

Media Release

OCBC Group First Half 2021 Net Profit rose 86% to S\$2.66 billion from S\$1.43 billion a year ago

Interim dividend of 25 cents declared

Singapore, 4 August 2021 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported its financial results for the first half of 2021 (“1H21”). Group net profit for 1H21 was 86% higher from a year ago at S\$2.66 billion, driven by income growth and a reduction in allowances.

First Half 2021 Performance

S\$ million	1H21	1H20	YoY (%)	2H20	HoH (%)
Net interest income	2,902	3,109	(7)	2,857	2
Non-interest income	2,584	2,006	29	2,167	19
<i>of which: Fees and commissions</i>	1,148	986	17	1,018	13
<i>Trading income</i>	528	343	54	519	2
<i>Profit from life insurance</i>	627	338	85	359	75
Total income	5,486	5,115	7	5,024	9
Operating expenses	(2,287)	(2,216)	3	(2,223)	3
Associates	422	328	29	284	48
Operating profit before allowances	3,621	3,227	12	3,085	17
Allowances	(393)	(1,407)	(72)	(636)	(38)
Amortisation, tax and NCI	(567)	(392)	45	(291)	94
Group net profit	2,661	1,428	86	2,158	23
Group ROE - annualised	10.8%	6.1%	+4.7ppt	9.0%	+1.8ppt

1H21 Year-on-Year Performance

- Group net profit for 1H21 was up 86% from a year ago to S\$2.66 billion, largely driven by a 29% increase in non-interest income and substantially lower allowances.
- Net interest income was 7% lower at S\$2.90 billion, as compared to S\$3.11 billion a year ago. This was primarily due to an 11 basis points contraction in net interest margin (“NIM”) to 1.57%, as asset yields declined faster than the drop in funding costs in the low interest rate environment. The average loans-to-deposits ratio was also lower at 84.6% as compared to 85.4% a year ago.

- Non-interest income grew 29% year-on-year to S\$2.58 billion, from S\$2.01 billion in 1H20.
 - Net fee income increased 17% to S\$1.15 billion, driven by broad-based growth. The fee growth was underpinned by a rise in customer activities in a stronger operating environment.
 - The Group's wealth management income, which comprises the consolidated income from insurance, premier and private banking, asset management and stockbroking, rose 25% to S\$2.14 billion, from S\$1.71 billion a year ago. In 1H21, wealth management income accounted for 39% of the Group's total income. Assets under management at our private banking subsidiary, Bank of Singapore, grew 11% from a year ago to US\$125 billion (S\$169 billion) as at 30 June 2021, driven by continued inflow of net new money and positive market valuations.
 - Net trading income rose 54% to S\$528 million. This was mainly due to an increase in customer flow treasury income, led by robust customer activity levels, as well as mark-to-market ("MTM") gains in Great Eastern Holdings ("GEH").
 - Profit from life insurance grew 85% to S\$627 million. This was driven by higher MTM gains as a result of more favourable market conditions. GEH's total weighted new sales ("TWNS") and new business embedded value ("NBEV") saw strong growth from a year ago, rising 57% to S\$920 million and up 43% to S\$369 million respectively, with the NBEV margin at 40.1%.
- The Group's share of results of associates rose 29% to S\$422 million from S\$328 million in the previous year, mainly from Bank of Ningbo.
- Operating expenses increased 3% to S\$2.29 billion, while the cost-to-income ratio improved to 41.7%, from 43.3% a year ago, on positive operating jaws.
- Total allowances were S\$393 million, substantially lower as compared to S\$1.41 billion last year.
 - Allowances for impaired assets of S\$283 million were below S\$793 million in 1H20. Allowances for the prior period were largely for exposures to a number of corporate customers in the oil trading and offshore support vessels sectors.
 - Allowances for non-impaired assets were S\$110 million, as compared to S\$614 million a year ago. Substantial allowances were made in 1H20 to reflect the uncertain economic conditions then, via both macro-economic variable ("MEV") adjustments and management overlays.
- 1H21 ROE rose to 10.8% from 6.1% a year ago, while earnings per share increased to S\$1.19 from 64 cents in the previous year.
- An interim dividend of 25 cents has been declared.

1H21 Half-on-Half Performance

- Group net profit was 23% higher as compared to 2H20. The resilient performance was underpinned by broad-based income growth and a decline in allowances as the macroeconomic environment further improved.
- Net interest income rose 2%, from assets growth and higher NIM.
- Non-interest income grew 19%, driven by fee, trading and insurance income growth.
- The Group's wealth management income rose 17% from 2H20.
- The Group's share of results of associates was 48% higher.
- Operating expenses increased 3%, while total allowances were 38% lower.

Second Quarter 2021 Performance

S\$ million	2Q21	2Q20	YoY (%)	1Q21	QoQ (%)
Net interest income	1,461	1,483	(2)	1,441	1
Non-interest income	1,111	1,142	(3)	1,473	(25)
<i>of which: Fees and commissions</i>	563	440	28	585	(4)
<i>Trading income</i>	212	325	(35)	316	(33)
<i>Profit from life insurance</i>	205	232	(12)	422	(52)
Total income	2,572	2,625	(2)	2,914	(12)
Operating expenses	(1,138)	(1,107)	3	(1,149)	(1)
Associates	213	163	32	209	2
Operating profit before allowances	1,647	1,681	(2)	1,974	(17)
Allowances	(232)	(750)	(69)	(161)	43
Amortisation, tax and NCI	(255)	(201)	28	(312)	(18)
Group net profit	1,160	730	59	1,501	(23)
Group ROE - annualised	9.3%	6.2%	+3.1ppt	12.4%	-3.1ppt

2Q21 Year-on-Year Performance

- Group net profit rose 59% to S\$1.16 billion.
- Net interest income fell 2% to S\$1.46 billion, mainly from a 2 basis points decline in NIM to 1.58%.
- Non-interest income decreased 3% to S\$1.11 billion, mainly attributable to lower trading, investment and insurance income, partly offset by a 28% increase in fee income.
- Operating expenses grew 3% to S\$1.14 billion, in line with increased business activities. The cost-to-income ratio was 44.3% for the quarter.
- The Group's share of results of associates in 2Q21 rose 32% to S\$213 million from S\$163 million in the previous year, mainly from higher contribution by Bank of Ningbo.
- Total allowances were lower at S\$232 million (see further analysis below).

2Q21 Quarter-on-Quarter Performance

- Group net profit was 23% lower following the exceptionally strong performance in the first quarter.
- Net interest income rose 1% from the last quarter, underpinned by a 2 basis points improvement in NIM as the Group continued to optimise its balance sheet.
- Against the strong first quarter, non-interest income declined 25%, mainly due to lower fee and trading income, and insurance profit.
- The Group's share of results of associates was 2% above 1Q21.
- Operating expenses fell 1%, while allowances for 2Q21 were higher than the previous quarter.

Asset Quality and Allowances

S\$ million	Jun 2021	Mar 2021	Jun 2020	YoY	QoQ
Non-performing assets (NPAs)	4,082	4,027	4,351	-6%	+1%
Non-performing loan (NPL) ratio	1.5%	1.5%	1.6%	-0.1ppt	–
Total NPA coverage	104%	118%	101%	+3ppt	-14ppt
Allowances (S\$ million)	1H21	1H20	2Q21	2Q20	1Q21
Allowances for loans and other assets	393	1,407	232	750	161
<i>of which: Impaired</i>	283	793	131	518	152
<i>Non-impaired</i>	110	614	101	232	9
Credit costs (bps)	1H21	1H20	2Q21	2Q20	1Q21
Total loans	26	91	30	97	22
<i>of which: Impaired loans</i>	19	51	18	66	21

- As at 30 June 2021, total NPAs of S\$4.08 billion were 6% lower than a year ago as a result of higher recoveries and upgrades. By geography, the decline was led by a fall in NPAs in Singapore and partly offset by a rise in Malaysia and Indonesia.
- The NPL ratio of 1.5% was unchanged from the previous quarter and below the 1.6% a year ago.
- The allowance coverage against total NPAs of 104% was lower than the 118% in the previous quarter. This was mainly due to a transfer of the Regulatory Loss Allowance Reserve to retained earnings within regulatory requirements.
- Total allowances in 2Q21 of S\$232 million were above the S\$161 million a quarter ago. Allowances for non-impaired loans were higher, largely attributable to management overlays set aside above the ECL model requirements in view of the prevailing operating environment in our regional markets. Allowances for impaired loans were lower quarter-on-quarter.

Strong Funding, Liquidity and Capital Position

S\$ billion	Jun 2021	Mar 2021	Jun 2020	YoY	QoQ
Loans	275	271	268	+3%	+1%
Deposits	317	316	310	+2%	+0.4%
of which: CASA deposits	198	195	175	+13%	+2%
CASA ratio	62.5%	61.8%	56.7%	+5.8ppt	+0.7ppt
CET1 CAR	16.1%	15.5%	14.2%	+1.9ppt	+0.6ppt
Leverage ratio	8.1%	7.8%	7.4%	+0.7ppt	+0.3ppt

- Customer loans rose 3% from a year ago and 1% from the last quarter to S\$275 billion. By industry, the increase was led by loans to the building and construction sector, financial institutions, investment and holding companies, as well as non-housing consumer loans. By geography, Singapore, Greater China and the United Kingdom drove loans growth.
- As at 30 June 2021, customer deposits were S\$317 billion, up 2% from a year ago. The increase was driven by a 13% growth in current account and savings deposits (“CASA”) to S\$198 billion. CASA ratio rose to 62.5%.
- Loans-to-deposits ratio was higher at 85.6%, as compared to the 84.7% in the previous quarter.
- Group’s CET1 CAR was 16.1% as at 30 June 2021.

Dividend

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

- An interim dividend of 25 cents has been declared, representing a payout ratio of 42% against the Group’s 1H21 net profit. This is comparable to the 25 cents interim dividend paid in 2019.
- The interim dividend is above 1H20’s 15.9 cents, which was capped at 60% of the prior year’s dividend in line with MAS’ guidance.

OCBC will continue to apply a prudent approach in delivering long-term sustainable and progressive returns to shareholders.

Message from Group CEO, Helen Wong

“OCBC continued to deliver a resilient set of results for the first half of 2021, underpinned by the strength of our diversified business franchise. Net profit growth was driven by robust banking and insurance performance, while wealth management income grew strongly and private banking assets under management continued to expand. While net interest margin remained relatively stable amid a low rate environment, fee and investment related income grew in tandem with renewed consumer and business confidence. We maintained our strong capital, funding and liquidity position and have raised our 2021 interim dividend to 25 cents per share.

While the long-term trajectory of global economic recovery is positive, we remain watchful on the current operating environment in view of the recent virus resurgence and heightened safety measures in our key markets. We stay firmly committed to supporting our customers during this difficult period.”

FINANCIAL HIGHLIGHTS

S\$ million	1H21	1H20	+ / (-) %	2H20	+ / (-) %
Selected Income Statement Items					
Net interest income	2,902	3,109	(7)	2,857	2
Non-interest income	2,584	2,006	29	2,167	19
Total income	5,486	5,115	7	5,024	9
Operating expenses	(2,287)	(2,216)	3	(2,223)	3
Operating profit before allowances and amortisation	3,199	2,899	10	2,801	14
Amortisation of intangible assets	(51)	(53)	(3)	(51)	(1)
Allowances for loans and other assets	(393)	(1,407)	(72)	(636)	(38)
Operating profit after allowances and amortisation	2,755	1,439	91	2,114	30
Share of results of associates, net of tax	422	328	29	284	48
Profit before income tax	3,177	1,767	80	2,398	32
Net profit attributable to equity holders	2,661	1,428	86	2,158	23
Cash basis net profit attributable to equity holders ^{1/}	2,712	1,481	83	2,209	23
Selected Balance Sheet Items					
Ordinary equity	50,573	46,384	9	48,422	4
Equity attributable to equity holders of the Bank	51,773	47,884	8	49,622	4
Total assets	521,131	510,002	2	521,395	–
Assets excluding life insurance fund investment securities and other assets	420,349	419,264	–	424,327	(1)
Net loans to customers	271,027	264,391	3	263,538	3
Deposits of non-bank customers	316,776	309,731	2	314,907	1

Note:

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

FINANCIAL HIGHLIGHTS *(continued)*

S\$ million	2Q21	2Q20	+/(-) %	1Q21	+/(-) %
Selected Income Statement Items					
Net interest income	1,461	1,483	(2)	1,441	1
Non-interest income	1,111	1,142	(3)	1,473	(25)
Total income	2,572	2,625	(2)	2,914	(12)
Operating expenses	(1,138)	(1,107)	3	(1,149)	(1)
Operating profit before allowances and amortisation	1,434	1,518	(6)	1,765	(19)
Amortisation of intangible assets	(25)	(27)	(3)	(26)	–
Allowances for loans and other assets	(232)	(750)	(69)	(161)	43
Operating profit after allowances and amortisation	1,177	741	59	1,578	(25)
Share of results of associates, net of tax	213	163	32	209	2
Profit before income tax	1,390	904	54	1,787	(22)
Net profit attributable to equity holders	1,160	730	59	1,501	(23)
Cash basis net profit attributable to equity holders ^{1/}	1,185	757	57	1,527	(22)
Selected Balance Sheet Items					
Ordinary equity	50,573	46,384	9	49,678	2
Equity attributable to equity holders of the Bank	51,773	47,884	8	50,878	2
Total assets	521,131	510,002	2	516,968	1
Assets excluding life insurance fund investment securities and other assets	420,349	419,264	–	421,569	–
Net loans to customers	271,027	264,391	3	267,280	1
Deposits of non-bank customers	316,776	309,731	2	315,647	–

Note:

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

FINANCIAL HIGHLIGHTS *(continued)*

	1H21	1H20	2H20	2Q21	2Q20	1Q21
Key Financial Ratios (%)						
Performance ratios						
Return on equity ^{1/ 2/}	10.8	6.1	9.0	9.3	6.2	12.4
Return on assets ^{3/}	1.27	0.68	1.02	1.11	0.70	1.44
Revenue mix/efficiency ratios						
Net interest margin	1.57	1.68	1.55	1.58	1.60	1.56
Non-interest income to total income	47.1	39.2	43.1	43.2	43.5	50.6
Cost-to-income	41.7	43.3	44.2	44.3	42.2	39.4
Loans-to-deposits	85.6	85.4	83.7	85.6	85.4	84.7
NPL ratio	1.5	1.6	1.5	1.5	1.6	1.5
Capital adequacy ratios ^{8/}						
Common Equity Tier 1	16.1	14.2	15.2	16.1	14.2	15.5
Tier 1	16.6	14.9	15.8	16.6	14.9	16.0
Total	18.4	16.4	17.9	18.4	16.4	18.1
Leverage ratio ^{5/ 8/}	8.1	7.4	7.7	8.1	7.4	7.8
Liquidity coverage ratios ^{6/ 8/}						
Singapore dollar	295	295	286	290	284	300
All-currency	148	139	139	145	127	151
Net stable funding ratio ^{7/ 8/}	126	119	125	126	119	125
Earnings per share (S\$) ^{2/}						
Basic earnings	1.19	0.64	0.95	1.03	0.65	1.35
Diluted earnings	1.19	0.64	0.95	1.03	0.65	1.35
Net asset value per share (S\$)	11.23	10.53	10.82	11.23	10.53	11.10

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#pillarthree disclosures>).

FINANCIAL HIGHLIGHTS *(continued)*

NET INTEREST INCOME

Average Balance Sheet

S\$ million	1H21			1H20		
	Average Balance	Interest	Average Rate ^{2/} %	Average Balance	Interest	Average Rate ^{2/} %
Interest earning assets						
Loans to customers	266,328	2,879	2.18	265,719	3,980	3.01
Placements with and loans to banks	45,506	248	1.10	49,959	547	2.20
Other interest earning assets	61,373	584	1.92	56,262	702	2.51
	373,207	3,711	2.01	371,940	5,229	2.83
Interest bearing liabilities						
Deposits of non-bank customers	314,908	674	0.43	311,147	1,807	1.17
Deposits and balances of banks	10,307	31	0.61	11,510	60	1.04
Other borrowings	23,418	104	0.90	25,646	253	1.98
	348,633	809	0.47	348,303	2,120	1.22
Net interest income/margin ^{1/}		2,902	1.57		3,109	1.68

Notes:

1. Net interest margin is net interest income as a percentage of interest earning assets.
2. Average rates are computed on an annualised basis.

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	1H21 vs 1H20		
	Volume	Rate	Net change
Interest income			
Loans to customers	9	(1,088)	(1,079)
Placements with and loans to banks	(48)	(247)	(295)
Other interest earning assets	63	(177)	(114)
	24	(1,512)	(1,488)
Interest expense			
Deposits of non-bank customers	22	(1,145)	(1,123)
Deposits and balances of banks	(6)	(22)	(28)
Other borrowings	(22)	(125)	(147)
	(6)	(1,292)	(1,298)
Impact on net interest income	30	(220)	(190)
Due to change in number of days			(17)
Net interest income			(207)

FINANCIAL HIGHLIGHTS *(continued)*
NON-INTEREST INCOME

S\$ million	1H21	1H20	+ / (-) %
Gross fee and commission income			
Brokerage	79	70	14
Wealth management	690	555	24
Fund management	63	59	6
Credit card	141	131	8
Loan-related	85	81	5
Trade-related and remittances	134	123	9
Guarantees	7	7	(5)
Investment banking	57	46	23
Service charges	40	43	(6)
Others	22	23	(2)
	1,318	1,138	16
Fee and commission expense	(170)	(152)	11
Fees and commissions (net)	1,148	986	17
Dividends	48	30	63
Net trading income	528	343	54
Income from life and general insurance			
Profit from life insurance	627	338	85
Premium income from general insurance	97	101	(4)
Sub-total	724	439	65
Other income			
Disposal of investment securities	60	160	(62)
Disposal of properties	37	14	163
Rental and property-related income	33	31	7
Others	6	3	94
Sub-total	136	208	(35)
Total non-interest income	2,584	2,006	29

FINANCIAL HIGHLIGHTS *(continued)*
OPERATING EXPENSES

S\$ million	1H21	1H20	+/(-) %
Staff costs	1,486	1,403	6
Property and equipment			
Depreciation	205	211	(3)
Maintenance	68	66	2
Rental expenses	3	6	(45)
Others	143	141	1
	419	424	(1)
Other operating expenses	382	389	(2)
Total operating expenses	2,287	2,216	3
Group staff strength			
Period end	30,619	30,655	–
Average	30,560	30,493	–

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	1H21	1H20	+/(-) %
Allowances/(write-back):			
Impaired loans			
Singapore	68	508	(87)
Malaysia	72	44	64
Indonesia	77	117	(34)
Greater China	31	25	21
Others	35	72	(52)
	283	766	(63)
Impaired other assets	(#)	27	(100)
Non-impaired loans	104	607	(83)
Non-impaired other assets	6	7	(14)
Allowances for loans and other assets	393	1,407	(72)

FINANCIAL HIGHLIGHTS *(continued)*
LOANS TO CUSTOMERS

S\$ million	30 Jun 2021	31 Dec 2020	30 Jun 2020
Gross loans	274,794	267,240	267,874
Allowances			
Impaired loans	(1,778)	(1,812)	(1,840)
Non-impaired loans	(1,989)	(1,890)	(1,643)
Net loans	271,027	263,538	264,391
By Maturity			
Within 1 year	110,302	102,709	102,289
1 to 3 years	54,559	53,112	49,465
Over 3 years	109,933	111,419	116,120
	274,794	267,240	267,874
By Industry			
Agriculture, mining and quarrying	8,185	8,483	9,807
Manufacturing	15,802	15,814	18,304
Building and construction	74,994	71,994	69,023
Housing loans	59,724	59,842	61,395
General commerce	29,972	28,834	30,483
Transport, storage and communication	13,886	14,340	15,081
Financial institutions, investment and holding companies	24,298	22,821	21,896
Professionals and individuals	32,461	30,659	28,895
Others	15,472	14,453	12,990
	274,794	267,240	267,874
By Currency			
Singapore Dollar	98,424	96,489	94,732
United States Dollar	65,941	62,434	66,102
Malaysian Ringgit	19,948	20,491	20,400
Indonesian Rupiah	8,205	8,313	8,851
Hong Kong Dollar	33,877	32,692	34,214
Chinese Renminbi	6,027	5,638	5,722
Others	42,372	41,183	37,853
	274,794	267,240	267,874
By Geography ^{1/}			
Singapore	110,849	109,826	109,290
Malaysia	27,371	27,819	28,468
Indonesia	18,352	18,833	19,623
Greater China	70,310	65,216	67,342
Other Asia Pacific	18,900	18,886	17,595
Rest of the World	29,012	26,660	25,556
	274,794	267,240	267,874

Notes:

- 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						
30 Jun 2021	1,356	525	730	101	1,300	1.2
31 Dec 2020	1,725	1,106	485	134	1,669	1.5
30 Jun 2020	1,935	1,439	322	174	1,864	1.7
Malaysia						
30 Jun 2021	987	687	239	61	959	3.5
31 Dec 2020	782	454	283	45	755	2.7
30 Jun 2020	845	439	352	54	817	2.9
Indonesia						
30 Jun 2021	890	484	232	174	883	4.8
31 Dec 2020	651	321	227	103	651	3.5
30 Jun 2020	723	311	213	199	723	3.7
Greater China						
30 Jun 2021	332	95	206	31	332	0.5
31 Dec 2020	358	82	235	41	358	0.5
30 Jun 2020	312	103	161	48	295	0.4
Other Asia Pacific						
30 Jun 2021	171	97	74	#	171	0.9
31 Dec 2020	118	60	58	#	118	0.6
30 Jun 2020	104	72	31	1	104	0.6
Rest of the World						
30 Jun 2021	346	127	219	#	346	1.2
31 Dec 2020	371	148	223	#	366	1.4
30 Jun 2020	432	219	206	7	426	1.7
Group						
30 Jun 2021	4,082	2,015	1,700	367	3,991	1.5
31 Dec 2020	4,005	2,171	1,511	323	3,917	1.5
30 Jun 2020	4,351	2,583	1,285	483	4,229	1.6

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)*

	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	261	3.2	345	4.1	456	4.6
Manufacturing	757	4.8	564	3.6	597	3.3
Building and construction	234	0.3	190	0.3	173	0.3
Housing loans	634	1.1	420	0.7	436	0.7
General commerce	624	2.1	572	2.0	638	2.1
Transport, storage and communication	1,249	9.0	1,621	11.3	1,722	11.4
Financial institutions, investment and holding companies	31	0.1	30	0.1	29	0.1
Professionals and individuals	139	0.4	133	0.4	133	0.5
Others	62	0.4	42	0.3	45	0.4
Total NPLs	3,991	1.5	3,917	1.5	4,229	1.6
Classified debt securities	2		7		8	
Classified contingent liabilities	89		81		114	
Total NPAs	4,082		4,005		4,351	

	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	S\$ million	%	S\$ million	%	S\$ million	%
NPAs by Period Overdue						
Over 180 days	1,922	47	1,857	46	2,227	51
Over 90 to 180 days	138	3	286	7	201	5
30 to 90 days	263	7	170	4	212	5
Less than 30 days	578	14	473	12	719	16
Not overdue	1,181	29	1,219	31	992	23
	4,082	100	4,005	100	4,351	100

S\$ million	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	711	386	1,148	846	1,418	1,010
Doubtful	882	656	589	359	565	331
Loss	90	63	34	19	81	44
	1,683	1,105	1,771	1,224	2,064	1,385

FINANCIAL HIGHLIGHTS *(continued)*

DEPOSITS

S\$ million	30 Jun 2021	31 Dec 2020	30 June 2020
Deposits of non-bank customers	316,776	314,907	309,731
Deposits and balances of banks	9,976	9,586	12,460
Total deposits	326,752	324,493	322,191
Total deposits by maturity			
Within 1 year	323,772	321,954	319,527
1 to 3 years	2,036	1,748	1,497
Over 3 years	944	791	1,167
	326,752	324,493	322,191
Non-bank deposits by product			
Fixed deposits	89,415	95,291	107,648
Savings deposits	75,252	71,097	65,040
Current account	122,753	118,751	110,450
Others	29,356	29,768	26,593
	316,776	314,907	309,731
Non-bank deposits by currency			
Singapore Dollar	125,722	123,217	113,805
United States Dollar	97,005	95,226	103,251
Malaysian Ringgit	23,175	23,096	23,106
Indonesian Rupiah	10,847	11,637	9,893
Hong Kong Dollar	23,330	23,463	24,490
Chinese Renminbi	7,988	7,984	6,937
Others	28,709	30,284	28,249
	316,776	314,907	309,731

CAPITAL ADEQUACY RATIOS ^{1/}

The Group remained strongly capitalised, with a Common Equity Tier 1 (“CET1”) capital adequacy ratio (“CAR”) of 16.1%, and Tier 1 and Total CAR of 16.6% and 18.4% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2021 ^{2/}.

S\$ million	30 Jun 2021	31 Dec 2020	30 June 2020
Ordinary shares	18,184	17,833	17,296
Disclosed reserves/others	24,989	23,201	22,204
Regulatory adjustments	(7,880)	(7,648)	(7,624)
Common Equity Tier 1 Capital	35,293	33,206	31,876
Additional Tier 1 capital	1,229	1,230	1,530
Regulatory adjustments	–	–	–
Tier 1 Capital	36,522	34,436	33,406
Tier 2 capital	3,862	4,530	3,320
Regulatory adjustments	–	–	–
Total Eligible Capital	40,384	38,966	36,726
Risk Weighted Assets	219,740	218,145	223,867
Capital Adequacy Ratios			
Common Equity Tier 1	16.1%	15.2%	14.2%
Tier 1	16.6%	15.8%	14.9%
Total	18.4%	17.9%	16.4%

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#pillarthree disclosures>).
- 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	1H21	1H20	+/(-) %
Global Consumer/Private Banking	728	642	13
Global Wholesale Banking	974	72	nm
Global Treasury and Markets	486	435	12
Insurance	751	395	90
Others	238	223	7
Profit before income tax	3,177	1,767	80

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 grew 13% to S\$728 million in 1H21, largely attributable to higher wealth management income, and a decline in expenses and allowances, partly offset by lower net interest income.

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 profit before income tax was S\$974 million in 1H21, substantially higher than S\$72 million a year ago, attributable to 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 rose 12% to S\$486 million in 1H21, led by higher net interest income and net trading income, which more than offset a decline in realised gains from its fixed income portfolio.

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\$751 million in 1H21, up 90% from S\$395 million in 1H20, mainly contributed by unrealised mark-to-market gains in its investment portfolio from higher interest rates and improved credit spreads, which was partly offset by higher expenses.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$565 million in 1H21, higher than S\$268 million in 1H20.

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 460 branches and representative offices in 19 countries and regions. These include over 220 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 70 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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