

# 84<sup>th</sup> ANNUAL GENERAL MEETING

29 April 2021



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# Agenda

**1**

**Macroeconomic Environment**

**2**

**Navigating Covid-19**

**3**

**2020 Financial Performance**

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**Positioning for the Future**



# Severe Contraction in Global Output and Trade in 2020

- ❑ Economic activities across the world (except China) contracted sharply in 2020 from the widespread and severe disruption to social and economic life
- ❑ The magnitude of decline in output large, not seen since the Great Depression of 1929 -1932
- ❑ Our core markets in ASEAN and Hong Kong were severely impacted

<b>GDP</b>	<b>2020</b>
Global	-3.3%
US	-3.4%
China	2.3%
Euro Area	-6.6%
<b>Global Trade</b>	<b>-8.5%</b>

<b>GDP</b>	<b>2020</b>
Singapore	-5.4%
Malaysia	-5.6%
Indonesia	-2.1%
Hong Kong	-6.1%
ASEAN-5	-3.4%

# Strong but Uneven Rebound in Growth in 2021

- ❑ Signs have emerged to indicate a strong recovery in global output and trade. This will be led by a sharp revival of economic activities in US and China
- ❑ In the US, growth will be lifted by unprecedented expansion in monetary stimulus and massive fiscal spending
- ❑ In China, the momentum of growth accelerated, supported by strong domestic demand and exports
- ❑ Global recovery is however uneven. Growth of Europe and large emerging economies (India and Brazil) at risk
- ❑ However, global output levels still below that of pre-COVID-19
- ❑ Growth is expected to moderate in 2022

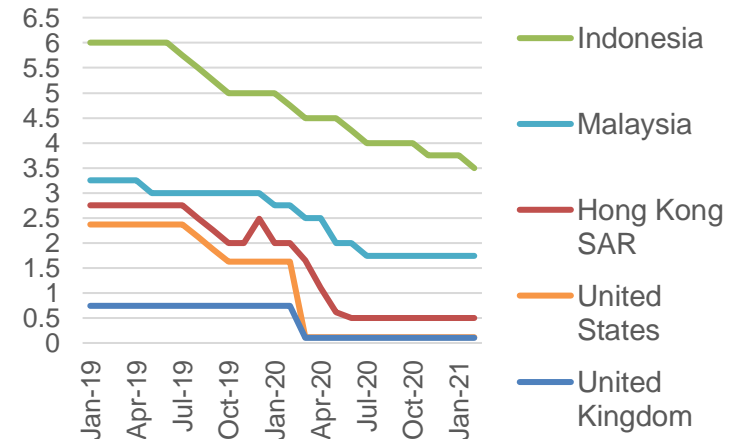
<b>GDP</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Global	-3.3%	6.0%	4.4%
US	-3.4%	6.4%	6.0%
China	2.3%	9.2%	5.6%
Euro Area	-6.6%	4.4%	3.8%
Global Trade	-8.5%	8.4%	6.5%

<b>GDP</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Singapore	-5.4%	6.0%	3.3%
Malaysia	-5.6%	5.4%	4.3%
Indonesia	-2.1%	4.9%	5.2%
Hong Kong	-6.1%	4.3%	3.8%
ASEAN-5	-3.4%	4.9%	6.1%

# Buoyant Financial Markets, Flushed with Liquidity

- ❑ Due to the huge injection of liquidity by Federal Reserve, Bank of Japan and European Central Bank
- ❑ And interest rates brought down to zero or negative
- ❑ The excess liquidity has led to the sharp rise in asset prices
- ❑ Consumer inflation is showing signs of heating up, with inflationary expectations rising
- ❑ However, US Fed guided no rates hike until 2023. The Fed views higher consumer prices as temporary
- ❑ We can expect large volatilities in financial markets

Central Bank Policy Rates



Source: BIS

# Risks Remain

- ❑ Risks to sustainable recovery remain relatively high with emergence of new variants and slow roll-out of vaccination in many countries
- ❑ Some countries now experiencing painful second wave of infections
- ❑ Return to “normal” would take time – longer rather than sooner
- ❑ Operating environment for financial institutions thus remain very challenging in 2021 and 2022
- ❑ We are cautiously optimistic that the worst is over

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# Decisive Actions Taken to Support Our Stakeholders

- ❑ Strong culture of collaboration across the Group; responded swiftly to help our colleagues, customers and the community
- ❑ Leveraged on technology investments; rolled out digital enablers for seamless customer experience
- ❑ Resilient business fundamentals and strong capital position; well-placed to ride through the crisis with confidence and deliver long-term sustainable value for our stakeholders





# Safeguarding the Wellbeing of Our Colleagues

- ❑ **Enhanced protection and support**
  - Facilitated smooth transition to work from home
  - Covid-19 Care Package
  - Vaccination Support Programme
- ❑ **Realising full potential of employees**
  - S\$20m to equip staff with digital skills
  - More than 6,000 virtual trainings conducted



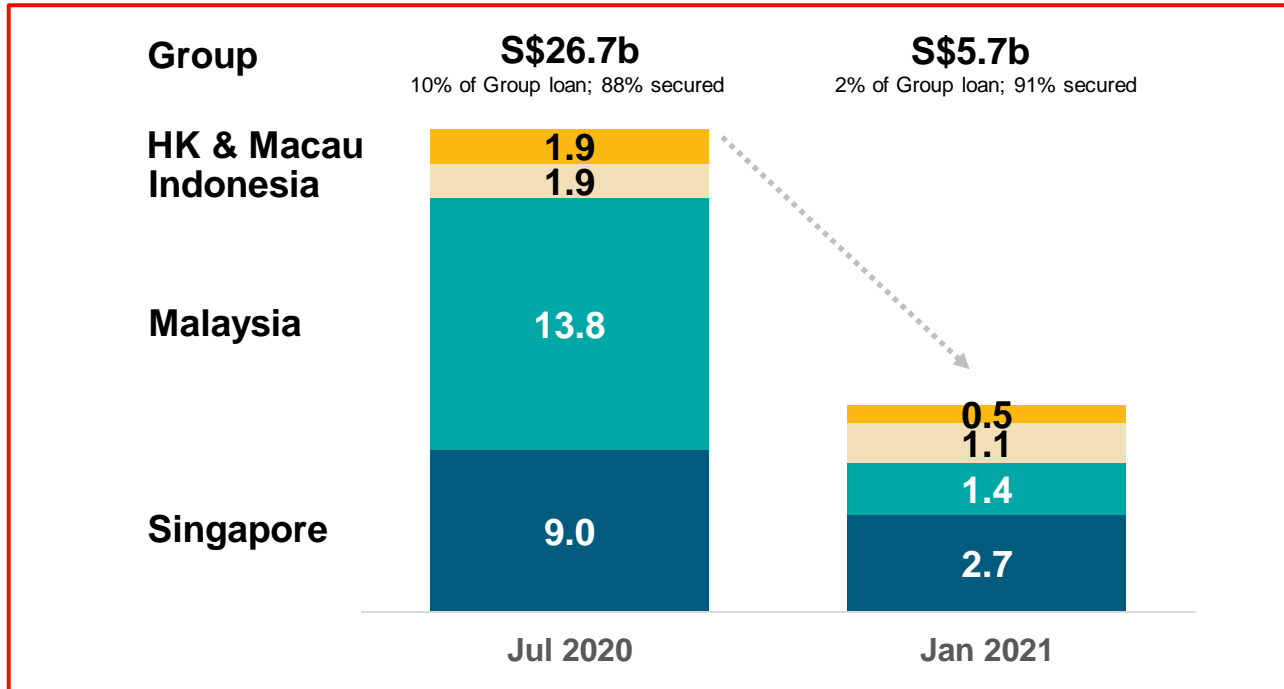
# Supporting Our Customers through the Crisis

- ❑ **Extend support and financial assistance to all customers**
  - Offer moratorium relief across the region
  - Help businesses achieve business continuity
  - Support vulnerable segments
- ❑ **Accelerate digital adoption to fulfill financial needs**
  - More than 200,000 first-time users of Singapore digital channels in 2020
  - New digital touch points, channels and processes
- ❑ **Maintain uninterrupted services**
  - Full network of ATMs remained operational
  - Most branches remained opened at the height of the lockdown



# Loan Relief Programmes

Exit from loan relief programmes well-coordinated and managed



# Enhancing Digital Experience for Consumers

## Advancing pace of digital innovation

### Helping customers achieve their financial goals

- ❑ **Financial OneView:** Augmenting financial and retirement planning using aggregated, holistic data enabled by Open Banking/ SGFinDex
- ❑ **RoboInvest:** Digital advisory at scale with over 30 thematic portfolios
- ❑ **Wealth dashboard:** Curated investment journey
- ❑ **OCBC Life Goals:** Empowering customers to plan for their long-term goals
- ❑ **Instant Origination:** Digital instant account-opening, and instant auto, housing and renovation loan approval

### Launched first-to-market solutions



#### INSTANT CHEQUE ENCASHMENT

1st bank in Southeast Asia to allow instant encashment of cheques



#### OCBC x GOOGLE PAY

1st to partner and integrate with Google Pay to enable peer-to-peer payments



#### HEALTHPASS BY OCBC

1st SG bank to bring together a health & wellness ecosystem to consumers

### 2020 vs 2019

**1.6X more** Consumer accounts opened digitally

**2.8X higher** Consumer PayNow transaction volume

**2.3X more** Digital Wealth transactions

**\$3b** Instant Digital Secured Loans



# Enhancing Digital Experience for Corporates

Leading the way with innovative first-to-market solutions in 2020 for businesses

## Launched first-to-market solutions



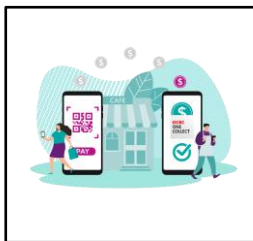
### SINGPASS MOBILE LOGIN FOR SMEs

1st bank to use SingPass for transaction signing to allow customers to perform account maintenance



### BUSINESS FINANCIAL MANAGEMENT

1st bank to offer SMEs a view of historical cash flows and expense categories to manage working capital



### ONECOLLECT IN SINGAPORE & MALAYSIA

Launch of OneCollect mobile app to provide domestic QR collection solutions in Singapore & Malaysia for merchants



### E-INVOICING & INVOICENOW

1st bank to enable SMEs to send sales invoices electronically and via InvoiceNow and collecting digitally through QR & UEN

## 2020 vs 2019

**1.6X more** SME accounts opened digitally

**7.3X higher** Corporate PayNow transactions

**3.6X more** Digital vs. Manual transactions

**4.8X more** SME loans applied digitally



# Standing by Our Community

- ❑ Created more than 3,500 new job opportunities in Singapore amid Covid-19
- ❑ S\$2.9m donations to support nearly 225,000 beneficiaries
- ❑ More than 38,000 hours of volunteer work contributed by about 13,000 staff volunteers
- ❑ First Singapore bank to roll out a health & wellness ecosystem including a Healthcare app



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# 2020 Financial Performance

*Net profit declined, reflecting economic impact of Covid-19*

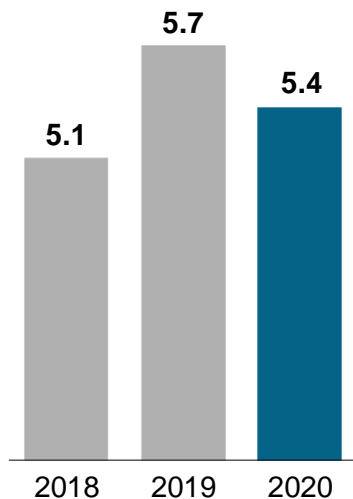
S\$ million	FY20	FY19	YoY +/(-)%
Net interest income	5,966	6,331	(6)
Non-interest income	4,173	4,540	(8)
Total income	10,139	10,871	(7)
Operating expenses	(4,439)	(4,644)	(4)
<b>Operating profit</b>	<b>5,700</b>	<b>6,227</b>	<b>(8)</b>
Associates	612	566	8
<b>Operating profit before allowances</b>	<b>6,312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



# OCBC's Franchise Well-Anchored on 3 Business Pillars

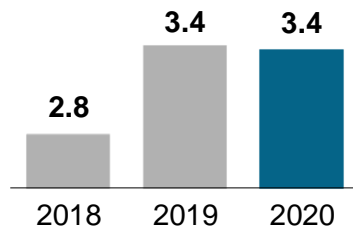
## Banking

Operating Profit before Allowances  
(S\$b)

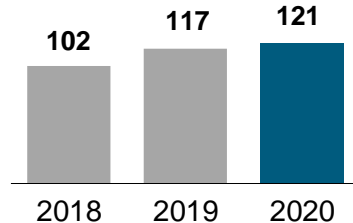


## Wealth Management

Group Wealth Management Income  
(S\$b)

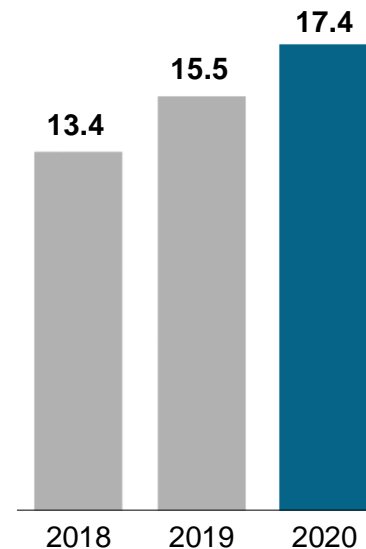


Bank of Singapore's AUM  
(US\$b)



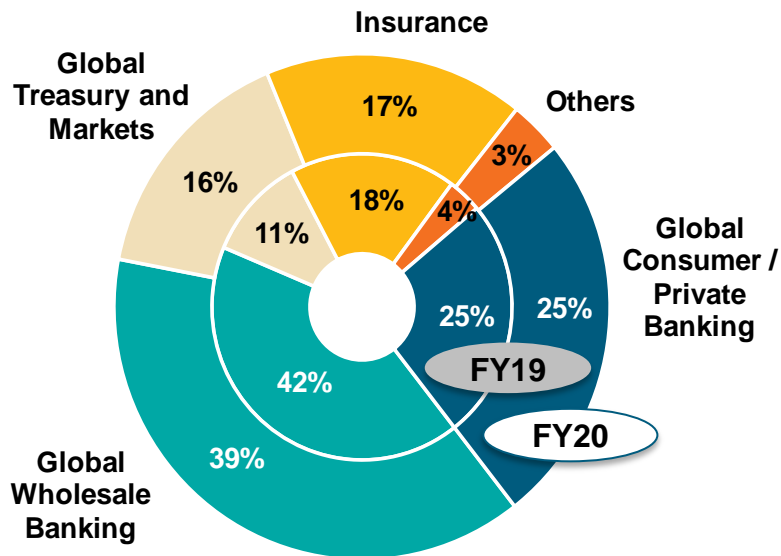
## Insurance

Embedded Value  
(S\$b)

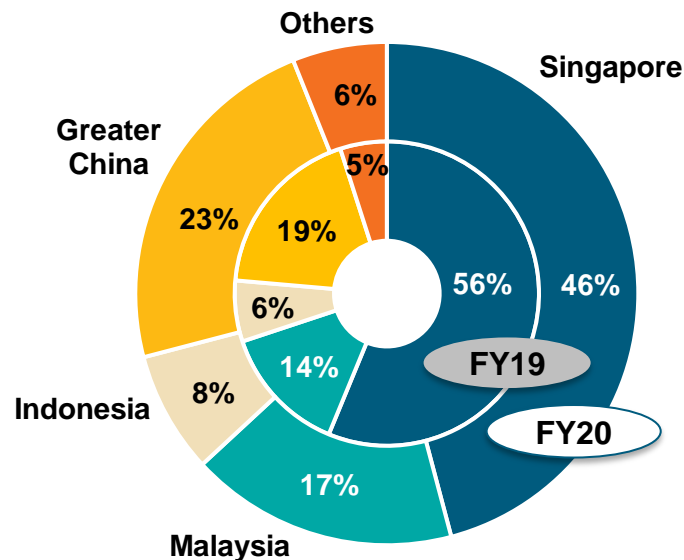


# Well-Diversified across Business & Geography

Operating Profit by Business



Operating Profit by Geography



# Resilient and Strong Business Fundamentals

**Diversified  
Franchise**

**Accelerated  
Digital  
Transformation**

**Proactive  
Risk Management  
Culture**

**Disciplined  
Cost Management**

**Deep  
Talent Pool**

**Strong  
Balance Sheet and  
Capital Position**

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# Sharpening Our Corporate Strategy to Create Sustainable Value

As a leading Asian financial services group with a broad geographical footprint in North and Southeast Asia, OCBC continues to build a resilient and diversified business that generates sustainable long-term value for shareholders, customers, staff and the community.

Leverage **Global Network Strength** of 19 Markets to deepen and expand **Regional Presence**

**Southeast Asia**  
(Singapore as Head Office and Hub)

**Greater China**  
(Hong Kong as Hub)

<b>Core Businesses</b>	<b>Banking</b>	<b>Wealth Management</b>		<b>Insurance</b>	
<b>Core Competencies</b>	<b>Disciplined Risk Management</b>	<b>Diversified Funding Base</b>	<b>Accelerated Digital Transformation</b>		<b>People and Talent</b>
<b>Core Environmental, Social and Governance Pillars</b>	<b>Putting Customers First</b>	<b>Building a Sustainable Future</b>	<b>Acting with Integrity</b>	<b>Valuing our People</b>	<b>Engaging Communities</b>

Well-positioned for **KEY GLOBAL MEGATRENDS** impacting Asia's growth

Rising Asian Wealth

Increasing Dominance of China

Growing Silver and Gig Economies

Digital Prominence and Threats

Rising Protectionism and Populism

Focus on Sustainability

# Positioning for the Future

- ❑ Capitalise on ASEAN-Greater China flows
- ❑ Expand wealth management franchise
- ❑ Accelerate digitalisation
- ❑ Build a leading regional sustainable bank



# Capture Regional Flows

- ❑ Seize opportunities arising from deglobalisation, supply chain shifts, China Plus One, RCEP and Wealth Connect
- ❑ Leverage on global network strength to deepen regional presence
- ❑ Deepen presence in ASEAN market, including Thailand and Vietnam
- ❑ Support customer activities in consolidations, privatisations, overseas diversification and restructuring
- ❑ Increase collaboration with regional partner banks to deepen connectivity



# Grow Leading Wealth Management Franchise

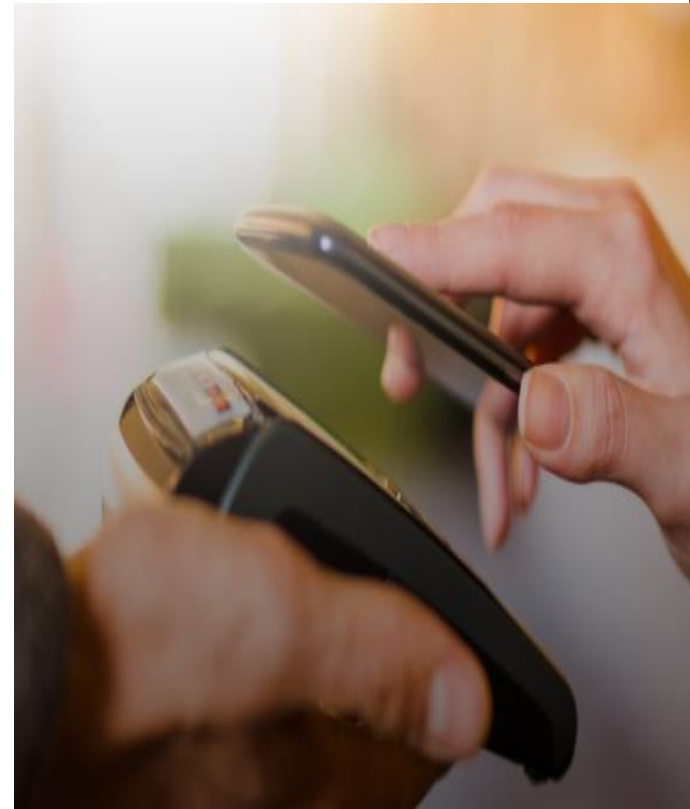
- ❑ Digitalise wealth franchise
- ❑ Drive Private Banking growth
- ❑ Expand Regional Premier and Wealth Management business
- ❑ Deepen collaboration and synergies across banking, insurance, asset management and brokerage





# Accelerate Digitalisation

- ❑ Deliver next generation value proposition and customer experience
- ❑ Expand digital ecosystem, channels and offerings
- ❑ Continuously upgrade core technology architecture
- ❑ Invest in future-ready workforce



# Build a More Sustainable Future

- ❑ Expand sustainable financing portfolio
- ❑ Drive positive impact through sustainable investing
- ❑ Reduce Group's environmental footprint
- ❑ Strengthen policies and reporting framework
- ❑ Embed sustainable culture





**Best Managed Bank during Covid-19**  
*(The Asian Banker Leadership Achievement Awards)*

**Best Retail Bank Singapore**  
*(The Digital Banker)*

**ASEAN SME Bank of the Year**  
*(Asian Banking & Finance)*

**Best SME Bank in Southeast Asia**  
*(Alpha Southeast Asia)*

**Best SME Bank in Singapore**  
*(Alpha Southeast Asia)*

**Best SME Bank in Singapore**  
*(Asiamoney)*

**Best Private Bank – Fund Advisory**  
*(Asian Private Banker)*

**Champion of Good 2020**  
*(National Volunteer and Philanthropy Centre)*

***Thank you for supporting OCBC***