

Media Release

OCBC Group Full Year 2022 Net Profit Rose 18% to a Record S\$5.75 billion

Fourth quarter net profit up 34% from a year ago to S\$1.31 billion

2022 full year dividend at 68 cents, increased 28% from the previous year

Singapore, 24 February 2023 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported its financial results for the full year of 2022 (“FY22”). Group net profit for FY22 increased 18% to S\$5.75 billion, from S\$4.86 billion a year ago (“FY21”).

The strong performance reflected the strength and agility of OCBC’s well-diversified business franchise that was well-positioned to capture opportunities in a rapidly changing operating environment. The Group’s record earnings were supported by strong growth in net interest income which more than offset weaker non-interest income. Disciplined cost management drove cost-to-income ratio lower, while allowances declined from improving credit conditions and robust portfolio quality. Wealth management fee income was softer as macro headwinds and market volatilities lowered client investment activity, although net new money inflows were higher year-on-year. Great Eastern Holdings’ (“GEH”) underlying insurance business remained strong. However, profit from insurance declined as a result of unrealised valuation losses arising from unfavourable movement in the discount rates used to value longer-end duration insurance contract liabilities in the fourth quarter. We continue to maintain sound capital, funding and liquidity positions to capture growth opportunities while ensuring sufficient buffers for uncertainties. We are pleased to raise FY22 dividend to 68 cents, supported by our resilient earnings and strong capital position.

Full Year 2022 Performance

S\$ million	FY22	FY21	YoY (%)
Net interest income	7,688	5,855	31
Non-interest income	3,987	4,741	(16)
<i>of which: Fees and commissions</i>	1,851	2,245	(18)
<i>Trading income</i>	834	763	9
<i>Profit from insurance</i>	1,189	1,334	(11)
Total income	11,675	10,596	10
Operating expenses	(5,026)	(4,764)	5
Associates	978	824	19
Operating profit before allowances	7,627	6,656	15
Allowances	(584)	(873)	(33)
Amortisation, tax and NCI	(1,295)	(925)	40
Group net profit	5,748	4,858	18
Group ROE	11.1%	9.6%	+1.5ppt

FY22 Year-on-Year Performance

- Group net profit rose 18% to a new high of S\$5.75 billion, driven by strong growth in net interest income and lower allowances.
- Net interest income grew 31% to a record S\$7.69 billion, underpinned by a 37-basis point expansion in net interest margin (“NIM”) and 6% growth in average assets.
- Non-interest income was S\$3.99 billion, down 16% from the previous year.
 - Net fee income was S\$1.85 billion, 18% lower than a year ago. The decline was largely from softer wealth management fees attributable to prevailing risk-off investment sentiments. This was partly offset by an increase in fees from loan and trade-related activities.
 - Net trading income improved 9% to S\$834 million, compared to S\$763 million a year ago, from higher non-customer flow treasury income partly driven by gains from hedging activities.
 - Net loss from the sale of investment securities of S\$206 million, compared to net gain of S\$92 million last year, was mainly attributable to bond portfolio rebalancing and positioning amid changing market conditions.
 - GEH’s underlying insurance business remained resilient with a 7% growth in operating profit. GEH’s embedded value, a measure of the long-term economic value of the existing business of a life insurance company was S\$17.9 billion as at 31 Dec 2022. Total weighted new sales were S\$1.91 billion with new business embedded value (“NBEV”) 9% higher at S\$875 million and the NBEV margin increased to 45.8%. However, profit from insurance fell 11% to S\$1.19 billion from S\$1.33 billion in the previous year, largely from unrealised valuation losses in the fourth quarter due to unfavourable movement in the discount rates used to value its longer-end duration insurance contract liabilities.
- The Group’s wealth management income, comprising consolidated income from insurance, private banking, premier private client, premier banking, asset management and stockbroking was S\$3.89 billion, as compared to S\$4.01 billion last year, and contributed 33% to the Group’s total income. As at 31 December 2022, Group wealth management AUM was higher at S\$258 billion compared to S\$257 billion a year ago, driven by continued growth in net new money inflows which offset negative market valuation.
- Operating expenses grew 5% to S\$5.03 billion, led by higher staff and IT-related costs. The increases were largely attributable to annual salary adjustments and headcount growth to strengthen the talent pool, coupled with the Group’s continued investments to enhance technology capabilities in support of the strategic priorities to drive growth. Cost-to-income ratio (“CIR”) improved to 43.0% from 45.0% in FY21.
- Share of results of associates rose 19% to S\$978 million from S\$824 million in the previous year.
- Net allowances declined 33% to S\$584 million. A drop in allowances for impaired assets was partly offset by increased allowances for non-impaired assets arising from macro-economic variables (“MEV”) updates and additional overlays to buffer for uncertainties.
- Full year ROE improved to 11.1% from 9.6% in the previous year. Earnings per share rose 18% to S\$1.27 from S\$1.07 in the prior year.

Fourth Quarter 2022 Performance

S\$ million	4Q22	4Q21	YoY (%)	3Q22	QoQ (%)
Net interest income	2,386	1,492	60	2,099	14
Non-interest income	615	1,058	(42)	1,053	(42)
<i>of which: Fees and commissions</i>	399	528	(25)	453	(12)
<i>Trading income</i>	148	152	(2)	194	(23)
<i>Profit from insurance</i>	66	299	(78)	370	(82)
Total income	3,001	2,550	18	3,152	(5)
Operating expenses	(1,299)	(1,289)	1	(1,269)	2
Associates	223	198	13	256	(13)
Operating profit before allowances	1,925	1,459	32	2,139	(10)
Allowances	(314)	(317)	(1)	(154)	105
Amortisation, tax and NCI	(305)	(169)	80	(380)	(20)
Group net profit	1,306	973	34	1,605	(19)
Group ROE – annualised	10.0%	7.5%	+2.5ppt	12.4%	-2.4ppt

4Q22 Year-on-Year Performance

- Group net profit rose 34% to S\$1.31 billion, driven by record quarterly net interest income.
- Net interest income grew 60% to S\$2.39 billion, propelled by a 79-basis points increase in NIM on the back of rapid rise in interest rates during the year.
- Non-interest income declined 42% to S\$615 million, largely from lower wealth management fees as a result of subdued customer investment activities amid market headwinds and valuation losses on GEH's insurance contract liabilities.
- Operating expenses of S\$1.30 billion were 1% above 4Q21 with the CIR lower at 43.3% compared to 50.5% a year ago.
- Share of results of associates was 13% higher at S\$223 million for the quarter.
- Total allowances of S\$314 million were 1% below the previous year.

4Q22 Quarter-on-Quarter Performance

- Group net profit declined as net interest income growth was more than offset by a drop in profit from insurance as a result of unrealised valuation losses arising from unfavourable movement in the discount rates used to value longer-end duration insurance contract liabilities.
- Net interest income grew 14%, driven mainly by NIM uplift of 25-basis points as loan yields rose faster than the increase in funding costs.
- Expenses increased 2% from a quarter ago, led by higher IT-related costs and business promotion expenses.
- Share of results of associates was 13% lower than the previous quarter.
- Total allowances were higher largely due to increased allowances for non-impaired assets.

Asset Quality and Allowances

S\$ million	Dec 2022	Dec 2021	Sep 2022	YoY	QoQ
Non-performing assets (NPAs)	3,486	4,338	3,688	-20%	-5%
Non-performing loan (NPL) ratio	1.2%	1.5%	1.2%	-0.3ppt	-
Allowances (S\$ million)	4Q22	4Q21	3Q22	FY22	FY21
Allowances charge/(write-back) for loans and other assets	314	317	154	584	873
<i>of which: Impaired</i>	101	387	78	216	855
<i>Non-impaired</i>	213	(70)	76	368	18
Credit costs (bps) ^{1/}	4Q22	4Q21	3Q22	FY22	FY21
Total loans	35	41	14	16	29
<i>of which: Impaired loans</i>	8	50	4	4	28

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

Asset Quality

- As at 31 December 2022, total NPAs were S\$3.49 billion, 20% lower than a year ago and down 5% from the previous quarter.
 - NPAs declined from the previous year as higher recoveries and upgrades largely from Malaysia and Indonesia following exits from relief programmes more than offset new NPA formation during the year.
 - New NPA formation more than halved from a year ago, driven by overall improvement in the credit environment and asset quality.
- The NPL ratio was stable at 1.2%, while the allowance coverage against total NPAs was raised to 114%.

Allowances

- For FY22, total allowances were lower at S\$584 million and represented 16-basis points of loans, as compared to S\$873 million and 29-basis points in the preceding year.
- Total allowances for 4Q22 were S\$314 million, slightly lower than a year ago. These comprised:
 - Allowances for impaired assets of S\$101 million, lower than S\$387 million a year ago.
 - Higher allowances for non-impaired assets of S\$213 million which included additional allowances from MEV adjustments to reflect a prudent view of the current and forecasted economic conditions, as well as management overlays set aside over and above the Expected Credit Loss model to buffer for uncertainties.

Strong Funding, Liquidity and Capital Position

S\$ billion	Dec 2022	Dec 2021	Sep 2022	YoY	QoQ
Loans	295	290	303	+2%	-3%
% Δ in constant currency terms				+4.5%	unchanged
Deposits	350	342	353	+2%	-1%
of which: CASA deposits	181	217	198	-16%	-8%
CASA ratio	51.8%	63.3%	56.1%	-11.5ppt	-4.3ppt
CET1 CAR	15.2%	15.5%	14.4%	-0.3ppt	+0.8ppt
Leverage ratio	7.2%	7.7%	6.8%	-0.5ppt	+0.4ppt

- As at 31 December 2022, customer loans were S\$295 billion. On a constant currency basis, loans grew 4.5% from a year ago and were unchanged from the previous quarter.
 - In FY22, loan growth was largely driven by lending in Singapore, Australia, the United States and United Kingdom.
 - Sustainable financing commitments rose 30% from a year ago to S\$44 billion, well on track to achieve the Group's target of S\$50 billion by 2025.
- Customer deposits rose 2% year-on-year to S\$350 billion, led by a rise in fixed deposits.
- Loans-to-deposits ratio was 83.3% as compared to 83.6% in the previous year.
- As at 31 December 2022, Group CET1 CAR was 15.2%, while the leverage ratio was 7.2%.

Dividend

Cents Per Share	2022	2021
Interim dividend	28	25
Final dividend	40	28
Total Dividend	68	53

- The Board has proposed a final dividend of 40 cents per share, an increase of 43% or 12 cents from a year ago. This brings FY22 total dividend to 68 cents, up 28% or 15 cents from the previous year. This represents a payout ratio of 53% against net profit, which exceeds 49% a year ago.
- The increase is supported by our resilient earnings growth and strong capital position.
- The Scrip Dividend Scheme will not be applicable to the final dividend.
- Target 50% dividend payout ratio going forward.

Message from Group CEO, *Helen Wong*

“OCBC has emerged stronger from the pandemic and achieved another consecutive year of robust performance despite challenging conditions. I am delighted that the steady execution of our strategic priorities has yielded positive results and we have delivered record earnings, which crossed the S\$5 billion mark for the first time. Supported by our sustained earnings growth and strong capital position, we are pleased to raise the 2022 dividend by 28% or 15 cents from a year ago to 68 cents per share, representing a payout ratio of 53%.

We are constantly redefining our business through accelerating digitalisation. We continue to enhance our digital platforms and introduce market-first initiatives to enrich the customer experience. For example, almost all customer transactions in Singapore are now conducted digitally and we have seen strong growth in digital wealth sales. We have also deepened partnerships and integration in the wider digital ecosystem. The focus to boost artificial intelligence and analytics capabilities has helped to better position us to identify business opportunities, improve operational efficiencies and reinforce our cybersecurity infrastructure.

Equally important, we made significant progress in our sustainability agenda in 2022. We joined the Net Zero Banking Alliance which demonstrated our firm commitment to achieving net zero by 2050. We also attained carbon neutrality in our banking operational emissions, and firmly embedded ESG considerations into our lending and investment practices. Our sustainable financing commitments exceeded S\$44 billion and is on track to meet our target of S\$50 billion by 2025 or earlier.

Looking ahead, our key markets in Asia are expected to remain resilient, and growth is forecasted to outpace the global average in 2023. We are optimistic that the reopening of China and Hong Kong SAR could further spur regional economic growth. We enter the new year with confidence as we drive for sustainable growth and deliver long-term value to our shareholders.”

FINANCIAL HIGHLIGHTS

S\$ million	2022	2021	+ / (-) %	4Q22	4Q21	+ / (-) %	3Q22	+ / (-) %
Selected Income Statement Items								
Net interest income	7,688	5,855	31	2,386	1,492	60	2,099	14
Non-interest income	3,987	4,741	(16)	615	1,058	(42)	1,053	(42)
Total income	11,675	10,596	10	3,001	2,550	18	3,152	(5)
Operating expenses	(5,026)	(4,764)	5	(1,299)	(1,289)	1	(1,269)	2
Operating profit before allowances and amortisation	6,649	5,832	14	1,702	1,261	35	1,883	(10)
Amortisation of intangible assets	(104)	(103)	1	(26)	(26)	1	(26)	(1)
Allowances for loans and other assets	(584)	(873)	(33)	(314)	(317)	(1)	(154)	105
Operating profit after allowances and amortisation	5,961	4,856	23	1,362	918	48	1,703	(20)
Share of results of associates, net of tax	978	824	19	223	198	13	256	(13)
Profit before income tax	6,939	5,680	22	1,585	1,116	42	1,959	(19)
Net profit attributable to equity holders	5,748	4,858	18	1,306	973	34	1,605	(19)
Cash basis net profit attributable to equity holders ^{1/}	5,852	4,961	18	1,332	999	33	1,631	(18)

Selected Balance Sheet Items

Ordinary equity	51,387	51,463	–	51,387	51,463	–	50,748	1
Equity attributable to equity holders of the Bank	53,087	52,663	1	53,087	52,663	1	52,448	1
Total assets	559,956	542,187	3	559,956	542,187	3	571,244	(2)
Assets excluding life insurance fund investment securities and other assets	461,961	442,091	4	461,961	442,091	4	475,089	(3)
Net loans to customers	291,467	286,281	2	291,467	286,281	2	299,831	(3)
Deposits of non-bank customers	350,081	342,395	2	350,081	342,395	2	352,728	(1)

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL HIGHLIGHTS *(continued)*

S\$ million	2H22	2H21	+ / (-)	1H22	+ / (-)
			%		%
Selected Income Statement Items					
Net interest income	4,485	2,953	52	3,203	40
Non-interest income	1,668	2,157	(23)	2,319	(28)
Total income	6,153	5,110	20	5,522	11
Operating expenses	(2,568)	(2,477)	4	(2,458)	4
Operating profit before allowances and amortisation	3,585	2,633	36	3,064	17
Amortisation of intangible assets	(52)	(52)	1	(52)	1
Allowances for loans and other assets	(468)	(480)	(3)	(116)	302
Operating profit after allowances and amortisation	3,065	2,101	46	2,896	6
Share of results of associates, net of tax	479	402	19	499	(4)
Profit before income tax	3,544	2,503	42	3,395	4
Net profit attributable to equity holders	2,911	2,197	32	2,837	3
Cash basis net profit attributable to equity holders ^{1/}	2,963	2,249	32	2,889	3
Selected Balance Sheet Items					
Ordinary equity	51,387	51,463	–	51,121	1
Equity attributable to equity holders of the Bank	53,087	52,663	1	52,821	1
Total assets	559,956	542,187	3	554,862	1
Assets excluding life insurance fund investment securities and other assets	461,961	442,091	4	457,351	1
Net loans to customers	291,467	286,281	2	294,480	(1)
Deposits of non-bank customers	350,081	342,395	2	348,821	–

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL HIGHLIGHTS *(continued)*

	2022	2021	4Q22	4Q21	3Q22	2H22	2H21	1H22
Key Financial Ratios (%)								
Performance ratios								
Return on equity ^{1/2/}	11.1	9.6	10.0	7.5	12.4	11.2	8.5	11.0
Return on assets ^{3/}	1.25	1.13	1.11	0.88	1.37	1.24	1.00	1.27
Revenue mix/efficiency ratios								
Net interest margin	1.91	1.54	2.31	1.52	2.06	2.19	1.52	1.63
Non-interest income to total income	34.1	44.7	20.5	41.5	33.4	27.1	42.2	42.0
Cost-to-income	43.0	45.0	43.3	50.5	40.3	41.7	48.5	44.5
Loans-to-deposits	83.3	83.6	83.3	83.6	85.0	83.3	83.6	84.4
NPL ratio	1.2	1.5	1.2	1.5	1.2	1.2	1.5	1.3
Capital adequacy ratios ^{8/}								
Common Equity Tier 1	15.2	15.5	15.2	15.5	14.4	15.2	15.5	14.9
Tier 1	15.9	16.0	15.9	16.0	15.1	15.9	16.0	15.7
Total	17.7	17.6	17.7	17.6	16.9	17.7	17.6	17.5
Leverage ratio ^{5/ 8/}								
	7.2	7.7	7.2	7.7	6.8	7.2	7.7	7.1
Liquidity coverage ratios ^{6/ 8/}								
Singapore dollar	325	308	308	324	360	334	321	315
All-currency	152	151	159	159	153	156	154	148
Net stable funding ratio ^{7/ 8/}								
	117	121	117	121	115	117	121	117
Earnings per share (S\$) ^{2/}								
Basic earnings	1.27	1.07	1.14	0.85	1.40	1.27	0.96	1.26
Diluted earnings	1.27	1.07	1.14	0.85	1.40	1.27	0.96	1.26
Net asset value per share (S\$)								
	11.43	11.46	11.43	11.46	11.29	11.43	11.46	11.37

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	2022			2021		
	Average Balance	Interest	Average Rate %	Average Balance	Interest	Average Rate %
Interest earning assets						
Loans to customers	289,708	8,852	3.06	272,302	5,786	2.12
Placements with and loans to banks	49,804	1,314	2.64	44,428	448	1.01
Other interest earning assets	62,100	1,424	2.29	62,959	1,191	1.89
	401,612	11,590	2.89	379,689	7,425	1.96
Interest bearing liabilities						
Deposits of non-bank customers	347,287	3,223	0.93	323,120	1,300	0.40
Deposits and balances of banks	12,814	195	1.52	10,171	68	0.67
Other borrowings	19,590	484	2.47	21,941	202	0.92
	379,691	3,902	1.03	355,232	1,570	0.44
Net interest income/margin ^{1/}		7,688	1.91		5,855	1.54

Note:

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

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	2022 vs 2021		
	Volume	Rate	Net change
Interest income			
Loans to customers	370	2,696	3,066
Placements with and loans to banks	54	812	866
Other interest earning assets	(16)	249	233
	408	3,757	4,165
Interest expense			
Deposits of non-bank customers	97	1,826	1,923
Deposits and balances of banks	18	109	127
Other borrowings	(22)	304	282
	93	2,239	2,332
Impact on net interest income	315	1,518	1,833
Due to change in number of days			–
Net interest income			1,833

FINANCIAL HIGHLIGHTS *(continued)*
NON-INTEREST INCOME

S\$ million	2022	2021	+/(-) %
Gross fee and commission income			
Brokerage	103	141	(27)
Credit card	337	287	17
Fund management	119	133	(11)
Guarantees	14	14	1
Investment banking	100	106	(5)
Loan-related	180	179	–
Service charges	87	79	10
Trade-related and remittances	298	286	4
Wealth management	919	1,310	(30)
Others	50	46	9
	2,207	2,581	(15)
Fee and commission expense	(356)	(336)	6
Fees and commissions (net)	1,851	2,245	(18)
Dividends	125	113	11
Net trading income	834	763	9
Income from life and general insurance			
Profit from life insurance	971	1,137	(15)
Premium income from general insurance	218	197	11
Sub-total	1,189	1,334	(11)
Other income			
Disposal of investment securities	(206)	92	(325)
Disposal of plant and equipment	(1)	(1)	48
Disposal of properties	100	108	(8)
Rental and property-related income	78	66	18
Others	17	21	(19)
Sub-total	(12)	286	(104)
Total non-interest income	3,987	4,741	(16)

FINANCIAL HIGHLIGHTS *(continued)*
OPERATING EXPENSES

S\$ million	2022	2021	+/(-) %
Staff costs	3,233	3,028	7
Property and equipment			
Depreciation	426	412	3
Maintenance	156	145	8
Rental expenses	7	7	(6)
Others	330	304	9
	919	868	6
Other operating expenses	874	868	1
Total operating expenses	5,026	4,764	5
Group staff strength			
Period end	31,604	30,809	3
Average	31,269	30,610	2

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	2022	2021	+/(-) %
Allowances/(write-back):			
Impaired loans			
Singapore	(30)	42	(171)
Malaysia	(23)	262	(109)
Indonesia	2	213	(99)
Greater China	107	218	(51)
Others	80	117	(31)
	136	852	(84)
Impaired other assets	80	3	nm
Non-impaired loans	369	15	nm
Non-impaired other assets	(1)	3	(133)
Allowances for loans and other assets	584	873	(33)

FINANCIAL HIGHLIGHTS *(continued)*
LOANS TO CUSTOMERS

S\$ million	31 Dec 2022	31 Dec 2021
Gross loans	294,980	289,716
Allowances		
Impaired loans	(1,308)	(1,535)
Non-impaired loans	(2,205)	(1,900)
Net loans	291,467	286,281
By Maturity		
Within 1 year	114,427	116,823
1 to 3 years	54,199	57,751
Over 3 years	126,354	115,142
	294,980	289,716
By Industry		
Agriculture, mining and quarrying	8,193	8,094
Manufacturing	15,052	15,642
Building and construction	89,299	81,375
Housing loans	62,015	61,733
General commerce	29,209	30,159
Transport, storage and communication	13,017	13,423
Financial institutions, investment and holding companies	24,387	25,365
Professionals and individuals	34,752	36,854
Others	19,056	17,071
	294,980	289,716
By Currency		
Singapore Dollar	107,270	102,131
United States Dollar	70,884	73,022
Malaysian Ringgit	18,413	20,189
Indonesian Rupiah	8,732	8,720
Hong Kong Dollar	36,295	34,691
Chinese Renminbi	7,358	6,688
Others	46,028	44,275
	294,980	289,716
By Geography ^{1/}		
Singapore	119,925	115,620
Malaysia	25,077	27,611
Indonesia	18,600	18,918
Greater China	72,756	74,120
Other Asia Pacific	21,734	19,293
Rest of the World	36,888	34,154
	294,980	289,716

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 2022	437	202	154	81	383	0.3
31 Dec 2021	606	300	206	100	551	0.5
Malaysia						
31 Dec 2022	981	522	188	271	941	3.8
31 Dec 2021	1,516	1,126	166	224	1,467	5.3
Indonesia						
31 Dec 2022	778	343	252	183	778	4.2
31 Dec 2021	1,216	772	255	189	1,208	6.4
Greater China						
31 Dec 2022	901	444	431	26	901	1.2
31 Dec 2021	586	117	447	22	586	0.8
Other Asia Pacific						
31 Dec 2022	96	41	54	1	96	0.4
31 Dec 2021	186	62	124	#	186	1.0
Rest of the World						
31 Dec 2022	293	30	263	#	284	0.8
31 Dec 2021	228	21	207	#	217	0.6
Group						
31 Dec 2022	3,486	1,582	1,342	562	3,383	1.2
31 Dec 2021	4,338	2,398	1,405	535	4,215	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.
3. Amounts less than S\$0.5 million are shown as "#".

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

	31 Dec 2022		31 Dec 2021	
	S\$ million	% of gross loans	S\$ million	% of gross loans
NPLs by Industry				
Loans and advances				
Agriculture, mining and quarrying	56	0.7	96	1.2
Manufacturing	614	4.1	840	5.4
Building and construction	592	0.7	330	0.4
Housing loans	579	0.9	1,002	1.6
General commerce	392	1.3	594	2.0
Transport, storage and communication	392	3.0	491	3.7
Financial institutions, investment and holding companies	131	0.5	89	0.4
Professionals and individuals	128	0.4	179	0.5
Others	499	2.6	594	3.5
Total NPLs	3,383	1.2	4,215	1.5
Classified debt securities	–		6	
Classified contingent liabilities	103		117	
Total NPAs	3,486		4,338	

	31 Dec 2022		31 Dec 2021	
	S\$ million	%	S\$ million	%
NPAs by Period Overdue				
Over 180 days	968	28	927	21
Over 90 to 180 days	396	11	145	3
30 to 90 days	296	9	179	4
Less than 30 days	383	11	1,018	24
Not overdue	1,443	41	2,069	48
	3,486	100	4,338	100

S\$ million	31 Dec 2022		31 Dec 2021	
	Loan	Allowance	Loan	Allowance
Restructured Loans				
Substandard	389	150	816	295
Doubtful	350	211	407	238
Loss	140	98	85	37
	879	459	1,308	570

FINANCIAL HIGHLIGHTS *(continued)*

DEPOSITS

S\$ million	31 Dec 2022	31 Dec 2021
Deposits of non-bank customers	350,081	342,395
Deposits and balances of banks	10,046	8,239
Total deposits	360,127	350,634
Total Deposits by Maturity		
Within 1 year	354,083	347,703
1 to 3 years	4,242	1,907
Over 3 years	1,802	1,024
	360,127	350,634
Non-Bank Deposits by Product		
Fixed deposits	133,415	91,338
Savings deposits	69,036	78,566
Current accounts	112,245	138,077
Others	35,385	34,414
	350,081	342,395
Non-Bank Deposits by Currency		
Singapore Dollar	130,205	133,157
United States Dollar	119,527	109,842
Malaysian Ringgit	21,278	22,603
Indonesian Rupiah	11,196	12,197
Hong Kong Dollar	26,210	23,381
Chinese Renminbi	8,837	10,311
Others	32,828	30,904
	350,081	342,395

CAPITAL ADEQUACY RATIOS ^{1/}

The Group remained strongly capitalised, with a Common Equity Tier 1 (“CET1”) capital adequacy ratio (“CAR”) of 15.2%, and Tier 1 and Total CAR of 15.9% and 17.7% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2022 ^{2/}.

S\$ million	31 Dec 2022	31 Dec 2021
Ordinary shares	18,048	18,040
Disclosed reserves/others	26,254	25,782
Regulatory adjustments	(9,123)	(8,977)
Common Equity Tier 1 Capital	35,179	34,845
Additional Tier 1 capital	1,730	1,231
Regulatory adjustments	–	–
Tier 1 Capital	36,909	36,076
Tier 2 capital	4,028	3,497
Regulatory adjustments	–	–
Total Eligible Capital	40,937	39,573
Risk Weighted Assets	231,648	224,866
Capital Adequacy Ratios		
Common Equity Tier 1	15.2%	15.5%
Tier 1	15.9%	16.0%
Total	17.7%	17.6%

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	2022	2021	+/(-) %
Global Consumer/Private Banking	1,537	1,110	38
Global Wholesale Banking	3,002	1,688	78
Global Treasury and Markets	649	864	(25)
Insurance	881	1,224	(28)
Others	870	794	9
Profit before income tax	6,939	5,680	22

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 FY22 profit before income tax rose 38% to S\$1.54 billion, driven by net interest income growth amid a rising interest rate environment and lower allowances. This was partly offset by a decline in wealth management and brokerage fee income and higher expenses.

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 rose 78% to S\$3.00 billion in FY22, from S\$1.69 billion a year ago. The higher profit was led by growth in net interest income and lower allowances, partly offset by a decline in income from investment banking activities and an increase in expenses.

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 in Global Consumer/Private Banking and Global Wholesale Banking, is reflected in the respective business segments.

Global Treasury's profit before income tax was down 25% to S\$649 million in FY22, mainly attributable to lower net interest income, realised losses from its fixed income portfolio, partly offset by an increase in net trading income.

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\$881 million in FY22, down 28% from S\$1.22 billion in the previous year, mainly attributable to lower net valuation gains in its insurance funds largely due to unrealised mark-to-market loss on its insurance contract liabilities in the fourth quarter.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$643 million in FY22, lower than the S\$932 million a year ago.

Others

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

Where there are material changes in the organisational structure and management reporting methodologies, segment information for prior periods is reclassified to allow comparability.

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 420 branches and representative offices in 19 countries and regions. These include over 190 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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