

Media Release

OCBC Group Full Year 2021 Net Profit Rose 35% to S\$4.86 billion

Proposed final dividend increased to 28 cents per share

Singapore, 23 February 2022 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$4.86 billion for the financial year ended 31 December 2021 (“FY21”), an increase of 35% from S\$3.59 billion a year ago (“FY20”).

Full Year 2021 Performance

S\$ million	FY21	FY20	YoY (%)
Net interest income	5,855	5,966	(2)
Non-interest income	4,741	4,173	14
<i>of which: Fees and commissions</i>	2,245	2,003	12
<i>Trading income</i>	763	863	(12)
<i>Profit from life insurance</i>	1,137	698	63
Total income	10,596	10,139	5
Operating expenses	(4,764)	(4,439)	7
Associates	824	612	35
Operating profit before allowances	6,656	6,312	5
Allowances	(873)	(2,043)	(57)
Amortisation, tax and NCI	(925)	(683)	35
Group net profit	4,858	3,586	35
Group ROE	9.6%	7.6%	+2.0ppt

FY21 Year-on-Year Performance

- Group net profit for FY21 was S\$4.86 billion, an increase of 35% from a year ago, underpinned by strong growth in non-interest income and lower allowances, which offset a decline in net interest income amid a low interest rate environment.
- Net interest income decreased 2% from the previous year to S\$5.86 billion, mainly attributable to a 7 basis points fall in net interest margin (“NIM”), despite a 3% increase in average asset balances.
- Robust growth in non-interest income, which climbed 14% to a record S\$4.74 billion from S\$4.17 billion in FY20.
 - Net fee income rose 12% to a new high of S\$2.25 billion from broad-based fee growth on the back of higher transaction volumes and customer activities. Wealth management fees surpassed the S\$1 billion mark for the first time.

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- The Group's wealth management income, comprising consolidated income from insurance, premier and private banking, asset management and stockbroking, rose 11% to S\$3.92 billion, up from S\$3.54 billion last year, and contributed 37% to the Group's total income. As at 31 December 2021, Group wealth management AUM rose 7% to S\$258 billion from S\$241 billion a year ago.
 - Net trading income of S\$763 million was 12% below S\$863 million in the previous year, largely due to a decline in non-customer flow income.
 - Net realised gains from the sale of investment securities of S\$92 million were lower as compared to S\$208 million in FY20.
 - Profit from life insurance grew 63% to S\$1.14 billion from S\$698 million in the preceding year, driven by favourable financial market conditions and higher operating profit from Great Eastern Holdings' ("GEH") insurance business. Total weighted new sales climbed 28% to S\$1.97 billion, while new business embedded value ("NBEV") increased 21% to S\$808 million from healthy sales growth, with the NBEV margin at 41.0%. GEH's embedded value, a measure of the long-term economic value of the existing business of a life insurance company, rose 5% to S\$18.3 billion.
- The Group's share of results of associates rose 35% to S\$824 million from S\$612 million in the previous year.
 - Operating expenses of S\$4.76 billion were 7% above last year, largely due to higher staff costs linked to headcount growth, as the Group continued to invest in the areas of digitalisation and wealth management to support our strategic priorities. Excluding the effect of government job support grants, operating expenses would have increased by 4%.
 - Total allowances were lower at S\$873 million as compared to S\$2.04 billion in the previous year. These mainly comprised allowances for impaired assets of S\$855 million and allowances for non-impaired assets of S\$18 million.
 - FY21 ROE improved to 9.6% from 7.6% a year ago, while earnings per share rose to S\$1.07 from 80 cents in the prior year.

Fourth Quarter 2021 Performance

S\$ million	4Q21	4Q20	YoY (%)	3Q21	QoQ (%)
Net interest income	1,492	1,436	4	1,461	2
Non-interest income	1,058	1,049	1	1,099	(4)
<i>of which: Fees and commissions</i>	528	517	2	569	(7)
<i>Trading income</i>	152	264	(42)	83	83
<i>Profit from life insurance</i>	248	145	72	262	(5)
Total income	2,550	2,485	3	2,560	–
Operating expenses	(1,289)	(1,125)	15	(1,188)	8
Associates	198	131	51	204	(3)
Operating profit before allowances	1,459	1,491	(2)	1,576	(7)
Allowances	(317)	(285)	11	(163)	95
Amortisation, tax and NCI	(169)	(75)	124	(189)	(10)
Group net profit	973	1,131	(14)	1,224	(20)
Group ROE – annualised	7.5%	9.3%	-1.8ppt	9.5%	-2.0ppt

4Q21 Year-on-Year Performance

- Group net profit of S\$973 million for the quarter was 14% lower.
- Net interest income rose 4% to S\$1.49 billion, spurred by 6% asset growth, while NIM fell 4 basis points to 1.52% from lower asset yields.
- Non-interest income rose 1% to S\$1.06 billion, driven by fee income growth and higher profit from life insurance, partly offset by a fall in trading income.
- Operating expenses were 15% above the previous year at S\$1.29 billion, led by an increase in staff costs linked to strategic expansion and business activity growth, and absence of government job support grants this quarter.
- The Group's share of results of associates was 51% higher at S\$198 million for 4Q21.
- Total allowances were up 11% at S\$317 million.

4Q21 Quarter-on-Quarter Performance

- Total income was relatively unchanged from the previous quarter largely because higher net interest income and trading income were offset by seasonally weaker fee income and lower investment gains.
- Expenses rose quarter-on-quarter, led by operational charges and a rise in business-driven costs.
- The Group's share of results of associates was slightly below 3Q21 while total allowances were higher than the previous quarter.

Asset Quality and Allowances

S\$ million	Dec 2021	Dec 2020	Sep 2021	YoY	QoQ
Non-performing assets (NPAs)	4,338	4,005	4,243	+8%	+2%
Non-performing loan (NPL) ratio	1.5%	1.5%	1.5%	–	–
Allowances (S\$ million)	4Q21	4Q20	3Q21	FY21	FY20
Allowances charge/(write-back) for loans and other assets	317	285	163	873	2,043
<i>of which: Impaired</i>	387	237	185	855	1,179
<i>Non-impaired</i>	(70)	48	(22)	18	864
Credit costs (bps) ^{1/}	4Q21	4Q20	3Q21	FY21	FY20
Total loans	41	39	21	29	67
<i>of which: Impaired loans</i>	50	32	24	28	38

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

Asset Quality

- As at 31 December 2021, total NPAs were S\$4.34 billion, up from S\$4.01 billion a year ago and slightly above S\$4.24 billion last quarter.
- The NPL ratio remained stable at 1.5% while the allowance coverage against total NPAs was 90%.

Allowances

- For FY21, total allowances of S\$873 million were substantially lower than the S\$2.04 billion in the preceding year, where the Group set aside additional allowances for non-impaired assets to cushion against the uncertain operating outlook.
- Total loan allowances for the year represented 29 basis points of loans as compared with 67 basis points in FY20.
- Total allowances were S\$317 million for the quarter and comprised:
 - Allowances for impaired assets of S\$387 million were mainly driven by project financing delays due to supply chain disruption brought upon by COVID-19 in Greater China and other overseas markets.
 - Write-back in allowances for non-impaired assets of S\$70 million were mainly due to downgrade of accounts to ECL stage 3 allowances, and refresh of the macroeconomic variables in the ECL model.

Strong Funding, Liquidity and Capital Position

S\$ billion	Dec 2021	Dec 2020	Sep 2021	YoY	QoQ
Loans	290	267	285	+8%	+2%
Deposits	342	315	333	+9%	+3%
<i>of which: CASA deposits</i>	217	190	206	+14%	+5%
CASA ratio	63.3%	60.3%	62.0%	+3.0ppt	+1.3ppt
CET1 CAR	15.5%	15.2%	15.5%	+0.3ppt	–
Leverage ratio	7.7%	7.7%	7.8%	–	-0.1ppt

- As at 31 December 2021, customer loans grew 8% from a year ago and 2% from the previous quarter to S\$290 billion. In FY21, loan growth was broad-based across both corporate and consumer segments, with the majority of the increase coming from Singapore, Greater China, and the Group's international network.
- Customer deposits were up 9% from S\$315 billion last year and 3% quarter-on-quarter to S\$342 billion. The year-on-year growth in deposits was driven by a 14% increase in current account and savings deposits ("CASA") to S\$217 billion, while the CASA ratio further improved to 63.3%.
- Loans-to-deposits ratio was 83.6%, little changed as compared to 83.7% in the preceding year.
- Group's CET1 CAR was 15.5%, while the leverage ratio was 7.7% as at 31 December 2021.

Dividend

Cents Per Share	2021	2020
Interim dividend	25.0	15.9
Final dividend	28.0	15.9

- The Board has proposed a final dividend of 28 cents per share, bringing the FY21 total dividend of 53 cents back to FY19's pre-pandemic level.
- The FY21 total dividend is above the 31.8 cents declared in FY20, which was capped at 60% of the prior year's dividend in line with MAS' guidance.
- The Scrip Dividend Scheme will not be applicable to the final dividend.

Message from Group CEO, *Helen Wong*

“Our strong 2021 performance demonstrated the resilience of OCBC’s banking, wealth management and insurance franchise. Supported by our solid balance sheet, diversified funding base, and continued investment in people and technology, we are back to pre-pandemic profitability levels. We achieved good momentum across our customer franchise and reported record wealth management and fee-based income, broad-based loan and insurance sales growth.

Looking ahead, we are cautiously optimistic that the operating environment will improve. We will work towards executing on our long-term goals and refining our strategic priorities to capture the opportunities arising from Asia’s growth and COVID-19-driven acceleration of economic, social and structural trends. We continue to stay focused on growing OCBC’s leading position in our key markets and making further investments to deepen our network, accelerate digital transformation, and develop talent to deliver long-term sustainable growth.”

FINANCIAL HIGHLIGHTS

S\$ million	2021	2020	+ / (-) %	4Q21	4Q20	+ / (-) %	3Q21	+ / (-) %
Selected Income Statement Items								
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 before allowances and amortisation	5,832	5,700	2	1,261	1,360	(7)	1,372	(8)
Amortisation of intangible assets	(103)	(104)	(1)	(26)	(26)	–	(26)	–
Allowances for loans and other assets	(873)	(2,043)	(57)	(317)	(285)	11	(163)	95
Operating profit after allowances and amortisation	4,856	3,553	37	918	1,049	(12)	1,183	(22)
Share of results of associates, net of tax	824	612	35	198	131	51	204	(3)
Profit before income tax	5,680	4,165	36	1,116	1,180	(5)	1,387	(19)
Net profit attributable to equity holders	4,858	3,586	35	973	1,131	(14)	1,224	(20)
Cash basis net profit attributable to equity holders ^{1/}	4,961	3,690	34	999	1,157	(14)	1,250	(20)

Selected Balance Sheet Items

Ordinary equity	51,463	48,422	6	51,463	48,422	6	50,745	1
Equity attributable to equity holders of the Bank	52,663	49,622	6	52,663	49,622	6	51,945	1
Total assets	542,187	521,395	4	542,187	521,395	4	538,539	1
Assets excluding life insurance fund investment securities and other assets	442,091	424,327	4	442,091	424,327	4	436,345	1
Net loans to customers	286,281	263,538	9	286,281	263,538	9	281,278	2
Deposits of non-bank customers	342,395	314,907	9	342,395	314,907	9	332,807	3

Notes:

1. Excludes amortisation of intangible assets.
2. Amounts less than S\$0.5 million are shown as “#”.

FINANCIAL HIGHLIGHTS *(continued)*

S\$ million	2H21	2H20	+ / (-) %	1H21	+ / (-) %
Selected Income Statement Items					
Net interest income	2,953	2,857	3	2,902	2
Non-interest income	2,157	2,167	(1)	2,584	(17)
Total income	5,110	5,024	2	5,486	(7)
Operating expenses	(2,477)	(2,223)	11	(2,287)	8
Operating profit before allowances and amortisation	2,633	2,801	(6)	3,199	(18)
Amortisation of intangible assets	(52)	(51)	–	(51)	1
Allowances for loans and other assets	(480)	(636)	(24)	(393)	22
Operating profit after allowances and amortisation	2,101	2,114	(1)	2,755	(24)
Share of results of associates, net of tax	402	284	41	422	(5)
Profit before income tax	2,503	2,398	4	3,177	(21)
Net profit attributable to equity holders	2,197	2,158	2	2,661	(17)
Cash basis net profit attributable to equity holders ^{1/}	2,249	2,209	2	2,712	(17)
Selected Balance Sheet Items					
Ordinary equity	51,463	48,422	6	50,573	2
Equity attributable to equity holders of the Bank	52,663	49,622	6	51,773	2
Total assets	542,187	521,395	4	521,131	4
Assets excluding life insurance fund investment securities and other assets	442,091	424,327	4	420,349	5
Net loans to customers	286,281	263,538	9	271,027	6
Deposits of non-bank customers	342,395	314,907	9	316,776	8

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL HIGHLIGHTS *(continued)*

	2021	2020	4Q21	4Q20	3Q21	2H21	2H20	1H21
Key Financial Ratios (%)								
Performance ratios								
Return on equity ^{1/2/}	9.6	7.6	7.5	9.3	9.5	8.5	9.0	10.8
Return on assets ^{3/}	1.13	0.85	0.88	1.07	1.13	1.00	1.02	1.27
Revenue mix/efficiency ratios								
Net interest margin	1.54	1.61	1.52	1.56	1.52	1.52	1.55	1.57
Non-interest income to total income	44.7	41.2	41.5	42.2	42.9	42.2	43.1	47.1
Cost-to-income	45.0	43.8	50.5	45.3	46.4	48.5	44.2	41.7
Loans-to-deposits	83.6	83.7	83.6	83.7	84.5	83.6	83.7	85.6
NPL ratio	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Capital adequacy ratios ^{8/}								
Common Equity Tier 1	15.5	15.2	15.5	15.2	15.5	15.5	15.2	16.1
Tier 1	16.0	15.8	16.0	15.8	16.1	16.0	15.8	16.6
Total	17.6	17.9	17.6	17.9	17.8	17.6	17.9	18.4
Leverage ratio ^{5/ 8/}	7.7	7.7	7.7	7.7	7.8	7.7	7.7	8.1
Liquidity coverage ratios ^{6/ 8/}								
Singapore dollar	308	290	324	301	319	321	286	295
All-currency	151	139	159	150	150	154	139	148
Net stable funding ratio ^{7/ 8/}	121	125	121	125	125	121	125	126
Earnings per share (S\$) ^{2/}								
Basic earnings	1.07	0.80	0.85	0.99	1.07	0.96	0.95	1.19
Diluted earnings	1.07	0.80	0.85	0.99	1.07	0.96	0.95	1.19
Net asset value per share (S\$)	11.46	10.82	11.46	10.82	11.28	11.46	10.82	11.23

Notes:

- Other equity instruments and non-controlling interests are not included in the computation for return on equity.
- Calculated based on net profit less distributions on other equity instruments paid and estimated to be due at the end of the financial period.
- Computation of return on assets excludes life insurance fund investment securities and other assets.
- Return on equity, return on assets, net interest margin and earnings per share are computed on an annualised basis.
- The Group's Leverage ratio is computed based on MAS Notice 637.
- The Group's Liquidity coverage ratios ("LCR") are computed based on MAS Notice 649 and reported based on the average LCR for the respective periods.
- The Group's Net stable funding ratio is computed based on MAS Notice 652.
- Public disclosures required under MAS Notice 637, MAS Notice 651 and MAS Notice 653 can be found in the Capital and Regulatory Disclosures section of the Bank's Investor Relations website (<https://www.ocbc.com/group/investors/investor-information#pillarthreedisclosures>).

FINANCIAL HIGHLIGHTS *(continued)*
NET INTEREST INCOME
Average Balance Sheet

S\$ million	2021			2020		
	Average Balance	Interest	Average Rate %	Average Balance	Interest	Average Rate %
Interest earning assets						
Loans to customers	272,302	5,786	2.12	264,153	6,992	2.65
Placements with and loans to banks	44,428	448	1.01	47,395	839	1.77
Other interest earning assets	62,959	1,191	1.89	57,940	1,312	2.26
	379,689	7,425	1.96	369,488	9,143	2.47
Interest bearing liabilities						
Deposits of non-bank customers	323,120	1,300	0.40	309,581	2,699	0.87
Deposits and balances of banks	10,171	68	0.67	11,682	92	0.79
Other borrowings	21,941	202	0.92	25,128	386	1.53
	355,232	1,570	0.44	346,391	3,177	0.92
Net interest income/margin ^{1/}		5,855	1.54		5,966	1.61

Note:

1. Net interest margin is net interest income as a percentage of interest earning assets.

Volume and Rate Analysis

S\$ million	2021 vs 2020		
	Volume	Rate	Net change
Increase/(decrease) due to change in:			
Interest income			
Loans to customers	215	(1,402)	(1,187)
Placements with and loans to banks	(52)	(337)	(389)
Other interest earning assets	113	(230)	(117)
	276	(1,969)	(1,693)
Interest expense			
Deposits of non-bank customers	118	(1,509)	(1,391)
Deposits and balances of banks	(12)	(12)	(24)
Other borrowings	(49)	(134)	(183)
	57	(1,655)	(1,598)
Impact on net interest income	219	(314)	(95)
Due to change in number of days			(16)
Net interest income			(111)

FINANCIAL HIGHLIGHTS *(continued)*
NON-INTEREST INCOME

S\$ million	2021	2020	+/(-) %
Gross fee and commission income			
Brokerage	141	140	1
Credit card	287	274	5
Fund management	133	122	9
Guarantees	14	14	(7)
Investment banking	106	87	22
Loan-related	179	165	8
Service charges	79	84	(6)
Trade-related and remittances	286	252	13
Wealth management	1,310	1,130	16
Others	46	45	1
	2,581	2,313	12
Fee and commission expense	(336)	(310)	9
Fees and commissions (net)	2,245	2,003	12
Dividends	113	78	44
Net trading income	763	863	(12)
Income from life and general insurance			
Profit from life insurance	1,137	698	63
Premium income from general insurance	197	201	(2)
Sub-total	1,334	899	48
Other income			
Disposal of investment securities	92	208	(56)
Disposal of a subsidiary	-	9	(100)
Disposal of plant and equipment	(1)	(1)	(59)
Disposal of properties	108	45	142
Rental and property-related income	66	63	4
Others	21	6	244
Sub-total	286	330	(13)
Total non-interest income	4,741	4,173	14

FINANCIAL HIGHLIGHTS *(continued)*
OPERATING EXPENSES

S\$ million	2021	2020	+ / (-) %
Staff costs	3,028	2,748	10
Property and equipment			
Depreciation	412	419	(2)
Maintenance	145	141	3
Rental expenses	7	9	(20)
Others	304	293	4
	868	862	1
Other operating expenses	868	829	5
Total operating expenses	4,764	4,439	7
Group staff strength			
Period end	30,809	30,538	1
Average	30,610	30,529	–

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	2021	2020	+ / (-) %
Allowances:			
Impaired loans			
Singapore	42	637	(93)
Malaysia	262	94	180
Indonesia	213	219	(3)
Greater China	218	113	92
Others	117	86	36
	852	1,149	(26)
Impaired other assets	3	30	(91)
Non-impaired loans	15	860	(98)
Non-impaired other assets	3	4	(17)
Allowances for loans and other assets	873	2,043	(57)

FINANCIAL HIGHLIGHTS *(continued)*
LOANS TO CUSTOMERS

S\$ million	31 Dec 2021	31 Dec 2020
Gross loans	289,716	267,240
Allowances		
Impaired loans	(1,535)	(1,812)
Non-impaired loans	(1,900)	(1,890)
Net loans	286,281	263,538
By Maturity		
Within 1 year	116,823	102,709
1 to 3 years	57,751	53,112
Over 3 years	115,142	111,419
	289,716	267,240
By Industry		
Agriculture, mining and quarrying	8,094	8,483
Manufacturing	15,642	15,814
Building and construction	81,375	71,994
Housing loans	61,733	59,842
General commerce	30,159	28,834
Transport, storage and communication	13,423	14,340
Financial institutions, investment and holding companies	25,365	22,821
Professionals and individuals	36,854	30,659
Others	17,071	14,453
	289,716	267,240
By Currency		
Singapore Dollar	102,131	96,489
United States Dollar	73,022	62,434
Malaysian Ringgit	20,189	20,491
Indonesian Rupiah	8,720	8,313
Hong Kong Dollar	34,691	32,692
Chinese Renminbi	6,688	5,638
Others	44,275	41,183
	289,716	267,240
By Geography ^{1/}		
Singapore	115,620	109,826
Malaysia	27,611	27,819
Indonesia	18,918	18,833
Greater China	74,120	65,216
Other Asia Pacific	19,293	18,886
Rest of the World	34,154	26,660
	289,716	267,240

Note:

- Loans by geography are determined based on where the credit risk resides, which may be different from the borrower's country of residence or the booking location of the loans.

FINANCIAL HIGHLIGHTS *(continued)*
NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	NPLs ^{2/}	NPL Ratio ^{2/}
						%
Singapore						
31 Dec 2021	606	300	206	100	551	0.5
31 Dec 2020	1,725	1,106	485	134	1,669	1.5
Malaysia						
31 Dec 2021	1,516	1,126	166	224	1,467	5.3
31 Dec 2020	782	454	283	45	755	2.7
Indonesia						
31 Dec 2021	1,216	772	255	189	1,208	6.4
31 Dec 2020	651	321	227	103	651	3.5
Greater China						
31 Dec 2021	586	117	447	22	586	0.8
31 Dec 2020	358	82	235	41	358	0.5
Other Asia Pacific						
31 Dec 2021	186	62	124	#	186	1.0
31 Dec 2020	118	60	58	#	118	0.6
Rest of the World						
31 Dec 2021	228	21	207	#	217	0.6
31 Dec 2020	371	148	223	#	366	1.4
Group						
31 Dec 2021	4,338	2,398	1,405	535	4,215	1.5
31 Dec 2020	4,005	2,171	1,511	323	3,917	1.5

Notes:

1. Refer to Non-performing assets. Comprise loans to customers, debt securities and contingent liabilities.
2. Refer to Non-performing loans. Exclude debt securities and contingent liabilities.

FINANCIAL HIGHLIGHTS *(continued)*
NON-PERFORMING ASSETS *(continued)*

	31 Dec 2021		31 Dec 2020	
	S\$ million	% of gross loans	S\$ million	% of gross loans
NPLs by Industry				
Loans and advances				
Agriculture, mining and quarrying	96	1.2	345	4.1
Manufacturing	840	5.4	564	3.6
Building and construction	330	0.4	190	0.3
Housing loans	1,002	1.6	420	0.7
General commerce	594	2.0	572	2.0
Transport, storage and communication	491	3.7	1,621	11.3
Financial institutions, investment and holding companies	89	0.4	30	0.1
Professionals and individuals	179	0.5	133	0.4
Others	594	3.5	42	0.3
Total NPLs	4,215	1.5	3,917	1.5
Classified debt securities	6		7	
Classified contingent liabilities	117		81	
Total NPAs	4,338		4,005	

	31 Dec 2021		31 Dec 2020	
	S\$ million	%	S\$ million	%
NPAs by Period Overdue				
Over 180 days	927	21	1,857	46
Over 90 to 180 days	145	3	286	7
30 to 90 days	179	4	170	4
Less than 30 days	1,018	24	473	12
Not overdue	2,069	48	1,219	31
	4,338	100	4,005	100

S\$ million	31 Dec 2021		31 Dec 2020	
	Loan	Allowance	Loan	Allowance
Restructured Loans				
Substandard	816	295	1,148	846
Doubtful	407	238	589	359
Loss	85	37	34	19
	1,308	570	1,771	1,224

FINANCIAL HIGHLIGHTS *(continued)*

DEPOSITS

S\$ million	31 Dec 2021	31 Dec 2020
Deposits of non-bank customers	342,395	314,907
Deposits and balances of banks	8,239	9,586
Total deposits	350,634	324,493
Total Deposits by Maturity		
Within 1 year	347,703	321,954
1 to 3 years	1,907	1,748
Over 3 years	1,024	791
	350,634	324,493
Non-Bank Deposits by Product		
Fixed deposits	91,338	95,291
Savings deposits	78,566	71,097
Current accounts	138,077	118,751
Others	34,414	29,768
	342,395	314,907
Non-Bank Deposits by Currency		
Singapore Dollar	133,157	123,217
United States Dollar	109,842	95,226
Malaysian Ringgit	22,603	23,096
Indonesian Rupiah	12,197	11,637
Hong Kong Dollar	23,381	23,463
Chinese Renminbi	10,311	7,984
Others	30,904	30,284
	342,395	314,907

CAPITAL ADEQUACY RATIOS ^{1/}

The Group remained strongly capitalised, with a Common Equity Tier 1 (“CET1”) capital adequacy ratio (“CAR”) of 15.5%, and Tier 1 and Total CAR of 16.0% and 17.6% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2021 ^{2/}.

S\$ million	31 Dec 2021	31 Dec 2020
Ordinary shares	18,040	17,833
Disclosed reserves/others	25,782	23,021
Regulatory adjustments	(8,977)	(7,648)
Common Equity Tier 1 Capital	34,845	33,206
Additional Tier 1 capital	1,231	1,230
Regulatory adjustments	–	–
Tier 1 Capital	36,076	34,436
Tier 2 capital	3,497	4,530
Regulatory adjustments	–	–
Total Eligible Capital	39,573	38,966
Risk Weighted Assets	224,866	218,145
Capital Adequacy Ratios		
Common Equity Tier 1	15.5%	15.2%
Tier 1	16.0%	15.8%
Total	17.6%	17.9%

Notes:

- Public disclosures required under MAS Notice 637 can be found in the Capital and Regulatory Disclosures section of the Bank’s Investor Relations website (<https://www.ocbc.com/group/investors/investor-information#pillarthreedisclosures>).
- In addition to these minimum capital requirements, the Group is required to meet Capital Conservation Buffer (“CCB”) of 2.5% and Countercyclical Buffer (“CCyB”) of up to 2.5%. The CCyB is not an on-going requirement and the applicable magnitude will be the weighted average of the country-specific CCyB requirements that are being applied by national authorities in jurisdictions to which the Bank has private sector credit exposures.

FINANCIAL HIGHLIGHTS *(continued)*

PERFORMANCE BY BUSINESS SEGMENT

OCBC Group's businesses are presented in the following customer segments and business activities: Global Consumer/Private Banking, Global Wholesale Banking, Global Treasury and Markets and Insurance.

Profit Before Income Tax by Business Segment

S\$ million	2021	2020	+/(-) %
Global Consumer/Private Banking	1,121	1,205	(7)
Global Wholesale Banking	1,706	642	166
Global Treasury and Markets	873	904	(3)
Insurance	1,224	919	33
Others	756	495	53
Profit before income tax	5,680	4,165	36

Global Consumer/Private Banking

Global Consumer/Private Banking provides a full range of products and services to individual customers. At Global Consumer Banking, the products and services offered include deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards, wealth management products (unit trusts, bancassurance products and structured deposits) and brokerage services. Private Banking caters to the specialised banking needs of high net worth individuals, offering wealth management expertise, including investment advice and portfolio management services, estate and trust planning, and wealth structuring.

Global Consumer/Private Banking's profit before income tax fell 7% to S\$1.12 billion in FY21, largely attributable to lower net interest income and higher expenses, partly offset by higher wealth management income and a decline in allowances.

Global Wholesale Banking

Global Wholesale Banking serves institutional customers ranging from large corporates and the public sector to small and medium enterprises. The business provides a full range of financing solutions including long-term project financing, short-term credit, working capital and trade financing, as well as customised and structured equity-linked financing. It also provides customers with a broad range of products and services such as cash management and custodian services, capital market solutions, corporate finance services and advisory banking, and treasury products.

Global Wholesale Banking's FY21 profit before income tax more than doubled to S\$1.71 billion from S\$642 million a year ago, mainly attributable to broad-based income growth and significantly lower allowances.

FINANCIAL HIGHLIGHTS *(continued)*

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Treasury and Markets

Global Treasury and Markets is responsible for the management of the Group's asset and liability interest rate positions, engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and offers structured treasury products and financial solutions to meet customers' investment and hedging needs. Income from treasury products and services offered to customers of other business segments, such as Global Consumer/Private Banking and Global Wholesale Banking, is reflected in the respective business segments.

Global Treasury's profit before income tax was down 3% to S\$873 million in FY21, as a decline in net trading income and lower realised gains from its fixed income portfolio offset net interest income growth.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.9%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

GEH's profit before income tax was S\$1.22 billion in FY21, up 33% from S\$919 million in FY20, led by favourable financial market conditions and an increase in operating profit from its insurance business.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$932 million in FY21, compared with S\$798 million in FY20.

Others

Others comprise mainly property holding, investment holding and items not attributable to the business segments described above.

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with Aa1 by Moody's and AA- by both Fitch and S&P. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 430 branches and representative offices in 19 countries and regions. These include over 210 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 60 branches and offices in Mainland China, Hong Kong SAR and Macau SAR under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit www.ocbc.com.

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