

Media Release

OCBC Full Year 2023 Net Profit Rose 27% to a Record S\$7.02 billion

Fourth quarter net profit up 12% from a year ago to S\$1.62 billion

2023 full year dividend raised to 82 cents, up 21% from 68 cents in 2022

Singapore, 28 February 2024 – Oversea-Chinese Banking Corporation Limited (“OCBC”) reported net profit of S\$7.02 billion for the financial year 2023 (“FY23”), up 27% from S\$5.53 billion a year ago (“FY22”).

Total income for FY23 rose to a new high of S\$13.5 billion, lifted by growth across the Group’s diversified income streams, with net interest income at a record high, and trading and investment income higher. Loan-related and credit card fees rose, but overall fee income was down as subdued investment sentiments continued to weigh on wealth-related fees. Continued cost discipline amid an inflationary environment, combined with income growth, drove the cost-to-income ratio lower to 38.7%. Asset quality was resilient with NPL ratio of 1.0% and credit costs at 20 basis points. The Group’s strong capital, funding and liquidity levels provide ample headroom to drive growth and capture opportunities as they arise.

With strong earnings and sound capital position, the Board is pleased to recommend an increase in the final dividend to 42 cents per share from 40 cents a year ago. This brings the FY23 dividend to 82 cents per share, up 21% from 68 cents a year ago and represents a payout ratio of 53% of the Group’s FY23 net profit.

Full Year 2023 Performance Highlights

		YoY			
Group Net Profit	S\$7.02b	+27% YoY	Total Income	S\$13.5b	+20%
			Net Interest Income	S\$9.65b	+25%
			Non-Interest Income	S\$3.86b	+7%
Banking Operations Net Profit	S\$6.39b	+27% YoY	Operating Expenses	S\$5.22b	+8%
			Net Interest Margin	2.28%	+37bps
			Credit Costs	20bps	+4bps
Dividend	82 cents	+14 cents YoY	Customer Loans	S\$297b	+2%
			(in constant currency terms)		
			Customer Deposits	S\$364b	+4%
EPS	S\$1.55	+27% YoY	NPL Ratio	1.0%	-0.2ppt
			CET1 CAR	15.9%	+0.7ppt
			All-ccy LCR	155%	+3ppt
ROE	13.7%	+2.6ppt YoY			

Full Year 2023 Performance

S\$ million	FY23	FY22	YoY (%)
Net interest income	9,645	7,688	25
Non-interest income	3,862	3,598	7
<i>of which: Fees and commissions</i>	1,804	1,851	(3)
<i>Trading income</i>	1,004	929	8
<i>Income from life and general insurance</i>	808	803	1
Total income	13,507	11,286	20
Operating expenses	(5,223)	(4,838)	8
Operating profit before allowances	8,284	6,448	28
Allowances	(733)	(584)	25
Amortisation, tax and NCI	(1,483)	(1,248)	19
Associates	953	910	5
Group net profit	7,021	5,526	27
Group ROE	13.7%	11.1%	+2.6ppt

Note: The Group's insurance results are prepared under SFRS(I) 17 basis and comparatives have been restated.

FY23 Year-on-Year Performance

Group net profit grew 27% and crossed S\$7 billion for the first time.

- Record net interest income of S\$9.65 billion was 25% higher than a year ago, underpinned by a 5% growth in average assets and a 37-basis point expansion in net interest margin ("NIM") to 2.28%. NIM was higher across all key markets, benefitting from the higher interest rate environment and proactive balance sheet management.
- Non-interest income rose 7% to S\$3.86 billion. The increase was largely attributed to improved trading income and investment gains.
 - Net fee income of S\$1.80 billion was 3% below the S\$1.85 billion in the previous year. Higher fees from credit card and loan-related activities were more than offset by lower wealth-related fees as customer activities remained subdued amid global risk-off investment sentiments.
 - Net trading income improved 8% to S\$1.00 billion, from S\$929 million a year ago, driven by record customer flow treasury income.
 - Net realised gains from sale of investment securities were S\$47 million, as compared to a net loss of S\$206 million in FY22 that was largely attributed to rebalancing of the fixed income portfolio.

- Insurance income was S\$808 million as compared to S\$803 million a year ago. GEH adopted Singapore Financial Reporting Standards (International) ["SFRS(I)"] 17 on 1 January 2023, and the Group's insurance results for FY23 are prepared based on SFRS(I) 17 and respective comparative periods for 2022 have been restated. Total weighted new sales and new business embedded value ("NBEV") were S\$1.66 billion and S\$762 million respectively, while NBEV margin was higher at 45.9%. GEH's embedded value, a measure of the long-term economic value of the existing business of a life insurance company, was S\$17.3 billion as at 31 December 2023.
- The Group's wealth management income, comprising income from insurance, private banking, premier private client, premier banking, asset management and stockbroking comprised 32% of the Group's total income. Wealth management income for FY23 rose 26% to S\$4.32 billion, up from S\$3.42 billion a year ago. Group wealth management AUM expanded 2% to S\$263 billion, from S\$258 billion in the previous year.
- Operating expenses increased 8% to S\$5.22 billion. This was largely attributed to higher staff costs, IT-related costs and other operational expenses associated with business growth. The rise in staff costs was led by annual salary adjustments, headcount growth and a one-off support to help junior employees cope with rising cost-of-living concerns. Cost-to-income ratio ("CIR") improved to 38.7% in FY23, from 42.9% in the prior year.
- Total allowances were S\$733 million, up 25% from S\$584 million in the previous year.
- Share of results of associates grew 5% to S\$953 million, from S\$910 million a year ago.
- The Group's ROE for FY23 improved to 13.7%, from 11.1% a year ago. Earnings per share was 27% higher at S\$1.55, compared to S\$1.22 in the previous year.

Fourth Quarter 2023 Performance

S\$ million	4Q23	4Q22	YoY (%)	3Q23	OoQ (%)
Net interest income	2,462	2,386	3	2,456	–
Non-interest income	811	646	25	973	(17)
<i>of which: Fees and commissions</i>	460	399	16	461	–
<i>Trading income</i>	222	180	22	216	2
<i>Income from life and general insurance</i>	88	100	(12)	220	(60)
Total income	3,273	3,032	8	3,429	(5)
Operating expenses	(1,310)	(1,102)	19	(1,340)	(2)
Operating profit before allowances	1,963	1,930	2	2,089	(6)
Allowances	(187)	(314)	(41)	(184)	1
Amortisation, tax and NCI	(343)	(328)	4	(349)	(1)
Associates	189	155	22	254	(26)
Group net profit	1,622	1,443	12	1,810	(10)
Group ROE – annualised	12.4%	11.5%	+0.9ppt	14.0%	-1.6ppt

Note: The Group's insurance results are prepared under SFRS(I) 17 basis and 4Q22 comparatives have been restated.

4Q23 Year-on-Year Performance

Group net profit rose 12% to S\$1.62 billion, driven by a 2% increase in operating profit and lower allowances.

- Net interest income grew 3% to S\$2.46 billion, led by a 4% increase in average assets. NIM moderated 2 basis points to 2.29% from 2.31% in 4Q22, from higher funding costs which more than offset the increase in asset yields.
- Non-interest income rose 25% to S\$811 million.
 - Net fee income increased 16% to S\$460 million, from S\$399 million a year ago, led by higher fees from wealth management, credit card and loan-related activities.
 - Net trading income improved 22% to S\$222 million, driven by higher customer flow treasury income, while insurance income was S\$88 million as compared to S\$100 million a year ago.
 - 4Q23 saw a net gain of S\$6 million from sale of investment securities, as compared to a net loss of S\$67 million in the previous year arising from repositioning of the bond portfolio.
- Operating expenses were S\$1.31 billion, up 19% led by higher staff costs and other operating expenses.
- Total allowances were S\$187 million, down 41% from S\$314 million a year ago, as a result of a decline in allowances for both impaired and non-impaired assets.
- Share of results of associates increased 22% to S\$189 million.

4Q23 Quarter-on-Quarter Performance

Net profit was 10% lower, led by a decline in insurance income and lower profit from associates.

- Net interest income rose marginally, while fee income was sustained at previous quarter's level. Loan-related and investment banking fee income were higher, but were offset by seasonally softer wealth-related fee income.
- Trading income improved 2% from an increase in non-customer flow treasury income and better investment performance.
- Insurance income was 60% lower compared to a quarter ago, mainly attributable to higher insurance claims.
- Operating expenses was 2% lower, while total allowances of S\$187 million were comparable to S\$184 million in the previous quarter.
- Share of results of associates was 26% below the previous quarter.

Asset Quality and Allowances

S\$ million	Dec 2023	Dec 2022	Sep 2023	YoY	QoQ
Non-performing assets (NPAs)	2,901	3,486	3,095	-17%	-6%
Non-performing loan (NPL) ratio	1.0%	1.2%	1.0%	-0.2ppt	unchanged
Total NPA coverage	151%	114%	139%	+37ppt	+12ppt
Allowances (S\$ million)	FY23	FY22	4Q23	4Q22	3Q23
Allowances for loans and other assets	733	584	187	314	184
of which: Impaired	333	216	5	101	220
Non-impaired	400	368	182	213	(36)
Credit costs (bps) ^{1/}	FY23	FY22	4Q23	4Q22	3Q23
Total loans	20	16	21	35	17
of which: Impaired loans	8	4	(0)	8	21

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

Asset Quality

- Total NPAs were lower at S\$2.90 billion as at 31 December 2023, 6% below the previous quarter and 17% lower than a year ago.
- Against the previous quarter, NPAs declined as recoveries, upgrades and write-offs more than offset new NPA formation which was lower across both corporate and consumer segments.
- NPL ratio of 1.0% was unchanged from a quarter ago and improved from 1.2% a year ago. Allowance coverage against total NPAs increased to 151% from 114% a year ago.

Allowances

- Total allowances for 4Q23 were S\$187 million. These comprised:
 - Allowances for impaired assets of S\$5 million.
 - Allowances for non-impaired assets of S\$182 million, largely to reflect changes in portfolio risk profiles and updates of macro-economic variables ("MEV") in the Expected Credit Loss ("ECL") model.
- For FY23, total allowances were S\$733 million, up 25% from S\$584 million a year ago, from allowances for both impaired and non-impaired assets.
 - Allowances for impaired assets were S\$333 million, up from S\$216 million in the previous year.
 - Non-impaired allowances of S\$400 million were set aside to account for MEV updates, shifts in risk profiles and management overlays, taking a forward-looking view.

Strong Funding, Liquidity and Capital Position

S\$ billion	Dec 2023	Dec 2022	Sep 2023	YoY	QoQ
Loans	297	295	298	+1%	-1%
% Δ in constant currency terms				+2%	+1%
Deposits	364	350	369	+4%	-2%
of which: CASA deposits	177	181	171	-2%	+3%
CASA ratio	48.7%	51.8%	46.3%	-3.1ppt	+2.4ppt
CET1 CAR	15.9%	15.2%	14.8%	+0.7ppt	+1.1ppt
Leverage ratio	7.2%	7.2%	6.8%	–	+0.4ppt

- As at 31 December 2023, customer loans were S\$297 billion. In constant currency terms, loans were 2% higher than the previous year.
 - Loan growth for the year was driven by both non-trade corporate and housing loans, which compensated for weak trade loan demand. By geography, the increase from a year ago was led by higher loans in Singapore, Australia, Europe and the United Kingdom.
 - As at 31 December 2023, sustainable financing loans grew 29% from a year ago to S\$38.4 billion, against a total loan commitment of S\$56 billion.
- Customer deposits rose 4% year-on-year to S\$364 billion. Against the previous quarter, deposits were 2% lower, as a decline in higher-cost fixed deposits more than offset a rise in CASA deposits. CASA ratio improved to 48.7% from 46.3% a quarter ago.
- Loans-to-deposits ratio increased to 80.5%, from 79.7% a quarter ago.
- Group CET1 CAR was 15.9%, while the leverage ratio was 7.2%.

Dividend

Cents Per Share	2023	2022
Interim dividend	40	28
Final dividend	42	40
Total Dividend	82	68

- The Board has proposed a final dividend of 42 cents per share, an increase from 40 cents a year ago.
- This brings total dividend for FY23 to 82 cents per share, up 14 cents or 21% from FY22. The total dividend payout will amount to S\$3.69 billion, representing a payout ratio of 53%.
- The Scrip Dividend Scheme will not be applicable to the final dividend.

Message from Group CEO, *Helen Wong*

"I am delighted to report another year of record profit for 2023, which crossed S\$7 billion for the first time. Broad-based income growth across business segments drove total income to an all-time high, while expenses were well controlled. Strong credit discipline was reflected by lower NPL ratio and higher allowance coverage. Our robust performance for 2023 is a testament to the strength of our well-diversified business franchise and reflected the results of our transformation and growth strategy. With our resilient performance, we are pleased to raise the full year dividend by 14 cents or 21% to 82 cents per share, which represents a payout ratio of 53%.

In line with our focus on sustainability, I am proud to report that we have made good progress in our journey towards a low-carbon economy. We have announced our decarbonisation targets, aiming to achieve net-zero financed emissions by 2050. In addition to this significant milestone, our sustainable finance commitments have surpassed S\$50 billion, exceeding our 2025 target two years ahead of schedule. In solidarity with our junior colleagues, we are giving a one-off support to help them cope with higher living costs.

Our results demonstrated the successful execution of our strategic priorities to accelerate growth. Notably, we launched our unified OCBC brand in 2023, accompanied by a refreshed logo and new tagline "*For Now, and Beyond*". This strategic move solidifies our OCBC One Group approach as we pursue strong growth across ASEAN and Greater China. It signals the importance to collaborate and work as a team across all businesses and geographies to support our customers. We have expanded our customer base across segments through cross-border initiatives and digitalisation, deepened our regional presence with strategic partnerships, enhanced our network coverage, as well as strengthened our talent pool. We also announced strategic acquisitions of AmMetLife Insurance and AmMetLife Takaful in Malaysia and PT Bank Commonwealth in Indonesia to boost our presence and accelerate growth in ASEAN, pending regulatory approvals.

Looking ahead, we anticipate challenges in the global macro environment, including changes in monetary policies, persistent inflationary pressures, major elections and rising geopolitical tensions. Nonetheless, we believe that Asia holds immense growth potential. We remain steadfast in executing our ASEAN-Greater China growth strategy to deliver sustainable value for our stakeholders. Our strong capital, liquidity and funding positions enable us to seize opportunities as they arise, while providing adequate buffers to navigate uncertainties."

FINANCIAL HIGHLIGHTS

S\$ million	2023	2022	+/(-) %	4Q23	4Q22	+/(-) %	3Q23	+/(-) %
Selected Income Statement Items								
Net interest income	9,645	7,688	25	2,462	2,386	3	2,456	–
Non-interest income	3,862	3,598	7	811	646	25	973	(17)
Total income	13,507	11,286	20	3,273	3,032	8	3,429	(5)
Operating expenses	(5,223)	(4,838)	8	(1,310)	(1,102)	19	(1,340)	(2)
Operating profit before allowances and amortisation	8,284	6,448	28	1,963	1,930	2	2,089	(6)
Amortisation of intangible assets	(103)	(104)	–	(26)	(26)	3	(26)	4
Allowances for loans and other assets	(733)	(584)	25	(187)	(314)	(41)	(184)	1
Operating profit after allowances and amortisation	7,448	5,760	29	1,750	1,590	10	1,879	(7)
Share of results of associates, net of tax	953	910	5	189	155	22	254	(26)
Profit before income tax	8,401	6,670	26	1,939	1,745	11	2,133	(9)
Net profit attributable to equity holders	7,021	5,526	27	1,622	1,443	12	1,810	(10)
Cash basis net profit attributable to equity holders ^{1/}	7,124	5,630	27	1,648	1,469	12	1,836	(10)

Selected Balance Sheet Items

Ordinary equity	52,920	49,417	7	52,920	49,417	7	50,694	4
Equity attributable to equity holders of the Bank	54,170	51,117	6	54,170	51,117	6	51,944	4
Total assets	581,424	556,924	4	581,424	556,924	4	582,346	–
Assets excluding investment securities and other assets for life insurance funds	483,907	461,927	5	483,907	461,927	5	486,368	(1)
Net loans to customers	292,754	291,467	–	292,754	291,467	–	294,330	(1)
Deposits of non-bank customers	363,770	350,081	4	363,770	350,081	4	369,432	(2)

Notes:

1. Excludes amortisation of intangible assets.
2. Comparative figures have been restated with the adoption of SFRS(I)17.

FINANCIAL HIGHLIGHTS *(continued)*

S\$ million	2H23	2H22	+/(-) %	1H23	+/(-) %
Selected Income Statement Items					
Net interest income	4,918	4,485	10	4,727	4
Non-interest income	1,784	1,578	13	2,078	(14)
Total income	6,702	6,063	11	6,805	(2)
Operating expenses	(2,650)	(2,380)	11	(2,573)	3
Operating profit before allowances and amortisation	4,052	3,683	10	4,232	(4)
Amortisation of intangible assets	(52)	(52)	–	(51)	2
Allowances for loans and other assets	(371)	(468)	(21)	(362)	2
Operating profit after allowances and amortisation	3,629	3,163	15	3,819	(5)
Share of results of associates, net of tax	443	411	8	510	(13)
Profit before income tax	4,072	3,574	14	4,329	(6)
Net profit attributable to equity holders	3,432	2,934	17	3,589	(4)
Cash basis net profit attributable to equity holders ^{1/}	3,484	2,986	17	3,640	(4)

Selected Balance Sheet Items

Ordinary equity	52,920	49,417	7	50,904	4
Equity attributable to equity holders of the Bank	54,170	51,117	6	52,604	3
Total assets	581,424	556,924	4	584,440	(1)
Assets excluding investment securities and other assets for life insurance funds	483,907	461,927	5	487,590	(1)
Net loans to customers	292,754	291,467	–	293,532	–
Deposits of non-bank customers	363,770	350,081	4	372,462	(2)

Notes:

1. Excludes amortisation of intangible assets.
2. Comparative figures have been restated with the adoption of SFRS(I)17.

FINANCIAL HIGHLIGHTS (continued)

	2023	2022	4Q23	4Q22	3Q23	2H23	2H22	1H23
Key Financial Ratios (%)								
Performance ratios								
Return on equity ^{1/ 2/}	13.7	11.1	12.4	11.5	14.0	13.2	11.7	14.3
Return on assets ^{3/}	1.46	1.21	1.33	1.22	1.48	1.40	1.25	1.53
Revenue mix/efficiency ratios								
Net interest margin	2.28	1.91	2.29	2.31	2.27	2.28	2.19	2.28
Non-interest income to total income	28.6	31.9	24.8	21.3	28.4	26.6	26.0	30.5
Cost-to-income	38.7	42.9	40.0	36.3	39.1	39.6	39.2	37.8
Loans-to-deposits	80.5	83.3	80.5	83.3	79.7	80.5	83.3	78.8
NPL ratio	1.0	1.2	1.0	1.2	1.0	1.0	1.2	1.1
Capital adequacy ratios ^{8/}								
Common Equity Tier 1	15.9	15.2	15.9	15.2	14.8	15.9	15.2	15.4
Tier 1	16.5	15.9	16.5	15.9	15.3	16.5	15.9	16.2
Total	18.1	17.7	18.1	17.7	16.9	18.1	17.7	17.8
Leverage ratio ^{5/ 8/}								
	7.2	7.2	7.2	7.2	6.8	7.2	7.2	7.1
Liquidity coverage ratios ^{6/ 8/}								
Singapore dollar	394	325	355	308	422	388	334	400
All-currency	155	152	145	159	159	152	156	158
Net stable funding ratio ^{7/ 8/}								
	116	117	116	117	116	116	117	119
Earnings per share (S\$) ^{2/}								
Basic earnings	1.55	1.22	1.42	1.26	1.58	1.50	1.28	1.60
Diluted earnings	1.55	1.22	1.42	1.26	1.58	1.50	1.28	1.59
Net asset value per share (S\$)								
	11.77	10.99	11.77	10.99	11.28	11.77	10.99	11.33

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 investment securities and other assets for life insurance funds.
- 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>).
- Comparative figures have been restated with the adoption of SFRS(I)17, except for Capital and Liquidity ratios which are not restated.

FINANCIAL HIGHLIGHTS (continued)

NET INTEREST INCOME

Average Balance Sheet

S\$ million	2023			2022		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
			%			%
Interest earning assets						
Loans to customers	290,322	15,006	5.17	289,708	8,852	3.06
Placements with and loans to banks	61,869	3,296	5.33	49,804	1,314	2.64
Other interest earning assets	70,874	2,565	3.62	62,100	1,424	2.29
	423,065	20,867	4.93	401,612	11,590	2.89
Interest bearing liabilities						
Deposits of non-bank customers	364,663	9,798	2.69	347,287	3,223	0.93
Deposits and balances of banks	12,564	470	3.74	12,814	195	1.52
Other borrowings	18,649	954	5.11	19,590	484	2.47
	395,876	11,222	2.83	379,691	3,902	1.03
Net interest income/margin ^{1/}		9,645	2.28		7,688	1.91

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	2023 vs 2022		
	Volume	Rate	Net change
Interest income			
Loans to customers	19	6,135	6,154
Placements with and loans to banks	318	1,664	1,982
Other interest earning assets	201	940	1,141
	538	8,739	9,277
Interest expense			
Deposits of non-bank customers	161	6,414	6,575
Deposits and balances of banks	(4)	279	275
Other borrowings	(23)	493	470
	134	7,186	7,320
Impact on net interest income	404	1,553	1,957
Due to change in number of days			–
Net interest income			1,957

FINANCIAL HIGHLIGHTS *(continued)*

NON-INTEREST INCOME

S\$ million	2023	2022	+/(-) %
Gross fee and commission income			
Brokerage	75	103	(28)
Credit card	369	337	10
Fund management	107	119	(10)
Guarantees	14	14	–
Investment banking	90	100	(11)
Loan-related	207	180	15
Service charges	99	87	14
Trade-related and remittances	275	298	(8)
Wealth management	896	919	(2)
Others	55	50	11
	2,187	2,207	(1)
Fee and commission expense	(383)	(356)	7
Fees and commissions (net)	1,804	1,851	(3)
Net trading income	1,004	929	8
Income from life and general insurance			
Insurance service results from life insurance	427	683	(38)
Net investment income/(expenses) from life insurance	5,590	(4,966)	nm
Net insurance financial result from life insurance	(5,239)	5,085	nm
Insurance service results from general insurance	30	1	nm
Sub-total	808	803	1
Other income			
Disposal of investment securities	47	(206)	nm
Disposal of property, plant and equipment	71	99	(29)
Rental and property-related income	87	78	12
Dividends from FVOCI securities	30	30	1
Others	11	14	(28)
Sub-total	246	15	nm
Total non-interest income	3,862	3,598	7

Note:

- Comparative figures have been restated with the adoption of SFRS(I)17.

FINANCIAL HIGHLIGHTS *(continued)*

OPERATING EXPENSES

S\$ million	2023	2022	+/(-) %
Staff costs	3,501	3,233	8
Property and equipment			
Depreciation	440	426	3
Maintenance and rental	162	163	(1)
Others	364	330	10
	966	919	5
Other operating expenses	756	686	10
Total operating expenses	5,223	4,838	8
Group staff strength			
Period end	33,330	31,604	5
Average	32,674	31,269	4

Note:

- Comparative figures have been restated with the adoption of SFRS(I)17.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	2023	2022	+/(-) %
Allowances/(write-back):			
Impaired loans			
Singapore	120	(30)	nm
Malaysia	34	(23)	nm
Indonesia	24	2	972
Greater China	(8)	107	nm
Others	99	80	23
	269	136	97
Impaired other assets	64	80	(20)
Non-impaired loans	394	369	7
Non-impaired other assets	6	(1)	nm
Allowances for loans and other assets	733	584	25

FINANCIAL HIGHLIGHTS *(continued)*

LOANS TO CUSTOMERS

S\$ million	31 Dec 2023	31 Dec 2022
Gross loans	296,653	294,980
Allowances		
Impaired loans	(1,328)	(1,308)
Non-impaired loans	(2,571)	(2,205)
Net loans	292,754	291,467
By Maturity		
Within 1 year	108,629	114,427
1 to 3 years	57,779	54,199
Over 3 years	130,245	126,354
	296,653	294,980
By Industry		
Agriculture, mining and quarrying	6,808	8,193
Manufacturing	14,186	15,052
Building and construction	93,165	89,299
Housing loans	63,833	62,015
General commerce	27,411	29,209
Transport, storage and communication	16,113	13,017
Financial institutions, investment and holding companies	24,093	24,387
Professionals and individuals	31,708	34,752
Others	19,336	19,056
	296,653	294,980
By Currency		
Singapore Dollar	112,367	107,270
United States Dollar	59,553	70,884
Malaysian Ringgit	17,592	18,413
Indonesian Rupiah	9,827	8,732
Hong Kong Dollar	37,583	36,295
Chinese Renminbi	8,623	7,358
Others	51,108	46,028
	296,653	294,980
By Geography ^{1/}		
Singapore	123,369	119,925
Malaysia	23,604	25,077
Indonesia	19,088	18,600
Greater China	71,301	72,756
Other Asia Pacific	22,641	21,734
Rest of the World	36,650	36,888
	296,653	294,980

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 2023	403	128	178	97	347	0.3
31 Dec 2022	437	202	154	81	383	0.3
Malaysia						
31 Dec 2023	710	293	196	221	682	2.9
31 Dec 2022	981	522	188	271	941	3.8
Indonesia						
31 Dec 2023	532	119	219	194	532	2.8
31 Dec 2022	778	343	252	183	778	4.2
Greater China						
31 Dec 2023	659	279	349	31	659	0.9
31 Dec 2022	901	444	431	26	901	1.2
Other Asia Pacific						
31 Dec 2023	110	33	76	1	109	0.5
31 Dec 2022	96	41	54	1	96	0.4
Rest of the World						
31 Dec 2023	487	103	383	1	476	1.3
31 Dec 2022	293	30	263	#	284	0.8
Group						
31 Dec 2023	2,901	955	1,401	545	2,805	1.0
31 Dec 2022	3,486	1,582	1,342	562	3,383	1.2

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 2023		31 Dec 2022	
	S\$ million	% of gross loans	S\$ million	% of gross loans
NPLs by Industry				
Loans and advances				
Agriculture, mining and quarrying	38	0.6	56	0.7
Manufacturing	423	3.0	614	4.1
Building and construction	583	0.6	592	0.7
Housing loans	503	0.8	579	0.9
General commerce	264	1.0	392	1.3
Transport, storage and communication	221	1.4	392	3.0
Financial institutions, investment and holding companies	149	0.6	131	0.5
Professionals and individuals	105	0.3	128	0.4
Others	519	2.7	499	2.6
Total NPLs	2,805	1.0	3,383	1.2
Classified debt securities	—		—	
Classified contingent liabilities	96		103	
Total NPAs	2,901		3,486	

	31 Dec 2023		31 Dec 2022	
	S\$ million	%	S\$ million	%
NPAs by Period Overdue				
Over 180 days	953	33	968	28
Over 90 to 180 days	368	13	396	11
30 to 90 days	253	9	296	9
Less than 30 days	274	9	383	11
Not overdue	1,053	36	1,443	41
	2,901	100	3,486	100

S\$ million	31 Dec 2023		31 Dec 2022	
	Loan	Allowance	Loan	Allowance
Restructured Loans				
Substandard	156	76	389	150
Doubtful	289	249	350	211
Loss	91	67	140	98
	536	392	879	459

FINANCIAL HIGHLIGHTS (continued)

DEPOSITS

S\$ million	31 Dec 2023	31 Dec 2022
Deposits of non-bank customers	363,770	350,081
Deposits and balances of banks	10,884	10,046
Total deposits	374,654	360,127
Total Deposits by Maturity		
Within 1 year	371,693	354,083
1 to 3 years	1,701	4,242
Over 3 years	1,260	1,802
	374,654	360,127
Non-Bank Deposits by Product		
Fixed deposits	149,994	133,415
Savings deposits	72,527	69,036
Current accounts	104,465	112,245
Others	36,784	35,385
	363,770	350,081
Non-Bank Deposits by Currency		
Singapore Dollar	137,641	130,205
United States Dollar	121,018	119,527
Malaysian Ringgit	20,502	21,278
Indonesian Rupiah	11,806	11,196
Hong Kong Dollar	30,061	26,210
Chinese Renminbi	9,803	8,837
Others	32,939	32,828
	363,770	350,081

CAPITAL ADEQUACY RATIOS ^{1/}

The Group remained strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 15.9%, and Tier 1 and Total CAR of 16.5% and 18.1% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2023.^{2/}

S\$ million	31 Dec 2023	31 Dec 2022
Ordinary shares	18,045	18,048
Disclosed reserves/others	29,199	26,254
Regulatory adjustments	(9,559)	(9,123)
Common Equity Tier 1 Capital	37,685	35,179
Additional Tier 1 capital	1,285	1,730
Regulatory adjustments	–	–
Tier 1 Capital	38,970	36,909
Tier 2 capital	3,768	4,028
Regulatory adjustments	–	–
Total Eligible Capital	42,738	40,937
Risk Weighted Assets	236,694	231,648
Capital Adequacy Ratios		
Common Equity Tier 1	15.9%	15.2%
Tier 1	16.5%	15.9%
Total	18.1%	17.7%

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 Markets and Insurance.

Profit Before Income Tax by Business Segment

S\$ million	2023	2022	+/(-) %
Global Consumer/Private Banking	2,229	1,352	65
Global Wholesale Banking	3,882	2,835	37
Global Markets	39	653	(94)
Insurance	891	681	31
Others	1,360	1,149	18
Profit before income tax	8,401	6,670	26

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 FY23 profit before income tax rose 65% to S\$2.23 billion, driven by net interest income growth from rise in interest rates, partly offset by higher expenses and allowances.

Global Wholesale Banking

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

Global Wholesale Banking's profit before income tax grew 37% to S\$3.88 billion in FY23 from S\$2.84 billion a year ago. The higher profit was led by net interest income growth and higher income from investment banking activities, partly offset by an increase in expenses and allowances.

FINANCIAL HIGHLIGHTS *(continued)*

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Markets

Global 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 Market's profit before income tax was down 94% to S\$39 million in FY23 from high funding cost and drop in net trading income, partly offset by higher realised gains from its fixed income portfolio.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 88.4%-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\$891 million in FY23, 31% higher from S\$681 million in FY22, mainly attributable to improved investment performance in its Shareholders' fund.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$636 million in FY23, higher than the S\$489 million in FY22.

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

OCBC 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 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 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 is the second largest financial services group in Southeast Asia by assets. The Group offers 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'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. Its 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 leading asset management companies in Southeast Asia.

The Group's key markets are Singapore, Malaysia, Indonesia and Greater China. It has close to 420 branches and representative offices in 19 countries and regions.

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

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