



twimbit

Company Insights

OCBC: Driving sustainable growth for all stakeholders

2023 outlook

twimbit Purpose Score

Customer Experience



Employee Experience



Supplier Satisfaction



Shareholder Value



Society/Planet Impact



Aggregate score



Executive summary – OCBC at a glance

Company Name	: Oversea-Chinese Banking Corporation, Limited
Headquarters	: Downtown Core, Singapore
Employees	: 30,543
Countries	: 19
Branches	: 470+

Revenue : USD 7.8 bn (S\$ 10.596 bn)

Common Equity Tier 1 Ratio : 15.5%

YoY Revenue Growth (%) : ▲ +4.5%

Annual IT Spending : USD 247 Mn (S\$ 335 Mn)

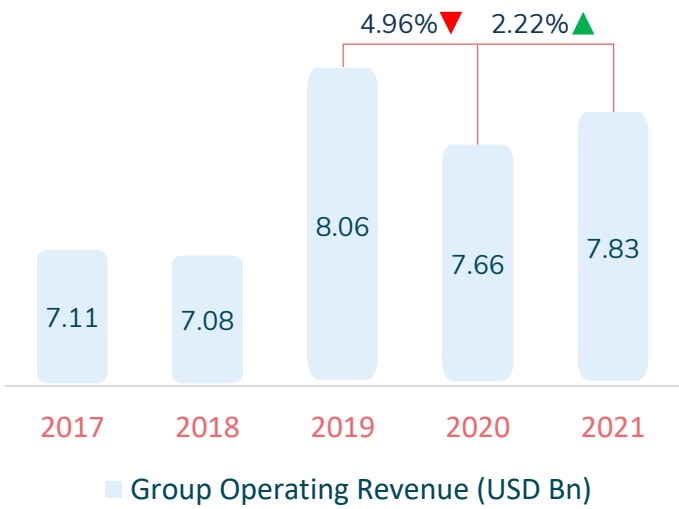
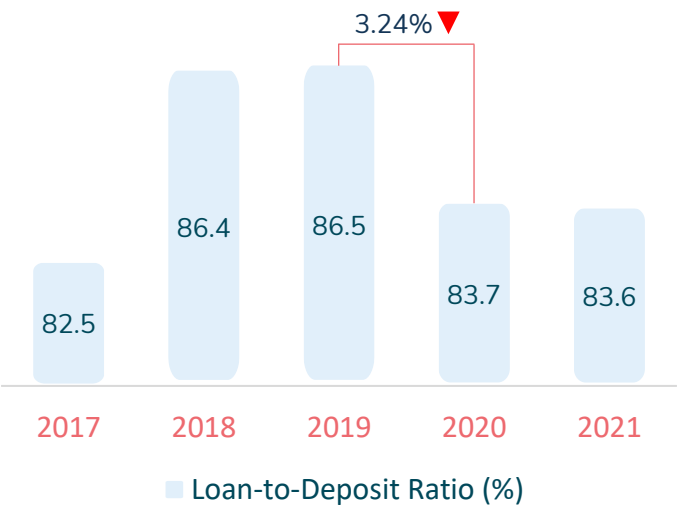
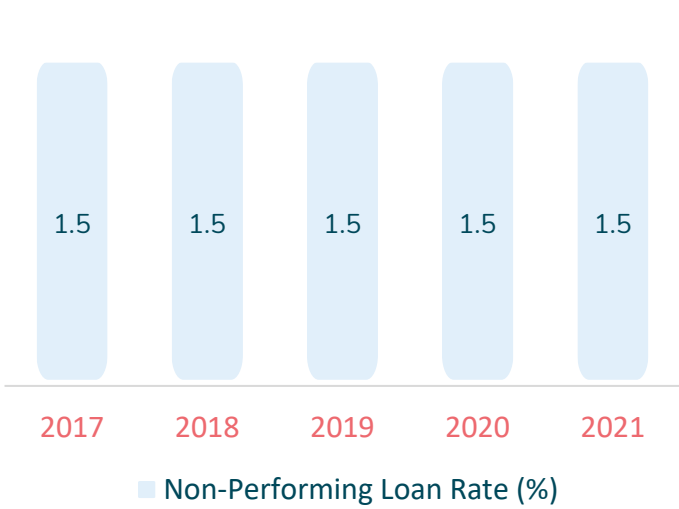
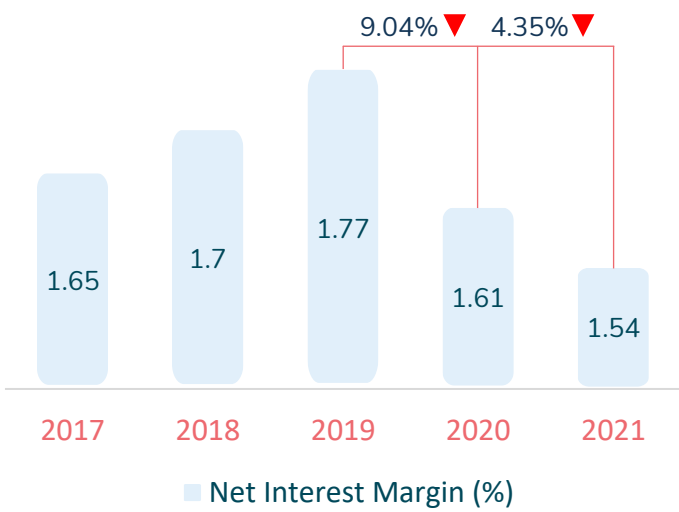
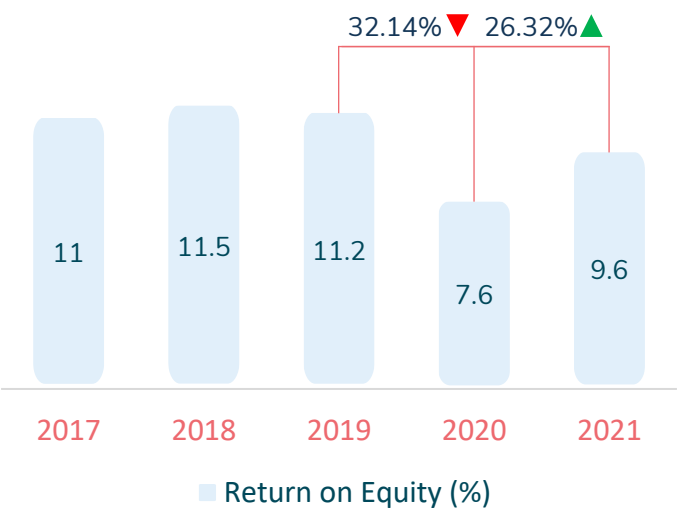
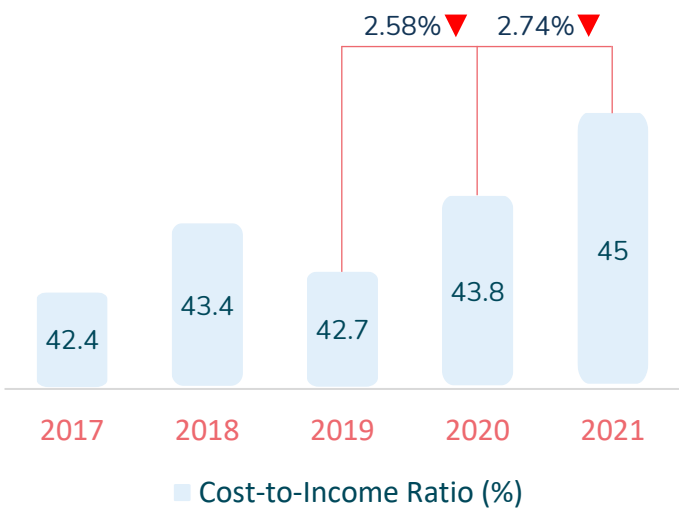
Strategic focus areas

- 1 Geographic expansion
- 2 Deliver differentiated and integrated CX
- 3 Becoming a technology company
- 4 Sustainability & ESG integration
- 5 Employee experience

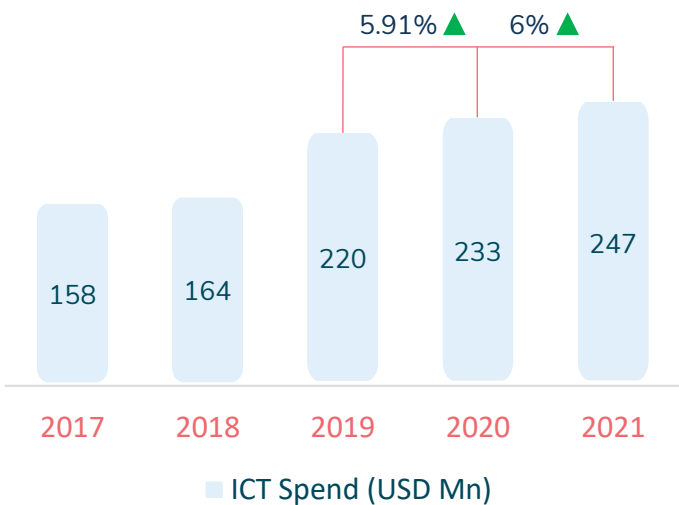
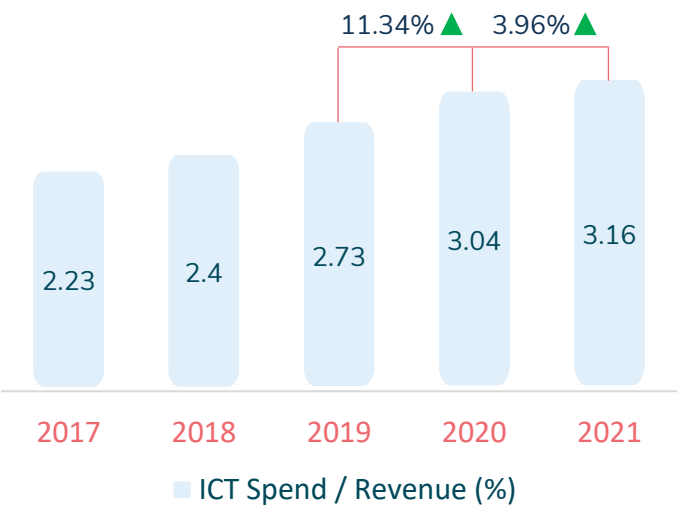
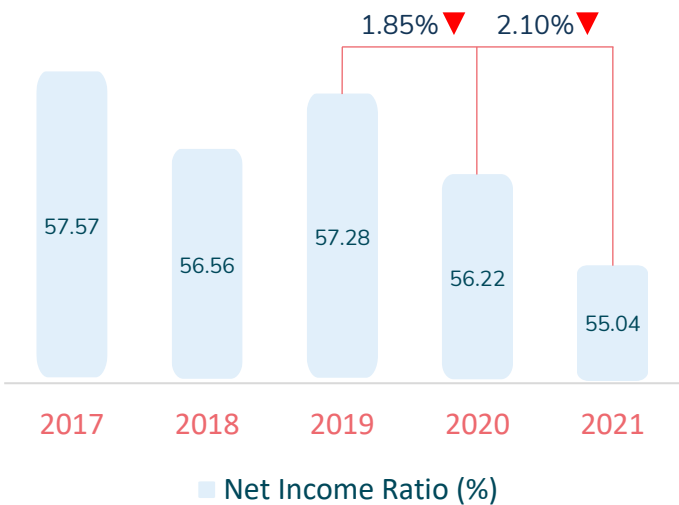
Awards

- ✓ ASEAN SME bank of the year by Asian banking & finance
- ✓ Best private bank for digital customer service in Asia by PWM wealth tech awards
- ✓ Best retail bank in Singapore by 'The Digital Banker'
- ✓ Best private bank – Digital Innovation and Services (Bank of Singapore) by 'Asian Private Banker Awards for Distinction'

Financial highlights (1/2)



Financial highlights (2/2)



Measures of success

USD 3.563 bn (SGD 4.858 bn)

Net Profit of the Group (▲ 35% YoY)

63.3%

CASA ratio for the Group (▲ 9% YoY)

2nd place

Ranking in Net Promoter Score (NPS) among peers

58%

of customer base are active digital users (▲ 9.43% YoY)

95%

of consumer transactions were digital

86%

of SME transactions were digital

Note: Figures are for FY 2020-2021

Top 5 strategic focus areas for OCBC bank today

#1



Strategic
geographic
expansion

#2



Deliver
differentiated
and integrated
CX

#3



Becoming a
technology
company

#4



Sustainability &
ESG integration

#5



Championing
employee
experience

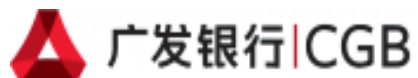
#1 Geographic expansion

OCBC foresees **growing trade, wealth and investment in Greater China** as a great opportunity for expansion



Bank of Ningbo

- Acquired a 12.2% stake in the Bank of Ningbo during 2006 and raised holdings to 20% (maximum allowed) as of 2014.
- Entered a 10-year strategic cooperation agreement in 2017 to increase collaboration and interchange knowledge.
- Conducted regular dialogue, training and employee secondment to better understand opportunities, risks and regulations in the Greater Bay Area (GBA).



Guangfa Bank & Bank of Shanghai

- Signed multiple Memorandum of Understandings to strengthen collaboration and capture new opportunities in the GBA.



Ping An Bank (with OCBC Wing Hang Bank – HK subsidiary)

- Partnered with Ping An Bank in October 2021 to maximise the newly state approved cross-boundary investment scheme that would allow residence of the GBA, which can be used to purchase approved schemes in China and vice versa.
- Partnership is forecasted to facilitate up to RMB 300 billion (SGD 63 billion) in total investment flows and generate about RMB 3.2 billion (SGD 670 million) in annual wealth fees.

#2 Deliver differentiated and integrated CX

To more effectively drive **customer experience**, **boost efficiency**, **extract synergies** and **manage risks prudently**

Personalisation

- OCBC's dedicated data department provides automated and personalised financial recommendation to customers.
- This feature help customers make better informed financial decisions.
- Customers will be able to view personal "insights" in their mobile banking app, viz., a person with excess cash will be prompt to repay their loan to save on interest or to deposit the excess into an interest-bearing account.

OCBC's "One Group"

- "One Group" is a program by OCBC to promote collaboration within the company's three business pillars - Banking, Wealth Management and Insurance, marking the collaboration of businesses in different geographies.
- Aims to deliver a differentiated and integrated customer experience by galvanising and capturing the unique strength of OCBC's diverse businesses.
- Introduce a standard organisational structure with clearly-defined responsibilities and accountability across businesses in different geographies.
- Unify wealth management talents across OCBC's group to establish group wealth platform, where ideas and expertise can be shared across businesses.

#3 Becoming a technology company

Accelerating digital transformation

OCBC Digital platforms

- OCBC provides three platforms for their customers:
 - OCBC Digital (the main mobile banking app)
 - OCBC Pay Anyone™ (the lifestyle-oriented payment app)
 - OCBC's online banking portal accessible by most internet ready devices.
- OCBC issues regular updates and security patches for these platforms to ensure a competitive and secure experience.

Cyber security

- OCBC rolled out a kill switch along with a dedicated 'fraud hotline' to immediately freeze all accounts, ATM and card access.
- OCBC conducts regular webinars and regularly issues notices regarding scams and fraud to increase public awareness.

FRANK by OCBC

- A digital first banking initiative by OCBC.
- Customers can conduct all their banking, wealth management and investment transactions via any of the OCBC Digital platforms starting from the account opening process.
- Customers can obtain instant approval of their FRANK account online via Myinfo.

#4 Shaping a climate aligned future

Driving sustainability and integrating ESG across the group

Proactively support customers transition to a low-carbon economy

- First Singapore bank to introduce the sustainability-linked structured deposit – an investment plan focused on sustainable development.
- First Singapore bank to introduce ‘Eco-Care’ car, home, renovation loans and solar panels loans to encourage a sustainable lifestyle.
- Disbursed more than SGD 34 billion in sustainable financing during 2021 and is targeted to grow the portfolio to SGD 50 billion by 2025.

Actively reduce OCBC’s environmental footprint

- On track to achieve net-zero operational carbon emissions across the bank in 2022.
- Retrofit OCBC properties with energy efficient technology such as LED lights and energy efficient cooling system.

Help the community

- Donated SGD 3.2 million for various society causes.
- Deliver government loan relief programmes to individual, SMEs and corporate customers during the pandemic.

#5 Employee experience

“Developing and supporting our people”

OCBC Future Smart Programme

- Invested SGD 50M in the program to equip employees with digital skills and deepen the understanding of sustainability and its application on the employee's role.
- Over 10,000 virtual programmes were conducted with more than 516,000 attendees in 2021 (66% increase Y-o-Y).

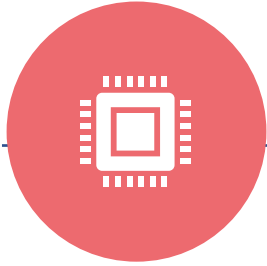
Developing fresh talents

- OCBC FRANKpreneurship – The flagship 13-week summer internship program designed to empower future bankers.
- OCBC Ignite – An IT-focused internship program designed to develop young software engineers and expose themselves to Web3.0 technology, such as blockchain and AI.
- OCBC Regional Scholarship – A full scholarship programme providing scholars both an internship placement and a role in OCBC after graduation.

Employees' welfare

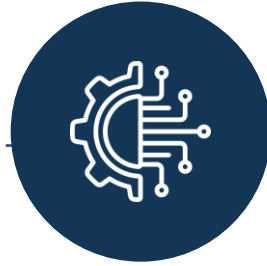
- Provided vaccination support for employee: transport, additional medical leave and work-from-home arrangements.
- Introduced the holistic wellness programme to better look after employees physical, mental, social and financial wellbeing.

OCBC's digital strategies



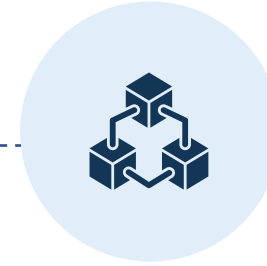
Increase digital penetration

- Constantly updating, improving and adding new features to OCBC's digital applications
- Smoothen the account opening process and banking facilities of the applications
- Integrate business financial management capabilities into OCBC's digital business banking platform



Launching innovative technologies

- Launched several innovative first-to-market initiative within the year
- Collaborated with fintech and technology company
- Established strong cross departmental synergy to deliver these initiatives
- See [Technology innovation](#) for more



Leverage disruptive technologies

- Made significant upgrades to OCBC's cloud infrastructure, data analytics and AI capabilities
- Improved the bank's cyber security through the aid of big data for trend predictions
- Successfully prevented 55% of cyber-attacks through the aid of these tools

OCBC's technology innovation

#1



Face recognition
enabled ATM

#2



OCBC Virtual
purchasing card

#3



Direct digital tax
payment

#4



Instant trading of
precious metal in
your pocket

#5



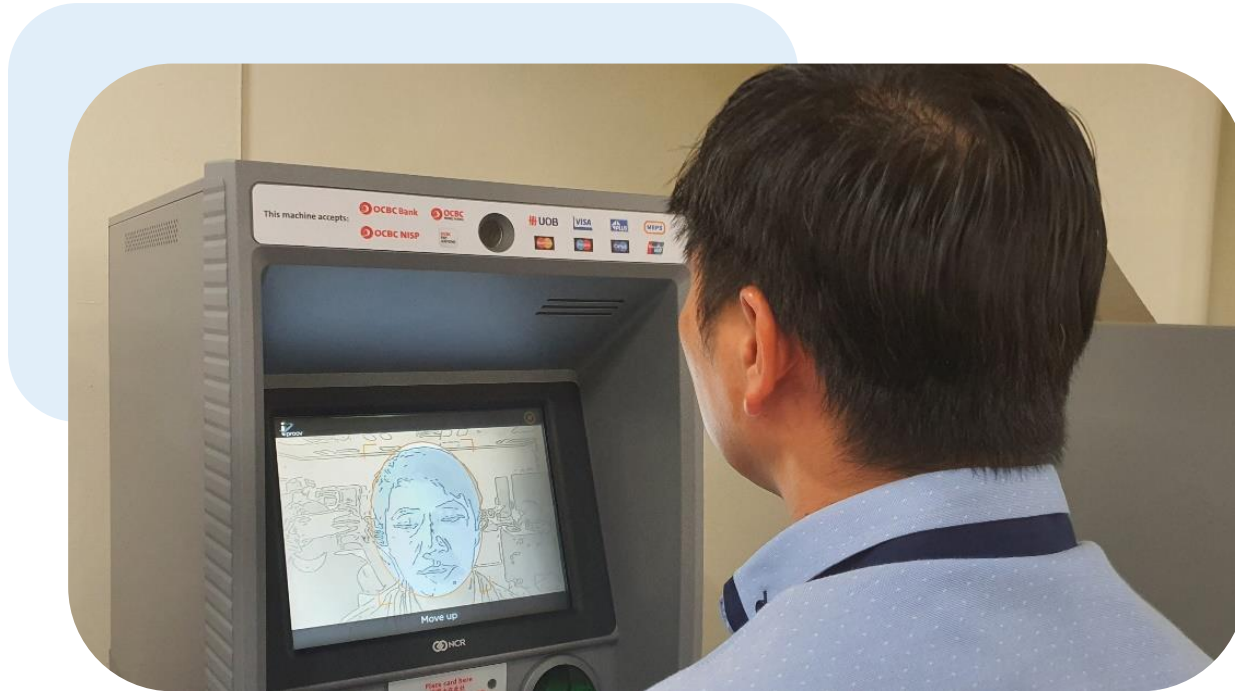
Travel with OCBC

#6



Doxa Connex for
Developers

#1 Face recognition enabled ATM



Credits: [Digital News Asia](#)

- Enabled facial recognition for ATM banking transactions in Singapore, where customers can withdraw funds via biometric authentication
- This initiative works to increase the security of the money withdrawal process while providing convenience, ensuring customers would no longer need to carry along their ATM cards

#2 OCBC Virtual purchasing card

Powered by:



OCBC virtual purchasing card powered by Visa Commercial Pay Mobile allowing customers to generate multiple virtual cards for both single-use or multiple-use purposes.

Used in:



OCBC customers will receive their virtual Visa credit or debit within minutes by simply applying for one online. The virtual card will be available for usage via Apple Pay once the setup process is completed.

The possible usage:

- A company generating a temporary purchasing card for an employee, where a purchasing limit can be set.
- A parent generating a temporary card for their child, where monies can only be spent at a list of merchants.

#3 Direct digital tax payment

Powered by: 

OCBC customers in Singapore can directly pay their income taxes either in an installment basis or on a one-time basis via the OCBC Digital platform.

Made possible by:



OCBC is the first bank in Singapore to integrate the tax authority's payment API into its platform to enable the convenience of direct tax payments.

Customers can also:

- Access their tax information
- Incorporate taxes into their financial planning

#4 Instant trading of precious metal in your pocket

Instant buy/sell precious metals with the OCBC Digital mobile app, where customers can open an account and trade precious metal instantaneously without having to visit a physical branch.

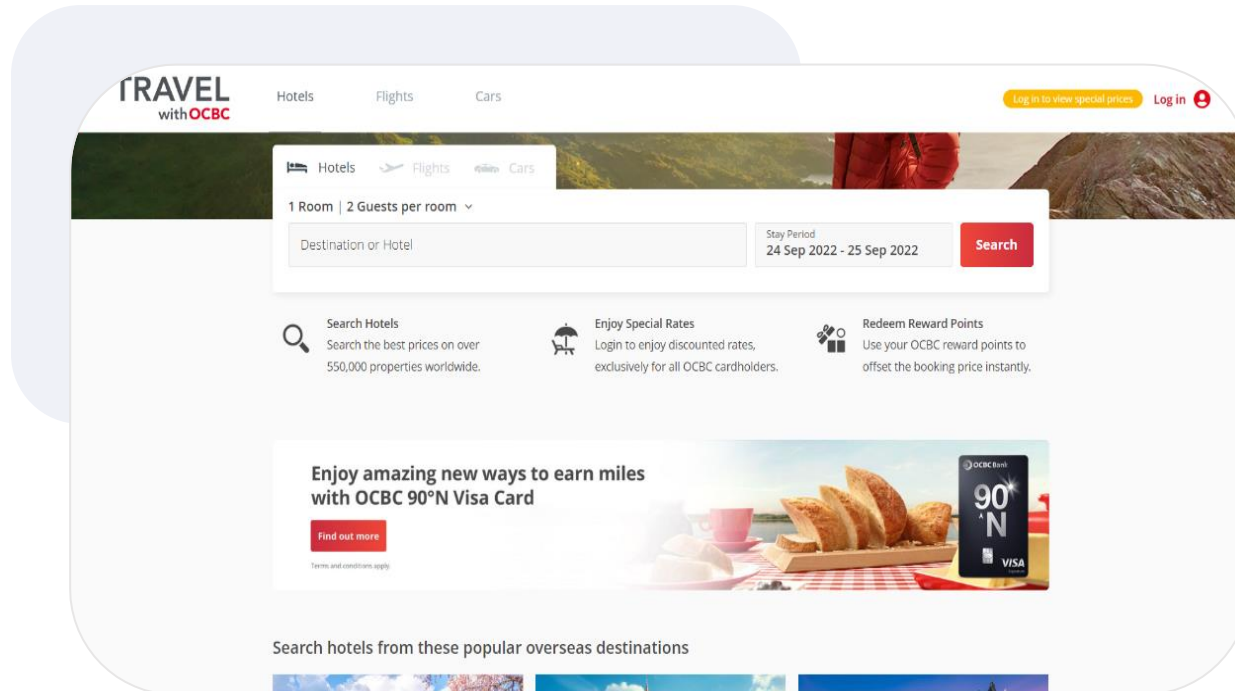
Precious metals currently available for OCBC customers to purchase are:

- Gold
- Silver

Besides the convenience, three further benefits of trading precious metals via OCBC are:

- Minimum purchase of 0.01 oz only
- No sales charges
- No custody fees

#5 Travel with OCBC



From: [TRAVEL with OCBC](#)

- Travel with OCBC is an online hotel booking and travel platform that allow customers to find and compare hotel, taxi and airline services.
- The platform periodically offers limited time promotions to their members.
- Customers with the OCBC 90°N Mastercard can enjoy further rewards when booking on the platform.

#6 Doxa Connex for Developers

doxa

Doxa Connex for Developers is a platform co-developed by OCBC, Guocoland and Doxa to provide the built environment with the first-to-market digital workflow solution.

This platform aims to automate the procurement and payment workflow by connecting property developers with banks, consultants, supplier and contractors.

With the aid of the platform, data entry, invoicing and cash flow management would be automatically handled by the platform, while unlocking new efficiencies and reducing errors in the process.

Technology initiatives (1/2)

#1



OCBC x Trusple

- A collaboration between OCBC Bank and Ant Group
- A blockchain-enabled platform to make trade between Singapore and China seamless
- Allow payments to be made to over 6 million Chinese suppliers swiftly
- Increase transparency and enhance security via Trusple's blockchain-enabled smart contract

#2



Komgo

- A trade finance blockchain platform
- Aimed to reduce the use of papers which are prone to forgery of official trade documents
- The Standard Chartered and Citi case fraud in 2014, where millions of dollars were lost after forged warehouse receipts for metal in a Chinese port were used to raise funding from the two banks is what fuelled OCBC's investment into Komgo.

Technology initiatives (2/2)

#3

OCBC studying crypto exchange

- On November 2021, Helen Wong, the CEO of OCBC said that OCBC was looking into the probability of introducing a crypto exchange.
- This interest stemmed when OCBC's main competitor, DBS, introduced a crypto exchange in December 2020.
- This will allow OCBC to further diversify their business while remaining competitive.

Source: [Bloomberg](#)



Top 4 growth opportunities

#1



Open banking

#2



Buy Now Pay
Later

#3



Banking
Ecosystem

#4



Smart contracts

#1 Open banking

Key Highlights

- ✓ As of writing, OCBC has 41 Application Programming Interface (APIs) for developers to integrate into their applications
- ✓ A few notable ones are
 - Account details
 - Calculators (interest)
 - Cards
 - Insurance
 - Investments
 - Loans
 - Locators
 - Authorisation
 - Payments
 - Rewards

Key initiatives / implementations

- ✓ Launched Connect2OCBC in 2016 – an online portal for developers to browse for APIs and adapt them into their projects
- ✓ OCBC is the first Southeast Asia bank to launch a dedicated platform for APIs
- ✓ An interested developer can simply register for an account on the portal and start browsing the APIs for free
- ✓ Connect2OCBC is equipped with a forum tab, providing users an avenue to contribute ideas on new APIs to be added or to identify bugs that need to be fixed

Analyst View

- ✓ Accelerate the pace and improvement of updates to the APIs and add new APIs wherever suitable
- ✓ Increasing the number of API call request to match competitors such as DBS.

#2 Buy now pay later

Key Highlights

- ✓ “PayLite” is OCBC’s BNPL offering in the market
- ✓ PayLite allows most OCBC credit card holders to split any payment of more than SGD 100 into interest-free loans (up to 12 months interest free loan)
- ✓ PayLite is subjected to a competitive one-time processing fee of 3% - 5% of the loan amount
- ✓ PayLite is eligible for both local and foreign payments

Key initiatives / implementations

- ✓ OCBC introduced PayLite to ease the burden of purchasing big ticket items
- ✓ Customers can apply for a PayLite loan completely online via OCBC Digital platforms or via the submission of an e-form

Analyst View

- ✓ Offer BNPL to existing customers in their existing customer journeys and increase attach rates
- ✓ Reduce or remove their substantial processing fee to increase its competitiveness in the BNPL market.
- ✓ BNPL could be an opportunity to bring onboard new customers, especially Gen Z to eventually open other accounts with OCBC.

#3 Banking Ecosystem

Key Highlights

- ✓ OCBC Group is a diversified financial holding company with interest in multiple regional and financial sector.
- ✓ In 2021, OCBC Group's income breakdown is as such:
 - Banking accounted for 55.26%
 - Insurance accounted for 12.59%
 - Wealth management accounted for 21.19%
 - Other segments accounted for 10.96%

Key initiatives / implementations

- ✓ Currently, OCBC integrates its money management, wealth management, lifestyle and certain loan application platforms into its online portal.
- *however, there are no offerings or indicators to suggest if the data is shared across these businesses.

Analyst View

- ✓ OCBC should reduce the complexity of having multiple portals and application with varying designs
- ✓ Integrating disparate data and leveraging it to deliver unique customer experiences can help improve growth, engagement and wallet share
- ✓ Embedding into existing customer journeys of SMEs, Supply chain of large enterprises, etc offer opportunities for growth.

#4 Smart contracts powered by blockchain

Key Highlights

- ✓ OCBC has made significant efforts in reducing its carbon footprint and energy consumption, OCBC's office paper consumption is as such:
 - 2019: 582 ton
 - 2020: 445 ton (↓ 23.5%)
 - 2021: 379 ton (↓ 14.8%)
- ✓ This reduction stemmed because of OCBC encouraging its customers to switch to e-statements

Key initiatives / implementations

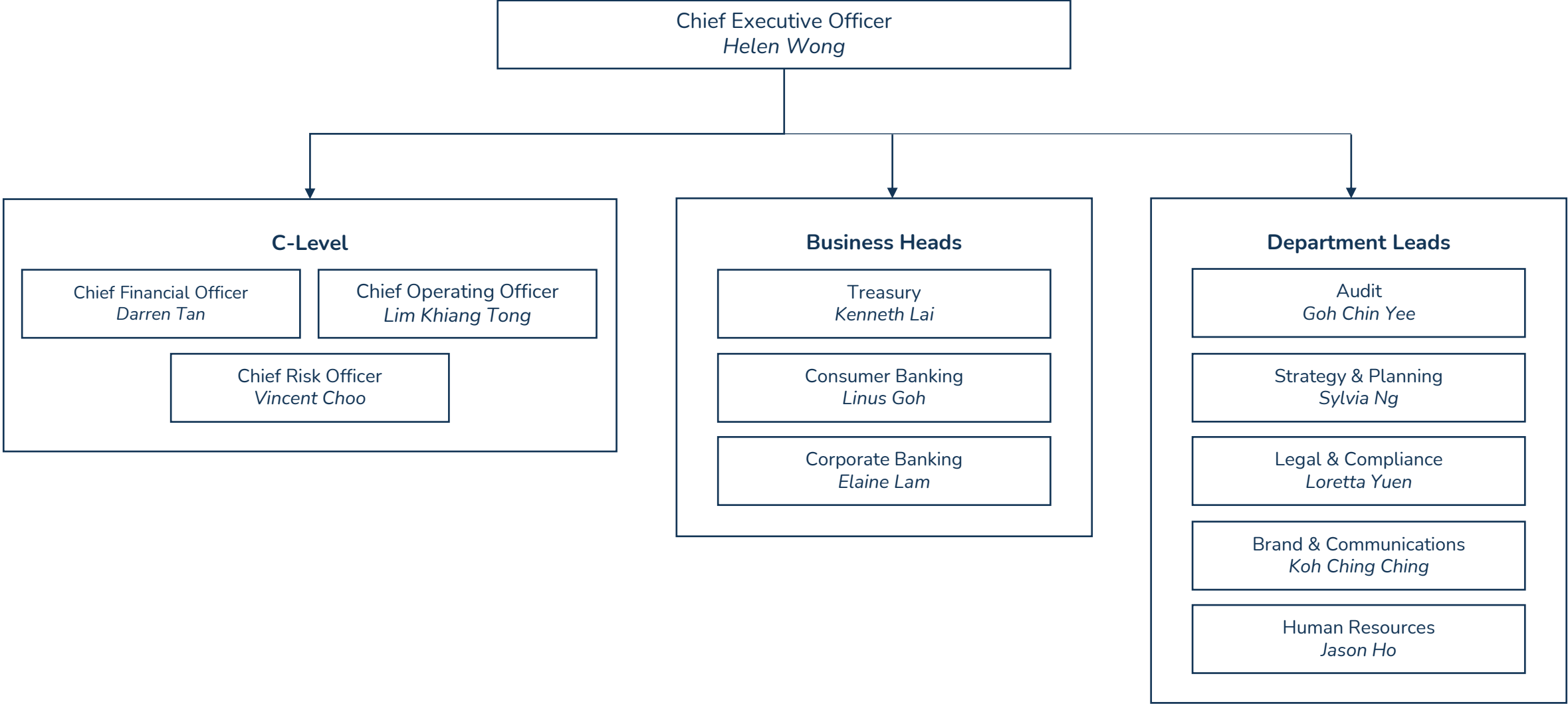
- ✓ OCBC and Komgo are developing a blockchain-based smart contract system that will allow trade finance documents to be securely verified
- ✓ This initiative is aimed to increase the reliability of documents compared to traditional paper-based documents

Analyst View

- ✓ Expand their research and explore the use cases of smart contracts for more use cases when dealing with:
 - Internal business to business use cases
 - Retail consumers – credit reports, peer-to-peer transfers,
 - Trade finance and Supply chain
- ✓ Speed up the development of current smart contract solutions as it has yet to be launched after the initial announcement in 2019.

Appendix

Key decision-makers



Helen Wong



Group CEO

- Became the CEO of OCBC Group in April 2021
- Has 37 years of experience in the banking industry

ASEAN & Greater China financing:

“

Our strategy refresh will entrench OCBC's position as a leading financial services partner in a sustainable Asia as we grow our ASEAN and Greater China capabilities.

”

Ready for the future:

“

OCBC emerged from 2021 as a more resilient and stronger bank and is well-positioned to capture the opportunities arising from the restoration of Asia's medium and long-term promising growth trajectory. We built stronger momentum across our diversified franchise and delivered resilient and sustainable earnings, while raising the bar to support our customers, employees and communities. We further refined our strategic focus and enhanced our capacities to drive sustainable value for all our stakeholders.

”

*Direct quotes derived from the 2021 OCBC Annual Report

Darren Tan



Group CFO

- Became the CFO of OCBC Group in May 2011
- Has 28 years of experience in the finance industry

The current economy:

“

When things are volatile, we must stay calm. When things are complicated, we must stay simple.

”

Vision for the OCBC's finance team:

“

My vision is for the Finance team to be SMART as follows:

S – to think and plan **Strategically**, challenge the status quo and embrace change;

M – to **Mine** data and information for insights to guide better decisions;

A – to **Analyse** and advise business partners about where to grow and what to grow;

R – to facilitate **Resource** allocation to maximise long-term profitability;

T – to groom **Talent** by encouraging them to keep an open mind and continuously improve.

”

*Direct quotes derived from the 2021 OCBC Annual Report

twimbit be more



Insights



Immersions



Challenges

How can we help?

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