

Management Discussion and Analysis

Overview

	2025 \$ million	2024 \$ million	+ / (-) %
Selected Income Statement Items			
Net interest income	9,150	9,755	(6)
Non-interest income	5,464	4,718	16
Total income	14,614	14,473	1
Operating expenses	(5,882)	(5,742)	2
Operating profit before allowances and amortisation	8,732	8,731	–
Amortisation of intangible assets	(21)	(59)	(64)
Allowances for loans and other assets	(665)	(690)	(4)
Operating profit after allowances and amortisation	8,046	7,982	1
Share of results of associates, net of tax	1,077	994	8
Profit before income tax	9,123	8,976	2
Net profit attributable to equity holders	7,422	7,587	(2)
Cash basis net profit attributable to equity holders⁽¹⁾	7,443	7,646	(3)
Selected Balance Sheet Items			
Ordinary equity	60,070	57,616	4
Equity attributable to equity holders of the Bank	61,768	59,316	4
Total assets	675,688	625,050	8
Assets excluding investment securities and other assets for life insurance funds	566,079	522,759	8
Net loans to customers	336,692	315,096	7
Deposits of non-bank customers	428,286	390,687	10
Per Ordinary Share (\$)			
Basic earnings ⁽²⁾	1.63	1.67	
Diluted earnings ⁽²⁾	1.63	1.67	
Net asset value	13.38	12.80	
Key Financial Ratios (%)			
Return on equity ⁽²⁾⁽³⁾	12.6	13.7	
Return on assets ⁽⁴⁾	1.37	1.53	
Net interest margin	1.91	2.20	
Non-interest income to total income	37.4	32.6	
Cost-to-income	40.2	39.7	
Loans-to-deposits	78.6	80.7	
Non-performing loan ratio	0.9	0.9	
Total capital adequacy ratio (CAR) ⁽⁵⁾⁽⁶⁾	19.4	19.7	
Tier 1 CAR ⁽⁵⁾⁽⁶⁾	17.6	17.8	
Common Equity Tier 1 CAR ⁽⁵⁾⁽⁶⁾	16.9	17.1	
Leverage ratio ⁽⁵⁾⁽⁶⁾⁽⁷⁾	7.1	7.4	
Singapore dollar liquidity coverage ratio ⁽⁵⁾⁽⁸⁾	294	299	
All-currency liquidity coverage ratio ⁽⁵⁾⁽⁸⁾	138	141	
Net stable funding ratio ⁽⁵⁾⁽⁹⁾	114	113	

(1) Excludes amortisation of intangible assets.

(2) Calculated based on net profit less distributions on other equity instruments paid and estimated to be due at the end of the financial year.

(3) Other equity instruments and non-controlling interests are not included in the computation for return on equity.

(4) Computation of return on assets excludes investment securities and other assets for life insurance funds.

(5) 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>).

(6) Computed based on MAS' final Basel III reform rules with effect from 1 July 2024.

(7) The Group's leverage ratio is computed based on MAS Notice 637.

(8) The Group's liquidity coverage ratios (LCR) are computed based on MAS Notice 649 and reported based on the average LCR for the respective years.

(9) The Group's net stable funding ratio is computed based on MAS Notice 652.

Overview (continued)

Group net profit of \$7.42 billion for 2025 was 2% below the record \$7.59 billion in the previous year. Profit before tax rose 2% to a new high of \$9.12 billion, supported by record total income amid a declining interest rate environment, reflecting the strength of the Group's diversified income streams, as well as lower allowances. Tax expense was 27% higher mainly due to increased profit contribution from higher tax jurisdictions, and implementation of the Base Erosion and Profit Shifting (BEPS) Pillar Two which requires a top-up to 15% minimum global tax for each jurisdiction.

OCBC delivered record income of \$14.6 billion, driven by 16% non-interest income growth, which more than offset the lower net interest income. Operating expenses were well managed with cost-to-income ratio (CIR) remaining at 40%, as the Group continued to invest for strategic growth while exercising discipline in discretionary spending. Asset quality continued to be stable with non-performing loan (NPL) ratio at 0.9%. Total credit costs were lower at 17 basis points, while allowance coverage for non-performing assets (NPAs) stood at 151%.

Supported by the Group's robust financial performance and in line with the announced \$2.5 billion capital return plan, the Board has proposed a final ordinary dividend of 42 cents and special dividend of 16 cents per share for 2025. Together with the interim dividend of 41 cents declared for the first half of 2025, total dividends for 2025 will amount to 99 cents per share, representing 60% of Group net profit. The capital return plan is targeted to be completed by financial year ended 2026.

Net interest income was \$9.15 billion, 6% lower than the previous year, as asset yields fell faster than funding costs due to steep declines in key benchmark rates. This was moderated by a 7% growth in average customer loans and an increase in high-quality assets as the Group continued to deploy excess liquidity to income-accretive non-commercial assets.

Non-interest income rose 16% to \$5.46 billion, driven by double-digit growth across fee, trading and insurance income. Net fee income climbed 22% to \$2.41 billion lifted by broad-based growth. Notably, wealth management fees surged 33% with strong contribution across all wealth product channels and regions, in particular Singapore and Hong Kong SAR, and accounted for more than half of net fee income. Net trading income rose 10% to \$1.68 billion, from \$1.54 billion a year ago, driven by record customer flow income. The strong growth was contributed by both wealth and corporate segments, with continued momentum in wealth investments and growing demand by corporate customers to hedge against market uncertainties. Insurance income from Great Eastern Holdings (GEH) grew 17% to \$1.07 billion, driven by strong performance in the underlying insurance business. New business embedded value (NBEV) rose 19% to \$740 million, attributed to sustained sales performance and improved product mix, driving improvement in overall NBEV margin to 48.2% compared to 34.6% a year ago.

The Group's wealth management (WM) income, comprising income from private banking, premier private client, premier banking, insurance, asset management and stockbroking, grew 14% to a record \$5.60 billion, lifted by income growth across the wealth continuum. Group WM income accounted for 38% of total income, a notch higher than prior year's 34%. Banking WM AUM rose 15% to a new high of \$343 billion, driven by net new money inflows from all wealth segments, as well as positive market valuation.

Operating expenses were \$5.88 billion, up 2% from a year ago, mainly attributed to higher staff costs and IT-related expenses. The higher staff costs were in line with the growth in variable compensation associated with increased business activities and annual salary increments. Expense growth was well controlled as the Group continued its strategic investments in talent and technology to support growth and raise productivity, while exercising strong discipline in discretionary expenses. CIR was 40.2% for 2025, compared to 39.7% in the previous year.

Total allowances declined 4% to \$665 million, mainly due to lower allowances for non-impaired assets. Credit costs were lower at 17 basis points of loans, compared to 19 basis points a year ago.

Share of results of associates rose 8% to \$1.08 billion, from \$994 million in the preceding year.

The Group's return on equity was lower at 12.6%, while earnings per share was \$1.63.

Management Discussion and Analysis

Overview (continued)

Allowances and Asset Quality

As at 31 December 2025, total NPAs were \$3.24 billion, up 13% from a year ago. NPL ratio remained unchanged at 0.9%, and total NPA coverage stood at 151%.

For 2025, total allowances were 4% lower at \$665 million, and credit costs declined to 17 basis points from 19 basis points a year ago.

Funding, Liquidity and Capital Position

Customer loan growth remained resilient. Loans grew 9% from a year ago to \$341 billion as at 31 December 2025 on a constant currency basis. Year-on-year loan growth was broad-based across industries. By customer segment, trade and non-trade corporate loans, as well as consumer loans (from both residential mortgages and wealth segments), contributed to the uplift.

This was in line with the Group's strategic drive to capture opportunities in key growth sectors such as sustainable financing, technology, media and telecommunications including digital infrastructure, transport and Singapore residential mortgages. Sustainable financing loan portfolio expanded 13% from a year ago to \$56.5 billion and made up 17% of Group loans, while total commitments stood at \$80.0 billion.

Customer deposits rose 10% to \$428 billion from a year ago, mainly driven by CASA deposit growth across consumer, SME and corporate segments.

Loans-to-deposits ratio was 78.6%.

The Group's CET1 CAR is subject to MAS' final Basel III reforms requirements which came into effect on 1 July 2024 and are being progressively phased in between 1 July 2024 and 1 January 2029. Group CET1 CAR as at 31 December 2025 was 16.9%, and on a fully phased-in basis, it was 15.1%.

Dividend

The Board has proposed a final ordinary dividend of 42 cents per share for 2025, higher than the interim dividend of 41 cents. Together with the interim ordinary dividend, total ordinary dividend for 2025 will be 83 cents. A special dividend of 16 cents per share is recommended as part of the announced capital return plan, bringing total dividend to 99 cents per share.

Total payout will amount to \$4.45 billion, which is in line with the Group's target payout ratio of 50% for ordinary dividend and 10% for special dividend for 2025.

The Scrip Dividend Scheme will not be applicable to the final ordinary and special dividend.

The \$2.5 billion capital return plan is targeted to be completed by financial year 2026.

Net Interest Income

Average Balance Sheet

	2025			2024		
	Average Balance \$ million	Interest \$ million	Average Rate %	Average Balance \$ million	Interest \$ million	Average Rate %
Interest earning assets						
Loans to customers	317,877	13,745	4.32	297,788	15,628	5.25
Placements with and loans to banks	62,909	2,606	4.14	66,422	3,552	5.35
Other interest earning assets	97,898	3,725	3.81	79,209	3,264	4.12
	478,684	20,076	4.19	443,419	22,444	5.06
Interest bearing liabilities						
Deposits of non-bank customers	406,290	9,226	2.27	370,965	10,552	2.84
Deposits and balances of banks	14,042	470	3.34	12,648	518	4.10
Other borrowings	29,021	1,230	4.24	30,644	1,619	5.28
	449,353	10,926	2.43	414,257	12,689	3.06
Net interest income/margin⁽¹⁾		9,150	1.91		9,755	2.20

Volume and Rate Analysis

Increase/(decrease) for 2025 over 2024 due to change in:	Volume \$ million	Rate \$ million	Net change \$ million
Interest income			
Loans to customers	1,051	(2,892)	(1,841)
Placements with and loans to banks	(187)	(749)	(936)
Other interest earning assets	768	(297)	471
	1,632	(3,938)	(2,306)
Interest expense			
Deposits of non-bank customers	1,002	(2,299)	(1,297)
Deposits and balances of banks	57	(104)	(47)
Other borrowings	(85)	(299)	(384)
	974	(2,702)	(1,728)
Impact on net interest income	658	(1,236)	(578)
Due to change in number of days			(27)
Net interest income			(605)

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

Management Discussion and Analysis

Non-Interest Income

	2025 \$ million	2024 \$ million	+/(-) %
Gross fee and commission income			
Brokerage	118	87	36
Credit card	414	404	3
Fund management	121	108	12
Guarantees	10	12	(18)
Investment banking	144	109	33
Loan-related	262	213	23
Service charges	116	124	(7)
Trade-related and remittances	278	271	3
Wealth management	1,443	1,079	34
Others	35	26	34
	2,941	2,433	21
Fee and commission expense	(530)	(463)	14
Fees and commissions (net)	2,411	1,970	22
Net trading income	1,684	1,537	10
Income from life and general insurance			
Insurance service results from life insurance	927	592	57
Net investment income from life insurance	7,365	6,124	20
Net insurance financial result from life insurance	(7,237)	(5,811)	(25)
Insurance service results from general insurance	14	12	11
Sub-total	1,069	917	17
Other income			
Disposal of investment securities	58	24	135
Disposal/liquidation of subsidiaries and associates	63	(#)	nm
Disposal of property, plant and equipment	18	36	(50)
Rental and property-related income	94	91	3
Dividends from FVOCI securities	35	35	2
Others	32	108	(70)
Sub-total	300	294	2
Total non-interest income	5,464	4,718	16

(1) "nm" denotes not meaningful.

(2) "#" represents amounts less than \$0.5 million.

Operating Expenses

	2025 \$ million	2024 \$ million	+ / (-) %
Staff costs	3,907	3,837	2
Property, plant and equipment			
Depreciation	544	456	19
Maintenance and rental	180	201	(11)
Others	462	405	14
	1,186	1,062	12
Other operating expenses	789	843	(6)
Total operating expenses	5,882	5,742	2
Group staff strength			
Period end	33,323	33,656	(1)
Average	33,374	33,729	(1)

Allowances for Loans and Other Assets

	2025 \$ million	2024 \$ million	+ / (-) %
Allowances/(write-back):			
Impaired loans			
Singapore	(9)	4	nm
Malaysia	(29)	(30)	4
Indonesia	32	1	nm
Greater China	347	272	28
Others	145	156	(7)
	486	403	20
Impaired other assets	49	123	(60)
Non-impaired loans	124	158	(21)
Non-impaired other assets	6	6	3
Allowances for loans and other assets	665	690	(4)

(1) "nm" denotes not meaningful.

Management Discussion and Analysis

Loans to Customers

	2025 \$ million	2024 \$ million	+ / (-) %
By Industry			
Agriculture, mining and quarrying	6,402	7,523	(15)
Manufacturing	18,241	15,033	21
Building and construction	95,289	93,924	1
Housing loans	72,591	68,358	6
General commerce	34,504	31,053	11
Transport, storage and communication	23,589	21,327	11
Financial institutions, investment and holding companies	28,671	27,601	4
Professionals and individuals	36,834	32,679	13
Others	24,999	21,668	15
	341,120	319,166	7

By Currency			
Singapore Dollar	128,590	118,583	8
United States Dollar	71,920	68,507	5
Malaysian Ringgit	20,250	18,793	8
Indonesian Rupiah	10,604	10,980	(3)
Hong Kong Dollar	33,728	35,208	(4)
Chinese Renminbi	13,544	12,080	12
Others	62,484	55,015	14
	341,120	319,166	7

By Geography ⁽¹⁾			
Singapore	149,086	133,609	12
Malaysia	28,174	25,636	10
Indonesia	17,748	19,389	(8)
Greater China	70,949	74,495	(5)
Other Asia Pacific	24,755	23,761	4
Rest of the World	50,408	42,276	19
	341,120	319,166	7

⁽¹⁾ 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.

Non-Performing Assets

	Total NPAs ⁽¹⁾ \$ million	Substandard \$ million	Doubtful \$ million	Loss \$ million	NPLs ⁽²⁾ \$ million	NPL Ratio ⁽²⁾ %
Singapore						
2025	236	39	111	86	236	0.2
2024	332	84	132	116	321	0.2
Malaysia						
2025	332	114	85	133	325	1.2
2024	510	205	124	181	488	1.9
Indonesia						
2025	457	67	179	211	457	2.6
2024	489	87	225	177	488	2.5
Greater China						
2025	1,445	140	1,257	48	1,445	2.0
2024	1,024	153	819	52	1,024	1.4
Other Asia Pacific						
2025	211	–	210	1	210	0.8
2024	236	27	208	1	235	1.0
Rest of the World						
2025	562	213	349	#	556	1.1
2024	278	100	177	1	271	0.6
Group						
2025	3,243	573	2,191	479	3,229	0.9
2024	2,869	656	1,685	528	2,827	0.9

(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) “#” represents amounts less than \$0.5 million.

Management Discussion and Analysis

Non-Performing Assets (continued)

	2025		2024	
	\$ million	% of gross loans	\$ million	% of gross loans
NPLs by Industry				
Loans and advances				
Agriculture, mining and quarrying	5	0.1	35	0.5
Manufacturing	308	1.7	351	2.3
Building and construction	1,738	1.8	1,276	1.4
Housing loans	341	0.5	420	0.6
General commerce	231	0.7	266	0.9
Transport, storage and communication	74	0.3	103	0.5
Financial institutions, investment and holding companies	222	0.8	64	0.2
Professionals and individuals	100	0.3	106	0.3
Others	210	0.8	206	1.0
Total NPLs	3,229	0.9	2,827	0.9
Classified debt securities	–		–	
Classified contingent liabilities	14		42	
Total NPAs	3,243		2,869	

	2025		2024	
	\$ million	%	\$ million	%
NPAs by Period Overdue				
Over 180 days	1,494	46	1,002	35
Over 90 to 180 days	199	6	141	5
30 to 90 days	232	7	287	10
Less than 30 days	253	8	755	26
Not overdue	1,065	33	684	24
	3,243	100	2,869	100

Deposits

	2025 \$ million	2024 \$ million	+ / (-) %
Deposits of non-bank customers	428,286	390,687	10
Deposits and balances of banks	15,280	11,565	32
	443,566	402,252	10

Non-Bank Deposits by Product

Fixed deposits	166,140	161,185	3
Savings deposits	105,869	81,150	30
Current accounts	111,441	109,603	2
Others	44,836	38,749	16
	428,286	390,687	10

Non-Bank Deposits by Currency

Singapore Dollar	162,472	144,455	12
United States Dollar	146,229	135,090	8
Malaysian Ringgit	22,241	21,064	6
Indonesian Rupiah	11,829	12,401	(5)
Hong Kong Dollar	35,094	37,331	(6)
Chinese Renminbi	12,390	10,251	21
Others	38,031	30,095	26
	428,286	390,687	10

Management Discussion and Analysis

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

	2025 \$ million	2024 \$ million	+ / (-) %
Global Consumer/Private Banking	2,209	2,171	2
Global Wholesale Banking	3,588	3,456	4
Global Markets	948	566	67
Insurance	1,491	1,190	25
Others	887	1,593	(44)
Profit before income tax	9,123	8,976	2

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, investments and wealth management products. 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 2025 profit before income tax rose 2% to \$2.21 billion driven by an increase in wealth management income which more than offset a decline in net interest 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 4% to \$3.59 billion in 2025, led by lower allowances, coupled with fee income growth, partly offset by lower net interest income and higher expenses.

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, digital assets, brokerage services 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 Markets' profit before income tax rose 67% to \$948 million in 2025, from \$566 million a year ago led by strong growth in net interest income from higher asset spreads and growth in treasury market assets, partly offset by lower net trading income and higher expenses.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 93.7%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

GEH's 2025 profit before income tax rose 25% to \$1.49 billion, mainly attributable to stronger performance from its life insurance business and higher mark-to-market gains in its investment portfolio.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was \$1.12 billion in 2025, higher than the \$882 million in 2024.

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.

Management Discussion and Analysis

Performance by Geographical Segment

	2025		2024	
	\$ million	%	\$ million	%
Total income				
Singapore	8,644	59	8,913	62
Malaysia	1,860	13	1,655	11
Indonesia	1,054	7	1,085	8
Greater China	2,008	14	1,863	13
Other Asia Pacific	323	2	309	2
Rest of the World	725	5	648	4
	14,614	100	14,473	100
Operating profit before allowances and amortisation				
Singapore	5,137	59	5,447	62
Malaysia	1,357	16	1,174	13
Indonesia	536	6	539	6
Greater China	1,008	11	923	11
Other Asia Pacific	228	3	213	2
Rest of the World	466	5	435	6
	8,732	100	8,731	100
Profit before income tax				
Singapore	5,056	56	5,489	61
Malaysia	1,378	15	1,139	13
Indonesia	493	5	527	6
Greater China	1,671	18	1,277	14
Other Asia Pacific	179	2	149	2
Rest of the World	346	4	395	4
	9,123	100	8,976	100
Total assets				
Singapore	396,538	59	362,744	58
Malaysia	74,955	11	68,066	11
Indonesia	24,895	4	24,657	4
Greater China	105,110	15	103,540	16
Other Asia Pacific	25,456	4	22,945	4
Rest of the World	48,734	7	43,098	7
	675,688	100	625,050	100

Note:
⁽¹⁾ The geographical segment analysis is based on the location where assets or transactions are booked. The geographical information is stated after elimination of intra-group transactions and balances.

Capital Adequacy Ratios

The Group remained strongly capitalised, with a CET1 CAR of 16.9%, and Tier 1 and Total CAR of 17.6% and 19.4% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2025.

The Group is subject to MAS' final Basel III reforms requirements which came into effect on 1 July 2024, and are being progressively phased in between 1 July 2024 and 1 January 2029. The Group's CET1 CAR based on fully phased-in final Basel III reforms was 15.1%, which assumed the position as of 31 December 2025 was subject to the full application of final Basel III reforms that will take effect on 1 January 2029.