

## Media Release

### OCBC Group First Half 2022 Net Profit Rose 7% to New High of S\$2.84 billion

*Second quarter net profit up 28% from a year ago*

*Interim Dividend of 28 cents per share declared*

**Singapore, 3 August 2022** – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported its financial results for the first half of 2022 (“1H22”). Group net profit for 1H22 rose 7% from a year ago (“1H21”) to S\$2.84 billion. Net profit for the second quarter (“2Q22”) was S\$1.48 billion, up 28% compared to a year ago (“2Q21”) and 9% from the previous quarter (“1Q22”).

#### First Half 2022 Performance

S\$ million	1H22	1H21	YoY (%)
Net interest income	3,203	2,902	10
Non-interest income	2,319	2,584	(10)
<i>of which: Fees and commissions</i>	999	1,148	(13)
<i>Trading income</i>	492	528	(7)
<i>Profit from life insurance</i>	649	627	4
<b>Total income</b>	<b>5,522</b>	5,486	1
Operating expenses	(2,458)	(2,287)	7
Associates	499	422	18
<b>Operating profit before allowances</b>	<b>3,563</b>	3,621	(2)
Allowances	(116)	(393)	(70)
Amortisation, tax and NCI	(610)	(567)	7
<b>Group net profit</b>	<b>2,837</b>	2,661	7
<b>Group ROE - annualised</b>	<b>11.0%</b>	10.8%	+0.2ppt

#### 1H22 Year-on-Year Performance

- Group net profit of S\$2.84 billion increased 7% from a year ago, largely driven by higher net interest income and lower allowances.
- Net interest income of S\$3.20 billion was 10% above the previous year, mainly attributable to a 6% increase in average asset balances and a 6 basis points rise in net interest margin (“NIM”) to 1.63%.
- Non-interest income of S\$2.32 billion was 10% lower against last year, largely due to a drop in fee, investment and trading income.

- Operating expenses of S\$2.46 billion were 7% above last year, largely due to higher staff costs associated with salary increments and headcount growth to support business expansion, increased technology-related costs and business promotion expenses.
- Total allowances were lower at S\$116 million as compared to S\$393 million in the previous year, mainly due to a decline in allowances for impaired loans.
- The Group's share of results of associates was S\$499 million, an increase of 18% from the previous year.
- The Group's annualised ROE was 11.0% for 1H22, higher than the 10.8% in 1H21, while annualised earnings per share increased to S\$1.26 from S\$1.19 a year ago.

## Second Quarter 2022 Performance

S\$ million	2Q22	2Q21	YoY (%)	1Q22	QoQ (%)
Net interest income	1,700	1,461	16	1,503	13
Non-interest income	1,179	1,111	6	1,140	3
<i>of which: Fees and commissions</i>	477	563	(15)	522	(9)
<i>Trading income</i>	267	212	26	225	19
<i>Profit from life insurance</i>	372	205	82	277	35
<b>Total income</b>	<b>2,879</b>	2,572	12	2,643	9
Operating expenses	(1,253)	(1,138)	10	(1,205)	4
Associates	245	213	15	254	(4)
<b>Operating profit before allowances</b>	<b>1,871</b>	1,647	14	1,692	11
Allowances	(72)	(232)	(69)	(44)	64
Amortisation, tax and NCI	(318)	(255)	24	(292)	9
<b>Group net profit</b>	<b>1,481</b>	1,160	28	1,356	9
<b>Group ROE - annualised</b>	<b>11.5%</b>	9.3%	+2.2ppt	10.6%	+0.9ppt

### 2Q22 Year-on-Year Performance

- Group net profit rose 28% to S\$1.48 billion, underpinned by robust performance across the Group's banking, wealth management and insurance businesses.
- Net interest income grew 16% to a new high of S\$1.70 billion. This was largely driven by asset growth and margin expansion. NIM rose 13 basis points to 1.71%, as asset yields outpaced higher funding costs amid a rapidly rising interest rate environment.
- Non-interest income was S\$1.18 billion, up 6% from a year ago mainly from higher trading income and life insurance profit.
  - Net fee income declined 15% to S\$477 million, largely due to lower wealth management, brokerage and investment banking fees, in line with weaker investment sentiments globally. Loan and trade-related fees increased on the back of higher lending and trade volumes. Credit card

fees were also higher during the quarter, in line with the broader reopening of economies and resumption of activities.

- The Group's wealth management income, comprising income from insurance, private banking, premier private client, premier banking, asset management and stockbroking, grew 8% to S\$1.03 billion and made up 36% of the Group's income in 2Q22. As at 30 June 2022, Group wealth management AUM was S\$250 billion, down from S\$254 billion a year ago as net new money inflows were more than offset by a drop in market valuations.
  - Net trading income of S\$267 million was up 26%, from higher customer and non-customer flow treasury income. Net realised losses from the sale of investment securities and others were S\$51 million, as compared to a net gain of S\$35 million in the previous year, mainly due to sale of fixed income securities.
  - Profit from life insurance from subsidiary Great Eastern Holdings ("GEH") was S\$372 million, higher as compared to S\$205 million a year ago. This was attributable to an increase in operating profit and mark-to-market gains in its insurance funds from rising interest rates. Total weighted new sales grew 3% to S\$551 million, while new business embedded value ("NBEV") increased 5% to S\$202 million, with the NBEV margin at 36.7%.
- Operating expenses increased 10% to S\$1.25 billion. Staff costs were up 10% against the previous year mainly from annual salary increments and a rise in headcount as the Group grew its talent pool to support growth. Investments in technology capabilities also increased while business promotion expenses rose with higher business volumes. The cost-to-income ratio improved to 43.5%, from 44.3% a year ago, on positive operating jaws.
  - The Group's share of results of associates was S\$245 million, 15% higher than the previous year.
  - Allowances for the quarter were 69% lower than a year ago, from a decline in both impaired and non-impaired assets.

### **2Q22 Quarter-on-Quarter Performance**

- Group net profit of S\$1.48 billion increased 9% from S\$1.36 billion a quarter ago.
- Net interest income increased 13% to S\$1.70 billion, mainly from a 16 basis points expansion in NIM.
- Non-interest income grew 3% to S\$1.18 billion, as higher trading income and profit from life insurance offset a decline in fee and investment income.
- Operating expenses rose 4% while cost-to-income ratio decreased by 2.1 percentage points as the rise in income outpaced the increase in expenses.
- The Group's share of results of associates was 4% lower than the previous quarter.
- Allowances for 2Q22 were up from the previous quarter, as allowances for non-impaired assets of S\$66 million were higher compared to S\$13 million in the previous quarter.

## Asset Quality and Allowances

S\$ million	Jun 2022	Jun 2021	Mar 2022	YoY	QoQ
Non-performing assets (NPAs)	<b>3,969</b>	4,082	4,307	-3%	-8%
Non-performing loan (NPL) ratio	<b>1.3%</b>	1.5%	1.4%	-0.2ppt	-0.1ppt
<b>Allowances (S\$ million)</b>	<b>1H22</b>	<b>1H21</b>	<b>2Q22</b>	<b>2Q21</b>	<b>1Q22</b>
Allowances for loans and other assets	<b>116</b>	393	<b>72</b>	232	44
<i>of which: Impaired</i>	<b>37</b>	283	<b>6</b>	131	31
<i>Non-impaired</i>	<b>79</b>	110	<b>66</b>	101	13
<b>Credit costs (bps) <sup>1/</sup></b>	<b>1H22</b>	<b>1H21</b>	<b>2Q22</b>	<b>2Q21</b>	<b>1Q22</b>
Total loans	<b>7</b>	26	<b>8</b>	30	6
<i>of which: Impaired loans</i>	<b>2</b>	19	<b>0</b>	18	4

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

- Total NPAs were S\$3.97 billion as at 30 June 2022, down 3% from a year ago and 8% from the previous quarter.
  - NPAs declined against the previous quarter as higher recoveries and upgrades more than offset new NPA formation.
  - New NPA formation for the quarter was S\$182 million, below the S\$662 million a year ago and S\$296 million in the previous quarter.
  - In 2Q22, net recoveries and upgrades were S\$419 million, from the corporate and consumer segments. This was higher than the S\$252 million in the previous year and the S\$240 million last quarter.
  - NPL ratio of 1.3% was lower from a year ago and the previous quarter, and the allowance coverage against total NPAs was 99% as at 30 June 2022.
- Total allowances for loans and other assets in 2Q22 were S\$72 million as compared to the S\$232 million set aside a year ago and the S\$44 million in 1Q22.
  - The allowances set aside in 2Q22 mainly comprised a net charge of S\$66 million for non-impaired assets, which largely reflected updates of the macro-economic variables in the Expected Credit Loss model, and this was partially offset by credit upgrades.

## Strong Funding, Liquidity and Capital Position

S\$ billion	Jun 2022	Jun 2021	Mar 2022	YoY	QoQ
Loans	<b>298</b>	275	294	+8%	+1%
Deposits	<b>349</b>	317	348	+10%	+0.2%
of which: CASA deposits	<b>212</b>	198	218	+7%	-3%
CASA ratio	<b>60.9%</b>	62.5%	62.7%	-1.6ppt	-1.8ppt
CET1 CAR	<b>14.9%</b>	16.1%	15.2%	-1.2ppt	-0.3ppt
Leverage ratio	<b>7.1%</b>	8.1%	7.2%	-1.0ppt	-0.1ppt

- As at 30 June 2022, customer loans grew 8% from a year ago. By geography, Singapore, Indonesia, Greater China, USA and UK drove loan growth. By industry, the increase was led by loans to the building and construction and general commerce sectors, as well as consumer lending including mortgages.
- The Group committed S\$36.9 billion in sustainable financing to customers as at 30 June 2022, up 41% from a year ago and 5% from the previous quarter.
- Customer deposits rose year-on-year and from the previous quarter to S\$349 billion. Current account and savings deposits (“CASA”) ratio of 60.9% was lower quarter-on-quarter due to shift of CASA balances to higher-yielding fixed deposits in a rising interest rate environment. The Group’s funding base continued to be stable with customer deposits comprising around 80% of total funding.
- Loans-to-deposits ratio was 84.4%, as compared to the 85.6% in the preceding year and 83.3% last quarter.
- The Group’s CET1 CAR was 14.9%, while the leverage ratio was 7.1% as at 30 June 2022.

## Dividend

Cents Per Share	2022	2021
Interim dividend	<b>28.0</b>	25.0
Final dividend		28.0

- An interim dividend of 28 cents has been declared, 12% or 3 cents higher than the 25 cents interim dividend declared a year ago.
- The interim dividend payout will amount to approximately S\$1.26 billion, representing a payout ratio of 44% against the Group’s 1H22 net profit.

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**Message from Group CEO, *Helen Wong***

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“Our resilient performance for the first half of 2022 demonstrated the strength of our diversified franchise. Net interest income reached a new high from loan growth and our well-positioned balance sheet benefitted from rising interest rates. Despite heightened market volatilities, we are pleased to see net new money inflows in our wealth management business, as well as healthy new insurance sales. We continued to invest in talent and digital capabilities to support future growth. The quality of our loan portfolio remained healthy and we are staying vigilant and proactively monitoring our books for any signs of weakness.

Overall economic growth in our key markets is expected to remain positive this year but at a slower pace due to the heightened headwinds in the operating environment. Our diversified earnings base and strong capital, funding and liquidity positions will allow us to have the flexibility to navigate uncertainties and pursue our strategic growth objectives.”

## FINANCIAL HIGHLIGHTS

S\$ million	1H22	1H21	+ / (-) %	2Q22	2Q21	+ / (-) %	1Q22	+ / (-) %
<b>Selected Income Statement Items</b>								
Net interest income	<b>3,203</b>	2,902	10	<b>1,700</b>	1,461	16	1,503	13
Non-interest income	<b>2,319</b>	2,584	(10)	<b>1,179</b>	1,111	6	1,140	3
Total income	<b>5,522</b>	5,486	1	<b>2,879</b>	2,572	12	2,643	9
Operating expenses	<b>(2,458)</b>	(2,287)	7	<b>(1,253)</b>	(1,138)	10	(1,205)	4
Operating profit before allowances and amortisation	<b>3,064</b>	3,199	(4)	<b>1,626</b>	1,434	13	1,438	13
Amortisation of intangible assets	<b>(52)</b>	(51)	1	<b>(27)</b>	(25)	2	(25)	1
Allowances for loans and other assets	<b>(116)</b>	(393)	(70)	<b>(72)</b>	(232)	(69)	(44)	64
Operating profit after allowances and amortisation	<b>2,896</b>	2,755	5	<b>1,527</b>	1,177	30	1,369	12
Share of results of associates, net of tax	<b>499</b>	422	18	<b>245</b>	213	15	254	(4)
Profit before income tax	<b>3,395</b>	3,177	7	<b>1,772</b>	1,390	27	1,623	9
<b>Net profit attributable to equity holders</b>	<b>2,837</b>	2,661	7	<b>1,481</b>	1,160	28	1,356	9
<b>Cash basis net profit attributable to equity holders <sup>1/</sup></b>	<b>2,889</b>	2,712	7	<b>1,508</b>	1,185	27	1,381	9
<b>Selected Balance Sheet Items</b>								
Ordinary equity	<b>51,121</b>	50,573	1	<b>51,121</b>	50,573	1	51,894	(1)
Equity attributable to equity holders of the Bank	<b>52,821</b>	51,773	2	<b>52,821</b>	51,773	2	53,094	(1)
Total assets	<b>554,862</b>	521,131	6	<b>554,862</b>	521,131	6	552,787	–
Assets excluding life insurance fund investment securities and other assets	<b>457,351</b>	420,349	9	<b>457,351</b>	420,349	9	452,747	1
Net loans to customers	<b>294,480</b>	271,027	9	<b>294,480</b>	271,027	9	290,278	1
Deposits of non-bank customers	<b>348,821</b>	316,776	10	<b>348,821</b>	316,776	10	348,265	–

### Notes:

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

**FINANCIAL HIGHLIGHTS** *(continued)*

	1H22	1H21	2Q22	2Q21	1Q22
<b>Key Financial Ratios (%)</b>					
<b>Performance ratios</b>					
Return on equity <sup>1/ 2/</sup>	<b>11.0</b>	10.8	<b>11.5</b>	9.3	10.6
Return on assets <sup>3/</sup>	<b>1.27</b>	1.27	<b>1.31</b>	1.11	1.23
<b>Revenue mix/efficiency ratios</b>					
Net interest margin	<b>1.63</b>	1.57	<b>1.71</b>	1.58	1.55
Non-interest income to total income	<b>42.0</b>	47.1	<b>40.9</b>	43.2	43.1
Cost-to-income	<b>44.5</b>	41.7	<b>43.5</b>	44.3	45.6
Loans-to-deposits	<b>84.4</b>	85.6	<b>84.4</b>	85.6	83.3
NPL ratio	<b>1.3</b>	1.5	<b>1.3</b>	1.5	1.4
<b>Capital adequacy ratios <sup>8/</sup></b>					
Common Equity Tier 1	<b>14.9</b>	16.1	<b>14.9</b>	16.1	15.2
Tier 1	<b>15.7</b>	16.6	<b>15.7</b>	16.6	15.7
Total	<b>17.5</b>	18.4	<b>17.5</b>	18.4	17.2
<b>Leverage ratio <sup>5/ 8/</sup></b>	<b>7.1</b>	8.1	<b>7.1</b>	8.1	7.2
<b>Liquidity coverage ratios <sup>6/ 8/</sup></b>					
Singapore dollar	<b>315</b>	295	<b>326</b>	290	304
All-currency	<b>148</b>	148	<b>146</b>	145	151
<b>Net stable funding ratio <sup>7/ 8/</sup></b>	<b>117</b>	126	<b>117</b>	126	118
<b>Earnings per share (S\$) <sup>2/</sup></b>					
Basic earnings	<b>1.26</b>	1.19	<b>1.31</b>	1.03	1.21
Diluted earnings	<b>1.26</b>	1.19	<b>1.31</b>	1.03	1.21
<b>Net asset value per share (S\$)</b>	<b>11.37</b>	11.23	<b>11.37</b>	11.23	11.55

**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	1H22			1H21		
	Average Balance	Interest	Average Rate <sup>2/</sup> %	Average Balance	Interest	Average Rate <sup>2/</sup> %
<b>Interest earning assets</b>						
Loans to customers	287,413	3,262	2.29	266,328	2,879	2.18
Placements with and loans to banks	46,443	315	1.37	45,506	248	1.10
Other interest earning assets	62,305	587	1.90	61,373	584	1.92
	<b>396,161</b>	<b>4,164</b>	<b>2.12</b>	<b>373,207</b>	<b>3,711</b>	<b>2.01</b>
<b>Interest bearing liabilities</b>						
Deposits of non-bank customers	344,374	790	0.46	314,908	674	0.43
Deposits and balances of banks	12,592	54	0.87	10,307	31	0.61
Other borrowings	18,341	117	1.29	23,418	104	0.90
	<b>375,307</b>	<b>961</b>	<b>0.52</b>	<b>348,633</b>	<b>809</b>	<b>0.47</b>
<b>Net interest income/margin <sup>1/</sup></b>		<b>3,203</b>	<b>1.63</b>		<b>2,902</b>	<b>1.57</b>

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	1H22 vs 1H21		
	Volume	Rate	Net change
<b>Interest income</b>			
Loans to customers	228	155	383
Placements with and loans to banks	5	62	67
Other interest earning assets	9	(6)	3
	<b>242</b>	<b>211</b>	<b>453</b>
<b>Interest expense</b>			
Deposits of non-bank customers	63	53	116
Deposits and balances of banks	7	16	23
Other borrowings	(23)	36	13
	<b>47</b>	<b>105</b>	<b>152</b>
<b>Impact on net interest income</b>	<b>195</b>	<b>106</b>	<b>301</b>
Due to change in number of days			–
<b>Net interest income</b>			<b>301</b>

**FINANCIAL HIGHLIGHTS** *(continued)*
**NON-INTEREST INCOME**

S\$ million	1H22	1H21	+/(-) %
<b>Gross fee and commission income</b>			
Brokerage	59	79	(25)
Wealth management	537	690	(22)
Fund management	62	63	(2)
Credit card	158	141	13
Loan-related	86	85	1
Trade-related and remittances	148	134	11
Guarantees	8	7	5
Investment banking	51	57	(10)
Service charges	40	40	(1)
Others	25	22	13
	<b>1,174</b>	<b>1,318</b>	<b>(11)</b>
<b>Fee and commission expense</b>	<b>(175)</b>	<b>(170)</b>	<b>3</b>
<b>Fees and commissions (net)</b>	<b>999</b>	<b>1,148</b>	<b>(13)</b>
<b>Dividends</b>	<b>57</b>	<b>48</b>	<b>19</b>
<b>Net trading income</b>	<b>492</b>	<b>528</b>	<b>(7)</b>
<b>Income from life and general insurance</b>			
Profit from life insurance	649	627	4
Premium income from general insurance	104	97	7
Sub-total	<b>753</b>	<b>724</b>	<b>4</b>
<b>Other income</b>			
Disposal of investment securities	(78)	60	(229)
Disposal of properties	49	37	32
Rental and property-related income	36	33	10
Others	11	6	86
Sub-total	<b>18</b>	<b>136</b>	<b>(87)</b>
<b>Total non-interest income</b>	<b>2,319</b>	<b>2,584</b>	<b>(10)</b>

## FINANCIAL HIGHLIGHTS *(continued)*

### OPERATING EXPENSES

S\$ million	1H22	1H21	+/(-) %
<b>Staff costs</b>	<b>1,613</b>	1,486	9
<b>Property and equipment</b>			
Depreciation	206	205	1
Maintenance and rental	74	71	5
Others	160	143	12
	<b>440</b>	419	5
<b>Other operating expenses</b>	<b>405</b>	382	6
<b>Total operating expenses</b>	<b>2,458</b>	2,287	7
<b>Group staff strength</b>			
Period end	31,369	30,619	2
Average	31,178	30,560	2

### ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	1H22	1H21	+/(-) %
Allowances/(write-back):			
Impaired loans			
Singapore	(17)	68	(125)
Malaysia	(8)	72	(111)
Indonesia	45	77	(41)
Greater China	23	31	(26)
Others	(11)	35	(130)
	<b>32</b>	283	(89)
Impaired other assets	5	(#)	nm
Non-impaired loans	77	104	(26)
Non-impaired other assets	2	6	(61)
<b>Allowances for loans and other assets</b>	<b>116</b>	393	(70)

## FINANCIAL HIGHLIGHTS *(continued)*

### LOANS TO CUSTOMERS

S\$ million	30 Jun 2022	31 Dec 2021	30 Jun 2021
<b>Gross loans</b>	<b>297,920</b>	289,716	274,794
<b>Allowances</b>			
Impaired loans	(1,473)	(1,535)	(1,778)
Non-impaired loans	(1,967)	(1,900)	(1,989)
<b>Net loans</b>	<b>294,480</b>	286,281	271,027
<b>By Maturity</b>			
Within 1 year	120,221	116,823	110,302
1 to 3 years	56,148	57,751	54,559
Over 3 years	121,551	115,142	109,933
	<b>297,920</b>	289,716	274,794
<b>By Industry</b>			
Agriculture, mining and quarrying	9,158	8,094	8,185
Manufacturing	15,569	15,642	15,802
Building and construction	87,442	81,375	74,994
Housing loans	62,036	61,733	59,724
General commerce	31,152	30,159	29,972
Transport, storage and communication	13,047	13,423	13,886
Financial institutions, investment and holding companies	25,261	25,365	24,298
Professionals and individuals	36,914	36,854	32,461
Others	17,341	17,071	15,472
	<b>297,920</b>	289,716	274,794
<b>By Currency</b>			
Singapore Dollar	105,733	102,131	98,424
United States Dollar	76,109	73,022	65,941
Malaysian Ringgit	19,381	20,189	19,948
Indonesian Rupiah	8,927	8,720	8,205
Hong Kong Dollar	36,840	34,691	33,877
Chinese Renminbi	7,309	6,688	6,027
Others	43,621	44,275	42,372
	<b>297,920</b>	289,716	274,794
<b>By Geography <sup>1/</sup></b>			
Singapore	119,965	115,620	110,849
Malaysia	26,208	27,611	27,371
Indonesia	19,221	18,918	18,352
Greater China	76,048	74,120	70,310
Other Asia Pacific	20,172	19,293	18,900
Rest of the World	36,306	34,154	29,012
	<b>297,920</b>	289,716	274,794

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 <sup>1/</sup>	Substandard	Doubtful	Loss	NPLs <sup>2/</sup>	NPL Ratio <sup>2/</sup> %
<b>Singapore</b>						
<b>30 Jun 2022</b>	<b>479</b>	<b>242</b>	<b>147</b>	<b>90</b>	<b>423</b>	<b>0.4</b>
31 Dec 2021	606	300	206	100	551	0.5
30 Jun 2021	1,356	525	730	101	1,300	1.2
<b>Malaysia</b>						
<b>30 Jun 2022</b>	<b>1,362</b>	<b>936</b>	<b>163</b>	<b>263</b>	<b>1,318</b>	<b>5.0</b>
31 Dec 2021	1,516	1,126	166	224	1,467	5.3
30 Jun 2021	987	687	239	61	959	3.5
<b>Indonesia</b>						
<b>30 Jun 2022</b>	<b>1,186</b>	<b>776</b>	<b>250</b>	<b>160</b>	<b>1,178</b>	<b>6.1</b>
31 Dec 2021	1,216	772	255	189	1,208	6.4
30 Jun 2021	890	484	232	174	883	4.8
<b>Greater China</b>						
<b>30 Jun 2022</b>	<b>631</b>	<b>65</b>	<b>542</b>	<b>24</b>	<b>631</b>	<b>0.8</b>
31 Dec 2021	586	117	447	22	586	0.8
30 Jun 2021	332	95	206	31	332	0.5
<b>Other Asia Pacific</b>						
<b>30 Jun 2022</b>	<b>94</b>	<b>46</b>	<b>48</b>	<b>#</b>	<b>93</b>	<b>0.5</b>
31 Dec 2021	186	62	124	#	186	1.0
30 Jun 2021	171	97	74	#	171	0.9
<b>Rest of the World</b>						
<b>30 Jun 2022</b>	<b>217</b>	<b>20</b>	<b>194</b>	<b>3</b>	<b>206</b>	<b>0.6</b>
31 Dec 2021	228	21	207	#	217	0.6
30 Jun 2021	346	127	219	#	346	1.2
<b>Group</b>						
<b>30 Jun 2022</b>	<b>3,969</b>	<b>2,085</b>	<b>1,344</b>	<b>540</b>	<b>3,849</b>	<b>1.3</b>
31 Dec 2021	4,338	2,398	1,405	535	4,215	1.5
30 Jun 2021	4,082	2,015	1,700	367	3,991	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)*

	30 Jun 2022		31 Dec 2021		30 Jun 2021	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
<b>NPLs by Industry</b>						
Loans and advances						
Agriculture, mining and quarrying	99	1.1	96	1.2	261	3.2
Manufacturing	799	5.1	840	5.4	757	4.8
Building and construction	321	0.4	330	0.4	234	0.3
Housing loans	895	1.4	1,002	1.6	634	1.1
General commerce	525	1.7	594	2.0	624	2.1
Transport, storage and communication	437	3.3	491	3.7	1,249	9.0
Financial institutions, investment and holding companies	71	0.3	89	0.4	31	0.1
Professionals and individuals	164	0.4	179	0.5	139	0.4
Others	538	3.1	594	3.5	62	0.4
<b>Total NPLs</b>	<b>3,849</b>	<b>1.3</b>	<b>4,215</b>	<b>1.5</b>	<b>3,991</b>	<b>1.5</b>
<b>Classified debt securities</b>	<b>3</b>		<b>6</b>		<b>2</b>	
<b>Classified contingent liabilities</b>	<b>117</b>		<b>117</b>		<b>89</b>	
<b>Total NPAs</b>	<b>3,969</b>		<b>4,338</b>		<b>4,082</b>	

	30 Jun 2022		31 Dec 2021		30 Jun 2021	
	S\$ million	%	S\$ million	%	S\$ million	%
<b>NPAs by Period Overdue</b>						
Over 180 days	952	24	927	21	1,922	47
Over 90 to 180 days	393	10	145	3	138	3
30 to 90 days	381	10	179	4	263	7
Less than 30 days	747	19	1,018	24	578	14
Not overdue	1,496	37	2,069	48	1,181	29
	<b>3,969</b>	<b>100</b>	<b>4,338</b>	<b>100</b>	<b>4,082</b>	<b>100</b>

S\$ million	30 Jun 2022		31 Dec 2021		30 Jun 2021	
	Loan	Allowance	Loan	Allowance	Loan	Allowance
<b>Restructured Loans</b>						
Substandard	783	322	816	295	711	386
Doubtful	398	214	407	238	882	656
Loss	69	27	85	37	90	63
	<b>1,250</b>	<b>563</b>	<b>1,308</b>	<b>570</b>	<b>1,683</b>	<b>1,105</b>

## FINANCIAL HIGHLIGHTS *(continued)*

### DEPOSITS

S\$ million	30 Jun 2022	31 Dec 2021	30 June 2021
Deposits of non-bank customers	<b>348,821</b>	342,395	316,776
Deposits and balances of banks	<b>12,411</b>	8,239	9,976
<b>Total deposits</b>	<b>361,232</b>	350,634	326,752
<b>Total deposits by maturity</b>			
Within 1 year	<b>356,292</b>	347,703	323,772
1 to 3 years	<b>3,328</b>	1,907	2,036
Over 3 years	<b>1,612</b>	1,024	944
	<b>361,232</b>	350,634	326,752
<b>Non-bank deposits by product</b>			
Fixed deposits	<b>101,053</b>	91,338	89,415
Savings deposits	<b>80,154</b>	78,566	75,252
Current account	<b>132,174</b>	138,077	122,753
Others	<b>35,440</b>	34,414	29,356
	<b>348,821</b>	342,395	316,776
<b>Non-bank deposits by currency</b>			
Singapore Dollar	<b>133,345</b>	133,157	125,722
United States Dollar	<b>113,713</b>	109,842	97,005
Malaysian Ringgit	<b>22,757</b>	22,603	23,175
Indonesian Rupiah	<b>12,258</b>	12,197	10,847
Hong Kong Dollar	<b>25,378</b>	23,381	23,330
Chinese Renminbi	<b>9,344</b>	10,311	7,988
Others	<b>32,026</b>	30,904	28,709
	<b>348,821</b>	342,395	316,776

### CAPITAL ADEQUACY RATIOS <sup>1/</sup>

The Group remained strongly capitalised, with a Common Equity Tier 1 (“CET1”) capital adequacy ratio (“CAR”) of 14.9%, and Tier 1 and Total CAR of 15.7% and 17.5% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2022 <sup>2/</sup>.

S\$ million	30 Jun 2022	31 Dec 2021	30 June 2021
Ordinary shares	<b>18,057</b>	18,040	18,184
Disclosed reserves/others	<b>25,973</b>	25,782	24,989
Regulatory adjustments	<b>(9,457)</b>	(8,977)	(7,880)
<b>Common Equity Tier 1 Capital</b>	<b>34,573</b>	34,845	35,293
Additional Tier 1 capital	<b>1,731</b>	1,231	1,229
Regulatory adjustments	<b>–</b>	–	–
<b>Tier 1 Capital</b>	<b>36,304</b>	36,076	36,522
Tier 2 capital	<b>4,235</b>	3,497	3,862
Regulatory adjustments	<b>–</b>	–	–
<b>Total Eligible Capital</b>	<b>40,539</b>	39,573	40,384
<b>Risk Weighted Assets</b>	<b>231,577</b>	224,866	219,740
<b>Capital Adequacy Ratios</b>			
Common Equity Tier 1	<b>14.9%</b>	15.5%	16.1%
Tier 1	<b>15.7%</b>	16.0%	16.6%
Total	<b>17.5%</b>	17.6%	18.4%

#### 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	1H22	1H21	+/(-) %
Global Consumer/Private Banking	669	708	(6)
Global Wholesale Banking	1,262	973	30
Global Treasury and Markets	465	482	(3)
Insurance	554	751	(26)
Others	445	263	69
<b>Profit before income tax</b>	<b>3,395</b>	<b>3,177</b>	<b>7</b>

#### 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 6% to S\$669 million in 1H22, as net interest income growth was more than offset by lower 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 grew 30% to S\$1.26 billion in 1H22, driven by higher net interest income and lower allowances, partly offset by an increase in expenses.

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## 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\$465 million in 1H22, as lower net interest income and realised losses from its fixed income portfolio offset 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\$554 million in 1H22, down 26% from S\$751 million in 1H21, as an increase in operating profit from its insurance business was more than offset by mark-to-market losses in its investment portfolio given the challenging global investment climate this year.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$419 million in 1H22, lower than S\$565 million in 1H21.

#### 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.

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## 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 200 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](http://www.ocbc.com).

For more information, please contact:

Koh Ching Ching  
Head  
Group Brand and Communications  
OCBC Bank

Collins Chin  
Head  
Investor Relations  
OCBC Bank

Tel: (65) 6530 1531

Fax: (65) 6535 7477

Tel: (65) 6679 5008

Fax: (65) 6532 6001