loan Growth from Main Bank Portfolio (2018 vs 2017)**
- **28%**

**High Asset Quality with Minimal NPL (2018)**
- **0.01%**

**Deposit Growth (2018 vs 2014)**
- **28%**

**CASA Balance Growth (2018 vs 2014)**
- **34%**

**Improved CASA Ratio (Since 2017)**
- **>40%**
Realising opportunity from new market segments

**PRD-RELATED REVENUE GROWTH**
(1H 2019 vs 1H 2018)

↑ 126%

**NEW BUSINESS SECURED FROM NEW INDUSTRIES***
(2018)

↑ $1.7b*

*Target New Industries refer to Healthcare, Education and Logistics
*Figure is in HK$
Offering strong value propositions through broad ASEAN presence and regional connectivity

A platform of 123 Cities across the region
Delivering sustainable growth through our core franchise

- **Broad ASEAN presence and regional connectivity**
- **Deep local knowledge and market insights**
- **Strong focus on solutioning rather than product selling**
- **Multi-level customer engagements to provide timely solutions**
- **Attract external talent from leading banks**
- **Across-the-board synergies with OCBC Hong Kong Branch**

- **Open door to regional opportunities and partnerships**
- **Swift response to customers’ requests and capture market opportunities**
- **Build trust and provide value-added services to customers**
- **Strengthen total customer relationships and develop share of mind and lasting values**
- **Enhance spectrum and diversity of talent pool to provide superior customer experience**
- **Create differentiated value proposition from a multi-pronged market presence**
Leveraging multiple synergies with OCBC Hong Kong Branch

Hong Kong Branch is a wholesale banking operation with a loan book of HK$70b. Across-the-board synergies between OCBC Wing Hang and HK Branch creating strong and comprehensive customer value proposition.

- Market Presence & Brand Recognition
- Geographical Connectivity & Branch Representation
- Customer Value Creation
- Capital Markets & Corporate Finance Businesses
- Specialisation & Focus
- Resource Management
Treasury

Helen Chan
Head of Treasury, OCBC Wing Hang

Disclaimer:
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GT transformation journey

Treasury has transformed from a basic product provider into a multi product & cross-border solutions provider to retail, corporate and institutional investors

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Embarked on Treasury Transformation</td>
</tr>
<tr>
<td>2015</td>
<td>Leveraged on OCBC to increase products to clients</td>
</tr>
<tr>
<td>2016</td>
<td>Implemented Murex (Risk Management system)</td>
</tr>
<tr>
<td>2017</td>
<td>2nd dealing room upgrade</td>
</tr>
<tr>
<td></td>
<td>Co-location with OCBC HK branch Treasury to form North Asia Treasury Hub</td>
</tr>
<tr>
<td>2018</td>
<td>Merges into one single Treasury platform</td>
</tr>
<tr>
<td>2019</td>
<td>Embarking on Electronic product platform for clients</td>
</tr>
</tbody>
</table>
Improving productivity to grow revenue

Hong Kong Region Sales Revenue grew 3 folds achieved 26% CAGR

OCBC Wing Hang Sales Revenue increased 92% CAGR

Offers to retail, corporate & Institutional clients

Increase of 30 New Products
Treasury sales income grew with the acquisition of new customers

Acquisition of new customers is a key growth driver for OCBC Wing Hang Sales business.

- **NEW TO TREASURY CUSTOMERS**
  - (2018 v 2014)
  - Up 12X

- **PROFESSIONAL INVESTORS**
  - (2018 v 2014)
  - Up 14X
Significant growth in OCBC Wing Hang treasury sales activities

Revenue Growth

- TOTAL SALES REVENUE (2018 vs 2014) \(\uparrow 13X\)
- BOND REVENUE (2018 vs 2014) \(\uparrow 3X\)

Volume Growth

- HEDGING SOLUTIONS (2018 vs 2014) \(\uparrow 27X\)
- FOREIGN EXCHANGE (2018 vs 2014) \(\uparrow 2X\)
Recent landmark deals completed by Treasury in 2019

New products and solutions after transformation

<table>
<thead>
<tr>
<th>HK$1.2 billion</th>
<th>HK$1 billion</th>
<th>HK$200 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate Hedging</td>
<td>1 Year Structured Loan</td>
<td>15 years HK Dollar Bond Private Placement</td>
</tr>
<tr>
<td>HK Listed Company</td>
<td>GBA Chinese SOE</td>
<td>HK Listed Company</td>
</tr>
</tbody>
</table>
North Asia treasury hub in Hong Kong

People
Providing professional treasury advisory & solutions

Platform
Infrastructure, Process, System and Risk Management enhancement

Product
Leverage on OCBC platform to provide superior product & solution
Digitalize and strengthen North Asia’s product capabilities

Launching of new products and solutions. (e.g. Equity Linked Notes, Interest rate hedging solutions)

Automation to improve efficiency and product deliver to client.

Digitalize treasury products onto e-platform