EXIT OFFER LETTER DATED 9 JUNE 2025

THIS EXIT OFFER LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the matters contained in this Exit Offer Letter (as defined herein) or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

J.P. Morgan Securities Asia Private Limited ("**J.P. Morgan**") is acting for and on behalf of Oversea-Chinese Banking Corporation Limited ("**Offeror**") and does not purport to advise the shareholders of Great Eastern Holdings Limited ("**Company**" or "**GEH**").

If you have sold or transferred all your issued ordinary shares in the capital of GEH ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward the Form of Acceptance and Authorisation ("**FAA**") to the purchaser or the transferee, as CDP will arrange for a separate FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Shares not held through CDP, you should immediately hand the Form of Acceptance and Transfer ("**FAT**") to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser or the transferee.

The views of the directors of GEH who are considered independent for the purposes of the Exit Offer ("**Independent Directors**") and the independent financial adviser to the Independent Directors on the Exit Offer are set out in the Offeree Circular (as defined herein). You may wish to consider their views before taking action in relation to the Exit Offer (as defined herein).

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer Letter.

CONDITIONAL EXIT OFFER

in connection with the Proposed Voluntary Delisting of Great Eastern Holdings Limited

by

J.P.Morgan

J.P. Morgan Securities Asia Private Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 197300590K)

for and on behalf of

OCBC

Oversea-Chinese Banking Corporation Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 193200032W)

to acquire all the issued ordinary shares in the capital of

Great Eastern Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 199903008M)

other than those already owned
or agreed to be acquired by the Offeror or its subsidiaries

THE DELISTING AND THE EXIT OFFER ARE CONDITIONAL UPON THE DELISTING RESOLUTION BEING APPROVED. IF THE DELISTING RESOLUTION IS NOT APPROVED, (A) THE DELISTING WILL NOT PROCEED AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST, AND (B) THE EXIT OFFER WILL ALSO LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED.

IN THE EVENT THAT THE EXIT OFFER LAPSES, PURSUANT TO RULE 33.1 OF THE CODE, NEITHER THE OFFEROR, ANY PERSONS WHO ACTED IN CONCERT WITH IT IN THE COURSE OF THE EXIT OFFER NOR ANY OTHER PERSON WHO IS SUBSEQUENTLY ACTING IN CONCERT WITH ANY OF THEM MAY, EXCEPT WITH THE CONSENT OF THE SECURITIES INDUSTRY COUNCIL, WITHIN 12 MONTHS FROM THE DATE ON WHICH THE EXIT OFFER LAPSES (I) ANNOUNCE AN OFFER OR POSSIBLE OFFER FOR THE COMPANY OR (II) ACQUIRE ANY VOTING RIGHTS OF THE COMPANY IF THE OFFEROR OR PERSONS ACTING IN CONCERT WITH IT WOULD THEREBY BECOME OBLIGED UNDER RULE 14 OF THE CODE TO MAKE AN OFFER.

THE EXIT OFFER WILL BE OPEN FOR ACCEPTANCE FROM 16 JUNE 2025 (BEING THE DESPATCH DATE). ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME) ON 22 JULY 2025. THE EXIT OFFER WILL NOT BE EXTENDED BEYOND 22 JULY 2025.

The procedures for acceptance of the Exit Offer are set out in **Appendix 1** to this Exit Offer Letter and in the FAA and FAT.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Exit Offer Letter and the Relevant Acceptance Forms (as defined herein):

"**Accepting Shareholders**"	:	Shareholders who validly accept or have validly accepted the Exit Offer
"**Adoption of New Constitution Resolution**"	:	Shall have the meaning ascribed to it in **paragraph 1.3** of the Letter to Shareholders in this Exit Offer Letter
"**Bonus Issue Resolution**"	:	Shall have the meaning ascribed to it in **paragraph 1.3** of the Letter to Shareholders in this Exit Offer Letter
"**Business Day**"	:	A day (other than Saturday or Sunday) on which banks are open for general business in Singapore
"**CDP**"	:	The Central Depository (Pte) Limited
"**CDP Operation of Securities Account Terms**"	:	The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions, as amended from time to time
"**Class C Non-Voting Shares**"	:	Shall have the meaning ascribed to it in the Offeree Circular
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 22 July 2025, such date being the last day for the lodgement of acceptances of the Exit Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act 1967 of Singapore
"**Company**" or "**GEH**"	:	Great Eastern Holdings Limited (Company Registration No. 199903008M)
"**Company Board**"	:	The board of directors of the Company as at the Joint Announcement Date
"**Concert Parties**"	:	Parties acting in concert with the Offeror in connection with the Exit Offer
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	The banks approved by CPF to be its agent banks, being DBS Bank Ltd., Oversea-Chinese Banking

		Corporation Limited and United Overseas Bank Limited
"**CPFIS**"	:	CPF Investment Scheme
"**CPFIS Investors**"	:	Investors who purchase Shares using their CPF savings under the CPFIS
"**Date of Receipt**"	:	Shall have the meaning ascribed to it in **paragraph 1.1(i)(a)(2)** of **Appendix 1** to this Exit Offer Letter
"**DCS**"	:	Direct Crediting Service
"**Delisting**"	:	The proposed voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual
"**Delisting Resolution**"	:	Shall have the meaning ascribed to it in **paragraph 2.5** of the Letter to Shareholders in this Exit Offer Letter
"**Despatch Date**"	:	16 June 2025, being the date of electronic dissemination and despatch of the printed copies of the Offeror Notification and Relevant Acceptance Forms to Shareholders
"**Dissenting Shareholders**"	:	Shall have the meaning ascribed to it in **paragraph 9.2** of the Letter to Shareholders in this Exit Offer Letter
"**Distributions**"	:	Any dividends, rights, other distributions and/or return of capital, whether in cash or in kind
"**EGM**"	:	The extraordinary general meeting of the Company to be convened by the Company on 8 July 2025 at 2.00 p.m. (Singapore time) at 1 Pickering Street, #02-02 Great Eastern Centre, Singapore 048659 to seek the approval of the Independent Shareholders for the Proposed Offeree Resolutions, notice of which is set out in the Offeree Circular
"**Electronic Acceptance**"	:	The SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
"**Encumbrance**"	:	Any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any

		kind or any agreement, arrangement or obligation to create any of the foregoing
“**Exit Offer**”	:	The conditional exit offer made by the Offeror for the Offer Shares on the terms and subject to the conditions set out in this Exit Offer Letter, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“**Exit Offer Letter**”	:	This document dated 9 June 2025, including the FAA and the FAT, and any other document(s) as may be issued by or on behalf of the Offeror to amend, revise, supplement or update such document(s) from time to time
“**Exit Offer Price**”	:	SGD 30.15 for each Offer Share
“**FAA**”	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Exit Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of this Exit Offer Letter
“**FAT**”	:	Form of Acceptance and Transfer for Offer Shares in respect of the Exit Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of this Exit Offer Letter
“**FHC Act**”	:	The Financial Holding Companies Act 2013 of Singapore
“**Free Float Requirement**”	:	Shall have the meaning ascribed to it in **paragraph 9.1** of the Letter to Shareholders in this Exit Offer Letter
“**FY24**”	:	The financial year ended 31 December 2024
“**FY25**”	:	The financial year ending 31 December 2025
“**GEH Constitution**”	:	The constitution of the Company, which was adopted by special resolution passed by the Shareholders on 19 April 2016
“**GEH Group**”	:	GEH and its subsidiaries
“**IFA**”	:	Ernst & Young Corporate Finance Pte Ltd, the independent financial adviser appointed by the

		Company to advise the Independent Directors on the Exit Offer
"**IFRS**"	:	International Financial Reporting Standards
"**Independent Directors**"	:	The directors of GEH who are considered independent for the purposes of the Exit Offer
"**Independent Shareholders**"	:	Shareholders entitled to vote on the Delisting Resolution, being Shareholders other than the Offeror and any other person acting in concert with the Offeror
"**J.P. Morgan**"	:	J.P. Morgan Securities Asia Private Limited (Company Registration No. 197300590K)
"**Joint Announcement**"	:	The joint announcement made by the Offeror and the Company in connection with the Delisting and the Exit Offer on the Joint Announcement Date
"**Joint Announcement Date**"	:	6 June 2025, being the date on which the Joint Announcement was released
"**Last Trading Date**"	:	12 July 2024, being the last full trading day of the Shares on the SGX-ST prior to the Suspension Date
"**Latest Practicable Date**"	:	30 May 2025, being the latest practicable date prior to the electronic dissemination of this Exit Offer Letter to Shareholders
"**Listing Manual**"	:	The SGX-ST Listing Manual
"**Market Day**"	:	A day on which the SGX-ST is open for the trading of securities
"**MAS**"	:	The Monetary Authority of Singapore
"**NTA**"	:	Net tangible assets
"**Offer Shares**"	:	Shall have the meaning ascribed to it in **paragraph 2.2** of the Letter to Shareholders in this Exit Offer Letter
"**Offeree Circular**"	:	The circular dated 9 June 2025 issued by the Company to the Shareholders in relation to the Delisting and the Exit Offer, the Proposed Adoption of New Constitution and the Proposed Bonus Issue
"**Offeror 1Q25 Results Highlights**"	:	The first quarter 2025 results highlights of the Offeror Group released on 9 May 2025

"**Offeror**"	:	Oversea-Chinese Banking Corporation Limited (Company Registration No. 193200032W)
"**Offeror Directors**"	:	The directors of the Offeror as at the Joint Announcement Date
"**Offeror Group**"	:	The Offeror and its subsidiaries
"**Offeror Notification**"	:	The hardcopy notification to be issued by the Offeror on 16 June 2025 containing addresses and instructions for the electronic retrieval of this Exit Offer Letter and its related documents
"**Overseas Shareholders**"	:	Shall have the meaning ascribed to it in **paragraph 14.1** of the Letter to Shareholders in this Exit Offer Letter
"**Previous IFA**"	:	Ernst & Young Corporate Finance Pte Ltd, the independent financial adviser appointed by the Company to advise the directors of GEH who were considered independent for the purposes of the Previous Offer
"**Previous IFA Letter**"	:	The letter dated 14 June 2024 from the Previous IFA to the directors of GEH who were considered independent for the purposes of the Previous Offer
"**Previous Offer**"	:	Shall have the meaning ascribed to it in **paragraph 1.1** of the Letter to Shareholders in this Exit Offer Letter
"**Previous Offer Announcement Date**"	:	Shall have the meaning ascribed to it in **paragraph 1.1** of the Letter to Shareholders in this Exit Offer Letter
"**Previous Offer Price**"	:	The offer price for the Shares in the Previous Offer
"**Proposed Adoption of New Constitution**"	:	Shall have the meaning ascribed to it in the Offeree Circular
"**Proposed Bonus Issue**"	:	Shall have the meaning ascribed to it in the Offeree Circular
"**Register**"	:	The register of holders of Shares, as maintained by the Registrar
"**Registrar**" or "**Receiving Agent**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**Relevant Acceptance Forms**"	:	The FAA and/or the FAT, as the case may be

"**Relevant Parties**"	:	Shall have the meaning ascribed to it in **paragraph 12.1** of the Letter to Shareholders in this Exit Offer Letter
"**Relevant Period**"	:	The period commencing on 6 March 2025, being the date falling three months prior to the Joint Announcement Date
"**Relevant Persons**"	:	Shall have the meaning ascribed to it in **paragraph 4.9** of **Appendix 1** to this Exit Offer Letter
"**Relevant Securities**"	:	(i) Shares, (ii) securities which carry voting rights in GEH or (iii) convertible securities, warrants, options, awards or derivatives in respect of the Shares or securities which carry voting rights in GEH
"**Resumption of Trading**"	:	The resumption of trading of the Shares on the SGX-ST
"**Resumption of Trading Resolutions**"	:	Shall have the meaning ascribed to it in **paragraph 1.3** of the Letter to Shareholders in this Exit Offer Letter
"**Section 215(3) Documents**"	:	Shall have the meaning ascribed to it in **paragraph 9.3** of the Letter to Shareholders in this Exit Offer Letter
"**Section 215(3) Right**"	:	Shall have the meaning ascribed to it in **paragraph 1.1** of the Letter to Shareholders in this Exit Offer Letter
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"**Settled Shares**"	:	Shall have the meaning ascribed to it in **paragraph 1.1(i)(b)** of **Appendix 1** to this Exit Offer Letter
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore
"**SFRS(I)**"	:	The Singapore Financial Reporting Standards (International)
"**SGD**" or "**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**SGX-SFG**"	:	SGX-ST's Secure File Gateway
"**SGX-ST**"	:	The Singapore Exchange Securities Trading Limited

"**SGXNET**"	:	Singapore Exchange Network
"**Shareholders**"	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Issued ordinary shares in the capital of GEH
"**SIC**"	:	The Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under SRS
"**SRS Investors**"	:	Investors who purchase Shares pursuant to SRS
"**Suspension Date**"	:	15 July 2024, being the day of the suspension of trading of the Shares
"**Trading Suspension**"	:	Shall have the meaning ascribed to it in **paragraph 3** of the Letter to Shareholders in this Exit Offer Letter
"**United States**" or "**U.S.**"	:	The United States of America, its territories and possessions, any state of the United States and the District of Columbia
"**Unsettled Buy Position**"	:	Shall have the meaning ascribed to it in **paragraph 1.1(i)(b)** of **Appendix 1** to this Exit Offer Letter
"**U.S. Exchange Act**"	:	The U.S. Securities Exchange Act of 1934, as amended
"**VWAP**"	:	Volume weighted average price
"**%**" or "**per cent.**"	:	Percentage or per centum

Acting in Concert. The expression "**acting in concert**" shall have the same meaning ascribed to it in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by J.P. Morgan or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Depositors, etc. The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Expressions. Words importing the singular shall, where applicable, include the plural and vice versa. Words importing a single gender shall, where applicable, include any or all genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Exit Offer Letter are inserted for convenience only and shall be ignored in construing this Exit Offer Letter.

Rounding. Any discrepancies in the tables in this Exit Offer Letter between the listed amounts and the totals thereof are due to rounding. Accordingly, any figure shown as a total may not be an arithmetic aggregation of the figures that precede it.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Exit Offer Letter are, as the context so determines, to Shareholders.

Statutes. Any reference in this Exit Offer Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted, unless the context otherwise requires. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Exit Offer Letter shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification, as the case may be, unless the context otherwise requires.

Subsidiaries, Related Corporations. The expressions "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Exit Offer Letter shall be a reference to Singapore time and date respectively unless otherwise specified.

Total Number of Shares and Percentage. In this Exit Offer Letter, the total number of Shares is a reference to a total of 473,319,069 Shares[1] in issue as at the Joint Announcement Date unless the context otherwise requires. Unless otherwise specified, all references to a percentage shareholding in the capital of GEH in this Exit Offer Letter are based on 473,319,069 Shares[1] in issue as at the Joint Announcement Date.

[1] GEH has no treasury shares.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Exit Offer Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future and conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of GEH and shareholders and investors of the Offeror should not place undue reliance on such forward-looking statements. Neither the Offeror nor J.P. Morgan guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

LETTER TO SHAREHOLDERS

J.P.Morgan

J.P. Morgan Securities Asia Private Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 197300590K)

9 June 2025

To: Shareholders of Great Eastern Holdings Limited

Dear Sir / Madam

EXIT OFFER LETTER IN CONNECTION WITH THE PROPOSED VOLUNTARY DELISTING OF GREAT EASTERN HOLDINGS LIMITED

1. INTRODUCTION

1.1 **Background.** The Offeror had previously launched, on 10 May 2024 (the "**Previous Offer Announcement Date**"), a voluntary unconditional general offer (the "**Previous Offer**") for all the Shares, other than those Shares already owned or agreed to be acquired by the Offeror or its subsidiaries.

The Offeror had received advice in respect of the appropriate pricing for the Previous Offer, taking into account, *inter alia*, market comparables and a range of valuation methodologies.

The Previous Offer Price represented a 36.9 per cent. premium to the last traded price before the announcement of the Previous Offer, and a 41.9 per cent. premium to the 6-month VWAP up to and including the last full trading day of the Shares prior to the Previous Offer Announcement Date. It implied FY23 actual multiples of 15.6 times of Price-to-Earnings ("**P/E**"), 1.54 times of Price-to-Net Asset Value ("**P/NAV**"), and 0.7 times of Price-to-Embedded Value ("**P/EV**"). These metrics represented a premium to most of the traded metrics of listed life insurers in Asia listed in the Previous IFA Letter. As indicated in the Previous IFA Letter, in Asia ex-India, all but one of the listed life insurers selected for comparison with the GEH Group traded at a discount to their published Embedded Value ("**EV**")[2].

The Previous Offer closed on 12 July 2024 at 5.30 p.m. (Singapore time). As at the close of the Previous Offer, the total number of Shares owned, controlled, acquired or agreed to be acquired by the Offeror and the parties acting in concert with the Offeror was 442,651,557 Shares, representing approximately 93.52 per cent. of the total number of Shares. As the Company had ceased to meet the Free Float Requirement under Rule 723 of the Listing Manual, the Company had requested for the SGX-ST to suspend the trading of the Shares with effect from 9.00 a.m. on 15 July 2024 (being the Suspension Date).

2 Paragraph 9.4 of the Previous IFA Letter.

Following the close of the Previous Offer, Shareholders who had not tendered their Shares in acceptance of the Previous Offer were notified of their right under Section 215(3) of the Companies Act to require the Offeror to acquire their Shares on the same terms as the Previous Offer (the "**Section 215(3) Right**"). The period in which the Section 215(3) Right could be exercised expired on 23 October 2024.

As at the Joint Announcement Date, the Offeror holds an aggregate of 443,602,605 Shares, representing approximately 93.72 per cent. of the total number of Shares.

Further, following the close of the Previous Offer, the Company had:

(i) announced on 2 August 2024 that it had received a letter from the SGX-ST informing the Company that the SGX-ST had no objections to granting the Company till 23 October 2024 to explore options to comply with the requirements of the Listing Manual;

(ii) announced on 21 October 2024 that it had received a letter from the SGX-ST informing the Company that the SGX-ST had no objections to granting the Company till 24 January 2025 to explore options to comply with the requirements of the Listing Manual;

(iii) announced on 24 January 2025 that it had received a letter from the SGX-ST informing the Company that the SGX-ST had no objections to granting the Company a further extension until 25 May 2025 to comply with the requirements of the Listing Manual; and

(iv) announced on 23 May 2025 that it had received a letter from the SGX-ST informing the Company that the SGX-ST had no objections to granting the Company a further extension until 8 June 2025 to announce its finalised proposal which seeks to comply with the relevant rules of the Listing Manual.

1.2 **Joint Announcement.** On the Joint Announcement Date, the Offeror and the Company jointly announced the Delisting and that the Offeror would make the Exit Offer in connection with the Delisting.

A copy of the Joint Announcement is available on the website of the SGX-ST at www.sgx.com.

1.3 **Extraordinary General Meeting.** The Company will be convening an EGM on 8 July 2025 to seek:

(i) the approval of Independent Shareholders for the Delisting; and

(ii) in the event the Delisting Resolution is not approved by Independent Shareholders:

(a) the approval of Shareholders to adopt a new constitution of GEH, which is largely comprised of the existing provisions of the GEH Constitution, as updated to, *inter alia*, permit the issuance by the Company of a new class of Class C Non-Voting Shares (the "**Adoption of New Constitution Resolution**"); and

(b) the approval of Shareholders for, *inter alia*, the Proposed Bonus Issue (the "**Bonus Issue Resolution**", and together with the Adoption of New Constitution Resolution, the "**Resumption of Trading Resolutions**").

The Delisting and Exit Offer are conditional upon approval of the Delisting Resolution, as further described in **paragraph 2.5**.

1.4 **Approval of the SGX-ST for the Delisting.** The Company has made an application to the SGX-ST to seek approval for the Delisting, and the SGX-ST has informed the Company that it has approved in-principle the Delisting, subject to the following:

(i) compliance with the SGX-ST's listing requirements;

(ii) the Delisting Resolution being approved by at least 75 per cent. of the total number of Shares held by Independent Shareholders. The Offeror and its Concert Parties must abstain from voting on the Delisting Resolution; and

(iii) an exit offer that includes a cash alternative as the default alternative being made, with the IFA opining that the exit offer is fair and reasonable.

1.5 **Exit Offer Letter.** This Exit Offer Letter contains the terms and conditions of the Exit Offer.

PLEASE NOTE THAT THE DELISTING AND THE EXIT OFFER WILL BE CONDITIONAL UPON THE DELISTING RESOLUTION BEING APPROVED.

IF THE DELISTING RESOLUTION IS NOT APPROVED, (A) THE DELISTING WILL NOT PROCEED AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST, AND (B) THE EXIT OFFER WILL ALSO LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED. PLEASE REFER TO PARAGRAPH 2.5 FOR MORE DETAILS.

IN THE EVENT THAT THE EXIT OFFER LAPSES, PURSUANT TO RULE 33.1 OF THE CODE, NEITHER THE OFFEROR, ANY PERSONS WHO ACTED IN CONCERT WITH IT IN THE COURSE OF THE EXIT OFFER NOR ANY OTHER PERSON WHO IS SUBSEQUENTLY ACTING IN CONCERT WITH ANY OF THEM MAY, EXCEPT WITH THE CONSENT OF THE SIC, WITHIN 12 MONTHS FROM THE DATE ON WHICH THE EXIT OFFER LAPSES (I) ANNOUNCE AN OFFER OR POSSIBLE OFFER FOR THE COMPANY OR (II) ACQUIRE ANY VOTING RIGHTS OF THE COMPANY IF THE OFFEROR OR PERSONS ACTING IN CONCERT WITH IT WOULD THEREBY BECOME OBLIGED UNDER RULE 14 OF THE CODE TO MAKE AN OFFER.

The Exit Offer may only be accepted by the relevant Shareholder to whom this Exit Offer Letter is addressed from 16 June 2025 (being the Despatch Date).

In connection with the electronic dissemination of this Exit Offer Letter, the Offeror Notification, together with the Relevant Acceptance Forms and a pre-addressed envelope which is pre-paid for posting in Singapore only, will be posted to Shareholders on 16 June 2025. Printed copies of this Exit Offer Letter will **NOT** be sent to Shareholders.

1.6 **Offeree Circular.** The Offeree Circular issued by the Company to the Shareholders in relation to the Delisting has been electronically disseminated on the same date as this Exit Offer Letter. Printed copies of the Offeree Circular will **NOT** be sent to Shareholders.

Electronic copies of this Exit Offer Letter and the Offeree Circular are available on the website of the SGX-ST at www.sgx.com.

1.7 **Caution.** Please read this Exit Offer Letter in conjunction with the Offeree Circular, which sets out (a) the advice of the IFA to the Independent Directors; and (b) the recommendations of the Independent Directors on the Delisting Resolution and the Exit Offer, carefully and in their respective entirety.

2. TERMS OF THE EXIT OFFER

2.1 **Exit Offer.** The Offeror hereby makes the Exit Offer to acquire all the Offer Shares, on the terms and subject to the conditions set out in this Exit Offer Letter (including the Relevant Acceptance Forms) and on the basis set out in this **paragraph 2**.

2.2 **Offer Shares.** The Exit Offer is extended to all Shares as at the date of the Exit Offer, other than those Shares already owned or agreed to be acquired by the Offeror or its subsidiaries (the "**Offer Shares**").

2.3 **Exit Offer Price.** The consideration for the Offer Shares validly tendered in acceptance of the Exit Offer will be:

For each Offer Share: SGD 30.15 in cash ("Exit Offer Price").

THE OFFEROR DOES NOT INTEND TO REVISE THE EXIT OFFER PRICE WHICH IS MADE IN COMPLIANCE WITH RULE 1309 OF THE LISTING MANUAL.

2.4 **No Encumbrances.** The Offer Shares will be acquired:

(i) fully paid;

(ii) free from any Encumbrances; and

(iii) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) declared, paid or made by GEH in respect of the Offer Shares on or after the Joint Announcement Date.

If any Distribution is announced, declared, made or paid by the Company on or after the Joint Announcement Date, and the books closure date in respect of such Distribution falls before the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price for the relevant Offer Shares by the amount of such Distribution.

2.5 **Conditional.** The Delisting and Exit Offer are conditional upon the resolution to approve the Delisting (the "**Delisting Resolution**") being approved by a majority of at least 75 per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by Independent Shareholders present and voting, on a poll, either in person or by proxy at the EGM. The Offeror and any other person acting in concert with the Offeror must abstain from voting on the Delisting Resolution.

Shareholders are to note that if the Delisting Resolution is not approved, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.

2.6 **Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Exit Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:

(i) fully paid;

(ii) free from any Encumbrances; and

(iii) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) declared, paid or made by GEH in respect of the Offer Shares on or after the Joint Announcement Date.

2.7 **Choices in relation to the Exit Offer.** A Shareholder can, in relation to all or part of his/her/its Offer Shares, either:

(i) accept the Exit Offer in respect of such Offer Shares in full or in part, in accordance with the procedures set out in **Appendix 1** to this Exit Offer Letter; or

(ii) take no action and let the Exit Offer lapse in respect of his/her/its Offer Shares.

Subject to the Delisting Resolution being approved at the EGM, Shareholders should note that the Company will be delisted from the Official List of the SGX-ST on or after the close of the Exit Offer. In such an event, Shareholders who do not accept the Exit Offer will be left holding Shares in an unlisted company, unless their Shares are subsequently acquired by the Offeror pursuant to Section 215(1) or Section 215(3) of the Companies Act, if and to the extent such provisions are applicable. Please refer to **paragraphs 9.2 and 9.3** for further details on Sections 215(1) and 215(3) of the Companies Act.

Shareholders should also note that:

(a) voting in favour of the Delisting Resolution does NOT constitute an acceptance of the Exit Offer; and

(b) voting against the Delisting Resolution does NOT prohibit a Shareholder from accepting the Exit Offer.

In each case, Shareholders who wish to accept the Exit Offer must tender their acceptances in accordance with the procedures set out in **Appendix 1** to this Exit Offer Letter. Subject to the Delisting Resolution being approved at the EGM, all Shareholders (regardless of their votes on the Delisting Resolution) are entitled to accept or reject the Exit Offer for all or any part of their Offer Shares.

2.8 **Duration and Closing Date.** The Exit Offer will be open for acceptance from 16 June 2025 (being the Despatch Date). Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances would be conditional and if the Delisting Resolution is not approved, the Exit Offer will lapse and all the Shareholders as well as the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

Shareholders who intend to submit the Relevant Acceptance Forms prior to the EGM are reminded that they should also attend and vote in person at the EGM or submit their votes in respect of the Delisting Resolution using the proxy form for the EGM. Shareholders are reminded that their Shares will only be acquired pursuant to the Exit Offer if the Delisting Resolution is approved.

If the Delisting Resolution is approved, the Exit Offer will continue to be open for acceptance by the Shareholders for 14 days after the date of the announcement of the approval of the Delisting Resolution.

Accordingly, in the event the Delisting Resolution is approved and such approval is announced on 8 July 2025 (being the date of the EGM), the Exit Offer will close at 5.30 p.m. on the Closing Date, being 22 July 2025. The Exit Offer will not be extended beyond the Closing Date.

2.9 **Procedures for Acceptance and Settlement.** The procedures for acceptance of the Exit Offer are set out in **Appendix 1** to this Exit Offer Letter and the FAA and/or FAT (as the case may be).

3. RESUMPTION OF TRADING IN THE EVENT DELISTING RESOLUTION IS NOT APPROVED

As stated in **paragraph 1.1**, trading in the Shares has been suspended since the Suspension Date (the "**Trading Suspension**") as the Free Float Requirement was not met as at the close of the Previous Offer. In the event the Delisting Resolution is not approved at the EGM, the Proposed Adoption of New Constitution and the Proposed Bonus Issue have been proposed by the Company as a means for the Company to resolve the current Trading Suspension, by enabling the Company to satisfy the Free Float Requirement and thereby facilitate a Resumption of Trading.

Further details relating to the Proposed Adoption of New Constitution, the Proposed Bonus Issue and the Resumption of Trading can be found in Part I and Part III of the Offeree Circular. Shareholders are advised to read the Offeree Circular in its entirety.

4. INFORMATION ON THE OFFEROR

4.1 **The Offeror.** The Offeror was incorporated in Singapore on 31 October 1932 and is listed on the Mainboard of the SGX-ST. The Offeror 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. The Offeror Group's key markets comprise Singapore, Malaysia, Indonesia and Greater China, with close to 420 branches and representative offices in 19 countries and regions.

4.2 **Share Capital.** As at the Latest Practicable Date, the Offeror has an issued and fully paid-up share capital of SGD 18.6 billion, comprising 4,514,995,829 Offeror shares (including 16,084,587 treasury shares).

4.3 **Shareholding in GEH.** As at the Joint Announcement Date, the Offeror owns 443,602,605[3] Shares, representing approximately 93.72 per cent. of the Shares in the capital of GEH.

4.4 **Directors.** As at the Joint Announcement Date, the Offeror Directors are:

Name	Description
Lee Kok Keng Andrew	Chairman, Non-Executive Independent Director
Chong Chuan Neo	Non-Executive Independent Director
Chua Kim Chiu	Non-Executive Independent Director
Khoo Cheng Hoe Andrew	Non-Executive Independent Director
Lee Tih Shih	Non-Executive Non-Independent Director
Lian Wee Cheow	Non-Executive Independent Director
Seck Wai Kwong	Non-Executive Independent Director
Pramukti Surjaudaja	Non-Executive Non-Independent Director
Tan Yen Yen	Non-Executive Independent Director
Wong Pik Kuen Helen	Executive Non-Independent Director

4.5 **Additional Information. Appendix 2** to this Exit Offer Letter sets out additional information on the Offeror.

5. INFORMATION ON GEH

5.1 **GEH.** GEH is an investment holding company and has been listed on the SGX-ST since 29 November 1999. Founded in 1908, the GEH Group is a well-established market leader and trusted brand for insurance products and related financial advisory services in Singapore and Malaysia. The GEH Group also operates in Indonesia and Brunei. The GEH Group provides insurance solutions to customers through three distribution channels – a tied agency force, bancassurance, and financial advisory firm, Great Eastern Financial Advisers. GEH's asset management subsidiary, Lion Global Investors Limited, is an asset management company that provides Asian-centric investment solutions.

5.2 **Share Capital.** As at the Latest Practicable Date, based on the latest information available to the Offeror[4], GEH has an issued and fully paid-up share capital of SGD 152.7 million, comprising 473,319,069 Shares[5].

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3 Shares registered in the name of Citibank Nominees Singapore Pte Ltd. This excludes the Offeror's deemed interest in 122,860 Shares held by its subsidiary, BOS Trustee Limited, as trustee of The Ong Trust.

4 Based on the business profile of GEH extracted from the Accounting and Corporate Regulatory Authority of Singapore on the Latest Practicable Date and various announcements by GEH on SGXNET as at the Latest Practicable Date.

5 GEH has no treasury shares.

5.3 **Directors.** As at the Joint Announcement Date, the directors of GEH are:

Name	Description
Soon Tit Koon	Chairman, Non-Executive Non-Independent Director
Chong Yoke Sin	Non-Executive Independent Director
Choo Nyen Fui	Non-Executive Non-Independent Director
Lee Kok Keng Andrew	Non-Executive Non-Independent Director
Lee Lap Wah George	Non-Executive Independent Director
Lim Kuo Yi	Non-Executive Independent Director
Ng Chee Peng	Lead Independent Director, Non-Executive Independent Director
Tam Chee Chong	Non-Executive Independent Director
Teoh Lian Ee	Non-Executive Independent Director
Wong Pik Kuen Helen	Non-Executive Non-Independent Director

5.4 **Additional Information. Appendix 3** to this Exit Offer Letter sets out additional information on GEH.

6. RATIONALE FOR THE DELISTING AND EXIT OFFER

6.1 **Exit Offer is in line with the Offeror's corporate strategy and strengthens its business pillars of banking, wealth management and insurance**

The Offeror's corporate strategy is focused on four growth drivers aimed at harnessing regional trade, investment, and wealth flows. One of these drivers focuses on tapping into the growing wealth in Asia through its hubs in Singapore, Hong Kong, and Dubai, along with its digital offerings. Insurance is also a key enabler for the Offeror to capture the rising wealth in Asia to drive its ambitions.

In a fast-growing region with increasing demand for products and solutions that enhance and preserve wealth, aligning more closely with GEH supports the Offeror's long-term vision of becoming a leading player in wealth management, allowing it to drive synergistic collaborations as One Group, offering integrated value propositions across the wealth continuum.

GEH plays a crucial role and is a strategic pillar within the Offeror Group, providing the Offeror with both economies of scale and scope. As complexities and macroeconomic uncertainties continue to rise, having a larger customer base, largest on-the-ground agency force and broader product scope becomes essential to drive market competitiveness and market position. By achieving economies of scale and scope through GEH's in-house product manufacturing capabilities and customer service, the Offeror can diversify commercial and financial risks, broaden its range of products and services, and reach a wider array of customer segments. This ultimately accelerates the Offeror's growth into a significantly larger integrated financial services organisation.

Having been part of the Offeror's portfolio for decades, the relationship between the Offeror and the GEH Group is synergistic. This allows the Offeror to provide a comprehensive range of investment, insurance, and estate planning solutions tailored to its clients, driving higher insurance penetration in existing and new-to-bank customers, while the GEH Group benefits from expanded access to the Offeror's wide retail and commercial customer base.

6.2 **Exit Offer enhances returns and optimises capital allocation of the Offeror**

GEH provides diversification to the Offeror's earnings base to deliver balanced earnings growth through economic cycles.

The Exit Offer presents an opportunity for the Offeror to deploy its capital to generate greater returns for its shareholders, solidifying its strategy of combining banking, insurance and wealth management under One Group. By increasing its investment in GEH, the Offeror can further capture the benefits from ongoing synergies and have a greater share of GEH's value.

6.3 **Exit Offer to help GEH resolve months-long impasse over suspension in share trading**

Trading in the Shares on the SGX-ST has been suspended since the Suspension Date. Since the Trading Suspension, the Company, together with its advisers, has been assessing the various possible options available for the Company to comply with the relevant rules of the Listing Manual as the Company Board recognises that the prolonged and ongoing Trading Suspension is not in the interests of Shareholders and a solution must be found.

After careful consideration, the Company approached the Offeror for support to enable the Company to comply with the relevant rules of the Listing Manual. The Company provided the Offeror with a comprehensive set of proposed transactions and the Exit Offer is launched as part of its comprehensive plan to resolve the Trading Suspension.

Upon the passing of the Delisting Resolution, the Exit Offer will provide Independent Shareholders who wish to sell their Shares with the opportunity to exit at a valuation that is (i) in compliance with Rule 1309 of the Listing Manual[6] and (ii) at a premium to both its historical levels and the median valuation levels of comparable companies[7] as outlined in the Previous IFA Letter. Additionally, those who prefer to retain their Shares can choose to remain as shareholders of the unlisted Company if they decide not to accept the Exit Offer, unless the Offeror becomes entitled to, and exercises its right to, compulsorily acquire all the Offer Shares of the Dissenting Shareholders under Section 215(1) of the Companies Act. Further details on Section 215(1) of the Companies Act are set out in **paragraph 9.2**.

Based on disclosures by the Company, there were 838 Shareholders as at 5 March 2025 with the top 20 Shareholders (excluding the Offeror) holding 5.09 per cent. of Shares[8]. In contrast, there were 3,466 Shareholders as at 5 March 2024 with the top 20 Shareholders (excluding the Offeror) holding 7.39 per cent. of Shares[9]. Taking into account (i) the more concentrated shareholding structure of the Company following the Previous Offer and (ii) current

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6 Rule 1309 of the Listing Manual provides that an exit offer must include a cash alternative as the default alternative and an independent financial adviser appointed by the issuer must opine that the exit offer is fair and reasonable.

7 AIA Group Limited ("**AIA**"), Manulife Financial Corporation ("**Manulife**"), Prudential plc ("**Prudential**"), Dai-ichi Life Holdings, Inc. ("**Dai-ichi Life**"), T&D Holdings, Inc. ("**T&D**"), Samsung Life Insurance Co., Ltd. ("**Samsung Life**"), Japan Post Insurance Co., Ltd. ("**Japan Post**"), Thai Life Insurance Public Company Limited ("**Thai Life**"), Hanwha Life Insurance Co., Ltd. ("**Hanwha Life**"), Bangkok Life Assurance Public Company Limited ("**Bangkok Life**"), and Allianz Malaysia Berhad ("**Allianz Malaysia**").

8 Page 219 of GEH's Annual Report for FY24.

9 Page 226 of GEH's Annual Report for FY23.

macroeconomic uncertainties and market volatility, the Offeror is of the view that the liquidity and trading volume of the Shares may not improve in the event the Delisting Resolution is not approved, and trading of the Shares resumes after the Proposed Bonus Issue takes place.

The Offeror has no intention of making another general offer for the Company in the foreseeable future if trading is resumed. There is also no assurance that the Shares will trade at or above the Exit Offer Price or the Previous Offer Price. As a point of reference, prior to the Previous Offer and without taking into account the Proposed Bonus Issue[10], the Shares were traded at SGD 18.47, SGD 18.29, SGD 17.99 and SGD 17.64 (being the 1-month, 3-month, 6-month and 12-month VWAP up to and including the last full trading day of the Shares on the SGX-ST prior to the Previous Offer Announcement Date respectively, as stated in the Previous IFA Letter[11]), implying a P/EV (23A) multiple of between 0.49x to 0.51x[12].

7. FINANCIAL EVALUATION OF THE EXIT OFFER

7.1 Premia / Discount Over Historical Market Prices and Previous Offer Price

The Exit Offer Price represents the following premia / (discount) over certain historical market prices of the Shares as set out below:

Description	Benchmark Price (SGD)[13]	Premium / (Discount) over Benchmark Price (%)[14]
Last traded price of the Shares on the SGX-ST on 9 May 2024, the last trading date before the Previous Offer Announcement Date	18.70	61.2
Previous Offer Price	25.60	17.8
Last traded price of the Shares on the SGX-ST on the Last Trading Date	25.80	16.9
VWAP for the one-month period up to and including the Last Trading Date	25.67	17.4
VWAP for the three-month period up to and including the Last Trading Date	25.53	18.1
VWAP for the six-month period up to and including the Last Trading Date	24.95	20.8
VWAP for the 12-month period up to and including the Last Trading Date	24.12	25.0

7.2 Exit Offer should be assessed holistically based on the implied multiples for all the metrics

The valuation benchmarking for life insurance companies generally involves a triangulation of various metrics: accounting multiples (such as P/E and P/NAV), cash-based multiples (like Price-to-Dividend), and actuarial multiples (including Price-to-Comprehensive Equity ("**P/CE**")

10 Please refer to Section 10.10 of the Offeree Circular.
11 Paragraph 9.1.1 of the Previous IFA Letter.
12 Paragraph 9.2.2 of the Previous IFA Letter.
13 Rounded to the nearest two decimal places.
14 Rounded to the nearest one decimal place.

and P/EV). It is important to note that the independent financial advisers involved in the previous offers for GEH in 2004 and 2006 considered a wider array of metrics and took into account the prevailing market conditions to assess the fairness of those offers. The Exit Offer should be evaluated comprehensively based on the implied multiples for all the aforementioned metrics rather than relying on any single metric in isolation.

Actuarial multiples, particularly EV, are influenced by long-term profit forecasts and various assumptions, such as fees associated with bancassurance, future claims and benefits, investment returns, operating expenses, capital requirements, and risk discount rates.

The variations in methodologies, assumptions, and risk discount rates across different insurers render EV an imperfect metric for comparison among life insurers. Many insurers' share prices are currently trading at a discount to their EV. This decline in valuation may be due to the market recalibrating EV assumptions perceived as overly optimistic, leading to a reduction in EV before accounting for future business prospects. The Previous IFA Letter issued in connection with the Previous Offer also acknowledged a consistent decline in the P/EV ratios of GEH and comparable companies.

Under IFRS 17, Comprehensive Equity ("**CE**") is an accounting-based metric defined as Shareholders' Equity plus Contractual Service Margin ("**CSM**") net of tax. CSM represents the discounted present value of future profits associated with in-scope in-force insurance policies and is an accounting practice under IFRS 17. CSM is subject to audit and compliance requirements as part of a listed insurance company's financial reporting process. Similar to EV, CE can be utilised to assess the value of the long-term business of insurance companies. With the implementation of IFRS 17, certain insurance companies globally have ceased to report EV.

As set out in the Company's Annual Report for FY24, the CE of the GEH Group as of 31 December 2024 is SGD 14,098.6 million (2023: SGD 13,384.6 million), implying a FY24 P/CE of 1.0x at the Exit Offer Price. For comparison purposes, the public market value[15] of AIA and Prudential, being the IFRS 17 comparable companies as set out in the Previous IFA Letter, implies a P/CE of 1.0x and 0.8x, respectively, based on disclosed CE as of 31 December 2024. On the basis of P/CE, the Exit Offer Price is in line with the market value of AIA and represents a premium to Prudential.

Lastly, given that GEH is much smaller compared to its comparables such as AIA, Manulife and Prudential, consideration, in line with market practices, should be given to account for differences in scale, growth prospects, geographic exposure, profitability, and capital structure to provide a meaningful valuation assessment of the target company relative to its peers.

The Exit Offer Price of SGD 30.15 represents a premium of 17.8 per cent. over the Previous Offer Price, surpassing the Straits Times Index increase of 11.3 per cent. for the period from the closing date of the Previous Offer to the Latest Practicable Date. It also implies an FY24 P/EV, P/NAV and P/E of 0.8x, 1.6x, and 14.3x respectively. These implied FY24 P/EV, P/NAV, and P/E ratios of the Exit Offer Price also represent a premium compared to the median FY24 P/EV, P/NAV, and P/E ratios of comparable companies outlined in the Previous IFA Letter. Please refer to the table below for further details.

15 As at the Latest Practicable Date.

Comparable Companies[16]	P/EV Ratio[17] (times)	P/NAV Ratio[18] (times)	P/E Ratio[19] (times)
AIA	1.3	2.2	12.9
Manulife	n.a.	1.4	13.9
Prudential	0.7	1.6	12.9
Dai-ichi Life	0.5	1.1	13.0
T&D	0.4	1.2	17.1
Samsung Life	n.a.	0.5	8.4
Japan Post	0.3	0.4	13.9
Thai Life	0.7	1.1	10.7
Hanwha Life	n.a.	0.2	2.6
Bangkok Life	0.4	0.6	7.7
Allianz Malaysia	n.a.	0.6	4.5
Low	**0.3**	**0.2**	**2.6**
High	**1.3**	**2.2**	**17.1**
Average	**0.6**	**1.0**	**10.7**
Median	**0.5**	**1.1**	**12.9**
GEH – Implied by the Exit Offer Price	**0.8**	**1.6**	**14.3**

Source: Capital IQ, company announcements, company reports

8. OFFEROR'S INTENTIONS FOR GEH

It is the strategic intention of the Offeror to delist the Company. The Offeror will continue to develop and grow the businesses of the GEH Group as part of the One Group strategy, strengthening its unique position as an integrated financial services group. The Offeror has no current intentions to (i) introduce any major changes to the existing business of GEH, (ii) redeploy the fixed assets of GEH or (iii) discontinue the employment of the existing employees of the GEH Group, other than in the ordinary and usual course of business. However, the Offeror retains the flexibility to at any time consider undertaking a strategic and operational

16 "n.a." means not available.

17 P/EV Ratio is the ratio of a company's share price as at the Latest Practicable Date divided by its EV per share as at the latest available financial results.

18 P/NAV Ratio is the ratio of a company's share price as at the Latest Practicable Date divided by its consolidated net asset value attributed to the company per share as at the latest available financial results.

19 Net profit attributable to shareholders of the comparable companies and the Company are obtained from their respective latest available financial results, and the Company's audited consolidated results for FY24 respectively.

review of GEH with a view to realising synergies, economies of scale, cost efficiencies and growth potential.

9. LISTING STATUS, COMPULSORY ACQUISITION AND SECTION 215(3) SHAREHOLDER RIGHTS

9.1 **Listing Status and Trading Suspension.** Rule 723 of the Listing Manual requires GEH to ensure that at least 10 per cent. of the total number of issued Shares (excluding treasury shares) is at all times held by the public ("**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares held in public hands falls below 10 per cent., GEH must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the listed securities of GEH on the SGX-ST. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow GEH a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of Shares held by members of the public to be raised to at least 10 per cent., failing which GEH may be removed from the Official List of the SGX-ST.

As stated in **paragraph 1.1**, the Company has ceased to meet the Free Float Requirement and trading in the Shares has been suspended since 9.00 a.m. (Singapore time) on the Suspension Date, following the close of the Previous Offer.

Shareholders should note the following:

(i) In the event the Delisting Resolution is <u>APPROVED</u> at the EGM, the Company will be delisted from the Official List of the SGX-ST on or after the close of the Exit Offer.

If the Company is delisted, the Company (as a Singapore-incorporated company) will remain subject to the provisions of the Companies Act and (in the event that it becomes a public unlisted company following the close of the Exit Offer) may be subject to the provisions of the Code, but will no longer be subject to the provisions of the Listing Manual.

Shareholders who do not accept the Exit Offer should note that, unless their Shares are subsequently acquired by the Offeror pursuant to Section 215(1) or Section 215(3) of the Companies Act (if and to the extent such provisions are applicable), they will continue to hold their Shares and remain shareholders of the Company but will not be able to trade such Shares on the SGX-ST. Such Shareholders may, at such time, wish to seek their own independent legal advice to familiarise themselves with their rights, *inter alia*, as a shareholder of an unlisted Singapore-incorporated company under the Companies Act.

Further details on Sections 215(1) and 215(3) of the Companies Act are set out in **paragraphs 9.2 and 9.3** respectively.

(ii) In the event the Delisting Resolution is <u>NOT</u> approved at the EGM <u>BUT</u> the Resumption of Trading Resolutions are approved at the EGM, the Proposed Bonus Issue will take place.

In such event, as set out in Sections 1.5 and 9 of the Offeree Circular, the Company expects that the Free Float Requirement will be met after the completion of the Proposed Bonus Issue, on the assumption that other than the Offeror, the other Shareholders do not elect to receive Class C Non-Voting Shares. Accordingly, the Resumption of Trading is contemplated to take place after the completion of the Proposed Bonus Issue and the Company will remain listed on the Official List of the SGX-ST.

Further details relating to the Proposed Bonus Issue, the Resumption of Trading and the recommendation of the directors of GEH in relation to, *inter* alia, the Proposed Bonus Issue, can be found in Part I, Part III and Part IV of the Offeree Circular. Shareholders are advised to read the Offeree Circular in its entirety.

9.2 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Exit Offer or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Exit Offer, in respect of not less than 90 per cent. of the total number of Shares in issue (excluding those Shares already held by the Offeror, its related corporations or their respective nominees[20] as at the Despatch Date), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Exit Offer Price, all Offer Shares held by Shareholders who have not accepted the Exit Offer ("**Dissenting Shareholders**"). **The Offeror, if so entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act.**

9.3 **Section 215(3) Shareholder Rights.** In addition, pursuant to Section 215(3) of the Companies Act, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Offer Shares at the Exit Offer Price in the event that the Offeror, its related corporations or their respective nominees[20] acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees[20], comprise 90 per cent. or more of the total number of Shares.

In the event the Delisting Resolution is approved at the EGM and valid acceptances are received pursuant to the Exit Offer, the Offeror will despatch the prescribed notice and relevant forms ("**Section 215(3) Documents**") to Dissenting Shareholders within one month from the date that the first batch of Offer Shares are transferred to the Offeror pursuant to valid acceptances received pursuant to the Exit Offer. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

10. RULINGS FROM THE SIC

An application was made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC has ruled, *inter alia*, that the Exit Offer is exempted from compliance with Rules 20.1, 22, 28 and 29 of the Code, subject to the following conditions:

(i) Shareholders' approval for the Delisting Resolution being obtained within 3 months from the date of the Joint Announcement;

[20] And other persons required to be excluded under Section 215(9A) of the Companies Act.

(ii) the Exit Offer remaining open for at least:

(a) 21 days after the Despatch Date, if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting Resolution has been obtained; or

(b) 14 days after the date of the announcement of Shareholders' approval of the Delisting if the Exit Offer Letter is despatched on the same date as the Offeree Circular; and

(iii) disclosure in the Offeree Circular of:

(a) the consolidated NTA per share of the group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Offeree Circular; and

(b) particulars of all known material changes as of the latest practicable date which may affect the consolidated NTA per share referred to in the preceding paragraph or a statement that there are no such known material changes.

11. CONFIRMATION OF FINANCIAL RESOURCES

J.P. Morgan, as the financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Exit Offer on the basis of the Exit Offer Price.

12. DISCLOSURE OF HOLDINGS AND DEALINGS

12.1 **Holdings and Dealings in Relevant Securities.** As at the Joint Announcement Date, based on the latest information available to the Offeror, and save as disclosed in this Exit Offer Letter (including **Appendix 4** to this Exit Offer Letter), none of (i) the Offeror, (ii) its wholly-owned subsidiaries, (iii) the Offeror Directors, (iv) J.P. Morgan and (v) any other person acting in concert with the Offeror (collectively, "**Relevant Parties**"):

(i) own, control or has agreed to acquire any Relevant Securities; or

(ii) has dealt for value in any Relevant Securities during the Relevant Period.

12.2 **Other Arrangements.** As at the Joint Announcement Date, based on the latest information available to the Offeror and save as disclosed in this Exit Offer Letter (including **Appendix 4** to this Exit Offer Letter), none of the Relevant Parties have:

(i) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Relevant Securities which may be an inducement to deal or refrain from dealing;

(ii) received any irrevocable commitment to accept the Exit Offer in respect of any Relevant Securities;

(iii) granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

(iv) borrowed any Relevant Securities from any other person (excluding those which have been on-lent or sold); or

(v) lent any Relevant Securities to any other person.

13. SECTION 20(4) OF THE FINANCIAL HOLDING COMPANIES ACT

13.1 Under Section 20(4) of the FHC Act, no person shall enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the disposal of their interest in an aggregate of five per cent. or more of the Shares without first notifying MAS.

13.2 All Shareholders who accept the Exit Offer are deemed to have assented to the Offeror making the notification required under Section 20(4) of the FHC Act on their behalf to MAS prior to announcement of the Exit Offer.

13.3 All persons who intend to act together with any other person to sell five per cent. or more of the Shares (other than by way of an acceptance of the Exit Offer) should inform themselves about and ensure that they are in compliance with all applicable legal requirements, including Section 20(4) of the FHC Act.

14. OVERSEAS SHAREHOLDERS

14.1 **Overseas Shareholders.** This Exit Offer Letter, the Relevant Acceptance Forms and/or any related documents do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Exit Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Exit Offer would not be in compliance with the laws of such jurisdiction. Where there are potential restrictions on sending this Exit Offer Letter, the Relevant Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror and J.P. Morgan each reserves the right not to send this Exit Offer Letter, the Relevant Acceptance Forms and/or any related documents to such overseas jurisdictions.

The availability of the Exit Offer to Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP (collectively, "**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. **Appendix 8** of this Exit Offer Letter also sets out additional information for Overseas Shareholders for certain jurisdictions.

For the avoidance of doubt, the Exit Offer is open to all Shareholders, including those to whom this Exit Offer Letter and the Relevant Acceptance Forms have not been, or will not be, sent.

14.2 **Copies of this Exit Offer Letter and Relevant Acceptance Forms.** Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain electronic copies of this Exit Offer Letter (on and from the date of this Exit Offer Letter) and the Relevant

Acceptance Forms (on and from the Despatch Date) and any related documents from the website of the SGX-ST at www.sgx.com.

14.3 **Compliance with Applicable Laws.** It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Exit Offer Letter, the Relevant Acceptance Forms and/or any related documents or (ii) accept the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including J.P. Morgan, CDP and the Registrar/Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Exit Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act. In (a) requesting for this Exit Offer Letter, the Relevant Acceptance Forms and/or any related documents and/or (b) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, J.P. Morgan, CDP and the Registrar/Receiving Agent that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

14.4 **Notice.** The Offeror and J.P. Morgan each reserves the right to notify any matter, including the fact that the Exit Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.

15. INFORMATION RELATING TO CPF AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Exit Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may be) should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). CPFIS Investors and SRS Investors who validly accept the Exit Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts (as the case may be).

16. GENERAL

16.1 **Disclaimer and Discretion.** The Offeror and J.P. Morgan each reserves the right to treat acceptances of the Exit Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated herein or in the Relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and instructions printed on the Relevant Acceptance Forms.

16.2 **Governing Law and Jurisdiction.** The Exit Offer, this Exit Offer Letter (including the Relevant Acceptance Forms), and all acceptances of the Exit Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each Accepting Shareholder submit to the non-exclusive jurisdiction of the Singapore courts.

16.3 **No Third Party Rights.** Unless expressly provided to the contrary in this Exit Offer Letter (including the Relevant Acceptance Forms), a person who is not a party to any contracts made pursuant to the Exit Offer, this Exit Offer Letter (including the Relevant Acceptance Forms) has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend, vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

16.4 **Accidental Omission.** Accidental omission to despatch this Exit Offer Letter (including the Relevant Acceptance Forms) or any notice or announcement required to be given under the terms of the Exit Offer or any failure to receive the same by any person to whom the Exit Offer is made or should be made, shall not invalidate the Exit Offer in any way.

16.5 **Independent Advice.** J.P. Morgan is acting for and on behalf of the Offeror, and does not purport to advise the Shareholders and/or any other person. In preparing this Letter to Shareholders on behalf of the Offeror, J.P. Morgan has not had regard to the general or specific investment objectives, tax positions, risk profiles, financial situation or particular needs and constraints of any individual Shareholder. You must make your own decision as to whether to tender your Shares. If you are in doubt as to the action you should take, you should immediately seek your own advice from your relevant financial, legal or tax advisers or other independent financial adviser.

The advice of the IFA to the Independent Directors on the Exit Offer, and the recommendations of the Independent Directors on the Delisting and Exit Offer are available in the Offeree Circular. Shareholders may wish to consider their advice before taking any action in relation to the Exit Offer.

16.6 **General Information. Appendix 5** to this Exit Offer Letter sets out additional general information relating to the Offer.

17. RESPONSIBILITY STATEMENT

The Offeror Directors (including any director who may have delegated detailed supervision of the preparation of this Exit Offer Letter) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Exit Offer Letter are fair and accurate and that there are no other material facts not contained in this Exit Offer Letter, the omission of which would make any statement in this Exit Offer Letter misleading, and they jointly and severally accept full responsibility.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from GEH, the sole responsibility of the Offeror Directors has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources and/or reflected or reproduced in this Exit Offer Letter in its proper form and context.

Issued by
J.P. Morgan Securities Asia Private Limited

For and on behalf of
Oversea-Chinese Banking Corporation Limited

Any inquiries relating to the Exit Offer should be directed during office hours to:

J.P. Morgan Securities Asia Private Limited
88 Market Street
#30-00
Singapore 048948
Tel: +65 6882 2621

APPENDIX 1 – PROCEDURES FOR ACCEPTANCE

1. PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER BY DEPOSITORS

1.1 **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of the "Free Balance" of your Securities Account, you should receive the Offeror Notification together with the FAA. If you do not receive the FAA, you may obtain a copy of the FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com). An electronic copy of the FAA may also be obtained from the website of the SGX-ST at www.sgx.com.

Acceptance. If you wish to accept the Exit Offer, you should:

(i) complete the FAA in accordance with this Exit Offer Letter and the instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms and conditions of the Exit Offer). In particular, you must state in **Section C** of the FAA, the number of Offer Shares in respect of which you wish to accept the Exit Offer.

(a) If you:

(1) do not specify such number; or

(2) specify a number which exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account on the date of receipt of the FAA by CDP ("**Date of Receipt**") or, in the case where the Date of Receipt is on the Closing Date, by 5.30 p.m. (Singapore time) on the Closing Date,

you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares standing to the credit of the "Free Balance" of your Securities Account on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date).

(b) if **paragraph 1.1(i)(a)(2)** of this **Appendix 1** applies and at the time of verification by CDP of the FAA on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares into the "Free Balance" of your Securities Account ("**Unsettled Buy Position**"), and the Unsettled Buy Position settles such that the Offer Shares in the Unsettled Buy Position are transferred to the "Free Balance" of your Securities Account at any time during the period the Exit Offer is open, up to 5.30 p.m. (Singapore time) on the Closing Date ("**Settled Shares**"), you shall be deemed to have accepted the Exit Offer in respect of the balance number of Offer Shares inserted in **Section C** of the FAA which have not yet been accepted pursuant to **paragraph 1.1(i)(a)(2)** of this **Appendix 1**, or the number of Settled Shares, whichever is less;

(ii) if you are submitting the FAA in physical form, sign the FAA in accordance with this **Appendix 1** and the instructions printed on the FAA; and

(iii) submit the completed FAA:

(a) **by post**, in the enclosed pre-addressed envelope at your own risk, to Oversea-Chinese Banking Corporation Limited c/o The Central Depository (Pte) Limited, Privy Box No. 920764, Singapore 929292; or

(b) **in electronic form**, via SGX-ST's Investor Portal at <investors.sgx.com> (in respect of individual and joint-alt account holders only),

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the FAA and which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting from outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address. If you submit the FAA in electronic form, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold the Offeror, J.P. Morgan and CDP harmless against any losses directly or indirectly caused by such failure or interruption of electronic systems.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward the Offeror Notification and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offeror Notification and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Exit Offer via Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted not later than 5.30 p.m. (Singapore time) on the Closing Date. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Exit Offer Letter as if the FAA had been completed and delivered to CDP.

1.2 **Depositors whose Securities Accounts will be credited with Offer Shares.** If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive the Offeror Notification together with the FAA. If you do not receive the FAA, you may obtain a copy of the FAA, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from CDP by submitting a request to CDP via phone (+65 6535 7511) during their operating hours or email services (asksgx@sgx.com). An electronic copy of the FAA may also be obtained on the website of the SGX-ST at www.sgx.com.

Acceptance. If you wish to accept the Exit Offer in respect of such Offer Shares, you should, **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares:

(i) complete the FAA in accordance with **paragraph 1.1** of this **Appendix 1** and the instructions printed on the FAA; and

(ii) submit the completed FAA:

(a) **by post**, in the enclosed pre-addressed envelope at your own risk, to Oversea-Chinese Banking Corporation Limited c/o The Central Depository (Pte) Limited, Privy Box No. 920764, Singapore 929292; or

(b) **in electronic form**, via SGX-ST's Investor Portal at <investors.sgx.com> (in respect of individual and joint-alt account holders only),

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the FAA and which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting from outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address. If you submit the FAA in electronic form, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold the Offeror, J.P. Morgan and CDP harmless against any losses directly or indirectly caused by such failure or interruption of electronic systems.

Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be, credited to the "Free Balance" of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of the Offeror, J.P. Morgan and CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the "Free Balance" of your Securities Account is not credited with such Offer Shares by the Date of Receipt or by 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), unless **paragraph 1.1(i)(a)(2)** read together with **paragraph 1.1(i)(b)** of this **Appendix 1** apply. If the Unsettled Buy Position does not settle by 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Offer Shares will be rejected. None of the Offeror, J.P. Morgan and CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

1.3 **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Exit Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares.

1.4 **FAAs received on Saturday, Sunday and Public Holidays.** For the avoidance of doubt, FAAs received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

1.5 **General.** No acknowledgement will be given by CDP for submissions of FAAs. All communications, notices, documents and payments to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service, or (ii) through the CDP Phone Service using SMS OTP, under the option "To check your securities balance".

1.6 **Blocked Balance.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Exit Offer from the "Free Balance" of your Securities Account to the "Blocked Balance" of your Securities Account. Such Offer Shares will be held in the "Blocked Balance" until the consideration for such Offer Shares has been despatched to you.

1.7 **Notification.** If you have accepted the Exit Offer in accordance with the provisions contained in this **Appendix 1** and the FAA, upon the Exit Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Exit Offer Price which will be credited directly into your designated bank account for SGD via CDP's DCS on the payment date as soon as practicable and in any event:

(i) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date; or

(ii) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of the Date of Receipt.

In the event you are not subscribed to CDP's DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions ("Cash Ledger" and "Cash Distribution" are as defined therein).

1.8 **Return of Offer Shares**. In the event the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will return the aggregate number of Offer Shares in respect of which you have accepted the Exit Offer and tendered for acceptance under the Exit Offer to the "Free Balance" of your Securities Account as soon as possible but in any event within 14 days from the lapse or withdrawal of the Exit Offer.

1.9 **No Securities Account.** If you do not have an existing Securities Account in your own name at the time of acceptance of the Exit Offer, your acceptance as contained in the FAA will be rejected.

2. PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER BY SCRIPHOLDERS

2.1 **Shareholders whose Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive the Offeror Notification together with the FAT. If you do not receive the FAT, you may obtain a copy of the FAT, upon production of satisfactory evidence that you are a Shareholder, from the Registrar, at its office located at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632. An electronic copy of the FAT may also be obtained from the website of the SGX-ST at www.sgx.com.

2.2 **Acceptance.** If you wish to accept the Exit Offer, you should:

(i) complete the FAT in accordance with this Exit Offer Letter and the instructions printed on the FAT (which provisions and instructions shall be deemed to form part of the terms and conditions of the Exit Offer). In particular, you must state in **Part A** of the FAT, the number of Offer Shares in respect of which you wish to accept the Exit Offer and state in **Part B** of the FAT, the share certificate number(s) of the relevant share certificate(s). If you:

(a) do not specify a number in **Part A** of the FAT; or

(b) specify a number in **Part A** of the FAT which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT,

you shall be deemed to have accepted the Exit Offer in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the FAT;

(ii) sign the FAT in accordance with this **Appendix 1** and the instructions printed on the FAT; and

(iii) deliver:

(a) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);

(b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Receiving Agent relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure GEH to issue such share certificate(s) in accordance with the constitution of GEH and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter and the FAT;

(c) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it); and

(d) any other relevant document(s),

either:

(1) **by hand**, to Oversea-Chinese Banking Corporation Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

(2) **by post**, in the enclosed pre-addressed envelope at your own risk, to Oversea-Chinese Banking Corporation Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632,

in each case so as to arrive no later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAT is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the FAT and which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting from outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address. Settlement of the Exit Offer Price for such Offer Shares cannot be made until all relevant documents have been properly completed and delivered.

2.3 **Receipt.** No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other accompanying document(s) will be given by the Offeror, J.P. Morgan or the Receiving Agent.

2.4 **Risk of Posting.** All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of the Registrar (or for the purposes of payments only, to such address as may be specified in the FAT) at your own risk.

2.5 **FATs received on Saturday, Sunday and Public Holidays.** For the avoidance of doubt, FATs received by the Receiving Agent on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

2.6 **Return of Offer Shares**. In the event the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you by ordinary post to the address stated in the FAT or if none is stated, to you (or in the case of joint accepting Shareholders, to the one first named in the Register) by ordinary post at the relevant address maintained in the Register, at your own risk as soon as possible but in any event within 14 days from the lapse or withdrawal of the Exit Offer.

3. SETTLEMENT FOR THE EXIT OFFER

3.1 Subject to the Exit Offer becoming or being declared to be unconditional in all respects in accordance with its terms and to the receipt by the Offeror of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with such requirements as may be stated in this Exit Offer Letter and the relevant FAA and/or FAT (as the case may be), including, without limitation, (in the case of a Shareholder holding Offer Shares in scrip form) the receipt by the Offeror of share certificate(s) relating to the Offer Shares tendered by such Shareholder in acceptance of the Exit Offer and (in the case of a Depositor) the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares tendered by such Depositor in acceptance of the Exit Offer are standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time, then pursuant to Rule 30 of the Code, remittances for the appropriate amounts will be despatched to Accepting Shareholders (or, in the case of Accepting Shareholders holding Offer Shares in scrip form, their designated agents, as they may direct) by means of (in the case of Depositors) credit directly into the Depositor's designated bank account for Singapore Dollars via CDP's DCS in the case of Depositors who are subscribed to CDP's DCS or in such other manner as the Accepting Shareholders may have agreed with CDP for the payment of any cash distributions, or (in the case of scrip holders), a Singapore Dollar crossed cheque drawn on a bank in Singapore and sent by ordinary post to the address stated in the respective FATs, or, if none is set out, to the respective addresses maintained in the Register, at the risk of the Accepting Shareholders, as soon as practicable and in any event:

(i) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date; or

(ii) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but on or before the Closing Date, within seven Business Days of the date of such receipt.

3.2 In respect of such cheques referred to in **paragraph 3.1** of this **Appendix 1** posted to Accepting Shareholders who are scrip holders:

(i) on and after the date falling six calendar months after the posting of such cheques relating to the acceptances of the Exit Offer, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Offeror's name with a licensed bank in Singapore selected by the Offeror;

(ii) the Offeror or its successor entities shall hold such moneys until the expiration of six years from the date of posting of such cheques relating to the acceptances of the Exit Offer and shall, prior to such date, make payments therefrom of the sums payable pursuant to **paragraph 3.2(i)** of this **Appendix 1** to persons who satisfy the Offeror or its successor entities that they are entitled thereto and that the cheques referred to in this **paragraph 3** for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Offeror hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this **paragraph 3**; and

(iii) on the expiry of six years from the date of posting of such cheques relating to the acceptances of the Exit Offer, the Offeror shall be released from any further obligation to make any payments to the Accepting Shareholders in respect of such Offer Shares tendered in acceptance of the Exit Offer.

4. GENERAL

4.1 **Open for Acceptances. The Exit Offer will be open for acceptance from 16 June 2025 (being the Despatch Date).**

4.2 **Disclaimer and Discretion.** The Offeror, J.P. Morgan, the Registrar/Receiving Agent and/or CDP will be entitled, in their sole and absolute discretion, to reject or treat as valid any acceptance of the Exit Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Exit Offer Letter and the Relevant Acceptance Forms or which is otherwise incomplete, incorrect, unsigned or invalid in any respect. If you wish to accept the Exit Offer, it is your responsibility to ensure that the FAA and/or the FAT, as the case may be, is properly completed and submitted in all respects and that the FAA and/or the FAT, as the case may be, should be submitted with original signature(s) and that all required documents, where applicable, are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror, J.P. Morgan, the Registrar/Receiving Agent and/or CDP accepts any responsibility or liability for such a decision, including the consequences of such a decision. The Offeror and J.P. Morgan each reserves the right to treat acceptances of the Exit Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated in this Exit Offer Letter and in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and in the FAA and/or the FAT, as the case may be.

4.3 **Scrip and Scripless Shares.** If you hold some Offer Shares in scrip form and others with CDP, you should complete a FAT for the former and a FAA for the latter in accordance with the respective procedures set out in this **Appendix 1** and the Relevant Acceptance Forms if you wish to accept the Exit Offer in respect of such Offer Shares.

4.4 **Deposit Time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Exit Offer by way of the FAA if you were to deposit your share certificate(s) with CDP after the Despatch Date and ending on the Closing Date (both dates inclusive). If you wish to accept the Exit Offer in respect of such Offer Shares held in scrip form, you should complete a FAT and follow the procedures set out in **paragraph 2** of this **Appendix 1**.

4.5 **Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the records of CDP or the Register, as the case may be) will be sent by ordinary post to your respective mailing addresses as they appear in the records of CDP or the Register, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAA and/or the FAT, as the case may be, at your own risk).

4.6 **Evidence of Title.** Delivery of the completed and signed FAA and/or FAT, together with the relevant share certificate(s) and/or other documents of title (where applicable) and/or other relevant document(s) required by the Offeror, J.P. Morgan, CDP and/or the Registrar/Receiving Agent, to the Offeror, J.P. Morgan, CDP and/or the Registrar/Receiving Agent, as the case may be, shall be conclusive evidence in favour of the Offeror, J.P. Morgan, CDP and/or the Registrar/Receiving Agent, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates. The Offeror, J.P. Morgan, CDP and/or the Registrar/Receiving Agent shall be entitled to assume the accuracy of any information and/or documents submitted together with any FAA and/or FAT, as the case may be, and shall not be required to verify or question the validity of the same.

4.7 **Loss of Transmission.** The Offeror, J.P. Morgan, the Registrar/Receiving Agent and/or CDP, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT.

4.8 **Acceptances Irrevocable.** Except as expressly provided in this Exit Offer Letter and the Code, the acceptance of the Exit Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or the Registrar/Receiving Agent, as the case may be, after the FAA and/or the FAT, as the case may be, has been received shall be disregarded.

4.9 **Personal Data Privacy.** By completing and delivering a Relevant Acceptance Form, each person:

(i) consents to the collection, use and disclosure of his personal data by CDP, the Registrar/Receiving Agent, the Offeror, J.P. Morgan and GEH ("**Relevant Persons**") for the purpose of facilitating his acceptance of the Exit Offer, and in order for the Relevant Persons to comply with any applicable laws, regulations and/or guidelines;

(ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws, regulations and/or guidelines; and

(iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX 2 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the Offeror Directors as at the Joint Announcement Date are as follows:

Name	Address	Description
Lee Kok Keng Andrew	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Chairman, Non-Executive Independent Director
Chong Chuan Neo	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Independent Director
Chua Kim Chiu	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Independent Director
Khoo Cheng Hoe Andrew	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Independent Director
Lee Tih Shih	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Non-Independent Director
Lian Wee Cheow	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Independent Director
Seck Wai Kwong	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Independent Director
Pramukti Surjaudaja	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Non-Independent Director
Tan Yen Yen	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Independent Director
Wong Pik Kuen Helen	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Executive Non-Independent Director

2. PRINCIPAL ACTIVITIES

The Offeror was incorporated in Singapore on 31 October 1932 and is listed on the Mainboard of the SGX-ST. The Offeror 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. The Offeror Group has key markets in Singapore, Malaysia, Indonesia and Greater China, with close to 420 branches and representative offices in 19 countries and regions.

3. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued and paid up share capital of SGD 18.6 billion comprising 4,514,995,829 Offeror shares (including 16,084,587 treasury shares).

4. FINANCIAL SUMMARY

Set out below is a summary of certain financial information for FY23 and FY24 extracted from the audited consolidated financial statements of the Offeror Group for FY24. The financial information referred to in this paragraph should be read in conjunction with the audited consolidated financial statements of the Offeror Group for FY23 and FY24 and the accompanying notes as set out therein, copies of which are available on the website of the Offeror at www.ocbc.com. The (i) audited consolidated financial statements of the Offeror Group for FY24 as extracted from the Offeror's Annual Report for FY24 and (ii) Offeror 1Q25 Results Highlights are reproduced in **Appendix 6** and **Appendix 7** to this Exit Offer Letter respectively, and are also available on the website of the Offeror at www.ocbc.com.

	FY24 (SGD 'm) (Audited)	**FY23 (SGD 'm) (Audited)**
Total Income	14,473	13,507
Profit before tax	8,976	8,401
Profit after tax	7,748	7,165
Profit attributable to owners of the Offeror	7,587	7,021
Non-controlling interests	161	144
Basic earnings per share (SGD)	1.67	1.55
Diluted earnings per share (SGD)	1.67	1.55
Dividends per share (SGD)	1.01	0.82

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the making and funding of the Exit Offer and save as disclosed in (i) the Offeror 1Q25 Results Highlights; (ii) this Exit Offer Letter and (iii) any other information on the Offeror Group which is publicly available (including without limitation, the announcements released by the Offeror Group on the SGX-ST), there have been no material changes in the financial position of the Offeror since 31 December 2024, being the date of the last published audited accounts of the Offeror.

6. SIGNIFICANT ACCOUNTING POLICIES

The Offeror Group prepares its financial statements in accordance with SFRS(I) as required by the Companies Act. The significant accounting policies of the Offeror Group are disclosed in Note 2 to the audited consolidated financial statements of the Offeror Group for FY24 as extracted from the Offeror's Annual Report for FY24 and set out in **Appendix 6** to this Exit Offer Letter and also available on the website of the Offeror at www.ocbc.com.

Save as disclosed in this Exit Offer Letter and in publicly available information on the Offeror, there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

7. CHANGES IN ACCOUNTING POLICIES

The changes in the significant accounting policies of the Offeror Group are disclosed in Note 2 to the audited consolidated financial statements of the Offeror Group for FY24 as extracted from the Offeror's Annual Report for FY24 and set out in **Appendix 6** to this Exit Offer Letter.

Save as disclosed in this Exit Offer Letter and in publicly available information on the Offeror as at the Latest Practicable Date, there are no changes in the accounting policies of the Offeror Group which will cause the financial information of the Offeror Group disclosed in this Exit Offer Letter to not be comparable to a material extent.

8. REGISTERED OFFICE

The registered office of the Offeror is at 63 Chulia Street, #10-00, Singapore 049514.

APPENDIX 3 – ADDITIONAL INFORMATION ON GEH

1. DIRECTORS

The names, addresses and descriptions of the directors of GEH as at the Joint Announcement Date are as follows:

Name	Address	Descriptions
Soon Tit Koon	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Chairman, Non-Executive Non-Independent Director
Chong Yoke Sin	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Non-Executive Independent Director
Choo Nyen Fui	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Non-Executive Non-Independent Director
Lee Kok Keng Andrew	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Non-Independent Director
Lee Lap Wah, George	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Non-Executive Independent Director
Lim Kuo Yi	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Non-Executive Independent Director
Ng Chee Peng	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Lead Independent Director, Non-Executive Independent Director
Tam Chee Chong	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Non-Executive Independent Director
Teoh Lian Ee	c/o 1 Pickering Street #16-01 Great Eastern Centre Singapore 048659	Non-Executive Independent Director
Wong Pik Kuen Helen	c/o 65 Chulia Street #08-00 OCBC Centre Singapore 049513	Non-Executive Non-Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, GEH has an issued and paid-up share capital of SGD 152.7 million comprising 473,319,069 Shares[21].

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in (i) the audited consolidated financial statements of the GEH Group for FY24 as contained in GEH's Annual Report for FY24, (ii) the first quarter 2025 financial summary of the GEH Group released by GEH on 8 May 2025, (iii) the Offeree Circular and (iv) any other information on GEH which is publicly available (including, without limitation, the announcements released by GEH on SGXNET), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of GEH since 31 December 2024, being the date of the last audited consolidated financial statements of GEH laid before the Shareholders in general meeting.

4. REGISTERED OFFICE

The registered office of GEH is at 1 Pickering Street, #16-01, Great Eastern Centre, Singapore 048659.

21 GEH has no treasury shares.

APPENDIX 4 – DISCLOSURES

1. HOLDINGS OF RELEVANT SECURITIES BY THE RELEVANT PARTIES

Based on the latest information available to the Offeror as at the Joint Announcement Date, the interests of the Relevant Parties are set out below:

		Direct Interest		Deemed Interest		Total Interest	
	Name	**No. of Shares**	**%[22]**	**No. of Shares**	**%[22]**	**No. of Shares**	**%[22]**
1	Offeror	443,602,605[23]	93.72	-	-	-	-
2	Eng Hsi Ko Peter	406,385	0.09	-	-	-	-
3	Eng Siu-Lan Sibyl	256,386	0.05	122,860[24]	0.03	379,246	0.08
4	Geh Min	168,960	0.04	-	-	-	-

2. DEALINGS IN RELEVANT SECURITIES BY THE RELEVANT PARTIES

Based on the latest information available to the Offeror as at the Joint Announcement Date, none of the Relevant Parties has dealt for value in the Relevant Securities during the Relevant Period.

22 Based on a total of 473,319,069 Shares in issue as at the Joint Announcement Date and rounded to the nearest two decimal places.

23 Shares registered in the name of Citibank Nominees Singapore Pte Ltd. This excludes the Offeror's deemed interest in 122,860 Shares held by its subsidiary, BOS Trustee Limited, as trustee of The Ong Trust.

24 Eng Siu-Lan Sibyl has a deemed interest in 122,860 Shares held in trusts.

APPENDIX 5 – GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1 **No Agreement having any Connection with or Dependence upon the Exit Offer.** As at the Joint Announcement Date, save as disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding between (i) the Offeror or any parties acting in concert with the Offeror and (ii) any of the current or recent directors of GEH or any of the current or recent shareholders of GEH having any connection with or dependence upon the Exit Offer.

1.2 **Transfer of Offer Shares.** As at the Joint Announcement Date, save as disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding whereby any Offer Shares acquired pursuant to the Exit Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to its shareholders or any of its related corporations.

1.3 **Payment or Benefit to Directors of GEH.** As at the Joint Announcement Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of GEH or any of its related corporations as compensation for loss of office or otherwise in connection with the Exit Offer.

1.4 **No Agreement Conditional upon the Outcome of the Exit Offer.** As at the Joint Announcement Date, save as disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding between (i) the Offeror and (ii) any of the directors of GEH or any other person in connection with or conditional upon the outcome of the Exit Offer or is otherwise connected with the Exit Offer.

1.5 **Transfer Restrictions.** Save for prescribed limits on shareholdings under the FHC Act, the constitution of GEH does not contain any restrictions on the right to transfer the Offer Shares.

2. GENERAL

2.1 **Costs and Expenses.** All costs and expenses of or incidental to the preparation and circulation of this Exit Offer Letter and the Relevant Acceptance Forms (other than professional fees and other costs relating to the Exit Offer or any revision thereof incurred or to be incurred by GEH relating to the Exit Offer) and stamp duty and transfer fees resulting from acceptances of the Exit Offer will be paid by the Offeror.

2.2 **Consent.** J.P. Morgan and the Registrar/Receiving Agent, has each given and has not withdrawn their written consent to the issue of this Exit Offer Letter with the inclusion of their names and all references to their names in the form and context in which it appears in this Exit Offer Letter.

3. MARKET QUOTATIONS

3.1 **Closing Prices.** The trading of the Shares has been suspended from 9.00 a.m. on 15 July 2024 (i.e. the Suspension Date).

The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Capital IQ) on (i) the Latest Practicable Date, (ii) the Last Trading Date, and (iii) the last Market Day of each of the six calendar months preceding the Suspension Date:

Month/Date	Closing Price (SGD)[25]	Premium based on Exit Offer Price of SGD 30.15 (%)[26]
30 May 2025 (Latest Practicable Date)	Not applicable[27]	Not applicable
12 July 2024 (Last Trading Date)	25.80	16.9
28 June 2024	25.66	17.5
31 May 2024	26.32	14.6
30 April 2024	18.28	64.9
28 March 2024	18.22	65.5
29 February 2024	17.85	68.9
31 January 2024	17.52	72.1

3.2 **Highest and Lowest Closing Prices.** The following table sets out the highest and lowest closing prices of the Shares on the SGX-ST (as reported by Capital IQ) during the period commencing six months prior to the Suspension Date:

	Closing Price (SGD)[25]	Date(s)
Highest closing price	26.42	28 May 2024
Lowest closing price	17.51	1 February 2024

4. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the office of the Registrar at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 during normal business hours, while the Exit Offer remains open for acceptance:

(i) the Joint Announcement;

(ii) the constitution of the Offeror; and

25 Rounded to the nearest two decimal places.

26 Rounded to the nearest one decimal place.

27 The closing price on 12 July 2024 (the date of close of the Previous Offer), the final day of trading prior to the Suspension Date, was SGD 25.80. Accordingly, the last traded price per Share as quoted on the SGX-ST was SGD 25.80.

(iii) the letters of consent of J.P. Morgan and the Registrar/Receiving Agent referred to in **paragraph 2.2** of this **Appendix 5**.

APPENDIX 6 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OFFEROR GROUP FOR FY24

See following pages.

Directors' Statement
For the financial year ended 31 December 2024

The directors present this statement to the members of the Bank together with the audited consolidated financial statements of the Group and the income statement, statement of comprehensive income, balance sheet and statement of changes in equity of the Bank for the financial year ended 31 December 2024.

In our opinion:

(a) the financial statements set out on pages 123 to 261 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, the financial performance and changes in equity of the Group and of the Bank for the financial year ended on that date, and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors
The directors of the Bank in office at the date of this statement are as follows:

Andrew Lee Kok Keng, Chairman
Chong Chuan Neo
Chua Kim Chiu
Andrew Khoo Cheng Hoe
Lee Tih Shih
Lian Wee Cheow (appointed on 1 January 2025)
Seck Wai Kwong
Pramukti Surjaudaja
Tan Yen Yen
Helen Wong Pik Kuen

Chong Chuan Neo, Chua Kim Chiu and Helen Wong Pik Kuen will retire by rotation under Article 98 of the Constitution at the forthcoming annual general meeting of the Bank and, being eligible, will offer themselves for re-election thereat.

Lian Wee Cheow will retire under Article 104 of the Constitution at the forthcoming annual general meeting of the Bank and, being eligible, will offer himself for re-election thereat.

Arrangements to Enable Directors to Acquire Shares and Debentures
Neither at the end of, nor at any time during the financial year, was the Bank a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than as disclosed in this statement.

Directors' Statement

For the financial year ended 31 December 2024

Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, the directors holding office at the end of the financial year had interests in shares in the Bank and its related corporations, as follows:

	Direct interest			Deemed interest		
	At 21.1.2025	At 31.12.2024	At 1.1.2024	At 21.1.2025	At 31.12.2024	At 1.1.2024
BANK						
Ordinary shares						
Andrew Lee Kok Keng	**556,380**	535,953	529,953	**–**	–	–
Chong Chuan Neo	**11,210**	11,210	5,210	**–**	–	–
Chua Kim Chiu	**38,663**	38,663	32,663	**–**	–	–
Andrew Khoo Cheng Hoe	**24,151**	24,151	18,151	**–**	–	–
Lee Tih Shih	**11,668,000**	11,668,000	11,662,000	**–**	–	–
Christina Hon Kwee Fong (Christina Ong) [(1)]	**49,240**	49,240	43,240	**–**	–	–
Seck Wai Kwong	**11,342**	11,342	9,386	**–**	–	–
Pramukti Surjaudaja	**103,050**	103,050	97,050	**–**	–	–
Tan Yen Yen	**24,000**	24,000	18,000	**–**	–	–
Helen Wong Pik Kuen	**618,702**	618,702	441,608	**–**	–	–
Options to acquire ordinary shares under the OCBC Share Option Scheme 2001						
Andrew Lee Kok Keng	**23,085**	43,512	43,512	**–**	–	–
Unvested ordinary shares under the OCBC Deferred Share Plan 2021						
Helen Wong Pik Kuen	**770,742**	770,742	578,330	**–**	–	–

(1) Ms Christina Hon Kwee Fong (Christina Ong) stepped down from the Board of Directors on 15 February 2025.

Save as disclosed above, no director holding office at the end of the financial year had any interest in shares in, or debentures of, the Bank or any of its related corporations either at the beginning of the financial year or at the end of the financial year.

Mr Lian Wee Cheow, who was appointed as a director of the Bank on 1 January 2025, did not have any interests in the Bank's shares as at 21 January 2025.

Share-Based Compensation Plans

The Bank's share-based compensation plans are administered by the Remuneration Committee, which as at the date of this statement comprises:

Andrew Lee Kok Keng, Chairman
Andrew Khoo Cheng Hoe
Pramukti Surjaudaja

Share-Based Compensation Plans (continued)

Under the share-based compensation plans, no options, rights or awards have been granted to controlling shareholders of the Bank or their associates, nor has any participant received 5% or more of the total number of options, rights or awards available under each respective scheme or plan during the financial year. No options or rights were granted at a discount during the financial year. The persons to whom the options, rights or awards were issued have no right by virtue of these options, rights or awards to participate in any share issue of any other company. The disclosure requirement in Rule 852(1)(c) of the SGX Listing Manual relating to the grant of options to directors and employees of the parent company and its subsidiaries is not applicable to the Bank's share-based compensation plans.

The Bank's share-based compensation plans are as follows:

(a) OCBC Share Option Scheme 2001

The OCBC Share Option Scheme 2001 (2001 Scheme), which was implemented in 2001, was extended for a period of 10 years from 2011 to 2021, with the approval of shareholders at an extraordinary general meeting of the Bank which was held on 15 April 2011. Executives of the Group ranked Manager and above and non-executive directors of the Group were eligible to participate in this scheme. The Bank will either issue new shares or transfer treasury shares to the participants upon the exercise of their options.

The 2001 Scheme expired on 2 August 2021. No further options may be granted by the Bank under the 2001 Scheme following its expiry. However, the expiration of the 2001 Scheme does not affect the options which have been granted and accepted before the expiry of the 2001 Scheme, whether such options have been exercised (whether fully or partially) or not.

Particulars of Options 2014, 2015, 2015CT, 2016, 2017, 2017SL, 2017DM and 2018 were set out in the Directors' Reports/ Directors' Statements for the financial years ended 31 December 2014 to 2018.

No share options were granted under the 2001 Scheme during the financial year.

Details of unissued ordinary shares under the 2001 Scheme, options exercised during the financial year and options outstanding and exercisable at 31 December 2024 are as follows

Options	Exercise period	Acquisition price ($)	Options exercised	Treasury shares transferred	At 31.12.2024 Outstanding and exercisable
2014	15.03.2015 to 13.03.2024	9.169	913,178	832,935	–
2015	16.03.2016 to 15.03.2025	10.378	1,288,579	1,288,579	786,126
2015CT	30.06.2016 to 29.06.2025	10.254	–	–	31,779
2016	16.03.2017 to 15.03.2026	8.814	542,534	542,534	2,071,848
2017	23.03.2018 to 22.03.2027	9.598	972,964	972,964	2,325,165
2017SL	04.08.2018 to 03.08.2027	11.378	–	–	18,943
2017DM	29.12.2018 to 28.12.2027	12.316	5,673	5,673	–
2018	22.03.2019 to 21.03.2028	13.340	2,273,334	2,249,946	3,015,746
			5,996,262	5,892,631	8,249,607

Directors' Statement

For the financial year ended 31 December 2024

Share-Based Compensation Plans (continued)

(b) OCBC Employee Share Purchase Plan

The OCBC Employee Share Purchase Plan (ESP Plan), which was implemented in 2004, was extended for a period of 10 years from 19 May 2014 up to 18 May 2024 (both dates inclusive), with the approval of shareholders at an extraordinary general meeting of the Bank which was held on 24 April 2014. The ESP Plan was extended for a further period of 10 years from 19 May 2024 up to 18 May 2034 (both dates inclusive), with the approval of shareholders at the annual general meeting of the Bank which was held on 25 April 2023.

Employees of the Group who have attained the age of 21 years and have been employed for not less than six months are eligible to participate in the ESP Plan.

At an extraordinary general meeting held on 17 April 2009, alterations to the ESP Plan were approved to enable two (but not more than two) Offering Periods to be outstanding on any date. Since each Offering Period currently consists of a 24-month period, these alterations will enable the Bank to prescribe Offering Periods once every 12 months (instead of once every 24 months as was previously the case).

In July 2024, the Bank launched its nineteenth offering under the ESP Plan, which commenced on 1 September 2024 and will expire on 31 August 2026. Under the nineteenth offering, 7,797 employees enrolled to participate in the ESP Plan to acquire 8,555,039 ordinary shares at S$14.45 per ordinary share. The acquisition price is equal to the average of the last traded price of the ordinary shares of the Bank on the Singapore Exchange over five consecutive trading days immediately preceding the price fixing date. Particulars of the first to eighteenth offerings under the ESP Plan were set out in the Directors' Reports/Directors' Statements for the financial years ended 31 December 2004 to 2023. During the financial year, 7,235,873 ordinary shares were delivered to participants under the ESP Plan. As at the end of the financial year, there were (i) rights to acquire 7,281,330 ordinary shares at S$12.47 per ordinary share granted under the eighteenth offering (which will expire on 31 August 2025) outstanding, and (ii) rights to acquire 8,287,779 ordinary shares at S$14.45 per ordinary share granted under the nineteenth offering (which will expire on 31 August 2026) outstanding. Further details on the ESP Plan can be found in Note 13.3 of the Notes to the Financial Statements.

(c) OCBC Deferred Share Plan

The Bank implemented the OCBC Deferred Share Plan (DSP) in 2003. The DSP was a discretionary incentive and retention award programme extended to executives of the Group at the absolute discretion of the Remuneration Committee. The DSP was terminated with effect from 29 April 2021, following the adoption of the OCBC Deferred Share Plan 2021 at the annual general meeting of the Bank held on 29 April 2021. However, the termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not.

In light of the Bank's transition to the new OCBC Deferred Share Plan 2021, no awards were granted under the DSP during the financial year ended 31 December 2024. During the financial year, 10,994 deferred shares were released to grantees. As at the end of the financial year, there were no longer any outstanding awards granted under the DSP.

(d) OCBC Deferred Share Plan 2021

The OCBC Deferred Share Plan 2021 (DSP 2021) was adopted at the annual general meeting of the Bank held on 29 April 2021 to replace the DSP under which no new ordinary shares may be issued. By implementing the DSP 2021, which permits new ordinary shares to be issued, the Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares). The objectives of the DSP 2021 are otherwise the same as those for the DSP, which are to align the interests of Group executives with the sustained business performance of the Bank by way of awards of deferred shares as part of variable performance already earned for the previous year.

Share-Based Compensation Plans (continued)

(d) OCBC Deferred Share Plan 2021 (continued)

Awards over an aggregate of 7,237,975 ordinary shares (including awards over 325,534 ordinary shares granted to Ms Helen Wong Pik Kuen) were granted to eligible executives under the DSP 2021 during the financial year ended 31 December 2024, and awards over an aggregate of 31,019,107 ordinary shares (including awards over 925,033 ordinary shares granted to Ms Helen Wong Pik Kuen) have been granted under the DSP 2021 since the commencement of the plan to the end of the financial year ended 31 December 2024. An aggregate of 18,911,714 ordinary shares (including 770,742 ordinary shares comprised in awards granted to Ms Helen Wong Pik Kuen) are comprised in awards which are outstanding and have not been released under the DSP 2021 as at the end of the financial year ended 31 December 2024.

Existing awards were adjusted following the declarations of a final dividend for the financial year ended 31 December 2023, and an interim dividend for the financial year ended 31 December 2024, resulting in an additional 1,090,863 ordinary shares being subject to awards under the DSP 2021 (including an additional 43,972 ordinary shares being subject to awards held by Ms Helen Wong Pik Kuen).

During the financial year, 8,056,432 deferred shares were released to grantees, of which 177,094 deferred shares were released to Ms Helen Wong Pik Kuen. The deferred shares which were released during the financial year were delivered by way of the transfer of existing ordinary shares to the relevant grantees.

Details of options granted under the 2001 Scheme and share awards granted under the DSP and DSP 2021 to directors of the Bank are as follows:

Name	Options/ awards granted during the financial year ended 31.12.2024	Aggregate number of options/ awards granted since commencement of scheme/plan to 31.12.2024	Aggregate number of options exercised/awards released since commencement of scheme/plan to 31.12.2024	Aggregate number of options/ awards outstanding at 31.12.2024 [(1)]
2001 Scheme				
Andrew Lee Kok Keng	–	724,065	680,553	43,512
DSP				
Helen Wong Pik Kuen	–	179,789 [(2)]	199,995 [(3)]	–
DSP 2021				
Helen Wong Pik Kuen	325,534 [(2)]	925,033 [(2)]	253,947 [(3)]	770,742

(1) These details have already been disclosed in the section on "Directors' interests in shares or debentures" above.
(2) Does not include additional ordinary shares arising from subsequent adjustments to share awards under the DSP/DSP 2021 following the declarations of dividends by the Bank.
(3) The deferred shares which were released were delivered by way of the transfer of existing ordinary shares to Ms Helen Wong Pik Kuen.

Except as disclosed above, no options under the 2001 Scheme, no acquisition rights under the ESP Plan and no share awards under the DSP 2021 were granted to any of the directors of the Bank who held office during the financial year ended 31 December 2024.

Except as disclosed above, there were no unissued shares of the Bank or its subsidiaries under options granted by the Bank or its subsidiaries as at the end of the financial year.

Directors' Statement

For the financial year ended 31 December 2024

Audit Committee

The members of the Audit Committee as at the date of this statement are:

Chua Kim Chiu, Chairman
Chong Chuan Neo
Seck Wai Kwong
Tan Yen Yen

The Audit Committee performed the functions specified in the Act, the SGX Listing Manual, the Banking (Corporate Governance) Regulations 2005, the MAS Guidelines for Corporate Governance and the Code of Corporate Governance 2018. In performing these functions, the Audit Committee reviewed with the Bank's external and internal auditors their audit plans and findings, including their examination and evaluation of the system of internal accounting controls and the internal audit programme. The Audit Committee also reviewed the external auditor's independence, objectivity and performance.

The Audit Committee also reviewed, *inter alia*, the following:

(a) response of the Bank's management and the assistance provided by officers of the Bank to the external and internal auditors;
(b) the CEO and CFO's assurances regarding the integrity of the financial statements and the adequacy and effectiveness of the Bank's risk management and internal control systems; and
(c) the financial statements of the Group and the Bank and the auditor's report thereon, including key audit matters, prior to their submission to the Board of Directors.

The Audit Committee has full access to, and the cooperation of, the management and has been given the resources required for it to discharge its functions. It has full authority and discretion to invite any director and executive officer to attend its meetings.

The Audit Committee has recommended to the Board of Directors that the auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment as the auditor of the Bank at the forthcoming annual general meeting of the Bank.

Auditor

PricewaterhouseCoopers LLP has indicated its willingness to accept re-appointment as the auditor of the Bank at the forthcoming annual general meeting of the Bank.

On behalf of the Board of Directors,

Andrew Lee Kok Keng
Director

Helen Wong Pik Kuen
Director

Singapore
25 February 2025

Independent Auditor’s Report
To The Members Of Oversea-Chinese Banking Corporation Limited

Report on the Audit of the Financial Statements
Our Opinion
In our opinion, the accompanying consolidated financial statements of Oversea-Chinese Banking Corporation Limited (“the Bank”) and its subsidiaries (“the Group”) and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Bank are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Bank as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the financial performance and changes in equity of the Bank for the financial year ended on that date.

What We Have Audited
The financial statements of the Bank and the Group comprise:
- the income statements of the Group and of the Bank for the financial year ended 31 December 2024;
- the statements of comprehensive income of the Group and of the Bank for the financial year then ended;
- the balance sheets of the Group and of the Bank as at 31 December 2024;
- the statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Bank for the financial year then ended;
- the consolidated cash flow statement of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion
We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To The Members Of Oversea-Chinese Banking Corporation Limited

<table>
<tr><th>Key Audit Matter</th><th>How Our Audit Addressed the Key Audit Matter</th></tr>
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Impairment of loans to customers
(Refer to Notes 2.21, 26, 27, 28 and 30 to the financial statements)

The Group's allowances on loans to customers are S$4,070 million as at 31 December 2024. These allowances are determined by the Group based on the Expected Credit Losses ("ECL") framework under SFRS(I) 9 Financial Instruments ("SFRS(I) 9").

ECL on non-credit-impaired loans to customers
In respect of the ECL on non-credit impaired loans to customers (S$2,792 million), the Group utilises models which are reliant on internal and external data as well as a number of estimates. We considered this a key audit matter due to the inherent estimation uncertainty in this area which involves significant judgement and assumptions that relate to, amongst others:

• determining whether a significant increase in credit risk ("SICR") has occurred;
• estimating forward-looking macroeconomic scenarios; and
• identifying and determining post-model adjustments and management overlays to account for limitations in the ECL models.

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ECL on non-credit impaired loans to customers
We assessed the design effectiveness and evaluated the operating effectiveness of key controls over the ECL on non-credit impaired loans to customers. These controls include:

• review and approval of forward-looking information and macroeconomic assumptions used in the ECL models;
• review and approval of reliable and accurate critical data elements used in the ECL models;
• review and approval of the ECL results, including post-model adjustments and management overlays applied;
• independent validation of the ECL models and review of model validation results by management; and
• general information technology ("IT") controls over the ECL system as well as IT application controls over the completeness and accuracy of data flows from source systems to the ECL systems.

We determined that we could rely on these controls for the purposes of our audit.

For a sample of the Group's ECL models, we examined the model methodologies and assessed the reasonableness of key judgements and assumptions made by management in the model and parameters used. We also reviewed the results of independent model validation conducted by the Group's model validation function as part of our assessment of the ECL models.

We also assessed the reasonableness of criteria used to determine a SICR, accuracy and timeliness of allocation of exposures into Stage 1 and Stage 2 based on quantitative and qualitative criteria.

Through the course of our work, we challenged the rationale and calculation basis of post-model adjustments and management overlays.

Overall, we have assessed the methodologies and key assumptions made by the Group to estimate the ECL on non-credit impaired loans to customers to be appropriate.

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Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Impairment of loans to customers (continued) *ECL on credit-impaired loans to customers* As at 31 December 2024, the allowances on credit-impaired loans to customers of the Group are S$1,278 million, a significant portion of which relates to the Global Wholesale Banking ("GWB") loan portfolio. We focused on this area because of the significant judgements and assumptions applied by management in determining the necessity for, and estimating the amount of, the ECL allowances against credit-impaired loans to customers. Significant judgements were also required for the credit grading of borrowers in accordance with MAS Notice 612. For GWB's credit-impaired loan portfolio, significant management judgement and estimation include: • identifying credit-impaired exposures; • assessing the future performance of the borrowers and recoverable cash flows; and • determining collateral values and timing of realisation.	*ECL on credit-impaired loans to customers* We assessed the design effectiveness and tested the operating effectiveness of key controls over credit grading, credit monitoring and management's determination of the ECL allowances for loans to customers. These controls include: • oversight and review of credit risk by the Credit Risk Management Committee; • credit portfolio review and monitoring; • collateral monitoring and valuation; • monitoring of loan covenants and breaches; and • classification of loans to customers in accordance with MAS Notice 612. We determined that we could rely on these controls for the purposes of our audit. We selected a sample of credit exposures in the GWB loan portfolio and performed credit file reviews to assess the appropriateness of credit grading in accordance with the requirements of MAS Notice 612. In that process, we also considered management's assessment on the impact of current significant events in the identification of credit-impaired exposures. Where there was objective evidence of impairment, we assessed whether the ECL allowances were recognised on a timely basis and evaluated the amount of such impairment. Our work includes: • considering the background facts and the latest circumstances in relation to the borrower; • examining and challenging management's key assumptions applied on expected future cash flows of the borrower, including amounts and timing of recoveries; • comparing the realisable value of collateral against externally derived evidence including independent valuation reports, where available; and • testing the calculation of impairment. For a sample of non-credit impaired loans to customers which had not been classified by management as credit-impaired, we challenged management's key assumptions on whether their classification was appropriate, based on our understanding of the customers, business environment and other external evidence where available. Based on the procedures performed, we have assessed that the ECL allowances for credit-impaired loans to customers were within an acceptable range of estimates.

Independent Auditor's Report

To The Members Of Oversea-Chinese Banking Corporation Limited

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of financial instruments measured at fair value – Levels 2 and 3 *(Refer to Notes 2.21 and 40.3 to the financial statements)* As at 31 December 2024, the Group had financial assets of S$69,266 million and financial liabilities of S$19,376 million measured at fair value which were classified as Level 2. These represent 33% of the financial assets and 94% of the financial liabilities measured at fair value respectively. We considered valuation of Level 2 financial instruments to be a key audit matter due to their financial significance to the Group as well as the judgement required in relation to the application of the appropriate models, assumptions and inputs. The Group also had financial assets of S$6,291 million and financial liabilities of S$596 million measured at fair value which were classified as Level 3. These represent 3% of the financial assets and 3% of the financial liabilities measured at fair value respectively. We focused on the valuation of Level 3 financial assets and financial liabilities as management makes significant judgements and assumptions when valuing these financial instruments, as they are complex or illiquid and the external evidence supporting the Group's valuations are limited due to the lack of a liquid market.	We assessed the design and tested the operating effectiveness of key controls over the Group's financial instruments valuation processes, including the controls over: • management's testing and approval of new valuation models including revalidation of existing models; • the completeness and accuracy of the data feeds and other inputs into valuation models; • monitoring of collateral disputes; and • governance mechanisms and monitoring over the valuation processes by the Market Risk Management Committee, including over valuation adjustments. We determined that we could rely on the controls for the purposes of our audit. In addition, we performed the following procedures: • we compared the Group's valuation of financial instruments to our own estimates on a sampling basis. This involved sourcing inputs from market data providers or external sources using our own valuation models for certain instruments, and investigating material variances at the instrument level. • we assessed the reasonableness of the methodologies used and the key assumptions made for a sample of financial instruments; and • we performed procedures on collateral disputes, which take into account counterparty valuations, to identify possible indicators of inappropriate valuations by the Group. Overall, we have considered that the valuation of Level 2 and Level 3 financial instruments measured at fair value was within a reasonable range of outcomes.

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Impairment of goodwill
(Refer to Notes 2.21 and 36 to the financial statements)
The Group has a significant amount of goodwill arising from its business acquisitions. As at 31 December 2024, the carrying amount of goodwill on the Group’s balance sheet amounted to S$4,465 million.
In performing the impairment assessment of the carrying amount of goodwill, significant judgement is made by management in estimating the recoverable amounts of the relevant cash generating units (“CGUs”).
For the Banking CGUs, this involves the estimation of discounted cash flows, where the significant assumptions used in the assessment include:

forecasts of future cash flows;
inputs to determine the risk-adjusted discount rates; and
perpetual growth rates.

For the Insurance CGU, the Group applies the appraisal value technique, which comprises the embedded value of in-force business and the estimated value of projected distributable profits from new businesses. The key assumptions used in this assessment include:

investment returns based on long term strategic asset mix and expected future returns; and
risk-adjusted discount rates.

Given the level of complexity and extent of judgement involved, we considered this to be a key audit matter.
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We assessed the appropriateness of management’s identification of the Group’s CGUs and methodology used in the estimation of recoverable amounts. We also evaluated the key assumptions used and applied sensitivity analysis to the key assumptions to determine whether any possible change in these key assumptions would result in an impairment.
Banking CGUs
We evaluated the following:

management’s cash flow projections by comparing previous forecasts to actual results;
the methodology and external data sources used in deriving the discount rates and growth rates; and
the growth rate assumptions against the Group’s historical performance and available external industry and economic indicators.

Insurance CGU
We evaluated the following:

the methodologies in estimating the appraisal value; and
the key assumptions including the investment returns and the risk-adjusted discount rates used in deriving the appraisal value.

We have found the key assumptions and estimates made by management to be reasonable based on our audit procedures performed.
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Independent Auditor's Report

To The Members Of Oversea-Chinese Banking Corporation Limited

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of insurance contract liabilities for life insurance funds *(Refer to Notes 2.21, 22 and 38.4 to the financial statements)* The Group's insurance operations are conducted through Great Eastern Holdings Limited and its subsidiaries ("GEH Group"). Insurance contract liabilities under SFRS(I) 17 are measured as the total of fulfilment cash flows and contractual service margin ("CSM"), the determination of which requires judgement and interpretation. This includes the selection of accounting policies and the use of complex methodologies which are applied in actuarial models. The selection and application of appropriate methodologies requires significant professional judgement. It also requires the determination of assumptions which involve estimation uncertainty. The CSM represents the unearned profit that the Group will recognise as it provides insurance contract services in the future. The release of CSM of a group of contracts is recognised as insurance revenue in the income statement of the Group based on the number of coverage units provided in the period. Coverage units in turn are determined by the quantity of the benefits provided under a contract and its expected coverage duration. Management applied judgement in the identification of the service provided and the determination of the coverage units.	We performed the following procedures to address this matter: • we assessed the adherence of the accounting policies adopted by management with the requirements in SFRS(I) 17; • we understood the process over the selection of accounting policies, determination of methodologies and assumptions, and reconciliation of data used in determining the insurance contract liabilities; • we tested the design and operating effectiveness of controls over the accuracy and completeness of the data used; • we assessed the appropriateness of the methodologies used in the determination of the insurance contract liabilities comprising of fulfilment cash flows and CSM, and their application in actuarial models; • we assessed the reasonableness of the key assumptions used by management by comparing against GEH Group's historical experiences and market observable data, where applicable; • we assessed the appropriateness of management's identification of the services provided by reviewing the terms and features of the insurance contracts issued on a sample basis; • we assessed the appropriateness of management's determination of the coverage units against the type of service identified; and • we reviewed the reasonableness of the movement analysis of the insurance contract liabilities prepared by management. The movement analysis provides a reconciliation of the balance as at 31 December 2023 to 31 December 2024, showing the key drivers of the changes during the year. Based on the work performed and the evidence obtained, we have found the methodologies, assumptions and judgements used by management to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

To The Members Of Oversea-Chinese Banking Corporation Limited

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Bank and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ho Hean Chan.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 25 February 2025

Income Statements

For the financial year ended 31 December 2024

		GROUP		BANK	
	Note	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Interest income		**22,444**	20,867	**16,532**	15,154
Interest expense		**(12,689)**	(11,222)	**(10,402)**	(9,130)
Net interest income	3	**9,755**	9,645	**6,130**	6,024
Insurance service results from life insurance [1]	4	**592**	427	**–**	–
Net investment income from life insurance	4	**6,124**	5,590	**–**	–
Net insurance financial result from life insurance	4	**(5,811)**	(5,239)	**–**	–
Insurance service results from general insurance		**12**	30	**–**	–
Fees and commissions (net)	5	**1,970**	1,804	**943**	881
Dividends from subsidiaries and associates	6	**–**	–	**1,668**	1,499
Net trading income	7	**1,537**	1,004	**739**	415
Other income	8	**294**	246	**1,171**	219
Non-interest income		**4,718**	3,862	**4,521**	3,014
Total income		**14,473**	13,507	**10,651**	9,038
Staff costs		**(3,837)**	(3,501)	**(1,448)**	(1,221)
Other operating expenses		**(1,905)**	(1,722)	**(1,532)**	(1,418)
Total operating expenses	9	**(5,742)**	(5,223)	**(2,980)**	(2,639)
Operating profit before allowances and amortisation		**8,731**	8,284	**7,671**	6,399
Amortisation of intangible assets	36	**(59)**	(103)	**–**	–
Allowances for loans and other assets	10	**(690)**	(733)	**(191)**	(476)
Operating profit after allowances and amortisation		**7,982**	7,448	**7,480**	5,923
Share of results of associates, net of tax		**994**	953	**–**	–
Profit before income tax		**8,976**	8,401	**7,480**	5,923
Income tax expense	11	**(1,228)**	(1,236)	**(619)**	(664)
Profit for the year		**7,748**	7,165	**6,861**	5,259
Attributable to:					
Equity holders of the Bank		**7,587**	7,021		
Non-controlling interests		**161**	144		
		7,748	7,165		
Earnings per share ($)	12				
Basic		**1.67**	1.55		
Diluted		**1.67**	1.55		

(1) Includes insurance revenue of $6,180 million (2023: $5,717 million) and insurance service expense of $5,701 million (2023: $4,758 million).

The accompanying notes form an integral part of these financial statements.

Statements of Comprehensive Income

For the financial year ended 31 December 2024

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Profit for the year	**7,748**	7,165	**6,861**	5,259
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Financial assets, at FVOCI [(1)]				
Fair value gains for the year	**344**	839	**245**	319
Reclassification of (gains)/losses to income statement				
– on disposal	**(12)**	1	**(14)**	(44)
– on impairment	**(4)**	3	**5**	2
Tax on net movements	**(21)**	(116)	**(4)**	(15)
Cash flow and other hedges	**70**	105	**94**	69
Currency translation on foreign operations	**334**	(480)	**(52)**	(41)
Other comprehensive income/(losses) of associates	**388**	(145)	**–**	–
Net insurance financial result	**(77)**	37	**–**	–
Items that will not be reclassified subsequently to income statement:				
Currency translation on foreign operations attributable to non-controlling interests	**(2)**	(12)	**–**	–
Equity instruments, at FVOCI,[(1)] net change in fair value	**172**	(65)	**(9)**	(10)
Defined benefit plans remeasurements	**#**	(1)	**#**	–
Own credit	**(1)**	(1)	**#**	(1)
Total other comprehensive income, net of tax	**1,191**	165	**265**	279
Total comprehensive income for the year, net of tax	**8,939**	7,330	**7,126**	5,538
Total comprehensive income attributable to:				
Equity holders of the Bank	**8,763**	7,145		
Non-controlling interests	**176**	185		
	8,939	7,330		

(1) Fair value through other comprehensive income.
(2) # represents amounts less than $0.5 million.

The accompanying notes form an integral part of these financial statements.

Balance Sheets
As at 31 December 2024

		GROUP		BANK	
	Note	31 December 2024 $ million	31 December 2023 $ million	31 December 2024 $ million	31 December 2023 $ million
EQUITY					
Attributable to equity holders of the Bank					
Share capital	13	**18,096**	18,045	**18,096**	18,045
Other equity instruments	14	**1,698**	1,248	**1,698**	1,248
Capital reserves	15	**830**	815	**534**	544
Fair value reserves		**313**	(439)	**(225)**	(435)
Revenue reserves	16	**38,379**	34,501	**21,929**	18,935
		59,316	54,170	**42,032**	38,337
Non-controlling interests		**1,064**	1,384	**–**	–
Total equity		**60,380**	55,554	**42,032**	38,337
LIABILITIES					
Deposits of non-bank customers	17	**390,687**	363,770	**253,175**	236,151
Deposits and balances of banks	17	**11,565**	10,884	**8,951**	8,080
Due to subsidiaries		**–**	–	**46,602**	38,828
Due to associates		**324**	276	**232**	186
Trading portfolio liabilities		**281**	194	**222**	194
Derivative payables	18	**16,238**	13,720	**12,855**	12,083
Other liabilities	19	**9,370**	9,156	**3,982**	3,565
Current tax payables		**879**	1,037	**560**	721
Deferred tax liabilities	20	**841**	636	**138**	106
Debt issued	21	**31,553**	26,553	**30,321**	25,721
		461,738	426,226	**357,038**	325,635
Insurance contract liabilities and other liabilities for life insurance funds	22	**102,932**	99,644	**–**	–
Total liabilities		**564,670**	525,870	**357,038**	325,635
Total equity and liabilities		**625,050**	581,424	**399,070**	363,972
ASSETS					
Cash and placements with central banks	23	**34,599**	34,286	**30,525**	28,450
Singapore government treasury bills and securities	24	**14,316**	19,165	**13,182**	17,832
Other government treasury bills and securities	24	**30,369**	26,465	**11,196**	10,804
Placements with and loans to banks	25	**42,407**	38,051	**32,174**	28,773
Loans to customers	26	**315,096**	292,754	**227,598**	207,508
Debt and equity securities	29	**43,413**	36,591	**26,311**	22,432
Derivative receivables	18	**17,203**	12,976	**13,582**	11,417
Other assets	31	**7,761**	7,278	**3,784**	3,463
Deferred tax assets	20	**538**	586	**175**	133
Associates	32	**8,153**	7,003	**2,234**	2,241
Subsidiaries	33	**–**	–	**35,471**	27,701
Property, plant and equipment	34	**3,725**	3,528	**914**	882
Investment property	35	**675**	723	**57**	469
Goodwill and other intangible assets	36	**4,504**	4,501	**1,867**	1,867
		522,759	483,907	**399,070**	363,972
Investment securities for life insurance funds	22	**94,452**	89,570	**–**	–
Other assets for life insurance funds	22	**7,839**	7,947	**–**	–
Total assets		**625,050**	581,424	**399,070**	363,972

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity – Group

For the financial year ended 31 December 2024

	Attributable to equity holders of the Bank						
In $ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
At 1 January 2024	19,293	815	(439)	34,501	54,170	1,384	55,554
Total comprehensive income for the year							
Profit for the year	–	–	–	7,587	7,587	161	7,748
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value gains/(losses) for the year	–	–	351	–	351	(7)	344
Reclassification of (gains)/losses to income statement							
– on disposal	–	–	(17)	–	(17)	5	(12)
– on impairment	–	–	(3)	–	(3)	(1)	(4)
Tax on net movements	–	–	(22)	–	(22)	1	(21)
Cash flow and other hedges	–	–	–	70	70	–	70
Net insurance financial result	–	–	–	(74)	(74)	(3)	(77)
Currency translation on foreign operations	–	–	–	334	334	–	334
Other comprehensive income of associates	–	–	365	23	388	–	388
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	–	–	–	–	–	(2)	(2)
Equity instruments, at FVOCI, net change in fair value	–	–	78	72	150	22	172
Defined benefit plans remeasurements	–	–	–	#	#	#	#
Own credit	–	–	–	(1)	(1)	–	(1)
Total other comprehensive income, net of tax	–	–	752	424	1,176	15	1,191
Total comprehensive income for the year	–	–	752	8,011	8,763	176	8,939
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	16	(6)	–	(10)	–	–	–
Buy-back of shares for holding as treasury shares	(194)	–	–	–	(194)	–	(194)
Dividends and distributions	–	–	–	(3,933)	(3,933)	(54)	(3,987)
DSP reserve from dividends on unvested shares	–	–	–	11	11	–	11
Perpetual capital securities issued	450	–	–	–	450	–	450
Share-based payments for staff costs	–	6	–	–	6	–	6
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares transferred to DSP Trust	–	(16)	–	–	(16)	–	(16)
Shares vested under DSP Scheme	–	107	–	–	107	–	107
Treasury shares transferred/sold	228	(76)	–	–	152	–	152
Total contributions by and distributions to owners	501	15	–	(3,932)	(3,416)	(54)	(3,470)
Changes in non-controlling interest	–	–	–	(201)	(201)	(442)	(643)
At 31 December 2024	19,794	830	313	38,379	59,316	1,064	60,380
Included in the balances:							
Share of reserves of associates	–	–	600	4,789	5,389	–	5,389

(1) Included regulatory loss allowance reserve of $455 million at 1 January 2024 and 31 December 2024.
(2) # represents amounts less than $0.5 million.

An analysis of the movements in each component within "Share capital", "Other equity instruments", "Capital reserves" and "Revenue reserves" is presented in Notes 13 to 16.

The accompanying notes form an integral part of these financial statements.

In $ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
At 1 January 2023	19,744	792	(1,140)	31,721	51,117	1,308	52,425
Total comprehensive income for the year							
Profit for the year	–	–	–	7,021	7,021	144	7,165
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value gains for the year	–	–	793	–	793	46	839
Reclassification of (gains)/losses to income statement							
– on disposal	–	–	(5)	–	(5)	6	1
– on impairment	–	–	3	–	3	#	3
Tax on net movements	–	–	(107)	–	(107)	(9)	(116)
Cash flow and other hedges	–	–	–	105	105	–	105
Net insurance financial result	–	–	–	34	34	3	37
Currency translation on foreign operations	–	–	–	(480)	(480)	–	(480)
Other comprehensive income/(losses) of associates	–	–	98	(243)	(145)	–	(145)
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	–	–	–	–	–	(12)	(12)
Equity instruments, at FVOCI, net change in fair value	–	–	(81)	9	(72)	7	(65)
Defined benefit plans remeasurements	–	–	–	(1)	(1)	(#)	(1)
Own credit	–	–	–	(1)	(1)	–	(1)
Total other comprehensive income, net of tax	–	–	701	(577)	124	41	165
Total comprehensive income for the year	–	–	701	6,444	7,145	185	7,330
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	22	(12)	–	(10)	–	–	–
Buy-back of shares for holding as treasury shares	(205)	–	–	–	(205)	–	(205)
Dividends and distributions	–	–	–	(3,664)	(3,664)	(69)	(3,733)
DSP reserve from dividends on unvested shares	–	–	–	16	16	–	16
Perpetual capital securities issued	550	–	–	–	550	–	550
Redemption of perpetual capital securities	(998)	–	–	(2)	(1,000)	–	(1,000)
Share-based payments for staff costs	–	6	–	–	6	–	6
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares transferred to DSP Trust	–	(17)	–	–	(17)	–	(17)
Shares vested under DSP Scheme	–	113	–	–	113	–	113
Treasury shares transferred/sold	179	(67)	–	–	112	–	112
Total contributions by and distributions to owners	(451)	23	–	(3,660)	(4,088)	(69)	(4,157)
Changes in non-controlling interest	–	–	–	(4)	(4)	(40)	(44)
At 31 December 2023	19,293	815	(439)	34,501	54,170	1,384	55,554
Included in the balances:							
Share of reserves of associates	–	–	235	3,916	4,151	–	4,151

(1) Included regulatory loss allowance reserve of $455 million at 1 January 2023 and 31 December 2023.
(2) # represents amounts less than $0.5 million.

An analysis of the movements in each component within "Share capital", "Other equity instruments", "Capital reserves" and "Revenue reserves" is presented in Notes 13 to 16.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity – Bank

For the financial year ended 31 December 2024

In $ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total equity
At 1 January 2024	**19,293**	**544**	**(435)**	**18,935**	**38,337**
Profit for the year	**–**	**–**	**–**	**6,861**	**6,861**
Other comprehensive income	**–**	**–**	**210**	**55**	**265**
Total comprehensive income for the year [2]	**–**	**–**	**210**	**6,916**	**7,126**
Transfers	**16**	**(16)**	**–**	**–**	**–**
Buy-back of shares for holding as treasury shares	**(194)**	**–**	**–**	**–**	**(194)**
Dividends and distributions	**–**	**–**	**–**	**(3,933)**	**(3,933)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**11**	**11**
Perpetual capital securities issued	**450**	**–**	**–**	**–**	**450**
Share-based payments for staff costs	**–**	**6**	**–**	**–**	**6**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**
Treasury shares transferred/sold	**228**	**–**	**–**	**–**	**228**
At 31 December 2024	**19,794**	**534**	**(225)**	**21,929**	**42,032**
At 1 January 2023	19,744	560	(674)	17,286	36,916
Profit for the year	–	–	–	5,259	5,259
Other comprehensive income	–	–	239	40	279
Total comprehensive income for the year [2]	–	–	239	5,299	5,538
Transfers	22	(22)	–	–	–
Buy-back of shares for holding as treasury shares	(205)	–	–	–	(205)
Dividends and distributions	–	–	–	(3,664)	(3,664)
DSP reserve from dividends on unvested shares	–	–	–	16	16
Perpetual capital securities issued	550	–	–	–	550
Redemption of perpetual capital securities	(998)	–	–	(2)	(1,000)
Share-based payments for staff costs	–	6	–	–	6
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	179	–	–	–	179
At 31 December 2023	19,293	544	(435)	18,935	38,337

(1) Included regulatory loss allowance reserve of $444 million at 1 January 2024, 1 January 2023, 31 December 2024 and 31 December 2023.
(2) Refer to Statements of Comprehensive Income for detailed breakdown.

An analysis of the movements in each component within "Share capital", "Other equity instruments", "Capital reserves" and "Revenue reserves" is presented in Notes 13 to 16.

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2024

In $ million	2024	2023
Cash flows from operating activities		
Profit before income tax	**8,976**	8,401
Adjustments for non-cash items:		
Allowances for loans and other assets	**690**	733
Amortisation of intangible assets	**59**	103
Change in hedging transactions, fair value through profit or loss securities and debt issued	**356**	21
Depreciation of property and equipment and interest expense on lease liabilities	**463**	447
Net gain on disposal of government, debt and equity securities	**(24)**	(47)
Net gain on disposal of property and equipment	**(36)**	(71)
Share-based costs	**62**	61
Share of results of associates, net of tax	**(994)**	(953)
Others	**(72)**	–
Operating profit before change in operating assets and liabilities	**9,480**	8,695
Change in operating assets and liabilities:		
Deposits of non-bank customers	**26,052**	13,703
Deposits and balances of banks	**679**	838
Derivative payables and other liabilities	**3,482**	(1,772)
Trading portfolio liabilities	**87**	(19)
Restricted balances with central banks	**(354)**	(437)
Government securities and treasury bills	**1,188**	(5,952)
Fair value through profit or loss securities	**(3,195)**	(2,419)
Placements with and loans to banks	**(4,246)**	(7,808)
Loans to customers	**(22,330)**	(1,892)
Derivative receivables and other assets	**(3,969)**	3,285
Net change in other assets and liabilities for life insurance funds	**(1,321)**	4,317
Cash provided by operating activities	**5,553**	10,539
Income tax paid [1]	**(1,589)**	(1,412)
Net cash provided by operating activities	**3,964**	9,127
Cash flows from investing activities		
Net cash outflow from acquisition of subsidiary	**(31)**	–
Dividends from associates	**158**	132
Purchases of debt and equity securities	**(34,021)**	(24,241)
Purchases of investment securities for life insurance funds	**(45,566)**	(46,610)
Purchases of property and equipment	**(614)**	(537)
Proceeds from disposal of debt and equity securities	**30,750**	18,037
Proceeds from disposal of interests in associate	**#**	1
Proceeds from disposal of investment securities for life insurance funds	**44,948**	42,675
Proceeds from disposal of property and equipment	**44**	89
Net cash used in investing activities	**(4,332)**	(10,454)
Cash flows from financing activities		
Changes in non-controlling interests	**(643)**	(44)
Buy-back of shares for holding as treasury shares	**(194)**	(205)
Dividends and distributions paid	**(3,987)**	(3,733)
Net issue of other debt issued (Note 21.6)	**4,557**	4,752
Net proceeds from perpetual capital securities issued	**450**	550
Repayments of lease liabilities	**(78)**	(77)
Proceeds from subordinated debt issued (Note 21.6)	**1,165**	–
Redemption of subordinated debt issued (Note 21.6)	**(1,352)**	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**152**	112
Redemption of perpetual capital securities issued	**–**	(1,000)
Net cash provided by financing activities	**70**	355
Net change in cash and cash equivalents	**(298)**	(972)
Net currency translation adjustments	**257**	(142)
Cash and cash equivalents at 1 January	**28,870**	29,984
Cash and cash equivalents at 31 December (Note 23)	**28,829**	28,870

(1) In 2024, the Group paid income tax of $1,589 million (2023: $1,412 million), of which $786 million (2023: $634 million) was paid in Singapore and $803 million (2023: $778 million) in other jurisdictions.

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

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2024

These notes form an integral part of the financial statements.

The Board of Directors of Oversea-Chinese Banking Corporation Limited authorised these financial statements for issue on 25 February 2025.

1. General

Oversea-Chinese Banking Corporation Limited (the Bank) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of the Bank's registered office is 63 Chulia Street, #10-00 OCBC Centre East, Singapore 049514.

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as the Group) and the Group's interests in associates. The Group is principally engaged in the business of banking, life insurance, general insurance, asset management, investment holding, futures and stockbroking.

2. Material Accounting Policy Information

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) as required by the Singapore Companies Act 1967 (the Act).

The financial statements are presented in Singapore Dollar, rounded to the nearest million unless otherwise stated. # represents amounts less than $0.5 million. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement, use estimates and make assumptions in the application of accounting policies on the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a high degree of judgement or complexity, are disclosed in Note 2.21.

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2024:

SFRS(I)	Title
SFRS(I) 1-1 (Amendments)	*Classification of Liabilities as Current or Non-current*
SFRS(I) 16 (Amendments)	*Lease Liability in a Sale and Leaseback*
Various	*Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants*
SFRS(I) 1-7 (Amendments), SFRS(I) 7 (Amendments)	*Supplier Finance Arrangements*

The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group's financial statements.

2.2 Basis of Consolidation

2.2.1 Subsidiaries

Subsidiaries are entities over which the Group controls when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date when control is transferred to the Group and cease to be consolidated on the date when that control ceases. The Group reassesses whether it controls an investee if facts and circumstances indicate that there have been changes to its power, its rights to variable returns or its ability to use its power to affect its returns.

In preparing the consolidated financial statements, intra-group transactions and balances, together with unrealised income and expenses arising from the intra-group transactions among group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies within the Group.

Non-controlling interests (NCI) represent the equity in subsidiaries not attributable, directly or indirectly, to shareholders of the Bank, and are presented separately from equity attributable to equity holders of the Bank. For NCI that arise through minority unit holders' interest in the insurance subsidiaries of Great Eastern Holdings Limited (GEH) consolidated investment funds, they are recognised as a liability. These interests qualify as a financial liability as they give the holder the right to put the instrument back to the issuer for cash. Changes in these liabilities are recognised in the income statement as expenses.

2. Material Accounting Policy Information (continued)

2.2 Basis of Consolidation (continued)

2.2.1 Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any NCI at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets at the acquisition date.

The excess of the fair value of the sum of consideration transferred, the recognised amount of any NCI in the acquiree and the acquisition-date fair values of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill at the date of acquisition. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition has occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are reclassified. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group's equity and any gain/loss arising is recognised directly in equity.

2.2.2 Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control and is generally established for a narrow and well-defined objective.

For the purpose of disclosure, the Group is considered to be the sponsor of a structured entity if it has a key role in establishing the structured entity or its name appears in the overall structure of the structured entity.

2.2.3 Associates and Joint Ventures

Associates are entities over which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Joint ventures are arrangements to undertake economic activities in which the Group has joint control and rights to the net assets of the entities.

Investments in associates and joint ventures are accounted for in the Bank's financial statements at cost and in the Group's consolidated financial statements using the equity method of accounting (equity accounting). If the investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group may elect to measure that investment at fair value through profit or loss in accordance with SFRS(I) 9 *Financial Instruments*. The Group will make this election separately for each associate, at initial recognition of the associate.

Under equity accounting, the investment is initially recognised at cost, and the carrying amount is adjusted for post-acquisition changes of the Group's share of the net assets of the entity until the date the significant influence or joint control ceases. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, where applicable. When the Group's share of losses equals or exceeds its interests in the associates and joint ventures, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entities.

In applying equity accounting, unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interests in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associates and joint ventures to ensure consistency of accounting policies with those of the Group.

The results of associates and joint ventures are taken from audited financial statements or unaudited management accounts of the entities concerned, made up to dates of not more than three months prior to the reporting date of the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.2 Basis of Consolidation (continued)

2.2.3 Associates and Joint Ventures (continued)

The investment in an associate or joint venture is derecognised when the Group ceases to have significant influence or joint control, respectively, over the investee. Amounts previously recognised in other comprehensive income (OCI) in respect of the investee are transferred to the income statement. Any retained interest in the entity is re-measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control ceases, and its corresponding fair value, is recognised in the income statement.

2.2.4 Investments in Subsidiaries, Associates and Joint Ventures by the Bank

These investments are stated in the Bank's balance sheet at cost less any impairment in value after the date of acquisition.

2.3 Currency Translation

2.3.1 Foreign Currency Transactions

Transactions in foreign currencies are recorded in the respective functional currencies of the Bank and its subsidiaries at the exchange rates prevailing on the transaction dates. Monetary items denominated in foreign currencies are translated to the respective entities' functional currencies at the exchange rates prevailing at the reporting date. Exchange differences arising on settlement and translation of such items are recognised in the income statement.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rate on the date the fair value is determined. Exchange differences on non-monetary items such as equity investments classified as fair value through other comprehensive income (FVOCI) financial assets are recognised in OCI and presented in the fair value reserve within equity.

2.3.2 Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustment arising on the acquisition of a foreign operation, are translated to Singapore Dollar at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore Dollar at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions.

Differences arising from the translation of a foreign operation are recognised in OCI and presented in the currency translation reserve within equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the currency translation reserve is included in the income statement on disposal of the operation.

2.4 Cash And Cash Equivalents

In the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, money market placements, reverse repo and other balances with central banks which are generally short-term financial instruments or repayable on demand.

2.5 Financial Instruments

2.5.1 Recognition

The Group initially recognises derivative financial instruments (forwards, futures, swaps and options) on the trade date. It initially recognises non-derivative financial instruments (loans and advances, deposits and debts issued, and regular way purchases and sales of financial assets) on the settlement date. Regular-way purchases and sales are those settled within the time period established by regulation or market convention.

2.5.2 De-recognition

Financial assets are de-recognised when the Group's contractual rights to the cash flows from the financial assets expire or when the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. Financial liabilities are de-recognised when the Group's obligations specified in the contract expire or are discharged or cancelled.

2.5.3 Modifications

The original terms of a financial instrument may be renegotiated or otherwise modified, resulting in changes to its contractual cash flows. Where the extent of changes as a result of the modification or renegotiation is substantial, the existing financial instrument is derecognised and a new instrument (with new terms including a new effective interest rate) recognised. In all other cases, the modified contractual cash flows of the existing instrument are discounted at the original effective interest rate to arrive at a new carrying amount and the resulting modification gain or loss is recognised in the income statement.

Interest Rate Benchmark Reform (IBOR Reform)

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of IBOR reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by IBOR reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis, i.e. the basis immediately before the change.

2. Material Accounting Policy Information (continued)

2.5 Financial Instruments (continued)

2.5.3 Modifications (continued)

Interest Rate Benchmark Reform (IBOR Reform) (continued)

If there are changes to the terms of a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform and then applies the accounting policy for modifications set out above to account for the additional changes.

2.5.4 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the amounts and an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

2.5.5 Sale and Repurchase Agreements (Including Securities Lending and Borrowing)

Repurchase agreements (repos) are regarded as collateralised borrowing. The securities sold under repos are treated as pledged assets and remain as assets on the balance sheets. The amount borrowed is recorded as a liability. Reverse repos are treated as collateralised lending and the amount of securities purchased is included in placements with central banks, loans to banks and non-bank customers. The difference between the amount received and the amount paid under repos and reverse repos is amortised as interest expense and interest income respectively using the effective interest method.

Securities lending and borrowing transactions are generally secured, with collateral taking the form of securities or cash. The transfer of securities to or from counterparties is not reflected on the balance sheet. Cash collateral paid or received is recorded as an asset or a liability respectively.

2.6 Non-Derivative Financial Assets

Classification and Measurement of Financial Assets

A non-derivative financial asset is initially recognised at fair value and is subsequently measured either at amortised cost using the effective interest method, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Directly attributable transaction costs are included as part of the initial cost for financial instruments that are not subsequently measured at fair value through profit or loss.

(a) Business Model Assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy of how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading and whose performance is evaluated or managed on a fair value basis are measured at FVTPL because they are neither within the business model to hold the assets to collect contractual cash flows, nor within the business model to hold the assets both to collect contractual cash flows and to sell.

(b) Assessment of Whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

2.6.1 Debt Instruments Measured at Amortised Cost

A debt financial instrument is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold the asset until maturity to collect contractual cash flows; and
- its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.6 Non-Derivative Financial Assets (continued)

Classification and Measurement of Financial Assets (continued)

(b) Assessment of Whether Contractual Cash Flows are Solely Payments of Principal and Interest (continued)

2.6.1 Debt Instruments Measured at Amortised Cost (continued)

Debt instruments classified as amortised cost are subject to impairment assessment using the expected credit loss model in accordance with SFRS(I) 9. Interest earned whilst holding the financial assets is included in interest income.

2.6.2 Debt Instruments Measured at FVOCI

A debt financial instrument is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and
- its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments classified as FVOCI are subject to impairment assessment using the expected credit loss model in accordance with SFRS(I) 9. Interest earned while holding the financial assets is included in interest income.

At the reporting date, the Group recognises unrealised fair value gains and losses on revaluing these assets in OCI and presents the cumulative gains and losses in fair value reserve within equity, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the income statement. At maturity or upon disposal, the cumulative gain or loss previously recognised in OCI is reclassified from fair value reserve to the income statement.

2.6.3 Debt Instruments Measured at FVTPL

Debt instruments that do not meet the requirements to be measured at amortised cost or at FVOCI are measured at FVTPL. At the reporting date, the Group recognises realised and unrealised gains and losses as trading income in the income statement. Interest earned while holding the assets is included in interest income.

2.6.4 Designation at FVTPL

On initial recognition, the Group may irrevocably designate a financial asset at FVTPL notwithstanding that it would otherwise meet the requirements to be measured at amortised cost or at FVOCI, if doing so, it eliminates or significantly reduces an accounting mismatch that would otherwise arise. Upon designation, financial assets are measured at fair value on each reporting date until maturity or derecognition. Realised and unrealised fair value changes are recognised in the income statement.

2.6.5 Equity Instruments

Equity instruments held for trading are classified as FVTPL. An equity investment that is not held for trading is classified as FVTPL unless it is classified as FVOCI based on an irrevocable election on initial recognition.

At the reporting date, realised and unrealised fair value gains or losses on revaluing the equity instruments classified as FVTPL are recognised in the income statement. Realised and unrealised fair value gains or losses on revaluing the equity instruments classified as FVOCI are recognised in OCI and are never reclassified to the income statement.

Dividend earned while holding the equity instruments classified as FVTPL is recognised in the income statement and presented under net trading income. Dividend from equity instruments classified as FVOCI is recognised in the income statement and presented under other income unless the dividend clearly represents a recovery of part of the cost of the investment.

2.6.6 Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period when the Group changes its business model for managing its financial assets.

2.7 Derivative Financial Instruments

All derivative financial instruments are recognised initially and subsequently measured at fair value on the balance sheet as an asset or liability depending on whether it is a receivable or a payable, respectively. The resulting gain or loss is recognised immediately in the income statement unless it qualifies for recognition in other comprehensive income under cash flow or net investment hedge accounting.

Fair values reflect the exit price of the instrument and include adjustments to take into account the credit risk of the Group and the counterparty where appropriate. An embedded derivative is not separated from the host contract that is a financial asset. However, it is separated from the host contract that is a financial liability or a non-financial and treated as a stand-alone financial derivative if the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract.

The Group enters into hedging derivative transactions to manage exposures to interest rate, foreign currency and credit risks arising from its core banking activities of lending and accepting deposits. The Group applies fair value, cash flow or net investment hedge accounting when the transactions meet the specified criteria for hedge accounting.

2. Material Accounting Policy Information (continued)

2.7 Derivative Financial Instruments (continued)

Before applying any hedge accounting, the Group determines whether an economic relationship exists between the hedged item and the hedging instrument by considering qualitative characteristics or quantitative analysis of these items. In its qualitative assessment, the Group considers whether the critical terms of its hedged item and the hedging instrument are closely aligned and evaluates whether the fair values of the hedged item and the hedging instrument respond in an offsetting manner to similar risks. Where economic hedge relationships meet the hedge accounting criteria, the Group establishes its hedge ratio by aligning the principal amount of the hedging instrument to the extent of its hedged item.

In a fair value hedging relationship, the Group mainly uses interest rate swaps, interest rate futures and cross currency swaps to hedge its exposure to changes in the fair value of fixed rate instruments and its foreign currency risk exposure. For qualifying fair value hedges, changes in the fair values of the derivative and of the hedged item relating to the hedged risk are recognised in the income statement. If the hedge relationship is terminated, the fair value adjustment to the hedged item continues to be reported as part of the carrying amount of the asset or liability and is amortised to the income statement as a yield adjustment over the remaining maturity of the asset or liability.

In a cash flow hedging relationship, the Group mainly uses cross currency swaps and interest rate swaps to hedge the variability in the cash flows of variable rate asset or liability resulting from changes in interest rates, either in a one to one hedging relationship or on a portfolio basis. For qualifying cash flow hedges, the effective portion of the change in fair value of the derivative is recognised in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the cash flow hedge reserve remain in equity until the hedged cash flows is recognised in the income statement. When the hedged cash flows are no longer expected to occur, the cumulative gain or loss in the hedge reserve is immediately transferred to the income statement.

"Hedge ineffectiveness" represents the amount by which the changes in the fair value of the hedging instrument differ from changes in the fair value of a benchmark hedging instrument that is a perfect match. The amount of hedge ineffectiveness is recognised immediately in the income statement. The sources of ineffectiveness for both fair value hedges and cash flow hedges include imperfect economic relationship or mis-matching of key terms between the hedging instrument and the hedged item as well as the effect of credit risk existing in the hedging instrument.

The Bank's functional currency is the Singapore Dollar. The hedged risk in the Group's net investment hedges is the foreign currency exposure that arises from a net investment in subsidiaries and foreign operations that have a different functional currency. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the Bank's functional currency. The Group uses a mixture of derivative financial instruments and liabilities to manage its foreign currency exposure in its net investment hedges. For hedges of net investments in foreign operations which are accounted for in a similar way as cash flow hedges, the gain or loss relating to the effective portion of the hedging instrument is recognised in equity and that relating to the ineffective portion is recognised in the income statement immediately. Gains and losses accumulated in equity are transferred to income statement on disposal of the foreign operations. The main source of ineffectiveness for the Group's net investment hedge is the use of a hedging instrument denominated in a proxy currency that is not perfectly correlated to the actual currency to which the Group is exposed.

Specific Policies for Hedges Affected by IBOR Reform (As Defined in Note 2.5.3)

For the purpose of evaluating whether there is an economic relationship between the hedged item and the hedging instrument, the Group assumes that the benchmark interest rate is not altered as a result of IBOR reform. The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument when the uncertainty arising from IBOR reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged;
- updating the description of the hedging instrument; or
- updating the description of how the entity will assess hedge effectiveness.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.7 Derivative Financial Instruments (continued)

Specific Policies for Hedges Affected by IBOR Reform (As Defined in Note 2.5.3) (continued)

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

2.8 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised in the income statement during the financial year in which the expenditure is incurred.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each reporting date, to ensure that they reflect the expected economic benefits derived from these assets.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Furniture and fixtures	–	5 to 10 years
Office equipment	–	5 to 10 years
Computers	–	3 to 10 years
Renovation	–	8 years or remaining lease term, whichever is shorter
Motor vehicles	–	5 years

Freehold land and leasehold land with leases of more than 100 years to expiry are not depreciated. Buildings and other leasehold land are depreciated over 50 years or the period of the lease, whichever is shorter.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefit is expected from its use. Any gain or loss arising on de-recognition of the asset is included in the income statement in the year the asset is de-recognised.

2.9 Investment Property

Investment property is property held either for rental income or for capital appreciation or for both. Investment properties, other than those held under the Group's life insurance funds, are stated at cost less accumulated depreciation and impairment losses. Freehold land and leasehold land with leases of more than 100 years to expiry are not depreciated. Buildings and other leasehold land are depreciated over 50 years or the period of the lease, whichever is shorter.

Investment property held under the Group's life insurance funds is stated at fair value at the reporting date and collectively form an asset class which is an integral part of the overall investment strategy for the asset-liability management of the life insurance business. The fair value of the investment property is determined based on objective valuations undertaken by independent valuers at the reporting date. Changes in the carrying amount resulting from revaluation are recognised in the consolidated income statement.

2.10 Goodwill and Other Intangible Assets

2.10.1 Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest over the fair value of the identifiable net assets acquired.

Goodwill is stated at cost less impairment loss. Impairment test is carried out annually, or when there is indication that the goodwill may be impaired.

Gains or losses on disposal of subsidiaries and associates include the carrying amount of goodwill relating to the entity sold.

2.10.2 Intangible Assets

Intangible assets other than goodwill are separately identifiable intangible items arising from acquisitions and are stated at cost less accumulated amortisation and impairment losses. Intangible assets with finite useful lives are amortised over their estimated useful lives. The estimated useful lives range from 6 to 20 years. The useful life of an intangible asset is reviewed at least at each financial year end.

2. Material Accounting Policy Information (continued)

2.11 Impairment of Assets

(I) Financial Assets

Impairment allowances for financial assets are assessed using a forward-looking expected credit loss (ECL) model in accordance with the requirements of SFRS(I) 9.

2.11.1 Scope

Under SFRS(I) 9, the ECL model is applied to debt financial assets measured at amortised cost or FVOCI and off-balance sheet loan commitments and financial guarantees.

2.11.2 Expected Credit Loss Impairment Model

Under SFRS(I) 9, credit loss allowances are measured on each reporting date according to a three-stage expected credit loss impairment model:

- Stage 1 – On initial recognition and at a subsequent reporting date, where there is no significant increase in a financial asset or off-balance sheet exposure's credit risk since initial recognition, the expected credit loss will be that resulting from default events that are possible over the next 12 months, estimated on a portfolio basis.
- Stage 2 – Where there is a significant increase in credit risk since initial recognition, the expected credit loss will be that resulting from default events that are possible over the expected life of the asset, estimated on a portfolio basis.
- Stage 3 – When a financial asset exhibits objective evidence of impairment and is considered to be credit-impaired, the credit loss allowance will be the full lifetime expected credit loss, estimated on a case-by-case basis.

2.11.3 Measurement

ECLs are a probability-weighted estimate of credit losses. They are measured based on the present value of the cash shortfalls as elaborated below:

(a) Financial assets that are not credit-impaired (Stage 1 and Stage 2) at the reporting date: The contractual cash flows due to the Group less the cash flows that the Group expects to receive;
(b) Financial assets that are credit-impaired (Stage 3) at the reporting date: The gross carrying amount less the cash flows that the Group expects to receive;
(c) Undrawn loan commitments: The contractual cash flows due to the Group if the commitment is drawn down less the cash flows that the Group expects to receive; and
(d) Financial guarantee contracts: The expected cash outflows under the guarantee less the cash flows that the Group expects to recover.

The key inputs used in the measurement of ECL are:

- Probability of default (PD) – This is an estimate (as a percentage) of the likelihood of default over 12 months or the exposure's expected life time.
- Loss given default (LGD) – This is an estimate (as a percentage) of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from any collateral.
- Exposure at default (EAD) – This is an estimate (as an amount) of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest as well as expected drawdowns on committed facilities.

For Stage 1 exposures, ECL is calculated by multiplying the 12-month PD by LGD and EAD. For Stage 2 and Stage 3 exposures, ECL is calculated by multiplying lifetime PD by LGD and EAD.

Loans to customers that are collectively assessed are grouped on the basis of shared credit risk characteristics such as loan type, industry, geographical location of the borrower, collateral type and other relevant factors.

All key inputs (PD, LGD and EAD) used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on four macroeconomic scenarios (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

The four macroeconomic scenarios represent a most likely "Base" outcome and three other less likely scenarios, comprising of one "Upside" and two "Downside" scenarios. These scenarios are probability-weighted and underlying key macroeconomic assumptions are based on independent external and in-house views. The assumptions are subject to regular management reviews to reflect current economic situations.

Each macroeconomic scenario used in the expected credit loss calculation includes a projection of all relevant macroeconomic variables used in the models for the lifetime period, reverting to long-run averages generally after 3 to 5 year periods. Depending on their usage in the models, macroeconomic variables are projected at a country or more granular level which differ by portfolio. The primary macroeconomic variables adopted are Gross Domestic Product, Unemployment rate, Property Price Index and Interest rate.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.11 Impairment of Assets (continued)

(I) Financial Assets (continued)

2.11.3 Measurement (continued)

The definition of default used in the measurement of expected credit losses is consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and EAD throughout Group's expected credit loss calculations.

The Group considers a financial asset to be in default by assessing both quantitative and qualitative criteria such as days past due and the terms of financial covenants. A default occurs when the borrower or bond issuer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or when the financial asset is more than 90 days past due.

A financial asset is considered to be no longer in default when there is an established trend of credit improvement, supported by an assessment of the borrower's repayment capability, cash flows and financial position.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Financial assets are written off against their related impairment allowances when all feasible recovery actions have been exhausted or when the recovery prospects are considered remote.

2.11.4 Movement Between Stages

Movements between Stage 1 and Stage 2 are based on whether a financial asset or exposure's credit risk as at the reporting date has increased significantly since its initial recognition.

The Group considers both qualitative and quantitative parameters in the assessment of whether there is a significant increase in credit risk since initial recognition. These include the following:

(a) The Group has established thresholds for significant increases in credit risk based on both a relative and absolute change in lifetime PD relative to initial recognition.
(b) The Group conducts qualitative assessment to ascertain if there has been significant increase in credit risk.
(c) The Group uses days past due as a further indication of significant increase in credit risk.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of whether a financial asset is credit-impaired under SFRS(I) 9 will be based on objective evidence of impairment.

The assessments for a significant increase in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has moved to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1. A modification of the terms of a financial asset that does not result in derecognition will result in the financial asset being transferred out of Stage 3 if the indicators of it being identified as credit-impaired is no longer met and that the evidence for its transfer out of Stage 3 solely relates to events such as up-to-date and timely payment occurring in the subsequent periods.

If a modified financial asset results in derecognition, the new financial asset will be recognised under Stage 1, unless it is assessed to be credit-impaired at the time of the modification.

2.11.5 Regulatory Requirement

Under MAS 612, the Group is required to maintain a minimum regulatory loss allowance (MRLA) of 1% of the gross carrying amount of the specified credit exposures, net of collateral. Where the accounting loss allowance of selected non-credit-impaired exposures computed under SFRS(I) 9 is less than the MRLA, the Group must maintain the difference in a non-distributable regulatory loss allowance reserve (RLAR) account through the appropriation of revenue reserves. Where the aggregated accounting loss allowance and RLAR exceeds the MRLA, the Group may transfer the excess amount in the RLAR to revenue reserves.

(II) Other Assets

2.11.6 Goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units (CGU) expected to benefit from synergies of the business combination. Goodwill is allocated to the Group's CGUs (Note 36) at a level at or below the business segments identified for business segment reporting (Note 37).

Impairment loss on goodwill cannot be reversed in subsequent periods.

2. Material Accounting Policy Information (continued)

2.11 Impairment of Assets (continued)

(II) Other Assets (continued)

2.11.7 Investments in Subsidiaries and Associates Property, Plant and Equipment Investment Property Intangible Assets

Investments in subsidiaries and associates, property, plant and equipment, investment property and intangible assets, are reviewed for impairment on the reporting date or whenever there is any indication that the carrying amount of an asset may not be recoverable. If such an indication exists, the carrying amount of the asset is written down to its recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use).

The impairment loss is recognised in the income statement, and is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) if no impairment loss had been recognised for the asset in prior years.

2.12 Financial Liabilities

A non-derivative financial liability is initially recognised at fair value less transaction costs and is subsequently measured at amortised cost using the effective interest method except where it is designated as FVTPL.

For financial liabilities designated at fair value, gains and losses arising from changes in fair value are recognised in the net trading income line in the income statement except for changes in fair value attributable to the Group's own credit risk where it is presented directly within other comprehensive income. Amounts recorded in OCI related to this credit risk are not subject to recycling to the income statement, but are transferred to unappropriated profit when realised. Financial liabilities are held at fair value through profit or loss when:

(a) they are acquired or incurred for the purpose of selling or repurchasing in the near term;
(b) the fair value option designation eliminates or significantly reduces accounting mismatch that would otherwise arise; or
(c) the financial liability contains an embedded derivative that would otherwise need to be separately recorded.

2.13 Insurance and Reinsurance Contracts

2.13.1 Definition and Classification

Contracts under which GEH Group accepts significant insurance risk are classified as insurance contracts. Contracts held by GEH Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose GEH Group to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by GEH Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by GEH Group, unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose GEH Group to financial risk are classified as investment contracts, and they follow financial instruments accounting under SFRS(I) 9. GEH Group does not have any contracts that fall under this category.

Contracts are subject to different requirements depending on whether they are classified as direct participating contracts or contracts without direct participation features. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which GEH Group promises an investment return based on underlying items; they are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- GEH Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- GEH Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by GEH Group are contracts with direct participation features where GEH Group holds the pool of underlying assets and accounts for these group of contracts under the Variable Fee Approach (VFA). The VFA modifies the accounting model in SFRS(I) 17 to reflect that the consideration that GEH Group receives for the contracts is a variable fee.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the Premium Allocation Approach (PAA) model (see Note 2.13.7). The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for insurance contracts which have a coverage period of one year or less, or where the PAA provides a measurement that is not materially different from that under the General Measurement Model (GMM).

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.2 Separating Components from Insurance and Reinsurance Contracts

GEH Group assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under another SFRS(I) rather than SFRS(I) 17 (distinct non-insurance components). After separating any distinct components, GEH Group applies SFRS(I) 17 to all remaining components of the (host) insurance contract. Currently, GEH Group's contracts do not include distinct components that require separation.

Some life contracts issued by GEH Group include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in SFRS(I) 17. SFRS(I) 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. The surrender options are considered non-distinct investment components as GEH Group is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

For premium refund or experience refund components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of the income statement.

2.13.3 Level of Aggregation

2.13.3.1 Insurance Contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into quarterly cohorts (by quarter of issuance) for life insurance or into annual cohorts (by year of issuance) for non-life insurance, into three groups based on the expected profitability of the contracts:

(i) contracts that are onerous at initial recognition;
(ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
(iii) remaining group of contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The profitability groupings are not reassessed under subsequent remeasurement.

Level of aggregation is also affected by law or regulation which specifically constrains GEH Group's practical ability to set a different price or level of benefits for policyholders with different characteristics.

GEH Group broadly groups its insurance contracts by how the contracts are managed, product type, currency, measurement model and insurance risks. For life insurance contracts, sets of contracts usually correspond to pricing risk groups that GEH Group determines to have similar insurance risk and that are priced together by assessing the profitability of a best estimate pool of contracts on the same basis. GEH Group determines the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming more onerous at the level of these pricing groups, with no information available at a more granular level. This level of granularity determines sets of contracts.

For non-life insurance contracts, sets of contracts usually correspond to the risk class or product type.

Non-life insurance contracts are measured under the PAA model (Note 2.13.7). An assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contacts, GEH Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at the product type level.

2.13.3.2 Reinsurance Contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, GEH Group aggregates reinsurance contracts into quarterly cohorts (by quarter of issuance) for life reinsurance treaties or into annual cohort (by year of issuance) for non-life reinsurance contracts into groups of:

(i) contracts for which there is a net gain at initial recognition, if any;
(ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
(iii) remaining contracts in the portfolio, if any.

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2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.3 Level of Aggregation (continued)

2.13.3.2 Reinsurance Contracts (continued)

Reinsurance contracts held are assessed for aggregation requirements on an individual reinsurance treaty basis.

2.13.4 Recognition

A group of insurance contracts issued by GEH Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which GEH Group provides services in respect of any premiums within the contract boundary (Note 2.13.5);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

GEH Group recognises a group of reinsurance contracts held from the earliest of the following:

- the beginning of the coverage period of the group of reinsurance contracts held. However, GEH Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- the date GEH Group recognises an onerous group of underlying insurance contracts if GEH Group entered into the related reinsurance contract in the group of reinsurance contracts held at or before that date.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Composition of the groups is not reassessed in subsequent periods.

2.13.5 Contract Boundary

GEH Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within an insurance contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which GEH Group can compel the policyholder to pay the premiums, or in which GEH Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- GEH Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- both of the following criteria are satisfied:
  - o GEH Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - o the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Fulfilment cash flows outside the insurance contract boundary are not recognised. Such amounts relate to future insurance contracts.

For life insurance contracts with renewal periods, GEH Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by GEH Group by considering all the risks covered for the policyholder by GEH Group, that GEH Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance contracts will not be included in the contract boundary.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of GEH Group that exist during the reporting period in which GEH Group is compelled to pay amounts to the reinsurer or in which GEH Group has a substantive right to receive insurance contract services from the reinsurer. A substantive right to receive services from the reinsurer ends either when the reinsurer can reprice the contract to fully reflect the reinsured risk, or when the reinsurer has a substantive right to terminate coverage.

GEH Group reassesses contract boundary of each group at the end of each reporting period.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.6 Measurement

2.13.6.1 Measurement – Contracts Not Measured Under the PAA

On initial recognition, GEH Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the Contractual Service Margin (CSM) (Note 2.13.6.3). The fulfilment cash flows of a group of insurance contracts do not incorporate GEH Group's non-performance risk.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that GEH Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as GEH Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by GEH Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.21.3.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance contracts is recognised in the income statement immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised (refer to the Onerous contracts – Loss component section in Note 2.13.6.4 below).

2.13.6.2 Fulfilment Cash Flows (FCF)

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that GEH Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

a) are based on a probability-weighted mean of the full range of possible outcomes;
b) are determined from the perspective of GEH Group, provided that the estimates are consistent with observable market prices for market variables; and
c) reflect conditions existing at the measurement date.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to Note 2.21.3.

2.13.6.3 Contractual Service Margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that GEH Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

a) the initial recognition of the FCF;
b) cash flows arising from the contracts in the group at that date;
c) the derecognition of any insurance acquisition cash flows asset; and
d) the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case GEH Group recognises the net cost immediately in the income statement. For reinsurance contracts held, the CSM represents a deferred gain or loss that GEH Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

a) the initial recognition of the FCF;
b) cash flows arising from the contracts in the group at that date;
c) the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
d) any income recognised in the income statement when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.6 Measurement (continued)

2.13.6.4 Subsequent Measurement – Contracts Not Measured Under the PAA

Subsequently, the carrying amount of a group of insurance contracts at each reporting date is the sum of the Liability for Remaining Coverage (LRC) and the Liability for Incurred Claims (LIC). The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

- The FCF of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in FCF are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance service result in the income statement if the group is onerous).
Changes relating to current or past services	Recognised in the insurance service result in the income statement.
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in the income statement, except for certain portfolios measured using the GMM where the Other Comprehensive Income (OCI) option is applied.

- The CSM is adjusted subsequently only for changes in FCF that relate to future services and other specified amounts and is recognised in the income statement as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in the income statement because it relates to future services.

GEH Group reports its financial results on a quarterly basis. The GEH Group has elected to treat every quarter as a discrete interim reporting period, and estimates made by GEH Group in previous interim financial results are not changed when applying SFRS(I) 17 in subsequent interim periods or in the annual financial statements.

Onerous contracts – Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and GEH Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, GEH Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a) expected incurred claims and other directly attributable expenses for the period;
b) changes in the risk adjustment for non-financial risk for the risk expired; and
c) finance income/(expenses) from insurance contracts issued.

The amounts of the loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

2.13.6.5 Reinsurance Contracts

GEH Group applies the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC). The ARC comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

GEH Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the income statement.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.6 Measurement (continued)

2.13.6.5 Reinsurance Contracts (continued)

The risk adjustment for non-financial risk represents the amount of risk being transferred by GEH Group to the reinsurer.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case GEH Group recognises the net cost immediately in the income statement. For reinsurance contracts held, the CSM represents a deferred gain or loss that GEH Group recognises as a reinsurance income or expenses as it receives insurance contract services from the reinsurer in the future.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that GEH Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

2.13.6.6 Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. If insurance acquisition cash flows are directly attributable to a group of contracts, they are allocated to that group.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group; and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and tested for recoverability, whereas other insurance acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance contracts.

GEH Group assesses at each reporting date whether facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, and:

a) recognises an impairment loss in the income statement so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
b) if the asset relates to future renewals, recognises an impairment loss in the income statement to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

GEH Group reverses any impairment losses in the income statement and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

2.13.7 Measurement – Contracts Measured Under the PAA

For insurance contracts issued, on initial recognition, GEH Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The LRC is discounted to reflect the time value of money and the effect of financial risk.

GEH Group estimates the LIC as the fulfilment cash flows related to incurred claims. The FCF incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of GEH Group, and include an explicit adjustment for non-financial risk (the risk adjustment). GEH Group adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of LIC, unless when they are expected to be paid within one year or less from the date of which the claims are incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, GEH Group recognises a loss in the income statement for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF. A loss component is established by GEH Group for the LRC for such onerous group depicting the losses recognised.

For reinsurance contracts held, on initial recognition, GEH Group measures the remaining coverage at the amount of ceding premiums paid net of commission, plus broker fees paid to a party other than the reinsurer.

2. Material Accounting Policy Information (continued)

2.13 **Insurance and Reinsurance Contracts** (continued)

2.13.7 **Measurement – Contracts Measured Under the PAA** (continued)

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of the LRC and the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of the ARC and the AIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a) increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
b) decreased for insurance acquisition cash flows paid in the period;
c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
e) increased for net insurance finance expenses recognised during the period.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums, net of commission, paid in the period;
b) increased for broker fees paid in the period;
c) decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period; and
d) increased for net reinsurance finance income recognised during the period.

2.13.8 **Derecognition and Contract Modification**

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria discussed below are met.

When an insurance contract is modified by GEH Group as a result of an agreement with the counterparties or due to a change in regulations, GEH Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. GEH Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a) if the modified terms had been included at contract inception and GEH Group would have concluded that the modified contract:
   i. is not within the scope of SFRS(I) 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts;
b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of SFRS(I) 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility and component separation requirements (see Note 2.13.2) and contract aggregation requirements (see Note 2.13.3). When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, GEH Group:

a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;
b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
   i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
   ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
   iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium that GEH Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, GEH Group assumes such a hypothetical premium as actually received; and
c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.8 Derecognition and Contract Modification (continued)

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to the income statement:

a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

2.13.9 Insurance Service Result from Insurance Contracts Issued

Insurance Revenue

As GEH Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that GEH Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, the insurance revenue comprises the following items.

- Amounts relating to the changes in the LRC:

a) expected claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
   - amounts allocated to the loss component;
   - repayments of investment components and policyholder rights to withdraw an amount;
   - amounts of transaction-based taxes collected in a fiduciary capacity;
   - insurance acquisition expenses; and
   - amounts related to the risk adjustment for non-financial risk (see (b));
b) changes in the risk adjustment for non-financial risk, excluding:
   - changes included in insurance finance income/(expenses);
   - changes that relate to future coverage (which adjust the CSM); and
   - amounts allocated to the loss component;
c) amounts of the CSM recognised for the services provided in the period;
d) experience adjustments – arising from premiums received in the period other than those that relate to future service; and
e) other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.

- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows in a systematic way on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, GEH Group recognises insurance revenue based on the passage of time over the coverage of a group of contracts.

Insurance Service Expenses

Insurance service expenses include the following:

- Incurred claims and benefits, excluding investment components reduced by loss components allocations;
- other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- Insurance acquisition cash flows amortisation;
- changes that relate to past service – changes in the FCF relating to the LIC;
- changes that relate to future service – changes in the FCF that results in onerous contract losses or reversals of those losses; and
- insurance acquisition cash flows assets impairment.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.9 Insurance Service Result from Insurance Contracts Issued (continued)

Insurance service expenses (continued)

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the income statement.

Net Income/(Expenses) from Reinsurance Contracts Held

GEH Group presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

a) reinsurance expenses;
b) for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
c) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
d) other incurred directly attributable expenses;
e) changes that relate to past service – changes in the FCF relating to incurred claims recovery; and
f) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
    i. income on initial recognition of onerous underlying contracts;
    ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
    iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that GEH Group expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
    - amounts allocated to the loss-recovery component;
    - repayments of investment components; and
    - amounts related to the risk adjustment for non-financial risk (see (b));
b) changes in the risk adjustment for non-financial risk, excluding:
    - changes included in finance income/(expenses) from reinsurance contracts held;
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss-recovery component;
c) amounts of the CSM recognised for the services received in the period; and
d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, GEH Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance Finance Income or Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and
b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a) interest accreted on the FCF and the CSM;
b) the effect of changes in interest rates and other financial assumptions, and
c) foreign exchange differences.

For contracts measured under the VFA, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

Notes to the Financial Statements
For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.9 Insurance Service Result from Insurance Contracts Issued (continued)

<u>**Insurance Finance Income or Expenses**</u> (continued)

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the FCF; and
b) the effect of changes in interest rates and other financial assumptions.

GEH Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses for life insurance. For non-life insurance, the entire change in the risk adjustment for non-financial risk is included in insurance service result.

For life and non-life insurance contracts, GEH Group includes all insurance finance income or expenses for the period in the income statement, except for certain portfolios measured using the GMM where the OCI option is applied. This is expected to reduce accounting mismatches in profit or loss, considering that the supporting financial assets will be debt investments measured at fair value through other comprehensive income (FVOCI).

GEH Group systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to the income statement using discount rates determined on initial recognition of the group of contracts.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, GEH Group reclassifies the insurance finance income or expenses to the income statement as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

2.13.10 Assets and Liabilities of Life Insurance Funds

The assets and liabilities of the Group's life insurance business are held primarily for the beneficial interests of the life insurance policyholders. Therefore, they are presented separately in the balance sheet within the line items "Investment securities for life insurance funds", "Other assets for life insurance funds" and "Insurance contract liabilities and other liabilities for life insurance funds" respectively.

2.14 Share Capital and Dividend

Ordinary shares, non-cumulative non-convertible preference shares and perpetual capital securities are classified as equity on the balance sheet.

Incremental costs directly attributable to the issue of new capital securities are shown in equity as a deduction from the proceeds.

Where share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, is presented as a deduction from equity. Treasury shares which are subsequently reissued, sold or cancelled, are recognised as changes in equity.

Interim dividends on ordinary shares and dividends on preference shares are recorded in the year in which they are declared payable by the Board of Directors. Final dividends are recorded in the year when the dividends are approved by shareholders at the annual general meeting.

2.15 Leases

2.15.1 As Lessee

At the inception of a contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

<u>**Right-of-Use Assets**</u>

The Group recognises a right-of-use (ROU) asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets.

These ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

ROU assets are presented within the same balance sheet line item within which the corresponding underlying assets would be presented if they were owned.

2. Material Accounting Policy Information (continued)

2.15 Leases (continued)

2.15.1 As Lessee (continued)

Lease Liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease liability is subsequently measured at amortised cost using the effective interest method. Lease liability shall be remeasured when there is modification in the scope or the consideration of the lease that was not part of the original term.

Short-Term Leases and Low-Value Assets

The Group has elected to not recognise ROU assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value leases, except for sublease arrangements. Lease payments relating to these leases are recognised as an expense on a straight-line basis over the lease term.

2.15.2 As Lessor

Rental income on tenanted areas of the buildings owned by the Group is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

2.16 Recognition of Income and Expense

2.16.1 Interest Income and Expense

Interest income or expense is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the amortised cost of the financial asset. For this purpose, the amortised cost is the gross carrying amount less impairment allowance for a credit impaired asset and the gross carrying amount (before the portfolio allowance for expected credit losses) for a non-credit impaired asset. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

2.16.2 Fees and Commissions

The Group earns fees and commissions from a range of services rendered to its customers. Fees and commissions are recognised when the Group has satisfied its performance obligations in providing the services to the customer. Transaction based fees and commissions are generally recognised upon the completion of a transaction. For services provided over a period of time or credit risk undertaken, fees and commissions are amortised over the relevant period.

Expenses are offset against gross fees and commissions in the income statement only when they are directly related.

2.16.3 Dividends

Dividends from equity securities, subsidiaries and associates are recognised when the right to receive payment is established. Dividends received from equity securities at FVTPL and FVOCI are presented in net trading income and other income respectively.

2.16.4 Employee Benefits

The Group's compensation package for staff consists of base salaries, allowances, defined contribution plans such as the Central Provident Fund, defined benefit plans, commissions, cash bonuses, and share-based compensation plans. These are recognised in the income statement when incurred. Employee leave entitlements are estimated according to the terms of employment contract and accrued on the reporting date.

For defined benefit plans, the liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, adjusted for unrecognised actuarial gains or losses and past service costs. Remeasurements of defined benefit plans are recognised in OCI in the period in which they arise.

Share-based compensation plans include the Bank's Share Option Schemes, the Employee Share Purchase Plan (ESP Plan) and the Deferred Share Plan (DSP). Equity instruments granted are recognised as expense in the income statement based on the fair value of the equity instrument at the date of the grant. The expense is recognised over the vesting period of the grant, with corresponding entries to equity.

At each reporting date, the Group revises its estimates of the number of equity instruments expected to be vested, and the impact of the change to the original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity over the remaining vesting period.

The Group accrues for interest on the monthly contributions made by employees to the savings-based ESP Plan. For the DSP, a trust is set up to administer the shares. The DSP Trust is consolidated in the Group's financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material Accounting Policy Information (continued)

2.16 Recognition of Income and Expense (continued)

2.16.4 Employee Benefits (continued)

Proceeds received upon the exercise of options and acquisition rights, net of any directly attributable transaction costs, are credited to share capital.

2.17 Income Tax Expense

Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax computation. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that does not affect accounting or taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future. The Group applies the SFRS(I) 1-12 exception to recognising and disclosing information about deferred tax assets and liabilities related to the "Base Erosion and Profit Shifting" Pillar Two income taxes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available for utilisation against the temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.18 Fiduciary Activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets and income from these assets do not belong to the Group, and are therefore excluded from these financial statements.

2.19 Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

2.20 Segment Reporting

The Group's business segments represent the key customer and product groups, as follows: Global Consumer/Private Banking, Global Wholesale Banking, Global Markets and Insurance. All operating segments' results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. In determining the segment results, balance sheet items are internally transfer priced and revenues and expenses are attributed to each segment based on internal management reporting policies. Transactions between business segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

A geographical segment engages in providing products and services within a particular economic environment that is subject to different risks from those of other economic environments. Geographical segment information is prepared based on the country in which the transactions are booked and presented after elimination of intra-group transactions and balances.

2.21 Critical Accounting Estimates and Judgements

Certain estimates are made in the preparation of the financial statements. These often require management judgement in determining the appropriate methodology for valuation of assets and liabilities. A brief description of the Group's critical accounting estimates is set out below.

2. Material Accounting Policy Information (continued)

2.21 Critical Accounting Estimates and Judgements (continued)

2.21.1 Impairment of Financial Assets

In determining whether the credit risk of the Group's financial assets/exposures has increased significantly since initial recognition, the Group considers quantitative and qualitative information such as the Group's historical credit assessment experience and available forward-looking information. Expected credit losses (ECL) estimates are based on probability-weighted forward-looking economic scenarios. The parameters used in ECL measurement (probability of default, loss given default and exposure at default) incorporates forward-looking information. The determination of the forward-looking economic scenarios and incorporation of forward-looking information into ECL measurement requires management to exercise judgement based on its assessment of current macroeconomic conditions.

Allowances for Non-Credit-Impaired Loans to Customers

As of 31 December 2024, the forward-looking scenarios used in the ECL model have been updated from those as of 31 December 2023, which reflects the latest macroeconomic view. Additionally, post-model adjustments were made to address events that are not incorporated in the baseline ECL. These post-model adjustments were reviewed and approved in accordance with the Group's ECL framework, and were made to more accurately reflect the continued weakness of certain industries and segments.

Sensitivity of ECL

ECL is estimated to increase by $2,173 million (2023: $1,473 million) should all the exposures in Stage 1 (12-month ECL) move to Stage 2 (lifetime ECL).

The Group's allowances for financial assets are disclosed in Note 30.

Allowances for Credit-Impaired Loans to Customers

In respect of credit-impaired exposures, management judgement and estimation are applied in, amongst others, identifying impaired exposures, estimating the related recoverable cash flows and where applicable, determining collateral values and timing of realisation. Judgements and assumptions in respect of these matters have been updated to reflect the relevant information as of 31 December 2024.

The Group's allowances for credit-impaired loans to customers are disclosed in Note 28.

2.21.2 Fair Value Estimation

Fair value is derived from quoted market prices or valuation techniques which maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. Where unobservable data inputs have a significant impact on the value obtained from the valuation model, such a financial instrument is initially recognised at the transaction price, which is the best indicator of fair value. The difference between the transaction price and the model value, commonly referred to as "day one profit or loss" is not recognised immediately in the income statement. The choice of valuation technique and the use of model inputs requires significant judgement.

The timing of recognising the day one profit or loss is determined individually. It is amortised over the life of the transaction, released when the instrument's fair value can be determined using market observable inputs, or when the transaction is derecognised.

2.21.3 Insurance Business

GEH Group makes estimates, assumptions and judgements in its estimates of FCF, discount rates used, risk adjustments for non-financial risk, and CSM.

Discount Rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are determined by reference to the observable market yields of government securities in the currency of the insurance contract liabilities.

GEH Group adopts a bottom-up approach in which discount rates are based on the relevant currency's risk-free yield curves and an adjustment for illiquidity premium.

a) For Singapore segment, for deriving risk-free yield curves and Ultimate Forward Rate (UFR), references are made in particular to the Monetary Authority of Singapore Risk Based Capital Framework (MAS RBC 2) which is also aligned with the approach taken by the International Associations of Insurance Supervisors (IAIS) on the design of the global insurance capital standards (ICS).

   For the Malaysia segment, for deriving risk-free yield curves and UFR, references are made to the approach taken by the IAIS on the design of the global ICS, with rates for the first 15 years being referenced to the Bank Negara Malaysia Risk Based Capital Framework (BNM RBC).

b) For illiquidity premium, illiquidity buckets (illiquidity application ratio) are assigned using an objective scoring system that is based on illiquidity characteristics of products on each portfolio. Market observable illiquidity premium levels are derived every month-end based on a credit-risk adjusted market spread of reference assets for each currency.

The adjustment of illiquidity premium in (b) is added as a layer in addition to the risk-free yield curves in (a) based on the illiquidity application ratio of each portfolio.

2. Material Accounting Policy Information (continued)

2.21 Critical Accounting Estimates and Judgements (continued)

2.21.3 Insurance Business (continued)

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

	2024				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	2.72% – 3.23%	2.75% – 3.19%	2.85% – 3.05%	2.89% – 3.43%	2.80% – 3.69%
USD	4.11% – 4.68%	4.34% – 4.98%	4.55% – 5.46%	4.78% – 5.74%	4.90% – 5.93%
MYR	3.28% – 3.50%	3.66% – 4.04%	3.85% – 4.19%	4.03% – 4.76%	4.15% – 5.07%

	2023				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	3.55% – 4.44%	2.63% – 3.80%	2.67% – 3.45%	2.73% – 3.57%	2.71% – 3.60%
USD	4.70% – 5.25%	3.79% – 4.58%	3.84% – 4.97%	4.10% – 5.22%	4.22% – 5.30%
MYR	3.30% – 3.61%	3.65% – 4.08%	3.74% – 4.05%	4.05% – 4.80%	4.22% – 4.97%

Risk Adjustment for Non-Financial Risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects GEH Group's degree of risk aversion. GEH Group estimates an adjustment for non-financial risk separately from all other estimates. GEH Group does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The confidence level technique is used to derive the overall risk adjustment for non-financial risk. The risk adjustment is the excess of the value at risk at the target confidence level over the expected present value of the future cash flows. The target confidence level is at 85th percentile.

Estimates of Future Cash Flows

In estimating future cash flows, GEH Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience updated to reflect current expectations of future events.

The estimates of future cash flows will reflect GEH Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, GEH Group takes into account current expectations of future events that might affect cash flows. Cash flows within a contract boundary are those that relate directly to the fulfilment of the contract, including those for which GEH Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics.

GEH Group derives the mortality and morbidity assumptions from its own historical experience where credible. Reference to industry tables, reinsurance rates, or pricing basis is made where historical experience is not credible. Mortality and morbidity rates are generally differentiated between policyholder groups, based on gender and smoker status.

2. Material Accounting Policy Information (continued)

2.21 Critical Accounting Estimates and Judgements (continued)

2.21.3 Insurance Business (continued)

Lapses and surrender are derived based on GEH Group's own historical experience where credible. Where historical experience is not credible or not available, experience for similar product type is used as reference to derive the assumptions. Lapse and surrender assumptions generally vary by product type as well as policy years.

Coverage Units

In the determination of the coverage units (measured in dollar amounts), the type of service is identified based on the terms and features of the insurance contracts. Management judgement is then applied in determining the appropriate coverage unit against the type of service identified.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering the quantity of the benefits provided by each contract in the group and its expected coverage duration. The coverage units are assessed at each reporting period-end prospectively by considering:

a) the quantity of benefits provided by contracts in the group;
b) the expected coverage period of contracts in the group; and
c) the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

GEH Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for quantifying benefits with respect to insurance coverage.

2.21.4 Impairment of Goodwill and Other Intangible Assets

The Group performs an annual review of the carrying amount of its goodwill and other intangible assets, against the recoverable amounts of the CGU to which the goodwill and other intangible assets have been allocated. Recoverable amounts of banking CGUs are determined based on the present value of estimated future cash flows expected to arise from the respective CGUs' continuing operations. The recoverable amount of insurance CGU is determined using the appraisal value method. Management exercises its judgement in estimating the future cash flows, growth rates and discount rates used in computing the recoverable amounts of the CGUs.

In light of current macroeconomic conditions, management reassessed the assumptions applied in estimating the future cash flows, including growth rates and discount rates used in computing the recoverable amount, and determined that no impairment should be recognised during the year.

2.21.5 Income Taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses in estimating the income tax liabilities. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the period in which the determination is made.

2.22 Comparative Figures

Certain comparative figures have been reclassified to be consistent with the presentation for 2024.

Notes to the Financial Statements

For the financial year ended 31 December 2024

3. Net Interest Income

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Interest income				
Loans to customers	**15,628**	15,006	**11,183**	10,522
Placements with and loans to banks	**3,552**	3,296	**3,472**	3,060
Other interest-earning assets	**3,264**	2,565	**1,877**	1,572
	22,444	20,867	**16,532**	15,154
Interest expense				
Deposits of non-bank customers	**(10,552)**	(9,798)	**(6,729)**	(6,498)
Deposits and balances of banks	**(518)**	(470)	**(2,104)**	(1,709)
Other borrowings	**(1,619)**	(954)	**(1,569)**	(923)
	(12,689)	(11,222)	**(10,402)**	(9,130)
Analysed by classification of financial instruments				
Income – Assets at amortised cost	**18,959**	17,842	**14,458**	13,263
Income – Assets at FVOCI	**2,909**	2,619	**1,620**	1,570
Income – Assets mandatorily measured at FVTPL	**576**	406	**454**	321
Expense – Liabilities not at FVTPL	**(12,575)**	(11,128)	**(10,290)**	(9,037)
Expense – Liabilities mandatorily measured at FVTPL	**(114)**	(94)	**(112)**	(93)
Net interest income	**9,755**	9,645	**6,130**	6,024

Included in interest income were interest of $25 million (2023: $31 million) and $10 million (2023: $16 million) on impaired assets for the Group and Bank respectively.

The Group's and Bank's interest expenses on lease liabilities were not significant for the financial years ended 31 December 2024 and 31 December 2023.

4. Insurance Service Result and Net Investment and Finance Income/(Expenses) From Life Insurance

Insurance Service Result from Life Insurance

	GROUP	
	2024 $ million	2023 $ million
Insurance revenue from life insurance		
Expected incurred claims and other insurance service expenses	**4,202**	4,062
Change in the risk adjustment for non-financial risk for the risk expired	**522**	426
CSM recognised in the income statement for the services provided	**728**	773
Insurance acquisition cash flows recovery	**535**	456
Insurance revenue from contracts not measured under the PAA	**5,987**	5,717
Insurance revenue from contracts measured under the PAA	**193**	–
Total insurance revenue	**6,180**	5,717
Insurance service expenses	**(5,701)**	(4,758)
Net income/(expenses) from reinsurance contracts held	**113**	(532)
Insurance service result from life insurance	**592**	427

4. Insurance Service Result and Net Investment and Finance Income/(Expenses) From Life Insurance (continued)

Net Investment and Finance Income/(Expense) from Life Insurance

	GROUP	
	2024 $ million	2023 $ million
Investment income/(loss)		
Interest income	**2,232**	2,237
Other investment income	**3,889**	3,366
Decrease/(increase) in provision for impairment of financial assets	**3**	(13)
Amounts recognised at OCI	**76**	402
Total investment income	**6,200**	5,992
Finance (expenses)/income from insurance contracts issued		
Changes in value of underlying assets of contracts with direct participating features	**(4,828)**	(4,492)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	**(61)**	210
Interest accreted	**(690)**	(672)
Effect of changes in interest rates and other financial assumptions	**(256)**	(281)
(Losses)/gains on currency exchange differences	**(67)**	68
Others	**(8)**	(12)
Total finance expenses from insurance contracts issued	**(5,910)**	(5,179)
Represented by:		
Amounts recognised in the income statement	**(5,825)**	(5,244)
Amounts recognised in OCI	**(85)**	65
	(5,910)	(5,179)
Finance income/(expenses) from reinsurance contracts held		
Interest accreted to reinsurance contracts using locked-in rate	**15**	8
Effect of changes in interest rates and other financial assumptions	**(1)**	(21)
Changes in non-performance risk of reinsurer	**(4)**	–
Gains/(losses) on currency exchange differences	**4**	(1)
Total finance income/(expenses) from reinsurance contracts held	**14**	(14)
Represented by:		
Amounts recognised in the income statement	**14**	5
Amounts recognised in OCI	**–**	(19)
	14	(14)

Notes to the Financial Statements
For the financial year ended 31 December 2024

5. Fees and Commissions (Net)

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Gross fee and commission income				
Brokerage	**87**	75	**2**	2
Credit card	**404**	369	**334**	321
Fund management	**108**	107	**2**	–
Guarantees	**12**	14	**3**	4
Investment banking	**109**	90	**91**	73
Loan-related	**213**	207	**160**	146
Service charges	**124**	128	**78**	84
Trade-related and remittances	**271**	275	**185**	194
Wealth management [1]	**1,079**	896	**344**	288
Others	**26**	26	**5**	5
	2,433	2,187	**1,204**	1,117
Fee and commission expense	**(463)**	(383)	**(261)**	(236)
Fees and commissions (net)	**1,970**	1,804	**943**	881

(1) Includes trust and custodian fees.

6. Dividends from Subsidiaries and Associates

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Subsidiaries	**–**	–	**1,518**	1,372
Associates	**–**	–	**150**	127
	–	–	**1,668**	1,499

7. Net Trading Income

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Foreign exchange [1]	**547**	611	**117**	207
Hedging activities [2]				
Hedging instruments	**179**	133	**178**	169
Hedged items	**(185)**	(125)	**(182)**	(166)
Net (gain)/loss from fair value hedge ineffectiveness	**(6)**	8	**(4)**	3
Net gain/(loss) from interest rate and other derivative financial instruments [3]	**804**	52	**640**	(41)
Net gain/(loss) from non-derivative financial instruments [4][5]	**190**	338	**(16)**	251
Others	**2**	(5)	**2**	(5)
	1,537	1,004	**739**	415

(1) "Foreign exchange" include gains and losses from spot and forward contracts and translation of foreign currency denominated assets and liabilities.
(2) "Hedging activities" arise from the use of derivatives to hedge exposures to interest rate and foreign exchange risks, which are inherent in the underlying "Hedged items".
(3) "Interest rate and other derivatives" include gains and losses from interest rate derivative instruments, equity options and other derivative instruments.
(4) "Non-derivative financial instruments" include trading gains and losses from fair value financial instruments which are either designated at initial recognition or mandatorily measured at FVTPL.
(5) Includes dividend income of $75 million and $61 million for the Group and Bank (2023: $98 million and $84 million) respectively.

8. Other Income

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Disposal of investment securities	**24**	47	**14**	45
Disposal of property, plant and equipment	**36**	71	**967**	19
Rental and property-related income	**91**	87	**68**	67
Dividends from FVOCI securities	**35**	30	**#**	1
Others	**108**	11	**122**	87
	294	246	**1,171**	219

Notes to the Financial Statements

For the financial year ended 31 December 2024

9. Staff Costs and Other Operating Expenses

		GROUP		BANK	
		2024 $ million	2023 $ million	2024 $ million	2023 $ million
9.1	**Staff costs**				
	Salaries and other costs	**3,487**	3,172	**1,302**	1,094
	Share-based expenses	**61**	60	**26**	21
	Contribution to defined contribution plans	**273**	254	**104**	92
		3,821	3,486	**1,432**	1,207
	Directors' emoluments:				
	Remuneration of Bank's directors	**11**	9	**11**	9
	Fees of Bank's directors (1)	**5**	6	**5**	5
		16	15	**16**	14
	Total staff costs	**3,837**	3,501	**1,448**	1,221
9.2	**Other operating expenses**				
	Property and equipment: (2)				
	Depreciation	**456**	440	**231**	227
	Maintenance and rental (3)	**201**	162	**124**	101
	Others	**405**	364	**284**	219
		1,062	966	**639**	547
	Auditors' remuneration:				
	Payable to auditor of the Bank	**9**	10	**3**	3
	Payable to associated firms of auditor of the Bank	**7**	7	**1**	1
	Payable to other auditors	**#**	#	**#**	#
		16	17	**4**	4
	Other fees:				
	Payable to auditor of the Bank (4)	**2**	2	**1**	1
	Payable to associated firms of auditor of the Bank	**1**	1	**#**	1
		3	3	**1**	2
	Hub processing charges	**–**	–	**444**	416
	Others (5)	**824**	736	**444**	449
		824	736	**888**	865
	Total other operating expenses	**1,905**	1,722	**1,532**	1,418
9.3	**Staff costs and other operating expenses**	**5,742**	5,223	**2,980**	2,639

(1) Includes remuneration shares amounting to $1 million (2023: $1 million) issued to directors.

(2) Direct operating expenses on investment property that generated rental income for the Group and the Bank amounted to $21 million and $6 million (2023: $17 million and $5 million) respectively. Direct operating expenses on investment property that did not generate rental income for the Group and the Bank amounted to $1 million and $# million (2023: $2 million and $# million) respectively.

(3) Includes expenses relating to short-term leases of $16 million and $5 million for the Group and the Bank (2023: $12 million and $4 million) respectively, and low-value assets of $5 million and $# million (2023: $4 million and $1 million) for the Group and the Bank respectively.

(4) Other fees payable to auditor of the Bank relate mainly to engagements in connection with the Bank's note issuances, taxation compliance and advisory services, miscellaneous attestations and audit certifications.

(5) Included in other expenses were printing, stationery, communication, advertisement and promotion expenses and legal and professional fees.

10. Allowances for Loans and Other Assets

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Allowances/(write-back):				
Impaired loans (Note 28)	**403**	269	**133**	182
Impaired other assets	**123**	64	**3**	13
Non-impaired loans	**158**	394	**49**	276
Non-impaired other assets	**6**	6	**6**	5
Allowances for loans and other assets	**690**	733	**191**	476

11. Income Tax Expense

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Current tax expense	**1,178**	1,285	**676**	730
Deferred tax expense/(credit) (Note 20)	**152**	(29)	**30**	(45)
	1,330	1,256	**706**	685
Over provision in prior years	**(102)**	(20)	**(87)**	(21)
Charge to income statement	**1,228**	1,236	**619**	664

The tax on operating profit differs from the amount that would arise using the Singapore corporate tax rate as follows:

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Operating profit after allowances and amortisation	**7,982**	7,448	**7,480**	5,923
Prima facie tax calculated at tax rate of 17%	**1,357**	1,266	**1,272**	1,007
Effect of:				
Different tax rates in other countries	**136**	116	**59**	27
Income not subject to tax	**18**	(24)	**(404)**	(246)
Income taxed at concessionary rates	**(283)**	(197)	**(268)**	(185)
Singapore life insurance funds	**(15)**	(11)	**–**	–
Non-deductible expenses and losses	**131**	108	**(14)**	68
Others	**(14)**	(2)	**61**	14
	1,330	1,256	**706**	685

The deferred tax expense/(credit) comprised:				
Accelerated tax depreciation	**57**	(1)	**48**	(1)
Depreciable assets acquired in business combinations	**(5)**	(10)	**(29)**	(1)
Tax losses	**(35)**	(41)	**(19)**	(25)
Insurance/reinsurance contract liabilities	**94**	58	**–**	–
Unrealised gains/(losses) on financial assets	**8**	22	**13**	22
Allowances for assets	**#**	(56)	**(12)**	(36)
Other temporary differences	**33**	(1)	**29**	(4)
	152	(29)	**30**	(45)

Notes to the Financial Statements

For the financial year ended 31 December 2024

11. Income Tax Expense (continued)

OECD Pillar Two Model Rules

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules. Pillar Two legislation was enacted in Singapore, the jurisdiction in which the Bank is incorporated, and came into effect from 1 January 2025. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate for each jurisdiction and the 15% minimum rate. For the financial year 2024, the Group has GloBE effective tax rates that exceed 15% or satisfies the transitional country-by-country safe harbour in all the jurisdictions where the legislation is effective. In addition, based on the current assessment there is no impact from exposure to Pillar Two legislation on the going concern assessment or on any asset impairment of the Group and the Bank.

Based on the Group's assessment, the application of the Pillar Two legislation in the financial year 2025 is expected to increase the Group's annual effective tax rate by 1.8 percentage points.

12. Earnings Per Share

	GROUP	
	2024 $ million	2023 $ million
Profit attributable to equity holders of the Bank	**7,587**	7,021
Perpetual capital securities distributions declared in respect of the period	**(64)**	(66)
Profit attributable to ordinary equity holders of the Bank after other equity distributions	**7,523**	6,955
Weighted average number of ordinary shares (million)		
For basic earnings per share	**4,497**	4,495
Adjustment for assumed conversion of share options and acquisition rights	**3**	3
For diluted earnings per share	**4,500**	4,498
Earnings per share ($)		
Basic	**1.67**	1.55
Diluted	**1.67**	1.55

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Bank net of perpetual capital securities distributions by the weighted average number of ordinary shares in issue during the financial year.

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from share options and acquisition rights, with the potential ordinary shares weighted for the period outstanding.

13. Share Capital

13.1 Share Capital

GROUP AND BANK	2024 Shares (million)	2023 Shares (million)
Ordinary shares		
At 1 January	**4,515**	4,515
Shares issued to non-executive directors	**#**	#
At 31 December	**4,515**	4,515
Treasury shares		
At 1 January	**(21)**	(20)
Share buyback	**(13)**	(16)
Share Option Scheme	**6**	4
Share Purchase Plan	**7**	6
Treasury shares transferred to DSP Trust	**6**	5
At 31 December	**(15)**	(21)

GROUP AND BANK	2024 $ million	2023 $ million
Issued share capital, at 31 December	**18,096**	18,045

(1) # represents less than 500,000 shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and to one vote per share at meetings of the Bank. All shares (excluding treasury shares) rank equally with regard to the Bank's residual assets.

The issued ordinary shares have no par value and qualify as Common Equity Tier 1 capital for the Group.

All issued shares were fully paid.

Subsidiaries and associates of the Group did not hold shares in the capital of the Bank as at 31 December 2024 and 31 December 2023.

13.2 Share Option Scheme

Executives of the Group ranked Manager and above and non-executive directors of the Group are eligible to participate in the OCBC Share Option Scheme 2001 (2001 Scheme). The Bank has ceased granting share options under the 2001 Scheme effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. Options granted to Group executives are exercisable for up to 10 years, while options granted to non-executive Directors are exercisable for up to five years.

For the financial years ended 31 December 2024 and 31 December 2023, no options were granted under the 2001 Scheme.

13. Share Capital (continued)

13.2 Share Option Scheme (continued)

Movements in the number of shares under options and the average acquisition prices are as follows:

	2024		2023	
	Number of shares under options ('000)	Average price	Number of shares under options ('000)	Average price
At 1 January	**14,299**	**$10.943**	18,377	$10.760
Exercised	**(5,996)**	**$11.051**	(3,692)	$9.787
Forfeited/lapsed	**(53)**	**$13.340**	(386)	$13.252
At 31 December	**8,250**	**$10.850**	14,299	$10.943
Exercisable options at 31 December	**8,250**	**$10.850**	14,299	$10.943
Average share price underlying the options exercised		**$14.263**		$12.619

At 31 December 2024, the weighted average remaining contractual life of outstanding share options was 2.1 years (2023: 2.9 years). The aggregate number of shares under outstanding options held by a director of the Bank was 43,512 (2023: 43,512).

13.3 Employee Share Purchase Plan

The OCBC Employee Share Purchase Plan (ESP Plan) was implemented for all employees of the participating companies in the Group, including executive Directors.

The ESP Plan is a saving-based share ownership plan to help employees own ordinary shares in the Bank through their monthly contributions via deductions from payroll and/or from Central Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESP Plan, the Bank pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2024, the Bank launched its nineteenth offering under the ESP Plan, which commenced on 1 September 2024 and will expire on 31 August 2026. Under the nineteenth offering, the Bank granted rights to acquire 8,555,039 (2023: 8,899,030) ordinary shares in the Bank. For the financial years ended 31 December 2024 and 31 December 2023, no rights were granted to directors of the Bank to acquire ordinary shares in the Bank. The fair value of rights, determined using the binomial valuation model, was $5.3 million (2023: $6.6 million). Significant inputs to the valuation model are set out below:

	2024	2023
Acquisition price ($)	**14.45**	12.47
Share price ($)	**14.80**	12.94
Expected volatility based on historical volatility as of acceptance date (%)	**13.19**	12.97
Singapore government bond yields (%)	**2.83**	3.36
Expected dividend yield (%)	**6.54**	4.91

13. **Share Capital** (continued)

13.3 **Employee Share Purchase Plan** (continued)

Movements in the number of acquisition rights of the ESP Plan are as follows:

	2024		2023	
	Number of acquisition rights ('000)	Average price	Number of acquisition rights ('000)	Average price
At 1 January	**15,492**	**$12.287**	14,908	$11.851
Exercised and conversion upon expiry	**(7,236)**	**$12.098**	(6,589)	$11.602
Forfeited	**(1,242)**	**$12.783**	(1,726)	$12.072
Subscription	**8,555**	**$14.450**	8,899	$12.470
At 31 December	**15,569**	**$13.524**	15,492	$12.287
Average share price underlying acquisition rights exercised/converted		**$14.820**		$12.649

At 31 December 2024, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2023: 1.2 years). At 31 December 2024 and 31 December 2023, no acquisition rights were held by directors of the Bank.

13.4 Deferred Share Plan

The OCBC Deferred Share Plan (DSP) aims to increase the performance-orientation and retention factor in compensation packages of executives, and foster an ownership culture within the organisation. It also aligns the interests of executives with the sustained business performance of the Bank. Group executives holding the rank or equivalent rank of Assistant Manager and above, and any Group Executive Director selected by the Remuneration Committee, are eligible to participate in the DSP.

Half (50%) of the share awards will vest after two years with the remaining 50% vesting at the end of three years in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

The Bank adopted the OCBC Deferred Share Plan 2021 (DSP 2021) on 29 April 2021 to replace the DSP, which was terminated on the same day. The termination of the DSP does not affect the awards which have been granted, whether such awards have been released (whether fully or partially) or not. By implementing the DSP 2021, which permits new ordinary shares to be issued, the Bank has greater flexibility in its methods for delivery of ordinary shares, as this can be effected through an issue of new ordinary shares, in addition to the transfer of existing ordinary shares (including treasury shares).

During the year, 10,994 (2023: 5,413,124) deferred shares were released to employees under the DSP. As at 31 December 2024, there were no longer any outstanding awards granted under the DSP.

Total awards of 7,237,975 (2023: 6,785,111) ordinary shares were granted and accepted by eligible executives under the DSP 2021 for the financial year ended 31 December 2024, of which 325,534 ordinary shares were granted to directors of the Bank who held office as at 31 December 2024. The fair value of the shares at grant date was $96.8 million (2023: $83.8 million). During the year, 8,056,432 (2023: 3,787,000) deferred shares were released to employees under the DSP 2021, of which 177,094 deferred shares were released to directors of the Bank who held office at 31 December 2024.

The accounting treatment of share-based compensation plan is set out in Note 2.16.4

14. Other Equity Instruments

		GROUP AND BANK	
	Note	2024 $ million	2023 $ million
SGD200 million 3.0% non-cumulative non-convertible perpetual capital securities (3.0% Capital Securities)	(a)	**200**	200
SGD500 million 3.9% non-cumulative non-convertible perpetual capital securities (3.9% Capital Securities)	(b)	**498**	498
SGD550 million 4.5% non-cumulative non-convertible perpetual capital securities (4.5% Capital Securities)	(c)	**550**	550
SGD450 million 4.05% non-cumulative non-convertible perpetual capital securities (4.05% Capital Securities)	(d)	**450**	–
		1,698	1,248

(a) The 3.0% Capital Securities issued by the Bank on 30 September 2020 are non-cumulative non-convertible perpetual capital securities. They qualify as Additional Tier 1 capital of the Bank under the requirements of MAS.

The 3.0% Capital Securities may, subject to MAS approval, be redeemed at the option of the Bank on or after 30 September 2030 (First Reset Date), and each distribution payment date after the First Reset Date. The terms include a non-viability loss-absorbing feature. Under this feature, OCBC must write off the securities when: (1) the MAS notifies the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; or (2) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the MAS. The Bank will, in consultation with or as directed by MAS, determine the amount to be written off in order for the non-viability event to cease to continue. In addition to the first call in 2030, the 3.0% Capital Securities may also be redeemed if a qualifying tax event or a change of qualification event occurs.

The 3.0% Capital Securities bear a fixed distribution rate of 3.0% per annum from the issue date to the First Reset Date and will be reset every 10 years thereafter to a fixed rate equal to the then-prevailing 10-year SGD Swap Offer Rate plus 2.19%. With the cessation of the SGD Swap Offer Rate, and following the guidance released by the Steering Committee for SOR Transition to SORA for the transition of resettable fixed rate securities, the fixed distribution rate will be replaced with the sum of the SORA-OIS of the same tenor and the 6-month MAS Recommended Rate Adjustment Spread of 0.3112% plus 2.19% if it is not redeemed at the First Reset Date. The non-cumulative distributions may only be paid out of distributable reserves semi-annually in March and September, unless cancelled by the Bank at its option. These constitute unsecured and subordinated obligations, ranking senior only to ordinary shares of the Bank.

(b) The 3.9% Capital Securities issued by the Bank on 8 June 2022 are non-cumulative non-convertible perpetual capital securities. They qualify as Additional Tier 1 capital of the Bank under the requirements of MAS.

The 3.9% Capital Securities may, subject to MAS approval, be redeemed at the option of the Bank on 8 June 2027 (First Reset Date), or each distribution payment date falling after the First Reset Date. The terms include a non-viability loss-absorbing feature. Under this feature, OCBC must write off the securities when: (1) the MAS notifies the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; or (2) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the MAS. The Bank will, in consultation with or as directed by MAS, determine the amount to be written off in order for the non-viability event to cease to continue. In addition to the first call in 2027, the 3.9% Capital Securities may also be redeemed if a qualifying tax event or a change of qualification event occurs.

The 3.9% Capital Securities bear a fixed distribution rate of 3.9% per annum from the issue date to the First Reset Date and will be reset every five years thereafter to a fixed rate equal to the then-prevailing five-year SORA-OIS rate plus 1.416%. The non-cumulative distributions may only be paid out of distributable reserves semi-annually in June and December, unless cancelled by the Bank at its option. These constitute unsecured and subordinated obligations, ranking senior only to ordinary shares of the Bank.

14. Other Equity Instruments (continued)

(c) The 4.5% Capital Securities issued by the Bank on 15 August 2023 are non-cumulative non-convertible perpetual capital securities. They qualify as Additional Tier 1 capital of the Bank under the requirements of MAS.

The 4.5% Capital Securities may, subject to MAS approval, be redeemed at the option of the Bank on 15 February 2029 (First Reset Date), or each distribution payment date falling after the First Reset Date. The terms include a non-viability loss-absorbing feature. Under this feature, OCBC must write off the securities when: (1) the MAS notifies the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; or (2) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the MAS. The Bank will, in consultation with or as directed by MAS, determine the amount to be written off in order for the non-viability event to cease to continue. In addition to the first call in 2029, the 4.5% Capital Securities may also be redeemed if a qualifying tax event or a change of qualification event occurs.

The 4.5% Capital Securities bear a fixed distribution rate of 4.5% per annum from the issue date to the First Reset Date and will be reset every five years thereafter to a fixed rate equal to the then-prevailing five-year SORA-OIS rate plus 1.3348%. The non-cumulative distributions may only be paid out of distributable reserves semi-annually in February and August, unless cancelled by the Bank at its option. These constitute unsecured and subordinated obligations, ranking senior only to ordinary shares of the Bank.

(d) The 4.05% Capital Securities issued by the Bank on 16 January 2024 are non-cumulative non-convertible perpetual capital securities. They qualify as Additional Tier 1 capital of the Bank under the requirements of MAS.

The 4.05% Capital Securities may, subject to MAS approval, be redeemed at the option of the Bank on 16 October 2029 (First Reset Date), or each distribution payment date falling after the First Reset Date. The terms include a non-viability loss-absorbing feature. Under this feature, OCBC must write off the securities when: (1) the MAS notifies the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; or (2) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the MAS. The Bank will, in consultation with or as directed by MAS, determine the amount to be written off in order for the non-viability event to cease to continue. In addition to the first call in 2029, the 4.05% Capital Securities may also be redeemed if a qualifying tax event or a change of qualification event occurs.

The 4.05% Capital Securities bear a fixed distribution rate of 4.05% per annum from the issue date to the First Reset Date and will be reset every five years thereafter to a fixed rate equal to the then-prevailing five-year SORA-OIS rate plus 1.3165%. The non-cumulative distributions may only be paid out of distributable reserves semi-annually in April and October, unless cancelled by the Bank at its option. These constitute unsecured and subordinated obligations, ranking senior only to ordinary shares of the Bank.

15. Capital Reserves

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
At 1 January	**815**	792	**544**	560
Share-based payments for staff costs	**6**	6	**6**	6
Shares transferred to DSP Trust	**(92)**	(84)	**–**	–
Shares vested under DSP Scheme	**107**	113	**–**	–
Transfer from unappropriated profit (Note 16.1)	**10**	10	**–**	–
Transfer to share capital	**(16)**	(22)	**(16)**	(22)
At 31 December	**830**	815	**534**	544

Capital reserves include regulatory loss allowance reserve and statutory reserves set aside by the Group's banking and stockbroking entities in accordance with the respective laws and regulations. Capital reserves also include the Bank's employee share schemes' reserves and deferred shares held by DSP Trust.

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For the financial year ended 31 December 2024

16. Revenue Reserves

		GROUP		BANK	
	Note	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Unappropriated profit	16.1	**39,072**	35,549	**20,684**	17,735
General reserves	16.2	**1,246**	1,317	**1,415**	1,412
Cash flow and other hedge reserves	16.3	**171**	101	**136**	41
Currency translation reserves	16.4	**(2,107)**	(2,464)	**(303)**	(251)
Own credit reserves		**(3)**	(2)	**(3)**	(2)
At 31 December		**38,379**	34,501	**21,929**	18,935

16.1 Unappropriated Profit

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Profit attributable to equity holders of the Bank	**7,587**	7,021	**6,861**	5,259
Add:				
Unappropriated profit at 1 January	**35,549**	32,185	**17,735**	16,119
Total amount available for appropriation	**43,136**	39,206	**24,596**	21,378
Appropriated as follows:				
Ordinary dividends:				
Final tax-exempt dividend of 42 cents paid for the previous financial year (2023: tax-exempt dividend of 40 cents)	**(1,891)**	(1,800)	**(1,891)**	(1,800)
Interim tax-exempt dividend of 44 cents paid for the current financial year (2023: tax-exempt dividend of 40 cents)	**(1,978)**	(1,798)	**(1,978)**	(1,798)
Distributions for other equity instruments:				
4.0% perpetual capital securities	**–**	(40)	**–**	(40)
3.0% perpetual capital securities	**(6)**	(6)	**(6)**	(6)
3.9% perpetual capital securities	**(20)**	(20)	**(20)**	(20)
4.5% perpetual capital securities	**(25)**	–	**(25)**	–
4.05% perpetual capital securities	**(13)**	–	**(13)**	–
Transfer (to)/from:				
Capital reserves (Note 15)	**(10)**	(10)	**–**	–
Fair value reserves	**72**	14	**13**	13
General reserves (Note 16.2)	**13**	10	**13**	10
Others	**(206)**	(7)	**(5)**	(2)
	(4,064)	(3,657)	**(3,912)**	(3,643)
At 31 December	**39,072**	35,549	**20,684**	17,735

At the annual general meeting to be held, a final tax-exempt dividend of 41 cents per ordinary share and a tax-exempt special dividend of 16 cents per ordinary share in respect of the financial year ended 31 December 2024, totalling $2,565 million, will be proposed. The dividends will be accounted for as a distribution in the 2025 financial statements.

16. Revenue Reserves (continued)

16.2 General Reserves

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
At 1 January	**1,317**	1,277	**1,412**	1,406
DSP reserve from dividends on unvested shares	**16**	16	**16**	16
Net insurance financial result	**(74)**	34	**–**	–
Transfer to unappropriated profit (Note 16.1)	**(13)**	(10)	**(13)**	(10)
At 31 December	**1,246**	1,317	**1,415**	1,412

The general reserves have not been earmarked for any specific purpose, and include merger reserves arising from common control transactions, insurance finance reserves, as well as dividends on unvested shares under the DSP.

16.3 Cash Flow and Other Hedge Reserves

The cash flow hedge reserves comprise the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows. The cash flow hedges principally consist of interest rate contracts that are used to hedge against the variability in cash flows of certain floating rate instruments.

Other hedge reserves comprise the forward element that is separated from a forward contract, where only the spot element is designated as the hedging instrument.

16.4 Currency Translation Reserves

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
At 1 January	**(2,464)**	(1,737)	**(251)**	(210)
Movements for the year	**580**	(858)	**(46)**	(45)
(Loss)/gain from foreign currency net investment hedges	**(223)**	131	**(6)**	4
At 31 December	**(2,107)**	(2,464)	**(303)**	(251)

Currency translation reserves comprise differences arising from the translation of the net assets of foreign operations and the effective portion of the hedge against currency exposure in foreign operations.

Refer to Note 38.3 Currency risk – Structural foreign exchange risk for management of structural foreign exchange risk.

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17. Deposits and Balances of Non-Bank Customers and Banks

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Deposits of non-bank customers				
Current accounts	**109,603**	104,465	**67,626**	64,287
Savings deposits	**81,150**	72,527	**69,644**	62,073
Term deposits	**149,082**	141,547	**76,013**	73,027
Structured deposits	**12,103**	8,447	**3,657**	3,046
Certificates of deposit issued	**22,253**	23,639	**22,235**	23,101
Other deposits	**16,496**	13,145	**14,000**	10,617
	390,687	363,770	**253,175**	236,151
Deposits and balances of banks	**11,565**	10,884	**8,951**	8,080
	402,252	374,654	**262,126**	244,231

18. Derivative Financial Instruments

The derivative financial instruments shown in the following tables are held for both trading and hedging purposes. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative receivables) and negative (derivative payables) fair values at the reporting date are analysed below.

	2024			2023		
GROUP ($ million)	Principal notional amount	Derivative receivables	Derivative payables	Principal notional amount	Derivative receivables	Derivative payables
Foreign exchange derivatives (FED)						
Forwards	**47,032**	**512**	**481**	52,751	408	385
Swaps	**593,655**	**8,309**	**7,274**	477,047	4,414	5,105
OTC options	**51,577**	**327**	**345**	48,259	261	258
	692,264	**9,148**	**8,100**	578,057	5,083	5,748
Interest rate derivatives (IRD)						
Swaps	**687,987**	**7,184**	**6,955**	648,196	7,215	7,074
OTC options	**14,903**	**29**	**102**	12,758	33	53
Exchange traded futures	**3,249**	**4**	**2**	20,489	1	1
Others	**114**	**2**	**1**	129	–	2
	706,253	**7,219**	**7,060**	681,572	7,249	7,130
Equity derivatives						
Swaps	**6,033**	**249**	**455**	4,384	312	490
OTC options	**12,404**	**336**	**362**	6,227	175	185
Exchange traded futures	**363**	**#**	**4**	367	2	#
Others	**59**	**#**	**3**	81	#	5
	18,859	**585**	**824**	11,059	489	680
Credit derivatives						
Swaps – protection buyer	**5,306**	**17**	**97**	3,155	1	54
Swaps – protection seller	**4,085**	**80**	**7**	2,573	44	–
	9,391	**97**	**104**	5,728	45	54
Other derivatives						
Precious metals	**2,330**	**22**	**23**	1,372	12	11
OTC options	**9,753**	**132**	**127**	10,735	98	97
	12,083	**154**	**150**	12,107	110	108
Total	**1,438,850**	**17,203**	**16,238**	1,288,523	12,976	13,720

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For the financial year ended 31 December 2024

18. Derivative Financial Instruments (continued)

	2024			2023		
BANK ($ million)	Principal notional amount	Derivative receivables	Derivative payables	Principal notional amount	Derivative receivables	Derivative payables
Foreign exchange derivatives (FED)						
Forwards	**36,048**	**414**	**358**	32,743	288	271
Swaps	**449,489**	**5,958**	**5,099**	379,657	3,566	4,098
OTC options	**49,989**	**315**	**332**	45,800	249	249
	535,526	**6,687**	**5,789**	458,200	4,103	4,618
Interest rate derivatives (IRD)						
Swaps	**537,582**	**6,073**	**5,917**	451,924	6,674	6,602
OTC options	**14,653**	**29**	**101**	11,103	33	52
Exchange traded futures	**2,781**	**3**	**2**	20,421	1	1
Others	**93**	**1**	**#**	45	–	2
	555,109	**6,106**	**6,020**	483,493	6,708	6,657
Equity derivatives						
Swaps	**5,645**	**235**	**444**	4,010	286	465
OTC options	**11,925**	**327**	**362**	5,876	173	184
Exchange traded futures	**45**	**#**	**#**	241	–	#
Others	**59**	**#**	**3**	81	#	5
	17,674	**562**	**809**	10,208	459	654
Credit derivatives						
Swaps – protection buyer	**5,110**	**8**	**96**	2,966	1	53
Swaps – protection seller	**3,891**	**80**	**#**	2,384	43	–
	9,001	**88**	**96**	5,350	44	53
Other derivatives						
Precious metals	**1,874**	**17**	**19**	741	7	7
OTC options	**8,224**	**122**	**122**	9,920	96	94
	10,098	**139**	**141**	10,661	103	101
Total	**1,127,408**	**13,582**	**12,855**	967,912	11,417	12,083

19. Other Liabilities

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Bills payable	**348**	422	**277**	378
Interest payable	**1,940**	1,995	**1,286**	1,291
Lease liabilities	**234**	218	**49**	59
Precious metal liabilities	**1,055**	1,001	**17**	13
Sundry creditors	**3,839**	3,608	**1,547**	883
Others	**1,954**	1,912	**806**	941
	9,370	9,156	**3,982**	3,565

At 31 December 2024, non-life insurance contract liabilities included in "Others" amounted to $618 million (2023: $673 million) for the Group.

20. Deferred Tax

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
At 1 January	**50**	(99)	**(27)**	21
Currency translation and others	**(2)**	74	**(11)**	(3)
Net charge/(credit) to income statement (Note 11)	**152**	(29)	**30**	(45)
Over provision in prior years	**(42)**	(21)	**(31)**	(27)
Net charge/(credit) to equity	**67**	76	**2**	27
Net change in tax for life insurance funds	**78**	49	**–**	–
At 31 December	**303**	50	**(37)**	(27)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

20. Deferred Tax (continued)

The deferred tax assets and liabilities are to be recovered and settled after one year and the following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Deferred tax liabilities				
Accelerated tax depreciation	**173**	110	**116**	70
Unrealised gains on investments	**47**	45	**18**	26
Depreciable assets acquired in business combination	**95**	97	**4**	33
Provision for policy liabilities	**514**	326	**–**	–
Regulatory loss allowance reserve	**58**	63	**58**	63
Others	**47**	50	**33**	#
	934	691	**229**	192
Amount offset against deferred tax assets	**(93)**	(55)	**(91)**	(86)
	841	636	**138**	106
Deferred tax assets				
Allowances for impairment of assets	**(349)**	(352)	**(163)**	(148)
Tax losses	**(129)**	(119)	**(61)**	(35)
Unrealised losses on financial assets	**(24)**	(59)	**(19)**	(18)
Others	**(129)**	(111)	**(23)**	(18)
	(631)	(641)	**(266)**	(219)
Amount offset against deferred tax liabilities	**93**	55	**91**	86
	(538)	(586)	**(175)**	(133)
Net deferred tax liabilities/(assets)	**303**	50	**(37)**	(27)

Deferred income tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit through future taxable profits is probable. At 31 December 2024, unutilised tax losses carried forward for which no deferred income tax has been recognised amounted to $118 million (2023: $133 million) for the Group, $3 million (2023: $52 million) for the Bank. These tax losses have no expiry date except for an amount of $108 million (2023: $125 million) which will expire between the years 2025 and 2041 (2023: years 2024 and 2037).

21. Debt Issued

		GROUP		BANK	
	Note	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Subordinated debt	21.1	**3,492**	3,499	**3,001**	3,499
Fixed and floating rate notes	21.2	**3,938**	4,191	**3,212**	3,387
Commercial paper	21.3	**17,867**	14,418	**17,852**	14,390
Structured notes	21.4	**4,833**	3,747	**4,833**	3,747
Covered bonds	21.5	**1,423**	698	**1,423**	698
Total debt issued		**31,553**	26,553	**30,321**	25,721

21. Debt Issued (continued)

21.1 Subordinated Debt

	Note	Issue date	Maturity date	GROUP 2024 $ million	GROUP 2023 $ million
Issued by the Bank:					
USD1 billion 4.250% notes	(a)	19 Jun 2014	19 Jun 2024	**–**	1,301
USD1 billion 1.832% notes	(b)	10 Sep 2020	10 Sep 2030	**1,326**	1,239
USD0.75 billion 4.602% notes	(c)	15 Jun 2022	15 Jun 2032	**990**	959
USD0.50 billion 5.520% notes	(d)	21 May 2024	21 May 2034	**685**	–
				3,001	3,499
Issued by The Great Eastern Life Assurance Company Limited:					
SGD0.5 billion 3.928% notes	(e)	17 Apr 2024	17 Apr 2039	**491**	–
Total subordinated debt				**3,492**	3,499

(a) The subordinated notes can be written off in whole or in part if the MAS determines that the Bank would become non-viable. Interest is payable semi-annually on 19 June and 19 December each year at 4.250% per annum. The Bank had entered into interest rate swaps to manage the risk of the subordinated notes and the cumulative fair value change of the risk hedged is included in the carrying amount. The subordinated notes qualify as Tier 2 capital for the Group. The subordinated notes matured on 19 June 2024.

(b) The subordinated notes are redeemable in whole at the option of the Bank on 10 September 2025. They can be written off in whole or in part if the MAS determines that the Bank would become non-viable. Interest is payable semi-annually on 10 March and 10 September each year at 1.832% per annum up to 10 September 2025, and thereafter at a fixed rate per annum equal to the then prevailing 5-year U.S. Treasury Rate plus 1.580% if the redemption option is not exercised. The Bank had entered into interest rate swaps to manage the risk of the subordinated notes and the cumulative fair value change of the risk hedged is included in the carrying amount. The subordinated notes qualify as Tier 2 capital for the Group.

(c) The subordinated notes are redeemable in whole at the option of the Bank on 15 June 2027. They can be written off in whole or in part if the MAS determines that the Bank would become non-viable. Interest is payable semi-annually on 15 June and 15 December each year at 4.602% per annum up to 15 June 2027, and thereafter at a fixed rate per annum equal to the then prevailing 5-year U.S. Treasury Rate plus 1.575% if the redemption option is not exercised. The Bank had entered into interest rate swaps to manage the risk of the subordinated notes and the cumulative fair value change of the risk hedged is included in the carrying amount. The subordinated notes qualify as Tier 2 capital for the Group.

(d) The subordinated notes are redeemable in whole at the option of the Bank on 21 May 2029. They can be written off in whole or in part if the MAS determines that the Bank would become non-viable. Interest is payable semi-annually on 21 May and 21 November each year at 5.520% per annum up to 21 May 2029, and thereafter at a fixed rate per annum equal to the then prevailing 5-year U.S. Treasury Rate plus 1.030% if the redemption option is not exercised. The Bank had entered into interest rate swaps to manage the risk of the subordinated notes and the cumulative fair value change of the risk hedged is included in the carrying amount. The subordinated notes qualify as Tier 2 capital for the Group.

(e) The subordinated notes are redeemable in whole at the option of The Great Eastern Life Assurance Company Limited on 17 April 2034. Interest is payable semi-annually on 17 April and 17 October each year at 3.928% per annum up to 16 April 2034, and thereafter at a fixed rate per annum equal to the then prevailing 5-year SORA-OIS benchmark rate plus 0.731% if the redemption option is not exercised. The subordinated notes qualify as Tier 2 capital for The Great Eastern Life Assurance Company Limited.

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21. Debt Issued (continued)

21.2 Fixed and Floating Rate Notes

	Note	Issue date	Maturity date	GROUP 2024 $ million	2023 $ million
Issued by the Bank:					
AUD460 million floating rate notes	(a)	18 Mar 2021 – 25 Mar 2021	18 Mar 2024	**–**	415
AUD500 million floating rate notes	(a)	12 Aug 2021	12 Aug 2024	**–**	450
AUD200 million floating rate notes	(a)	21 Aug 2023	21 Aug 2024	**–**	180
AUD200 million floating rate notes	(a)	20 Jan 2023	25 Nov 2024	**–**	180
AUD700 million floating rate notes	(b)	14 Apr 2022	14 Apr 2025	**592**	631
AUD500 million floating rate notes	(b)	11 Aug 2022	11 Aug 2025	**423**	451
AUD1,000 million floating rate notes	(b)	18 May 2023	18 May 2026	**845**	900
AUD200 million floating rate notes	(b)	21 Nov 2023	21 Mar 2025	**169**	180
AUD500 million floating rate notes	(b)	8 Mar 2024	8 Mar 2027	**423**	–
AUD200 million floating rate notes	(b)	18 Jun 2024	18 Jun 2025	**169**	–
AUD500 million floating rate notes	(b)	27 Aug 2024	27 Aug 2027	**422**	–
AUD200 million floating rate notes	(b)	25 Nov 2024	25 Sep 2026	**169**	–
				3,212	3,387
Issued by Pac Lease Berhad:					
MYR80 million 3.48% fixed rate notes	(a)	19 Jun 2023	18 Jun 2024	**–**	23
MYR50 million 4.05% fixed rate notes	(a)	28 Jun 2023	10 Jan 2024	**–**	14
MYR50 million 3.28% fixed rate notes	(a)	14 Aug 2023	14 Feb 2024	**–**	15
MYR30 million 4.34% fixed rate notes	(c)	21 Mar 2023	21 Mar 2025	**9**	9
MYR70 million 4.50% fixed rate notes	(c)	21 Mar 2023	19 Mar 2026	**21**	20
MYR100 million 4.35% fixed rate notes	(c)	26 Apr 2023	24 Apr 2026	**31**	29
MYR50 million 4.15% fixed rate notes	(c)	27 Jul 2023	29 Jul 2025	**15**	14
MYR50 million 4.25% fixed rate notes	(c)	2 Aug 2023	4 Aug 2026	**15**	14
MYR45 million 4.15% fixed rate notes	(c)	3 Aug 2023	5 Aug 2025	**14**	13
MYR80 million 3.80% fixed rate notes	(c)	25 Sep 2024	25 Sep 2026	**28**	–
MYR50 million 3.80% fixed rate notes	(c)	10 Oct 2024	9 Oct 2026	**15**	–
MYR50 million 3.80% fixed rate notes	(c)	22 Oct 2024	22 Oct 2026	**15**	–
				163	151
Issued by OCBC Bank Limited:					
CNY730 million 3.50% fixed rate bonds	(a)	24 May 2021	24 May 2024	**–**	136
CNY1,020 million 3.32% fixed rate bonds	(a)	22 Nov 2021	22 Nov 2024	**–**	191
CNY710 million 2.99% fixed rate bonds	(d)	30 May 2022	30 May 2025	**133**	140
CNY470 million 3.24% fixed rate bonds	(d)	17 Nov 2022	17 Nov 2025	**88**	93
CNY450 million 2.88% fixed rate bonds	(d)	17 Aug 2023	17 Aug 2026	**85**	93
CNY1,300 million 2.40% fixed rate bonds	(d)	30 May 2024	30 May 2027	**242**	–
				548	653
Issued by Great Eastern Capital (Malaysia) Sdn Bhd:					
MYR50 million 4.58% fixed rate notes	(c)	25 Apr 2024	25 Apr 2029	**15**	–
Total fixed and floating rate notes				**3,938**	4,191

(a) The notes and bonds were fully redeemed on their respective maturity/cancellation dates.
(b) Interest is payable quarterly at the 3-month Bank Bill Swap reference rate plus from 0.36% to 0.82% per annum.
(c) Interest is payable semi-annually.
(d) Interest is payable annually.

21. Debt Issued (continued)

21.3 Commercial Paper

	GROUP	
	2024 $ million	2023 $ million
Issued by the Bank	**17,852**	14,390
Issued by subsidiary	**15**	28
	17,867	14,418

The Bank issued the commercial paper under its USD10 billion Euro Commercial Paper (ECP) programme and USD25 billion US Commercial Paper (USCP) programme. The notes outstanding as at 31 December 2024 (2023: 31 December 2023) were issued between 27 June 2024 (2023: 18 September 2023) and 27 December 2024 (2023: 27 December 2023), and mature between 2 January 2025 (2023: 2 January 2024) and 4 June 2025 (2023: 14 May 2024). The commercial papers are zero-coupon papers, or floating coupon rate papers pegged to monthly or quarterly market rates.

21.4 Structured Notes

			GROUP	
	Issue date	Maturity date	2024 $ million	2023 $ million
Issued by the Bank:				
Credit linked notes	1 Oct 2012 – 24 Dec 2024	20 Feb 2025 – 26 Dec 2029	**939**	1,126
Fixed rate notes	9 Oct 2012 – 3 Jan 2025	2 Jan 2025 – 21 Aug 2054	**559**	834
Bond linked notes	8 Jun 2017 – 13 Jan 2025	2 Jan 2025 – 18 Nov 2033	**1,467**	132
Index linked notes	6 May 2024 – 20 Dec 2024	24 Jan 2025 – 22 Oct 2027	**24**	–
Fund linked notes	29 Oct 2019 – 20 Dec 2024	8 May 2025 – 21 Feb 2031	**162**	115
Participation notes	14 Jun 2019 – 20 Dec 2024	21 Jan 2025 – 7 Jul 2028	**1,272**	1,490
Equity linked notes	13 May 2022 – 10 Jan 2025	2 Jan 2025 – 19 May 2027	**410**	50
			4,833	3,747

The structured notes were issued by the Bank under its Structured Note and Global Medium Term Notes Programmes and were measured at amortised cost, except for $939 million (2023: $1,040 million) included under credit linked notes, $450 million included under fixed rate notes (2023: $726 million), nil included under equity linked notes (2023: $2 million), $1,467 million (2023: $132 million) included under bond linked notes, $21 million (2023: nil) included under index linked notes, $38 million (2023: nil) included under fund linked notes and $442 million (2023: nil) included under participation notes as at 31 December 2024 which were measured at fair value through profit or loss.

In accordance with SFRS(I) 9, to the extent that the underlying economic characteristics and risks of the embedded derivatives were not closely related to the economic characteristics and risks of the host contract, and where such embedded derivatives would meet the definition of a derivative, the Group bifurcated such embedded derivatives and recognised these separately from the host contracts. The bifurcated embedded derivatives were fair valued through profit or loss, and were included as part of the Group's derivatives in the financial statements.

21. Debt Issued (continued)

21.5 Covered Bonds

	Issue date	Maturity date	GROUP 2024 $ million	GROUP 2023 $ million
Issued by the Bank:				
EUR500 million 0.625% fixed rate bonds	18 Apr 2018	18 Apr 2025	**701**	698
EUR500 million 3.290% fixed rate bonds	11 June 2024	11 June 2027	**722**	–
			1,423	698

The covered bonds were issued by the Bank under its USD10 billion Global Covered Bond Programme. The Covered Bond Guarantor, Red Sail Pte. Ltd., guarantees the payments of interest and principal. The guarantee is secured by a portfolio of Singapore housing loans transferred from OCBC Bank to Red Sail Pte. Ltd. (Note 46.2). Interest for the EUR covered bonds is payable annually and in arrears.

21.6 Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities

GROUP ($ million)	Subordinated debt	Fixed and floating rate notes	Commercial paper	Structured notes	Covered bonds	Total
At 1 January 2023	3,484	3,202	10,759	2,713	1,780	21,938
Cash flows	–	1,040	3,755	1,081	(1,124)	4,752
Non-cash changes						
Currency translation	(66)	(52)	(255)	(45)	(114)	(532)
Others	81	1	159	(2)	156	395
At 31 December 2023/1 January 2024	**3,499**	**4,191**	**14,418**	**3,747**	**698**	**26,553**
Cash flows	**(187)**	**(53)**	**2,672**	**1,211**	**727**	**4,370**
Non-cash changes						
Currency translation	**112**	**(199)**	**485**	**71**	**(3)**	**466**
Others	**68**	**(1)**	**292**	**(196)**	**1**	**164**
At 31 December 2024	**3,492**	**3,938**	**17,867**	**4,833**	**1,423**	**31,553**

22. Assets and Liabilities for Life Insurance Funds

	GROUP	
	2024 $ million	2023 $ million
Insurance contract liabilities and other liabilities for life insurance funds		
Insurance contract liabilities	**100,680**	97,386
Reinsurance contract liabilities	**142**	166
Others	**2,110**	2,092
	102,932	99,644
Other assets for life insurance funds		
Deposits with banks and financial institutions	**2,281**	3,082
Loans	**1,014**	509
Investment property	**1,939**	1,881
Reinsurance contract assets	**829**	512
Insurance contract assets	**68**	12
Others [(1)]	**1,708**	1,951
	7,839	7,947
Investment securities for life insurance funds	**94,452**	89,570
	102,291	97,517
Balances for life insurance funds included under the following balance sheet items:		
Liabilities		
Current tax	**211**	144
Deferred tax	**416**	254
Other liabilities	**47**	51
Assets		
Cash and placements with central banks	**#**	#
Placements with and loans to banks	**1,314**	2,271
Property, plant and equipment and intangible assets	**679**	651
Deferred tax assets	**8**	4

(1) Others mainly comprise interest receivable, deposits collected, prepayments, investment debtors and sundry debtors.

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22. Assets and Liabilities for Life Insurance Funds (continued)

22.1 Reconciliation of the Liability for Remaining Coverage and Liability for Incurred Claims for Life Insurance

	2024					
	Liabilities for remaining coverage		Liabilities for incurred claim			
				Contracts under PAA		
$ million	Excluding loss component	Loss component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contract liabilities at 1 January	89,709	466	7,211	–	–	97,386
Insurance contract assets at 1 January	(33)	31	(10)	–	–	(12)
Net insurance contract liabilities/(assets) at 1 January	89,676	497	7,201	–	–	97,374
Insurance revenue						
Contracts under modified retrospective approach	(1,073)	–	–	–	–	(1,073)
Contracts under fair value transition approach	(3,002)	–	–	–	–	(3,002)
Other contracts	(1,670)	–	(247)	(188)	–	(2,105)
	(5,745)	–	(247)	(188)	–	(6,180)
Insurance service expenses						
Incurred claims and other expenses	–	(330)	4,570	147	–	4,387
Amortisation of insurance acquisition cash flows	588	–	–	–	–	588
Losses on onerous contracts and reversal of those losses	–	561	–	–	–	561
Changes to liabilities for incurred claims	–	–	124	40	1	165
	588	231	4,694	187	1	5,701
Insurance service result	(5,157)	231	4,447	(1)	1	(479)
Finance expenses from insurance contracts issued	5,672	6	232	–	–	5,910
Effect of movements in exchange rates	1,266	8	333	–	–	1,607
Total changes in the income statement and OCI	1,781	245	5,012	(1)	1	7,038
Investment components	(14,293)	–	14,293	–	–	–
Cash flows						
Premiums received	16,532	–	–	–	–	16,532
Claims and other expenses paid	–	–	(18,522)	(36)	–	(18,558)
Insurance acquisition cash flows	(1,630)	–	–	–	–	(1,630)
Total cash flows	14,902	–	(18,522)	(36)	–	(3,656)
Other movements	(270)	(15)	231	(90)	–	(144)
Net insurance contract liabilities/(assets) at 31 December	91,796	727	8,215	(127)	1	100,612
Insurance contract liabilities at 31 December	91,866	707	8,233	(127)	1	100,680
Insurance contract assets at 31 December	(70)	20	(18)	–	–	(68)
Net insurance contract liabilities/(assets) at 31 December	91,796	727	8,215	(127)	1	100,612

22. Assets and Liabilities for Life Insurance Funds (continued)

22.1 Reconciliation of the Liability for Remaining Coverage and Liability for Incurred Claims for Life Insurance (continued)

	2023			
	Liabilities for remaining coverage		Liabilities for incurred claim	
$ million	Excluding loss component	Loss component	Contracts not under PAA	Total
Insurance contract liabilities at 1 January	86,739	308	7,110	94,157
Insurance contract assets at 1 January	(371)	25	(9)	(355)
Net insurance contract liabilities/(assets) at 1 January	86,368	333	7,101	93,802
Insurance revenue				
Contracts under modified retrospective approach	(1,155)	–	–	(1,155)
Contracts under fair value transition approach	(3,095)	–	–	(3,095)
Other contracts	(1,467)	–	–	(1,467)
	(5,717)	–	–	(5,717)
Insurance service expenses				
Incurred claims and other expenses	–	(375)	3,967	3,592
Amortisation of insurance acquisition cash flows	515	–	–	515
Losses on onerous contracts and reversal of those losses	–	515	–	515
Changes to liabilities for incurred claims	–	–	136	136
	515	140	4,103	4,758
Insurance service result	(5,202)	140	4,103	(959)
Finance expenses from insurance contracts issued	4,951	31	197	5,179
Effect of movements in exchange rates	(1,291)	(7)	(257)	(1,555)
Total changes in the income statement and OCI	(1,542)	164	4,043	2,665
Investment components	(9,450)	–	9,450	–
Cash flows				
Premiums received	15,895	–	–	15,895
Claims and other expenses paid	–	–	(13,439)	(13,439)
Insurance acquisition cash flows	(1,477)	–	–	(1,477)
Total cash flows	14,418	–	(13,439)	979
Other movements	(118)	(#)	46	(72)
Net insurance contract liabilities/(assets) at 31 December	89,676	497	7,201	97,374
Insurance contract liabilities at 31 December	89,709	466	7,211	97,386
Insurance contract assets at 31 December	(33)	31	(10)	(12)
Net insurance contract liabilities/(assets) at 31 December	89,676	497	7,201	97,374

22. Assets and Liabilities for Life Insurance Funds (continued)

22.2 Reconciliation of the Measurement Components of Insurance Contract Balances for Life Insurance – Contracts Not Measured Under the PAA

	2024				2023			
$ million	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract liabilities at 1 January	**86,476**	**4,154**	**6,756**	**97,386**	83,364	3,925	6,868	94,157
Insurance contract assets at 1 January	**(247)**	**124**	**111**	**(12)**	(580)	118	107	(355)
Net insurance contract liabilities/(assets) at 1 January	**86,229**	**4,278**	**6,867**	**97,374**	82,784	4,043	6,975	93,802
Changes that relate to current services								
CSM recognised for services provided	**–**	**–**	**(728)**	**(728)**	–	–	(773)	(773)
Risk adjustment recognised for the risk expired	**–**	**(574)**	**–**	**(574)**	–	(503)	–	(503)
Experience adjustments	**112**	**–**	**–**	**112**	(331)	–	–	(331)
Changes that relate to future services								
Contracts initially recognised in the year	**(1,009)**	**703**	**527**	**221**	(862)	659	461	258
Changes in estimates that adjust the CSM	**338**	**(85)**	**(253)**	**–**	(248)	40	208	–
Changes that result in onerous losses or reversal of such losses	**302**	**17**	**–**	**319**	203	52	–	255
Changes that relate to past services								
Adjustments to liabilities for incurred claims	**170**	**1**	**–**	**171**	142	(7)	–	135
Insurance service result	**(87)**	**62**	**(454)**	**(479)**	(1,096)	241	(104)	(959)
Finance expenses from insurance contract issued	**5,654**	**100**	**156**	**5,910**	4,807	170	202	5,179
Effect of movements in foreign exchange rates	**1,245**	**177**	**185**	**1,607**	(1,186)	(176)	(193)	(1,555)
Total changes in the income statement and OCI	**6,812**	**339**	**(113)**	**7,038**	2,525	235	(95)	2,665
Cash flows								
Premiums received	**16,430**	**–**	**–**	**16,430**	16,126	–	–	16,126
Claims and other expenses paid	**(18,522)**	**–**	**–**	**(18,522)**	(13,841)	–	–	(13,841)
Insurance acquisition cash flows	**(1,629)**	**–**	**–**	**(1,629)**	(1,477)	–	–	(1,477)
Total cash flows	**(3,721)**	**–**	**–**	**(3,721)**	808	–	–	808
Other movements	**(166)**	**(#)**	**(7)**	**(173)**	112	–	(13)	99
Net insurance contract liabilities at 31 December	**89,154**	**4,617**	**6,747**	**100,518**	86,229	4,278	6,867	97,374
Insurance contract liabilities at 31 December	**89,434**	**4,498**	**6,654**	**100,586**	86,476	4,154	6,756	97,386
Insurance contract assets at 31 December	**(280)**	**119**	**93**	**(68)**	(247)	124	111	(12)
Net insurance contract liabilities at 31 December	**89,154**	**4,617**	**6,747**	**100,518**	86,229	4,278	6,867	97,374

22. Assets and Liabilities for Life Insurance Funds (continued)

22.3 Impact of Life Insurance Contracts Recognised During the Year

	Contracts issued					
	2024			2023		
$ million	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
Claims and other directly attributable expenses	**7,295**	**6,757**	**14,052**	8,049	5,267	13,316
Insurance acquisition cash flows	**1,377**	**271**	**1,648**	1,241	334	1,575
Estimates of present value of future cash outflows	**8,672**	**7,028**	**15,700**	9,290	5,601	14,891
Estimates of present value of future cash inflows	**(9,678)**	**(7,031)**	**(16,709)**	(10,177)	(5,576)	(15,753)
Risk adjustment	**479**	**224**	**703**	427	232	659
CSM	**527**	**–**	**527**	461	–	461
Increase in insurance contract liabilities from contracts recognised during the year	**–**	**221**	**221**	1	257	258

22.4 Amounts Determined on Transition to SFRS(I) 17

	2024				2023			
$ million	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total	Contracts using the modified retrospective approach	Contracts using the fair value approach	All other contracts	Total
CSM at 1 January	**2,444**	**2,816**	**1,607**	**6,867**	2,820	3,047	1,108	6,975
Changes that relate to current services								
CSM recognised for services provided	**(241)**	**(289)**	**(198)**	**(728)**	(253)	(290)	(230)	(773)
Changes that relate to future services								
Contracts initially recognised in the period	**–**	**–**	**527**	**527**	–	#	461	461
Changes in estimates that adjust the CSM	**(322)**	**(144)**	**213**	**(253)**	(87)	15	280	208
Insurance service result	**(563)**	**(433)**	**542**	**(454)**	(340)	(275)	511	(104)
Finance expenses from insurance contract issued	**87**	**26**	**43**	**156**	125	67	10	202
Effect of movements in exchange rates	**122**	**26**	**37**	**185**	(153)	(21)	(19)	(193)
Total changes in the income statement or OCI	**(354)**	**(381)**	**622**	**(113)**	(368)	(229)	502	(95)
Other movements	**(1)**	**–**	**(6)**	**(7)**	(8)	(2)	(3)	(13)
CSM at 31 December	**2,089**	**2,435**	**2,223**	**6,747**	2,444	2,816	1,607	6,867

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22. Assets and Liabilities for Life Insurance Funds (continued)

22.5 Expected Recognition of the Contractual Service Margin for Life Insurance Contracts Issued

$ million	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
2024							
Life insurance contracts issued	**580**	**510**	**469**	**430**	**388**	**4,370**	**6,747**

$ million	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
2023							
Life insurance contracts issued	602	489	449	418	388	4,521	6,867

23. Cash and Placements with Central Banks

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Cash on hand	**719**	648	**407**	347
Non-restricted balances with central banks	**28,110**	28,222	**26,103**	24,234
Cash and cash equivalents	**28,829**	28,870	**26,510**	24,581
Restricted balances with central banks – mandatory reserve deposits	**5,774**	5,420	**4,019**	3,873
Gross cash and placements with central banks	**34,603**	34,290	**30,529**	28,454
Allowances for non-impaired placements with central banks	**(4)**	(4)	**(4)**	(4)
Net cash and placements with central banks	**34,599**	34,286	**30,525**	28,450

24. Government Treasury Bills and Securities

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Singapore government treasury bills and securities	**14,316**	19,165	**13,182**	17,832
Other government treasury bills and securities	**30,369**	26,465	**11,196**	10,804
Total government treasury bills and securities	**44,685**	45,630	**24,378**	28,636

25. Placements with and Loans to Banks

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Certificates of deposit held	**21,897**	19,211	**16,414**	14,772
Placements with and loans to banks	**13,715**	13,158	**10,308**	10,588
Market bills purchased	**955**	1,292	**955**	1,292
Reverse repos	**4,529**	2,124	**4,499**	2,124
Balances with banks	**41,096**	35,785	**32,176**	28,776
Bank balances for life insurance funds	**1,314**	2,271	**–**	–
Gross placements with and loans to banks	**42,410**	38,056	**32,176**	28,776
Allowances for non-impaired placements with and loans to banks	**(3)**	(5)	**(2)**	(3)
Net placements with and loans to banks	**42,407**	38,051	**32,174**	28,773

26. Loans to Customers

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Gross loans	**319,166**	296,653	**229,814**	209,801
Allowances				
Impaired loans (Note 28)	**(1,278)**	(1,328)	**(484)**	(620)
Non-impaired loans (Note 30)	**(2,792)**	(2,571)	**(1,732)**	(1,673)
Net loans	**315,096**	292,754	**227,598**	207,508

26.1 Analysed by Product

	GROUP 2024	GROUP 2023	BANK 2024	BANK 2023
Overdrafts	**5,226**	5,246	**381**	367
Short-term and revolving loans	**67,105**	58,798	**41,339**	35,122
Syndicated and term loans	**144,799**	133,722	**116,049**	108,954
Housing and commercial property loans	**76,103**	70,987	**54,649**	49,195
Car, credit card and share margin loans	**5,378**	4,822	**3,821**	3,431
Bills receivable	**4,211**	3,875	**3,359**	2,670
Others	**16,344**	19,203	**10,216**	10,062
	319,166	296,653	**229,814**	209,801

26.2 Analysed by Industry

	GROUP 2024	GROUP 2023	BANK 2024	BANK 2023
Agriculture, mining and quarrying	**7,523**	6,808	**5,365**	4,615
Manufacturing	**15,033**	14,186	**6,957**	6,815
Building and construction	**93,924**	93,165	**77,963**	77,228
Housing loans	**68,358**	63,833	**52,222**	47,080
General commerce	**31,053**	27,411	**23,277**	20,513
Transport, storage and communication	**21,327**	16,113	**18,284**	13,952
Financial institutions, investment and holding companies	**27,601**	24,093	**10,499**	7,871
Professionals and individuals	**32,679**	31,708	**18,540**	16,725
Others	**21,668**	19,336	**16,707**	15,002
	319,166	296,653	**229,814**	209,801

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27. Non-Performing Assets

Non-performing assets (NPAs) comprise non-performing loans, debt securities and contingents that are classified as Substandard, Doubtful and Loss in accordance with MAS Notice 612.

$ million	Substandard	Doubtful	Loss	Total
GROUP				
2024				
Classified loans	**632**	**1,678**	**517**	**2,827**
Classified debt securities	**–**	**–**	**–**	**–**
Classified contingents	**24**	**7**	**11**	**42**
Total classified assets	**656**	**1,685**	**528**	**2,869**
Allowances for impaired assets	**(83)**	**(987)**	**(210)**	**(1,280)**
Net classified assets	**573**	**698**	**318**	**1,589**
2023				
Classified loans	928	1,342	535	2,805
Classified debt securities	–	–	–	–
Classified contingents	27	59	10	96
Total classified assets	955	1,401	545	2,901
Allowances for impaired assets	(127)	(972)	(231)	(1,330)
Net classified assets	828	429	314	1,571
BANK				
2024				
Classified loans	**147**	**556**	**117**	**820**
Classified debt securities	**–**	**–**	**–**	**–**
Classified contingents	**11**	**7**	**–**	**18**
Total classified assets	**158**	**563**	**117**	**838**
Allowances for impaired assets	**(3)**	**(471)**	**(10)**	**(484)**
Net classified assets	**155**	**92**	**107**	**354**
2023				
Classified loans	446	670	98	1,214
Classified debt securities	–	–	–	–
Classified contingents	11	56	–	67
Total classified assets	457	726	98	1,281
Allowances for impaired assets	(22)	(592)	(6)	(620)
Net classified assets	435	134	92	661

27. Non-Performing Assets (continued)

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
27.1 Analysed by Period Overdue				
Over 180 days	**1,002**	953	**447**	250
Over 90 days to 180 days	**141**	368	**42**	209
30 days to 90 days	**287**	253	**33**	52
Less than 30 days	**755**	274	**38**	86
No overdue	**684**	1,053	**278**	684
	2,869	2,901	**838**	1,281
27.2 Analysed by Collateral Type				
Property	**1,583**	1,252	**209**	213
Fixed deposit	**20**	20	**12**	11
Stock and shares	**1**	3	**–**	2
Motor vehicles	**3**	6	**1**	#
Secured – Others	**104**	367	**46**	242
Unsecured – Corporate and other guarantees	**681**	366	**404**	337
Unsecured – Clean	**477**	887	**166**	476
	2,869	2,901	**838**	1,281
27.3 Analysed by Industry				
Agriculture, mining and quarrying	**35**	38	**30**	32
Manufacturing	**351**	423	**41**	48
Building and construction	**1,296**	613	**281**	218
Housing loans	**420**	503	**139**	168
General commerce	**266**	306	**25**	76
Transport, storage and communication	**113**	231	**100**	217
Financial institutions, investment and holding companies	**67**	152	**–**	–
Professionals and individuals	**107**	105	**25**	33
Others	**214**	530	**197**	489
	2,869	2,901	**838**	1,281

27.4 Restructured/Renegotiated Loans

Non-performing restructured loans by loan classification and the related allowances are shown below. The restructured loans as a percentage of total non-performing loans were 21.5% (2023: 19.1%) and 36.5% (2023: 14.8%) for the Group and the Bank respectively.

	2024		2023	
	Amount $ million	Allowance $ million	Amount $ million	Allowance $ million
GROUP				
Substandard	**154**	**59**	156	76
Doubtful	**405**	**325**	289	249
Loss	**50**	**32**	91	67
	609	**416**	536	392
BANK				
Substandard	**69**	**13**	43	12
Doubtful	**227**	**163**	133	108
Loss	**3**	**#**	3	#
	299	**176**	179	120

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28. Allowances for Impaired Loans to Customers

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
At 1 January	**1,328**	1,308	**620**	583
Currency translation and other movements	**46**	(20)	**2**	(7)
Net write-offs [1]	**(499)**	(229)	**(271)**	(138)
Net allowances (Note 10)	**403**	269	**133**	182
At 31 December (Note 26)	**1,278**	1,328	**484**	620

(1) Comprise mainly bad debts written off for the Group and the Bank of $569 million and $299 million (2023: $298 million and $177 million) respectively, and bad debts recovered for the Group and Bank of $70 million and $28 million (2023: $54 million and $41 million) respectively.

Analysed by Industry

	Cumulative allowances for impaired loans		Net allowances for impaired loans charged/(write-back) to income statements	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
GROUP				
Agriculture, mining and quarrying	**30**	31	**3**	7
Manufacturing	**226**	279	**(3)**	32
Building and construction	**563**	279	**278**	200
Housing loans	**59**	77	**7**	7
General commerce	**133**	137	**55**	6
Transport, storage and communication	**81**	160	**(25)**	58
Financial institutions, investment and holding companies	**7**	90	**63**	3
Professionals and individuals	**48**	43	**14**	(6)
Others	**131**	232	**11**	(38)
	1,278	1,328	**403**	269
BANK				
Agriculture, mining and quarrying	**29**	28	**2**	(1)
Manufacturing	**9**	10	**–**	(6)
Building and construction	**218**	135	**156**	137
Housing loans	**#**	19	**(1)**	18
General commerce	**9**	48	**(37)**	#
Transport, storage and communication	**76**	152	**(11)**	62
Financial institutions, investment and holding companies	**–**	–	**(#)**	(#)
Professionals and individuals	**21**	23	**2**	13
Others	**122**	205	**22**	(41)
	484	620	**133**	182

29. Debt and Equity Securities

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Debt securities	**36,126**	30,800	**22,386**	19,269
Equity securities and investment funds	**7,288**	5,791	**3,926**	3,163
Total securities	**43,414**	36,591	**26,312**	22,432
Allowances for non-impaired debt securities	**(1)**	(#)	**(1)**	(#)
	43,413	36,591	**26,311**	22,432

Debt Securities Analysis:

29.1 By Credit Ratings

Investment grade (AAA to BBB)	**23,870**	21,289	**16,067**	14,023
Non-investment grade (BB to C)	**35**	85	**33**	85
Non-rated	**12,221**	9,426	**6,286**	5,161
	36,126	30,800	**22,386**	19,269

29.2 By Credit Quality

Pass	**36,126**	30,799	**22,386**	19,269
Special mention	**–**	1	**–**	–
Substandard	**–**	–	**–**	–
Doubtful	**–**	–	**–**	–
Loss	**–**	–	**–**	–
	36,126	30,800	**22,386**	19,269

Debt and Equity Securities Analysis:

29.3 By Industry

Agriculture, mining and quarrying	**575**	410	**274**	186
Manufacturing	**2,564**	1,938	**2,088**	1,493
Building and construction	**3,345**	2,710	**2,002**	1,576
General commerce	**753**	886	**452**	415
Transport, storage and communication	**2,225**	1,712	**1,463**	1,114
Financial institutions, investment and holding companies	**30,417**	25,198	**17,867**	15,322
Others	**3,535**	3,737	**2,166**	2,326
	43,414	36,591	**26,312**	22,432

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30. Allowances for Financial Assets

The following tables show reconciliations from the opening to the closing balance of expected credit loss (ECL).

$ million	Stage 1	Stage 2	Stage 3	Total
GROUP				
At 1 January 2023	1,107	1,119	1,310	3,536
Transfer to Stage 1	647	(632)	(15)	–
Transfer to Stage 2	(529)	595	(66)	–
Transfer to Stage 3	(2)	(62)	64	–
Remeasurement [(1)]	(597)	765	316	484
New financial assets originated or purchased	1,254	–	–	1,254
Financial assets that have been derecognised	(586)	(448)	–	(1,034)
Changes in models [(2)]	(4)	(4)	–	(8)
Write-offs	–	–	(229)	(229)
Foreign exchange and other movements	(10)	(16)	(50)	(76)
At 31 December 2023/1 January 2024	**1,280**	**1,317**	**1,330**	**3,927**
Transfer to Stage 1	**723**	**(663)**	**(60)**	**–**
Transfer to Stage 2	**(492)**	**532**	**(40)**	**–**
Transfer to Stage 3	**(3)**	**(97)**	**100**	**–**
Remeasurement [(1)]	**(837)**	**662**	**393**	**218**
New financial assets originated or purchased	**1,551**	**–**	**–**	**1,551**
Financial assets that have been derecognised	**(776)**	**(418)**	**–**	**(1,194)**
Changes in models [(2)]	**1**	**1**	**–**	**2**
Write-offs	**–**	**–**	**(499)**	**(499)**
Foreign exchange and other movements	**16**	**26**	**56**	**98**
At 31 December 2024	**1,463**	**1,360**	**1,280**	**4,103**
BANK				
At 1 January 2023	887	526	583	1,996
Transfer to Stage 1	459	(453)	(6)	–
Transfer to Stage 2	(380)	380	–	–
Transfer to Stage 3	(1)	(26)	27	–
Remeasurement [(1)]	(457)	619	157	319
New financial assets originated or purchased	885	–	–	885
Financial assets that have been derecognised	(372)	(293)	–	(665)
Changes in models [(2)]	(1)	(70)	–	(71)
Write-offs	–	–	(137)	(137)
Foreign exchange and other movements	(4)	(6)	(4)	(14)
At 31 December 2023/1 January 2024	**1,016**	**677**	**620**	**2,313**
Transfer to Stage 1	**419**	**(368)**	**(51)**	**–**
Transfer to Stage 2	**(314)**	**314**	**–**	**–**
Transfer to Stage 3	**(2)**	**(35)**	**37**	**–**
Remeasurement [(1)]	**(703)**	**423**	**145**	**(135)**
New financial assets originated or purchased	**1,012**	**–**	**–**	**1,012**
Financial assets that have been derecognised	**(489)**	**(217)**	**–**	**(706)**
Changes in models [(2)]	**1**	**1**	**–**	**2**
Write-offs	**–**	**–**	**(271)**	**(271)**
Foreign exchange and other movements	**5**	**15**	**4**	**24**
At 31 December 2024	**945**	**810**	**484**	**2,239**

(1) Remeasurement includes the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables, partial repayments, additional drawdowns on existing facilities, changes in the measurement after a transfer between stages 1, 2 and 3, and the unwinding impact of time value of money.
(2) Changes in models include significant changes to the quantitative models used to estimate the impacts of the expected credit losses.

30. Allowances for Financial Assets (continued)

Analysed by Main Class of Financial Instruments

Loans to Customers at Amortised Cost [1]

$ million	Stage 1	Stage 2	Stage 3	Total
GROUP				
At 1 January 2023	1,093	1,112	1,308	3,513
Transfer to Stage 1	640	(625)	(15)	–
Transfer to Stage 2	(527)	594	(67)	–
Transfer to Stage 3	(2)	(62)	64	–
Remeasurement [2]	(587)	755	272	440
New financial assets originated or purchased	1,234	–	–	1,234
Financial assets that have been derecognised	(575)	(446)	–	(1,021)
Changes in models [3]	(4)	(4)	–	(8)
Write-offs	–	–	(229)	(229)
Foreign exchange and other movements	(9)	(16)	(5)	(30)
At 31 December 2023/1 January 2024	**1,263**	**1,308**	**1,328**	**3,899**
Transfer to Stage 1	**717**	**(658)**	**(59)**	**–**
Transfer to Stage 2	**(490)**	**530**	**(40)**	**–**
Transfer to Stage 3	**(3)**	**(97)**	**100**	**–**
Remeasurement [2]	**(820)**	**655**	**392**	**227**
New financial assets originated or purchased	**1,520**	**–**	**–**	**1,520**
Financial assets that have been derecognised	**(761)**	**(415)**	**–**	**(1,176)**
Changes in models [3]	**1**	**1**	**–**	**2**
Write-offs	**–**	**–**	**(499)**	**(499)**
Foreign exchange and other movements	**15**	**26**	**56**	**97**
At 31 December 2024	**1,442**	**1,350**	**1,278**	**4,070**
BANK				
At 1 January 2023	878	521	583	1,982
Transfer to Stage 1	455	(449)	(6)	–
Transfer to Stage 2	(378)	378	–	–
Transfer to Stage 3	(1)	(26)	27	–
Remeasurement [2]	(449)	612	157	320
New financial assets originated or purchased	869	–	–	869
Financial assets that have been derecognised	(364)	(291)	–	(655)
Changes in models [3]	(1)	(70)	–	(71)
Write-offs	–	–	(137)	(137)
Foreign exchange and other movements	(5)	(6)	(4)	(15)
At 31 December 2023/1 January 2024	**1,004**	**669**	**620**	**2,293**
Transfer to Stage 1	**415**	**(364)**	**(51)**	**–**
Transfer to Stage 2	**(312)**	**312**	**–**	**–**
Transfer to Stage 3	**(2)**	**(35)**	**37**	**–**
Remeasurement [2]	**(688)**	**417**	**145**	**(126)**
New financial assets originated or purchased	**988**	**–**	**–**	**988**
Financial assets that have been derecognised	**(480)**	**(214)**	**–**	**(694)**
Changes in models [3]	**1**	**1**	**–**	**2**
Write-offs	**–**	**–**	**(271)**	**(271)**
Foreign exchange and other movements	**5**	**15**	**4**	**24**
At 31 December 2024	**931**	**801**	**484**	**2,216**

(1) Includes ECL on contingent liabilities and other credit commitments.
(2) Remeasurement includes the changes in model inputs or assumptions such as changes in the forward-looking macroeconomic variables, partial repayments, additional drawdowns on existing facilities, changes in the measurement after a transfer between stages 1, 2 and 3, and the unwinding impact of time value of money.
(3) Changes in models include significant changes to the quantitative models used to estimate the impacts of the expected credit losses.

30. Allowances for Financial Assets (continued)

The following tables set out information about the credit quality of financial assets.

	2024				2023			
$ million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
GROUP								
Cash and placements with central banks (Note 23)								
Pass	33,845	39	–	33,884	33,592	50	–	33,642
Loss allowances	(#)	(4)	–	(4)	(#)	(4)	–	(4)
Carrying amount	33,845	35	–	33,880	33,592	46	–	33,638
Government treasury bills and securities – Amortised cost (Note 39)								
Pass/Carrying amount	10,095	322	–	10,417	7,246	549	–	7,795
Government treasury bills and securities – FVOCI [(1)] (Note 39)								
Pass	28,982	366	–	29,348	31,816	917	–	32,733
Loss allowances	(1)	(#)	–	(1)	(#)	(#)	–	(#)
Placements with and loans to banks – Amortised cost (Note 39)								
Pass	20,185	328	–	20,513	17,328	1,517	–	18,845
Loss allowances	(3)	(#)	–	(3)	(4)	(1)	–	(5)
Carrying amount	20,182	328	–	20,510	17,324	1,516	–	18,840
Placements with and loans to banks – FVOCI [(1)] (Note 39)								
Pass	19,035	1,444	–	20,479	17,227	163	–	17,390
Loss allowances	(3)	(#)	–	(3)	(2)	(#)	–	(2)
Loans to customers – Amortised cost (Note 39)								
Pass	279,466	31,813	–	311,279	255,404	35,263	–	290,667
Special mention	–	5,060	–	5,060	–	3,170	–	3,170
Substandard	–	–	632	632	–	–	928	928
Doubtful	–	–	1,678	1,678	–	–	1,342	1,342
Loss	–	–	517	517	–	–	535	535
	279,466	36,873	2,827	319,166	255,404	38,433	2,805	296,642
Loss allowances	(972)	(1,130)	(1,267)	(3,369)	(967)	(999)	(1,270)	(3,236)
Carrying amount	278,494	35,743	1,560	315,797	254,437	37,434	1,535	293,406
Loans to customers – FVOCI [(1)] (Note 39)								
Pass	–	–	–	–	#	–	–	#
Loss allowances	–	–	–	–	(#)	–	–	(#)
Debt securities – Amortised cost (Note 39)								
Pass	640	134	–	774	822	–	–	822
Loss allowances	(#)	(1)	–	(1)	(#)	–	–	(#)
Carrying amount	640	133	–	773	822	–	–	822
Debt securities – FVOCI [(1)] (Note 39)								
Pass	27,883	1,224	–	29,107	24,569	780	–	25,349
Special mention	–	–	–	–	–	–	–	–
Substandard	–	–	–	–	–	–	–	–
Doubtful	–	–	–	–	–	–	2	2
	27,883	1,224	–	29,107	24,569	780	2	25,351
Loss allowances	(14)	(5)	(2)	(21)	(11)	(4)	(2)	(17)

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loan commitments and contingent liabilities								
Pass	168,530	9,991	–	178,521	142,115	11,371	9	153,495
Special mention	–	726	–	726	–	1,387	–	1,387
Substandard	–	–	560	560	–	–	556	556
Doubtful	–	–	495	495	–	–	453	453
Loss	–	–	274	274	–	–	193	193
	168,530	10,717	1,329	180,576	142,115	12,758	1,211	156,084
Allowances for contingent liabilities and credit commitments (Note 39)	(470)	(220)	(11)	(701)	(296)	(309)	(58)	(663)

(1) In accordance with SFRS(I) 9, for financial asset measured at FVOCI, any impairment is recognised in the income statement together with a credit to fair value reserves within equity (without adjusting the carrying amount of the financial asset).

30. Allowances for Financial Assets (continued)

$ million	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total	2023 Stage 1	2023 Stage 2	2023 Stage 3	2023 Total
BANK								
Cash and placements with central banks (Note 23)								
Pass	30,083	39	–	30,122	28,057	50	–	28,107
Loss allowances	(#)	(4)	–	(4)	(#)	(4)	–	(4)
Carrying amount	30,083	35	–	30,118	28,057	46	–	28,103
Government treasury bills and securities – Amortised cost (Note 39)								
Pass/Carrying amount	8,383	322	–	8,705	6,185	457	–	6,642
Government treasury bills and securities – FVOCI [(1)] (Note 39)								
Pass	11,748	366	–	12,114	18,299	443	–	18,742
Loss allowances	(#)	(#)	–	(#)	(#)	(#)	–	(#)
Placements with and loans to banks – Amortised cost (Note 39)								
Pass	15,485	277	–	15,762	12,502	1,502	–	14,004
Loss allowances	(2)	(#)	–	(2)	(3)	(#)	–	(3)
Carrying amount	15,483	277	–	15,760	12,499	1,502	–	14,001
Placements with and loans to banks – FVOCI [(1)] (Note 39)								
Pass	13,552	1,444	–	14,996	12,820	131	–	12,951
Loss allowances	(1)	(#)	–	(1)	(3)	(#)	–	(3)
Loans to customers – Amortised cost (Note 39)								
Pass	203,755	22,398	–	226,153	184,107	22,543	–	206,650
Special mention	–	2,841	–	2,841	–	1,932	–	1,932
Substandard	–	–	147	147	–	–	446	446
Doubtful	–	–	556	556	–	–	665	665
Loss	–	–	117	117	–	–	98	98
	203,755	25,239	820	229,814	184,107	24,475	1,209	209,791
Loss allowances	(648)	(640)	(484)	(1,772)	(802)	(502)	(575)	(1,879)
Carrying amount	203,107	24,599	336	228,042	183,305	23,973	634	207,912
Debt securities – Amortised cost (Note 39)								
Pass	640	134	–	774	822	–	–	822
Loss allowances	(#)	(1)	–	(1)	(#)	–	–	(#)
Carrying amount	640	133	–	773	822	–	–	822
Debt securities – FVOCI [(1)] (Note 39)								
Pass	15,693	946	–	16,639	13,968	562	–	14,530
Loss allowances	(11)	(4)	–	(15)	(6)	(4)	–	(10)

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

$ million	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total	2023 Stage 1	2023 Stage 2	2023 Stage 3	2023 Total
Loan commitments and contingent liabilities								
Pass	115,534	6,968	–	122,502	110,747	6,812	9	117,568
Special mention	–	515	–	515	–	487	–	487
Substandard	–	–	522	522	–	–	526	526
Doubtful	–	–	351	351	–	–	416	416
Loss	–	–	149	149	–	–	155	155
	115,534	7,483	1,022	124,039	110,747	7,299	1,106	119,152
Allowances for contingent liabilities and credit commitments (Note 39)	(283)	(161)	(#)	(444)	(202)	(167)	(45)	(414)

(1) In accordance with SFRS(I) 9, for financial asset measured at FVOCI, any impairment is recognised in the income statement together with a credit to fair value reserves within equity (without adjusting the carrying amount of the financial asset).

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31. Other Assets

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Interest receivable	**2,254**	2,215	**1,718**	1,679
Sundry debtors (net)	**1,092**	1,150	**142**	133
Deposits and prepayments	**2,031**	1,543	**1,357**	1,036
Others	**2,384**	2,370	**567**	615
	7,761	7,278	**3,784**	3,463

At 31 December 2024, non-life reinsurance assets included in "Others" amounted to $279 million (2023: $356 million) for the Group.

32. Associates

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Quoted equity security, at cost	**2,601**	2,601	**2,168**	2,163
Unquoted equity securities, at cost	**94**	143	**65**	65
	2,695	2,744	**2,233**	2,228
Share of post-acquisition reserves	**5,389**	4,151	**–**	–
Unquoted equity security, at fair value	**68**	95	**–**	–
Net carrying amount	**8,152**	6,990	**2,233**	2,228
Amounts due from associates (unsecured)	**1**	13	**1**	13
Allowances for non-impaired amounts due from associates	**(#)**	(#)	**(#)**	(#)
	1	13	**1**	13
Investments in and amounts due from associates	**8,153**	7,003	**2,234**	2,241

32. Associates (continued)

32.1 List of Principal Associates

The Group's principal associates are as follows:

Name of associates	Country of incorporation/ Principal place of business	Nature of the relationship with the Group	Effective % interest held [3] 2024	2023
Quoted				
Bank of Ningbo Co., Ltd. [1]	People's Republic of China	A commercial bank, which enables the Group to expand its bilateral business in offshore financing, trade finance and private banking.	**20**	20
Unquoted				
Maxwealth Fund Management Company Limited [1]	People's Republic of China	A privately held asset manager that manufactures and distributes mutual funds in Greater China.	**29**	29
Network for Electronic Transfers (Singapore) Pte Ltd [2]	Singapore	An electronic payment services company, which enables the Group to extend funds transfer services to its broad customer base.	**33**	33

(1) Audited by Ernst and Young Hua Ming LLP.
(2) Audited by PricewaterhouseCoopers LLP.
(3) Rounded to the nearest percentage.

As at 31 December 2024, the fair value (Level 1 of the fair value hierarchy) of the investments in Bank of Ningbo was $5.99 billion (2023: $4.94 billion). The carrying amount of the Group's interests was $7.78 billion (2023: $6.56 billion).

Bank of Ningbo is listed on the Shenzhen Stock Exchange and its ability to transfer funds to the Group is subject to local listing and statutory regulations.

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32. Associates (continued)

32.2 Financial Information of Material Associate

The table below provides the financial information of the Group's material associate:

	Bank of Ningbo Co., Ltd.	
$ million	2024	2023
Selected income statement information		
Revenue	**12,358**	11,649
Net profit attributable to ordinary shareholders	**5,049**	4,842
Selected balance sheet information		
Total assets	**575,420**	503,946
Equity attributable to shareholders	**43,662**	37,587
Equity attributable to ordinary shareholders	**38,831**	32,789
Reconciliation of associate's total ordinary shareholders' equity to the carrying amount in the Group's financial statements		
Group's interests in net assets of investee at beginning of the year	**6,563**	5,890
Group's share of:		
– shareholders' equity in current year	**1,356**	795
Dividends	**(147)**	(122)
Carrying amount of interest in investee at end of the year	**7,772**	6,563
Dividends received during the year	**147**	122

32. Associates (continued)

32.2 Financial Information of Material Associate (continued)

In addition to the interests in associate disclosed above, the Group also has interests in individually immaterial associates that are accounted for using the equity method.

$ million	2024	2023
At 31 December:		
Aggregate carrying amount of individually immaterial associates	**312**	332
For the year ended:		
Aggregate amounts of the Group's share of:		
Net profit from continuing operations	**25**	19
Other comprehensive income	**#**	(6)
Total comprehensive income	**25**	13
Dividends received/receivable during the year	**12**	13

The Group's share of contingent liabilities in respect of all its associates is as follows:

$ million	2024	2023
At 31 December:		
Share of contingent liabilities incurred jointly with other investors of associates	**19,287**	16,766

33. Subsidiaries

	BANK	
	2024 $ million	2023 $ million
Investments in subsidiaries, at cost		
Quoted securities	**2,654**	2,014
Unquoted securities	**14,885**	13,013
Allowance for impairment	**(47)**	(45)
Net carrying amount	**17,492**	14,982
Amount due from subsidiaries		
Term to maturity of one year or less	**11,679**	5,167
Term to maturity of more than one year	**6,300**	7,552
	17,979	12,719
Investments in and amount due from subsidiaries	**35,471**	27,701

At 31 December 2024, the fair values of the Group's interests in the quoted securities in its subsidiaries, Great Eastern Holdings Limited (Level 2 of the fair value hierarchy) and PT Bank OCBC NISP Tbk, (Level 1 of the fair value hierarchy) were $11.4 billion (2023: $7.37 billion) and $2.16 billion (2023: $1.97 billion) respectively.

33. Subsidiaries (continued)

33.1 List of Principal Subsidiaries

Principal subsidiaries of the Group are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Proportion of ownership interests and voting rights held by the Group (%)		Proportion of ownership interests and voting rights held by non-controlling interests (%)	
		2024 (1)	2023 (1)	2024 (1)	2023 (1)
Banking					
OCBC Bank (Macau) Limited	Macau SAR	**100**	100	**–**	–
Bank of Singapore Limited	Singapore	**100**	100	**–**	–
OCBC Al-Amin Bank Berhad	Malaysia	**100**	100	**–**	–
OCBC Bank (Malaysia) Berhad	Malaysia	**100**	100	**–**	–
OCBC Bank Limited	People's Republic of China	**100**	100	**–**	–
OCBC Bank (Hong Kong) Limited	Hong Kong SAR	**100**	100	**–**	–
PT Bank OCBC NISP Tbk	Indonesia	**85**	85	**15**	15
Insurance					
Great Eastern General Insurance Limited	Singapore	**94**	88	**6**	12
Great Eastern General Insurance (Malaysia) Berhad	Malaysia	**94**	88	**6**	12
Great Eastern Life Assurance (Malaysia) Berhad	Malaysia	**94**	88	**6**	12
The Great Eastern Life Assurance Company Limited	Singapore	**94**	88	**6**	12
Asset management and investment holding					
Lion Global Investors Limited	Singapore	**96**	92	**4**	8
Great Eastern Holdings Limited	Singapore	**94**	88	**6**	12
Stockbroking					
OCBC Securities Private Limited	Singapore	**100**	100	**–**	–

(1) Rounded to the nearest percentage.

The principal subsidiaries listed above are audited by PricewaterhouseCoopers LLP Singapore and its associated firms.

The Group's subsidiaries do not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from their respective local statutory, regulatory, supervisory and banking requirements within which its subsidiaries operate. These requirements require the Group's subsidiaries to maintain minimum levels of regulatory capital, liquid assets, and exposure limits. In addition, Great Eastern Holdings Limited and other insurance subsidiaries are subject to their respective local insurance laws and regulations, while the Group's banking subsidiaries are subject to prudential regulatory requirements imposed by local regulators.

33. Subsidiaries (continued)

33.2 Non-Controlling Interests in Subsidiaries

The following table summarises the financial information, before intercompany eliminations, relating to principal subsidiaries with material NCI.

	PT Bank OCBC NISP Tbk		Great Eastern Holdings Limited	
$ million	2024	2023	2024	2023
Net assets attributable to NCI	**487**	452	**597**	968
Total comprehensive income attributable to NCI	**56**	51	**104**	95
Dividends paid to NCI during the year	**21**	18	**33**	51
Summarised financial information				
Total assets	**23,131**	20,953	**113,909**	109,034
Total liabilities	**(19,868)**	(17,924)	**(105,125)**	(101,045)
Total net assets	**3,263**	3,029	**8,784**	7,989
Revenue	**1,069**	1,001	**1,432**	1,202
Profit	**411**	344	**1,023**	789
Other comprehensive income	**(38)**	26	**208**	360
Total comprehensive income	**373**	370	**1,231**	1,149
Cash flows provided by/(used in) operating activities	**3,117**	68	**(2,487)**	(1,023)
Cash flows provided by/(used in) investing activities	**(2,320)**	(111)	**521**	(1,833)
Cash flows provided by/(used in) financing activities	**(139)**	(286)	**63**	(449)
Effect of currency translation reserve adjustment	**22**	(3)	**–**	–
Net changes in cash and cash equivalents	**680**	(332)	**(1,904)**	(3,305)

33.3 Consolidated Structured Entities

The Bank has a USD10 billion Global Covered Bond Programme (the Programme) to augment its funding programmes. Under the Programme, the Bank may from time to time issue covered bonds (the Covered Bonds). The payments of interest and principal under the Covered Bonds are guaranteed by the Covered Bond Guarantor, Red Sail Pte. Ltd. (the CBG). The Covered Bonds issued under the Programme will predominantly be backed by a portfolio of Singapore housing loans transferred from the Bank to the CBG. Integral to the Programme structure, the Bank provides funding and hedging facilities to the CBG.

33.4 Interests in Subsidiaries

(a) Great Eastern Holdings Limited – Voluntary Unconditional General Offer

On 10 May 2024, the Bank announced a voluntary unconditional general offer at a price of $25.60 per share to acquire the remaining 11.56% stake in Great Eastern Holdings Limited (GEH). At the close of the offer on 12 July 2024, the Bank held 93.32% of GEH.

Pursuant to Section 215(3) of the Companies Act 1967, shareholders of GEH who have not accepted the Bank's offer had the right to require the Bank to acquire their shares at the offer price by 23 October 2024. As at 23 October 2024 and 31 December 2024, the Bank held 93.72% of GEH.

(b) PT Bank Commonwealth Indonesia

OCBC's Indonesian subsidiary, PT Bank OCBC NISP Tbk (OCBC Indonesia), completed the acquisition of PT Bank Commonwealth Indonesia (PTBC) on 1 May 2024. OCBC Indonesia now owns 100% of PTBC's shares, making PTBC a wholly-owned subsidiary of OCBC Indonesia. The acquisition of PTBC did not have a material impact to the Group.

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34. Property, Plant and Equipment

	2024				2023			
GROUP ($ million)	Property-related	Computer-related [(1)]	Others	Total	Property-related	Computer-related [(1)]	Others	Total
Cost								
At 1 January	**3,700**	**3,615**	**694**	**8,009**	3,715	3,293	687	7,695
Currency translation	**63**	**45**	**13**	**121**	(49)	(43)	(12)	(104)
Additions/modifications	**96**	**528**	**63**	**687**	102	461	53	616
Disposals/terminations and other transfers	**(82)**	**(56)**	**(11)**	**(149)**	(68)	(96)	(34)	(198)
Net transfer from/(to):								
Assets held for sale	**–**	**–**	**–**	**–**	–	–	(#)	(#)
Investment property (Note 35)	**39**	**–**	**–**	**39**	–	–	–	–
At 31 December	**3,816**	**4,132**	**759**	**8,707**	3,700	3,615	694	8,009
Accumulated depreciation								
At 1 January	**(1,320)**	**(2,521)**	**(516)**	**(4,357)**	(1,234)	(2,350)	(518)	(4,102)
Currency translation	**(22)**	**(36)**	**(10)**	**(68)**	16	36	10	62
Disposals/terminations and other transfers	**72**	**61**	**20**	**153**	51	98	35	184
Depreciation expense	**(107)**	**(299)**	**(36)**	**(442)**	(129)	(257)	(35)	(421)
Depreciation expense of life insurance funds	**(22)**	**(48)**	**(9)**	**(79)**	(24)	(48)	(8)	(80)
Net transfer (from)/to:								
Assets held for sale	**–**	**–**	**–**	**–**	–	–	#	#
Investment property (Note 35)	**(13)**	**–**	**–**	**(13)**	–	–	–	–
At 31 December	**(1,412)**	**(2,843)**	**(551)**	**(4,806)**	(1,320)	(2,521)	(516)	(4,357)
Accumulated impairment losses								
At 1 January	**(123)**	**(#)**	**(1)**	**(124)**	(109)	(#)	(1)	(110)
Currency translation	**(4)**	**–**	**–**	**(4)**	2	–	#	2
Impairment loss charged to income statement	**(51)**	**–**	**–**	**(51)**	(16)	–	–	(16)
Net transfer (from)/to:								
Investment property (Note 35)	**3**	**–**	**–**	**3**	–	–	–	–
At 31 December	**(175)**	**(#)**	**(1)**	**(176)**	(123)	(#)	(1)	(124)
Net carrying amount, at 31 December [(2)]	**2,229**	**1,289**	**207**	**3,725**	2,257	1,094	177	3,528
Freehold property	**420**				347			
Leasehold property	**1,588**				1,702			
Net carrying amount	**2,008**				2,049			

(1) Includes computer software of $976 million (2023: $819 million). The cost and accumulated depreciation are $2,986 million (2023: $2,586 million) and $2,010 million (2023: $1,767 million) respectively.

(2) Includes ROU assets comprising property-related of $221 million (2023: $208 million), computer-related of $8 million (2023: $10 million) and others of $1 million (2023: $1 million).

34. Property, Plant and Equipment (continued)

BANK ($ million)	2024 Property-related	2024 Computer-related [1]	2024 Others	2024 Total	2023 Property-related	2023 Computer-related [1]	2023 Others	2023 Total
Cost								
At 1 January	**399**	**1,993**	**212**	**2,604**	407	1,817	214	2,438
Currency translation	**(#)**	**(#)**	**(#)**	**(#)**	(#)	(#)	(#)	(#)
Additions	**13**	**306**	**12**	**331**	21	247	15	283
Disposals/terminations and other transfers	**(154)**	**(28)**	**(12)**	**(194)**	(29)	(71)	(17)	(117)
At 31 December	**258**	**2,271**	**212**	**2,741**	399	1,993	212	2,604
Accumulated depreciation								
At 1 January	**(169)**	**(1,409)**	**(144)**	**(1,722)**	(160)	(1,316)	(144)	(1,620)
Currency translation	**#**	**#**	**#**	**#**	#	#	#	#
Disposals/terminations and other transfers	**86**	**31**	**9**	**126**	28	71	17	116
Depreciation expense	**(29)**	**(183)**	**(18)**	**(230)**	(37)	(164)	(17)	(218)
At 31 December	**(112)**	**(1,561)**	**(153)**	**(1,826)**	(169)	(1,409)	(144)	(1,722)
Accumulated impairment losses								
At 1 January	**–**	**–**	**–**	**–**	–	–	–	–
Currency translation	**(#)**	**–**	**–**	**(#)**	–	–	–	–
Impairment loss charged to income statement	**(1)**	**–**	**–**	**(1)**	–	–	–	–
At 31 December	**(1)**	**–**	**–**	**(1)**	–	–	–	–
Net carrying amount, at 31 December [2]	**145**	**710**	**59**	**914**	230	584	68	882
Freehold property	**24**				30			
Leasehold property	**79**				148			
Net carrying amount	**103**				178			

(1) Includes computer software of $618 million (2023: $508 million). The cost and accumulated depreciation are $1,873 million (2023: $1,622 million) and $1,255 million (2023: $1,114 million) respectively.

(2) Includes ROU assets comprising property-related of $42 million (2023: $51 million), computer-related of $6 million (2023: $8 million) and others of $1 million (2023: $1 million).

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35. Investment Property

	GROUP		BANK	
$ million	2024	2023	2024	2023
Cost				
At 1 January	**989**	1,018	**617**	622
Currency translation	**2**	(4)	**–**	–
Additions	**1**	#	**–**	–
Disposals and other transfers	**(1)**	(23)	**(535)**	(3)
Net transfer (to)/from:				
Property, plant and equipment (Note 34)	**(39)**	–	**–**	–
Assets held for sale	**(9)**	(2)	**(2)**	(2)
At 31 December	**943**	989	**80**	617
Accumulated depreciation				
At 1 January	**(266)**	(255)	**(148)**	(142)
Currency translation	**(1)**	1	**–**	–
Disposals and other transfers	**1**	6	**124**	2
Depreciation expense	**(14)**	(19)	**(1)**	(9)
Net transfer to/(from):				
Property, plant and equipment (Note 34)	**13**	#	**–**	–
Assets held for sale	**4**	1	**2**	1
At 31 December	**(263)**	(266)	**(23)**	(148)
Accumulated impairment losses				
At 1 January	**–**	–	**–**	–
Currency translation	**(1)**	#	**–**	–
Impairment charge to income statement	**(1)**	(6)	**–**	–
Disposals	**–**	6	**–**	–
Net transfer to/(from):				
Property, plant and equipment (Note 34)	**(3)**	–	**–**	–
At 31 December	**(5)**	–	**–**	–
Net carrying amount				
Freehold property	**537**	521	**17**	162
Leasehold property	**138**	202	**40**	307
At 31 December	**675**	723	**57**	469
Fair value hierarchy				
Level 2	**717**	917	**333**	333
Level 3	**1,990**	1,830	**74**	1,106
Market value	**2,707**	2,747	**407**	1,439

Market values for properties under Level 2 of the fair value hierarchy are determined based on the direct market comparison method. Such valuation is derived from price per square metre for comparable buildings market data with insignificant valuation adjustment, if necessary.

Market values for properties under Level 3 of the fair value hierarchy are determined using a combination of direct market comparison and investment methods. The key unobservable inputs used in these valuations are the capitalisation rates and rental yields.

36. Goodwill and Other Intangible Assets

	GROUP		BANK	
$ million	2024	2023	2024	2023
Goodwill				
At 1 January	**4,403**	4,440	**1,867**	1,867
Currency translation	**62**	(37)	**–**	–
At 31 December	**4,465**	4,403	**1,867**	1,867
Intangible assets				
At 1 January	**98**	203		
Amortisation charged to income statement:				
– Core deposit relationships [(1)]	**(21)**	(41)		
– Customer relationships [(2)]	**(15)**	(15)		
– Distribution platform	**(#)**	(#)		
– Life insurance business [(3)]	**(23)**	(47)		
Currency translation	**#**	(2)		
At 31 December	**39**	98		
Total goodwill and other intangible assets	**4,504**	4,501	**1,867**	1,867
Analysed as follows:				
Goodwill from acquisition of subsidiaries/business	**4,465**	4,403	**1,867**	1,867
Intangible assets, at cost	**1,577**	1,555	**–**	–
Accumulated amortisation for intangible assets	**(1,538)**	(1,457)	**–**	–
	4,504	4,501	**1,867**	1,867

(1) Core deposit relationships, arising from the acquisition of OCBC Bank (Hong Kong) Limited, are determined to have an estimated useful life of 10 years. At 31 December 2024, these have a remaining useful life of 0 year (2023: 0.5 years).

(2) Customer relationships, arising from the acquisition of Bank of Singapore Limited and Barclays WIM, are determined to have an estimated useful life of 10 years. At 31 December 2024, these have a remaining useful life of up to 2 years (2023: 3 years).

(3) The value of in-force insurance business of the Group is amortised over a useful life of 20 years. At 31 December 2024, the intangible asset has a remaining useful life of 0 year (2023: 1 year).

36. Goodwill and Other Intangible Assets (continued)

Impairment Tests for Goodwill

For impairment testing, goodwill is allocated to the Group's cash-generating units (CGU) identified at a level at or below business segments as follows:

$ million Cash Generating Units	Basis of determining recoverable value	Carrying amount 2024	2023
Goodwill attributed to Banking CGU			
Global Consumer Financial Services		**844**	844
Global Wholesale Banking		**570**	570
Global Markets		**524**	524
	Value-in-use	**1,938**	1,938
Great Eastern Holdings Limited	Appraisal value	**427**	427
Bank of Singapore Limited	Value-in-use	**819**	794
Lion Global Investors Limited	Value-in-use	**30**	30
OCBC Bank (Hong Kong) Limited	Value-in-use	**1,085**	1,045
PT Bank OCBC NISP Tbk	Value-in-use	**156**	159
Others	Value-in-use	**10**	10
		4,465	4,403

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. The cash flow projections are discounted at a pre-tax discount rate that includes a reasonable risk premium at the date of assessment of the respective CGU. Cash flows beyond the fifth year are extrapolated using the estimated terminal growth rates (weighted average growth rate to extrapolate cash flows beyond the projected years). The terminal growth rate for each CGU used does not exceed management's expectation of the long-term average growth rate of the respective industry and country in which the CGU operates. The discount rates and terminal growth rates used are tabulated below for applicable CGUs.

	Banking CGU		Bank of Singapore Limited		OCBC Bank (Hong Kong) Limited		PT Bank OCBC NISP Tbk	
	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate	**12.7%**	10.1%	**13.5%**	10.8%	**9.4%**	8.2%	**17.6%**	17.1%
Terminal growth rate	**2.0%**	2.0%	**2.0%**	2.0%	**3.0%**	2.6%	**4.0%**	4.0%

For Great Eastern Holdings Limited CGU, the Group applies the appraisal value technique for its value-in-use calculation. This technique is commonly used to determine the economic value of an insurance business, which comprises two components: embedded value of in-force business and existing structural value (value of future sales). The embedded value of the life insurance business is the present value of projected distributable profits (cash flows) of the in-force business. The cash flows represent a deterministic approach based on assumptions as to future operating experience discounted at a risk adjusted rate of 6.75% (2023: 6.25%) and 8.25% (2023: 8.00%) for Singapore and Malaysia respectively. The assumptions take into account the recent experience of, and expected future outlook for the life insurance business of the CGU. Investment returns assumed are based on long term strategic asset mix and their expected future returns. The existing structural value is the value of projected distributable profits from new businesses, which is calculated based on new businesses sold for the nine months ended up to 30 September and applying a new business multiplier to the value of future sales.

A reasonably possible change in key assumptions will not cause the recoverable amount to decline materially below the carrying amount.

37. Segment Information

The Group provides operating segment information primarily to business and additional segment information by geography.

37.1 Business Segments

$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Markets	Insurance	Others	Group
Year ended 31 December 2024						
Net interest income	3,296	5,067	507	173	712	9,755
Non-interest income	2,000	993	408	1,253	64	4,718
Total income	5,296	6,060	915	1,426	776	14,473
Operating profit before allowances and amortisation	2,279	4,254	565	1,216	417	8,731
Amortisation of intangible assets	(15)	–	–	(24)	(20)	(59)
Allowances for loans and other assets	(73)	(800)	(8)	(2)	193	(690)
Operating profit after allowances and amortisation	2,191	3,454	557	1,190	590	7,982
Share of results of associates, net of tax	–	–	–	–	994	994
Profit before income tax	2,191	3,454	557	1,190	1,584	8,976
Other information:						
Capital expenditure	86	17	1	114	470	688
Depreciation	100	14	3	7	332	456
At 31 December 2024						
Segment assets	148,641	212,247	138,266	114,296	55,468	668,918
Unallocated assets						538
Elimination						(44,406)
Total assets						625,050
Segment liabilities	207,303	166,305	81,446	104,402	47,900	607,356
Unallocated liabilities						1,720
Elimination						(44,406)
Total liabilities						564,670
Other information:						
Gross non-bank loans	108,115	207,524	2,476	323	728	319,166
NPAs	572	2,272	–	1	24	2,869

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37. Segment Information (continued)
37.1 Business Segments (continued)

$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Markets	Insurance	Others	Group
Year ended 31 December 2023						
Net interest income	3,493	5,227	110	145	670	9,645
Non-interest income	1,620	940	242	981	79	3,862
Total income	5,113	6,167	352	1,126	749	13,507
Operating profit before allowances and amortisation	2,280	4,444	35	954	571	8,284
Amortisation of intangible assets	(15)	–	–	(47)	(41)	(103)
Allowances for loans and other assets	(50)	(599)	(3)	(16)	(65)	(733)
Operating profit after allowances and amortisation	2,215	3,845	32	891	465	7,448
Share of results of associates, net of tax	–	–	–	–	953	953
Profit before income tax	2,215	3,845	32	891	1,418	8,401
Other information:						
Capital expenditure	120	11	1	93	391	616
Depreciation	88	12	2	8	330	440
At 31 December 2023						
Segment assets	137,219	195,894	123,462	109,484	46,022	612,081
Unallocated assets						586
Elimination						(31,243)
Total assets						581,424
Segment liabilities	187,507	154,449	78,379	100,629	34,476	555,440
Unallocated liabilities						1,673
Elimination						(31,243)
Total liabilities						525,870
Other information:						
Gross non-bank loans	102,799	191,933	1,759	4	158	296,653
NPAs	740	2,159	–	2	–	2,901

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.

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 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.

37. Segment Information (continued)

37.1 Business Segments (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.

Insurance

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

Others

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

The business segment information is prepared based on internal management reports, which are used by senior management for decision-making and performance management. The following management reporting methodologies are adopted:

(a) income and expenses are attributable to each segment based on the internal management reporting policies;
(b) in determining the segment results, balance sheet items are internally transfer priced; and
(c) transactions between business segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

Where there are material changes in the organisational structure and management reporting methodologies, segment information for prior periods is reclassified to allow comparability. There are no material items of income or expense between the business segments.

37.2 Geographical Segments

$ million	Total income	Profit before income tax	Income tax expenses	Capital expenditure	Total assets	Total liabilities
2024						
Singapore	**8,913**	**5,489**	**690**	**470**	**362,744**	**360,717**
Malaysia	**1,655**	**1,139**	**225**	**73**	**68,066**	**55,505**
Indonesia	**1,085**	**527**	**114**	**42**	**24,657**	**20,986**
Greater China	**1,863**	**1,277**	**36**	**98**	**103,540**	**75,355**
Other Asia Pacific	**309**	**149**	**43**	**4**	**22,945**	**12,846**
Rest of the World	**648**	**395**	**120**	**1**	**43,098**	**39,261**
	14,473	**8,976**	**1,228**	**688**	**625,050**	**564,670**
2023						
Singapore	8,360	4,872	665	408	343,009	341,019
Malaysia	1,524	1,009	208	64	60,369	50,573
Indonesia	1,035	458	93	41	22,231	18,915
Greater China	1,774	1,756	174	97	95,364	64,976
Other Asia Pacific	294	218	69	4	22,461	12,331
Rest of the World	520	88	27	2	37,990	38,056
	13,507	8,401	1,236	616	581,424	525,870

The Group's operations are in six main geographical areas. The geographical information is prepared based on the country in which the transactions are booked. It would not be materially different if it is based on the country in which the counterparty or assets are located. The geographical information is stated after elimination of intra-group transactions and balances.

38. Risk Management

38.1 Overview

The Group[1] has a comprehensive and disciplined risk management approach that covers all types of risks, supported by a strong corporate culture that prioritises accountability, ownership and high ethical standards. The approach involves understanding the sources of risks and their drivers, establishing risk appetites and tolerances to take such risks against business goals and potential impact under adverse circumstances, comprehensive metrics to measure and monitor risk positions on a standalone and aggregated basis, early problem identification and mitigation, reporting and adjustments to risk strategies against cyclical and structural changes.

A robust risk governance structure ensures that we have effective oversight and accountability of risk. Our Board of Directors (Board) have ultimate responsibility for the effective management of risk. The Board establishes the corporate strategy and approves the risk appetite within which senior management executes the strategy.

The Board Risk Management Committee (BRMC) is the designated board committee that oversees risk management matters. It ensures that the Group's overall risk management philosophy and principles and risk appetite are aligned with the corporate strategy. The BRMC has oversight of credit, market, liquidity, information security and digital, operational, conduct, money laundering and terrorism financing, fraud, legal, regulatory, strategic, Environmental, Social and Governance (ESG) and fiduciary risks, as well as any other category of risk that may be delegated by the Board or deemed necessary by the Committee. The BRMC provides quantitative and qualitative guidance to major business units and risk functions to guide risk-taking. BRMC and senior management regularly review our risk drivers, risk profiles, risk management frameworks and policies, and compliance matters.

Dedicated functional risk committees comprising senior management from risk taking and risk control functions have been established to facilitate close risk oversight. These committees are supported by the functional risk management units under the Group Risk Management Division (GRM). GRM is headed by the Group Chief Risk Officer (CRO). The Group CRO is a member of the Group Management Executive Committee and functional risk committees. GRM's day-to-day responsibilities involve providing independent risk control and managing credit, market, liquidity, information security and digital, operational and ESG risks. It provides regular risk reports and updates on developments in material risk drivers and potential vulnerabilities, and recommends mitigating actions to senior management, risk committees, the BRMC and the Board. At the Group level, GRM also provides functional oversight to the banking subsidiaries and GEH Group.

The table below shows the value-at-risk (VaR) by risk type for the Group's trading portfolio.

	2024				2023			
$ million	End of the period	Average	Minimum	Maximum	End of the period	Average	Minimum	Maximum
Interest rate VaR	**6.3**	**6.9**	**4.4**	**10.8**	4.2	7.6	4.2	12.6
Foreign exchange VaR	**2.8**	**2.3**	**0.8**	**8.0**	2.5	3.1	1.1	9.3
Equity VaR	**3.6**	**2.5**	**0.8**	**4.3**	1.0	1.9	0.8	3.0
Credit spread VaR	**2.0**	**2.8**	**1.7**	**4.6**	2.2	5.7	1.9	12.0
Commodity VaR	**–**	**0.4**	**–**	**1.7**	–	–	–	0.2
Diversification effect [2]	**(9.5)**	**(8.6)**	**NM** [3]	**NM** [3]	(4.4)	(9.1)	NM [3]	NM [3]
Aggregate VaR	**5.2**	**6.3**	**4.1**	**10.6**	5.5	9.2	5.0	16.0

(1) Refer to Note 38.4 for risk management disclosures for GEH Group.
(2) Diversification effect is computed as the difference between Aggregate VaR and the sum of asset class VaRs.
(3) Not meaningful as the minimum and maximum VaRs may have occurred on different days for different asset classes.

38. Risk Management (continued)

38.2 Credit Risk

Credit risk is the risk of financial loss due to a borrower failing to meet their financial or contractual obligations. Credit risk arises from the Group's lending activities to retail, corporate and institutional customers. It also includes counterparty and issuer credit risks arising from the Group's underwriting, trading and investment banking activities.

Maximum Exposure to Credit Risk

The following table presents the Group's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	Carrying amount	
$ million	2024	2023
Credit risk exposure of on-balance sheet assets:		
Loans to customers	**315,096**	292,754
Placements with and loans to banks	**42,407**	38,051
Government treasury bills and securities	**44,685**	45,630
Debt securities	**36,125**	30,800
Amounts due from associates	**1**	13
Derivative receivables	**17,203**	12,976
Other assets, comprising interest receivables and sundry debtors	**3,346**	3,365
	458,863	423,589
Credit risk exposure of off-balance sheet items:		
Contingent liabilities	**18,796**	18,484
Credit commitments	**196,442**	187,170
	215,238	205,654
Total maximum credit risk exposure	**674,101**	629,243

Collateral

The main types of collateral obtained by the Group are as follows:

- Residential property loans – Mortgages over residential properties
- Commercial property loans – Mortgages over commercial properties
- Derivatives – Cash and securities
- Car loans – Charges over the vehicles financed
- Share margin financing – Charges over listed securities including those of Singapore, Malaysia and Hong Kong
- Other loans – Securities and charges over business assets such as premises, inventories, trade receivables, deposits, single premium insurance policies or marketable securities

38. Risk Management (continued)

38.2 Credit Risk (continued)

Analysed by Geography

$ million	Derivative receivables (Note 18)	Government treasury bills and securities (Note 24)	Balances with banks (Note 25)	Loans to customers (Note 26)	Non-performing assets (Note 27)	Allowances for impaired assets (Note 27)	Debt securities (Note 29)
GROUP							
2024							
Singapore	**1,218**	**14,316**	**733**	**133,609**	**332**	**119**	**3,839**
Malaysia	**339**	**5,434**	**6,592**	**25,636**	**510**	**167**	**2,535**
Indonesia	**118**	**7,604**	**1,287**	**19,389**	**489**	**381**	**1,448**
Greater China	**5,164**	**3,535**	**16,335**	**74,495**	**1,024**	**293**	**11,692**
Other Asia Pacific	**1,438**	**5,179**	**3,718**	**23,761**	**236**	**203**	**10,444**
Rest of the World	**8,926**	**8,617**	**12,431**	**42,276**	**278**	**117**	**6,168**
	17,203	**44,685**	**41,096**	**319,166**	**2,869**	**1,280**	**36,126**
2023							
Singapore	1,014	19,165	224	123,369	403	155	3,577
Malaysia	291	5,060	4,196	23,604	710	258	2,039
Indonesia	75	4,912	831	19,088	532	404	1,220
Greater China	2,352	3,892	14,408	71,301	659	156	9,897
Other Asia Pacific	610	5,374	5,345	22,641	110	42	8,784
Rest of the World	8,634	7,227	10,781	36,650	487	315	5,283
	12,976	45,630	35,785	296,653	2,901	1,330	30,800
BANK							
2024							
Singapore	**1,610**	**13,182**	**557**	**127,048**	**318**	**116**	**2,020**
Malaysia	**93**	**90**	**4,142**	**3,475**	**20**	**16**	**597**
Indonesia	**53**	**904**	**1,042**	**4,140**	**32**	**29**	**737**
Greater China	**1,662**	**525**	**12,726**	**36,843**	**9**	**8**	**5,967**
Other Asia Pacific	**1,380**	**4,420**	**3,561**	**21,408**	**236**	**203**	**8,319**
Rest of the World	**8,784**	**5,257**	**10,148**	**36,900**	**223**	**112**	**4,746**
	13,582	**24,378**	**32,176**	**229,814**	**838**	**484**	**22,386**
2023							
Singapore	1,464	17,832	55	116,342	391	153	1,644
Malaysia	47	146	2,776	2,982	23	17	606
Indonesia	5	673	579	4,853	68	58	764
Greater China	921	800	11,784	34,396	335	122	5,039
Other Asia Pacific	554	5,120	5,032	19,997	109	42	7,058
Rest of the World	8,426	4,065	8,550	31,231	355	228	4,158
	11,417	28,636	28,776	209,801	1,281	620	19,269

The analysis by geography is determined based on where the credit risk resides.

38. Risk Management (continued)

38.2 Credit Risk (continued)

Total Loans and Advances – Credit Quality

In addition to the credit grading of facilities under MAS Notice 612, loans and advances are categorised into "neither past due nor impaired", "past due but not impaired" and "impaired".

	Bank loans		Non-bank loans	
$ million	2024	2023	2024	2023
Neither past due nor impaired	**41,096**	35,785	**315,411**	293,063
Non-impaired	**–**	–	**1,483**	1,467
Impaired	**–**	–	**1,768**	1,459
Past due loans	**–**	–	**3,251**	2,926
Impaired but not past due	**–**	–	**504**	664
Gross loans	**41,096**	35,785	**319,166**	296,653
Allowances				
Impaired loans	**–**	–	**(1,278)**	(1,328)
Non-impaired loans	**(3)**	(5)	**(2,792)**	(2,571)
Net loans	**41,093**	35,780	**315,096**	292,754

Past Due Loans

Analysis of past due loans by industry and geography are as follows:

	Bank loans		Non-bank loans	
$ million	2024	2023	2024	2023
By industry				
Agriculture, mining and quarrying	**–**	–	**57**	47
Manufacturing	**–**	–	**362**	415
Building and construction	**–**	–	**940**	505
General commerce	**–**	–	**290**	300
Transport, storage and communication	**–**	–	**79**	179
Financial institutions, investment and holding companies	**–**	–	**231**	201
Professionals and individuals (include housing loans)	**–**	–	**1,169**	1,196
Others	**–**	–	**123**	83
	–	–	**3,251**	2,926
By geography				
Singapore	**–**	–	**655**	751
Malaysia	**–**	–	**507**	611
Indonesia	**–**	–	**743**	771
Greater China	**–**	–	**967**	406
Rest of the World	**–**	–	**379**	387
	–	–	**3,251**	2,926

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38. Risk Management (continued)

38.2 Credit Risk (continued)

Loans Past Due But Not Impaired

Certain loans and advances are past due but not impaired as the collateral values of these loans are in excess of the principal and interest outstanding. Allowances for these loans may have been set aside. The Group's non-bank loans which are past due but not impaired are as follows:

$ million	2024	2023
Past due		
Less than 30 days	**811**	875
30 to 90 days	**455**	333
Over 90 days	**217**	259
Past due but not impaired	**1,483**	1,467

Collateral and Other Credit Enhancements Obtained

Assets amounting to $140 million (2023: $145 million) were obtained by the Group during the year by taking possession of collateral held as security, or by calling upon other credit enhancements and held at the reporting date.

Repossessed properties are made available for sale in an orderly fashion, with the proceeds used to reduce or repay the outstanding indebtedness. The Group generally does not occupy the premises repossessed for its business use.

Country Risk

The Group's country risk framework covers the assessment and rating of countries, as well as the maximum cross-border transfer risk limit granted to any one country based on its risk rating. The risk covers all cross-border transactions including onshore non-local currency transactions. Limits are allocated into maturity time-bands and vary according to the risk rating of the country and the political and economic outlook. The Group's main cross-border transfer risk exposures during the financial year were in Hong Kong SAR, People's Republic of China and Malaysia (2023: Hong Kong SAR, United States and People's Republic of China).

38.3 Market Risk and Asset Liability Management

Market risk is the risk of financial loss due to fluctuations in market factors such as interest rates, foreign exchange rates and commodity prices. Market risks arise primarily from the Group's trading, customer servicing and balance sheet management activities. Given the volatile macroeconomic environment, it is paramount that the management of market risk is robust and timely. This is achieved through the market risk management approach, which involves the identification, measurement, monitoring, reporting and control of market risks.

Group level market risk policies and procedures are established to provide common guidelines and standards for managing market risks. The Group regularly reviews its market risk management strategy and limits, which are established within in accordance with the Group's risk appetite and are aligned with the Group's business strategies, taking into account prevailing macroeconomic and market conditions.

Asset liability management is the strategic management of the Group's balance sheet structure and liquidity requirements. It covers liquidity sourcing and diversification as well as interest rate and structural foreign exchange management.

The Group has an established asset liability management framework that oversees and manages the liquidity, Interest Rate Risk in the Banking Book (IRRBB) and structural foreign exchange risk. Group Asset and Liability Committee (ALCO) provides stewardship, and regularly reviews the Group's ALM risk profiles to ensure the management approach is in line with our business strategies and risk appetite, taking into account prevailing macroeconomic and market developments.

Interest Rate Risk

IRRBB is the risk of potential loss of capital or reduction in earnings from adverse interest rate movements that affect the banking book positions. It arises from repricing mismatches between banking book assets and liabilities in terms of timing, reference interest rate indices and optionalities.

38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Interest Rate Risk (continued)

IRRBB is assessed from the perspective of both earnings and capital. Net interest income (NII) sensitivity estimates the potential change in earnings over a one-year horizon, and Economic Value of Equity (EVE) sensitivity evaluates the potential impact on the net present value of banking book positions under various interest rate shock scenarios.

As at December 2024, the Group's EVE had the maximum simulated reduction of $1,016 million (2023: $795 million) under the supervisory prescribed Parallel Up(1) interest rate scenario. The higher EVE sensitivity was mainly driven by the increase in fixed-rate loans and bond holdings which would have a lower economic value under a rising interest rate environment.

For the Group's NII, the scenario with the more adverse impact on net interest income was the Parallel Down(1) scenario, with a simulated decrease by $1,896 million (2023: $1,907 million). Compared to December 2023, the lower impact was contributed by the increase in fixed-rate loans and bond holdings which provide a stable interest income under a falling interest rate environment.

The NII and EVE impact above do not consider the mitigation actions that would be taken by the Group against the adverse interest rate environment.

Currency Risk

The Group's major foreign exchange position for selected balance sheet items is shown below. "Others" include mainly Indonesian Rupiah, Chinese Renminbi, Australian Dollar, Euro, Japanese Yen and Sterling Pound.

$ million	SGD	USD	MYR	HKD	Others	Total
Selected balance sheet items						
2024						
Loans to customers	**117,449**	**67,757**	**18,383**	**34,497**	**77,010**	**315,096**
Deposits of non-bank customers	**144,455**	**135,090**	**21,064**	**37,331**	**52,747**	**390,687**
2023						
Loans to customers	111,033	58,709	17,141	37,373	68,498	292,754
Deposits of non-bank customers	137,641	121,018	20,502	30,061	54,548	363,770

Structural Foreign Exchange Risk

Structural foreign exchange exposure arises from the Group's non-SGD investments in overseas branches, subsidiaries and associates, other strategic investments and property assets. The Group implements a comprehensive risk management methodology to ensure appropriate and effective risk capturing and controls around structural foreign exchange exposures.

	2024			2023		
$ million	Structural currency exposure	Structural currency exposure – hedged	Net structural currency exposure	Structural currency exposure	Structural currency exposure – hedged	Net structural currency exposure
Hong Kong Dollar	**6,694**	**3,043**	**3,651**	6,774	1,942	4,832
Chinese Renminbi	**9,984**	**3,999**	**5,985**	8,636	1,794	6,842
US Dollar	**4,593**	**3,790**	**803**	4,150	3,675	475
Malaysian Ringgit	**3,498**	**304**	**3,194**	3,081	–	3,081
Indonesia Rupiah	**2,992**	**–**	**2,992**	2,741	–	2,741
Others	**2,500**	**–**	**2,500**	2,291	–	2,291
Total	**30,261**	**11,136**	**19,125**	27,673	7,411	20,262

(1) Parallel Up/(Down) scenario assumes the yield curves to move parallel upward (downward) with different shocks for different currencies based on supervisory prescriptions.

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38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Liquidity Risk

Liquidity risk refers to the risk of not being able to meet financial and cash outflow obligations as they come due. The objective of liquidity risk management is to ensure that the Group continues to fulfil its financial obligations and can undertake new business, by effectively managing liquidity and funding risks within its risk appetite.

Liquidity risk positions are continuously monitored against approved liquidity risk limits and triggers, established in accordance with the Group's risk appetite. A rigorous review, oversight and escalation process facilitates prompt escalation and remediation of any limit exceptions.

The table below analyses the carrying amount of assets and liabilities of the Group into maturity time bands based on the remaining term to contractual maturity as at the reporting date.

$ million	Within 1 week	1 week to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	Over 3 years	No specific maturity	Total
2024								
Cash and placements with central banks	14,461	6,781	7,498	85	–	–	5,774	34,599
Placements with and loans to banks	8,062	4,218	8,821	17,299	2,253	440	–	41,093
Loans to customers	25,253	30,928	22,132	35,682	63,598	137,503	–	315,096
Securities [1]	750	3,420	5,744	15,633	30,948	24,315	7,288	88,098
Derivative receivables	16,667	17	51	271	146	51	–	17,203
Other assets [2]	3,463	2,185	610	831	283	492	1,112	8,976
Associates	–	–	1	–	–	–	8,152	8,153
Property, plant and equipment and investment property [3]	–	–	–	–	–	–	3,721	3,721
Goodwill and other intangible assets	–	–	–	–	–	–	4,504	4,504
Total	68,656	47,549	44,857	69,801	97,228	162,801	30,551	521,443
Total life insurance fund assets								103,607
Total assets								625,050
Deposits of non-bank customers	221,882	48,789	61,567	55,873	1,757	819	–	390,687
Deposits and balances of banks	9,061	1,149	1,292	42	–	21	–	11,565
Trading portfolio liabilities	59	–	218	–	–	–	4	281
Derivative payables	15,719	28	37	377	49	28	–	16,238
Other liabilities [4]	3,568	1,519	1,614	2,337	280	130	1,291	10,739
Debt issued	821	4,842	10,202	7,995	5,783	1,910	–	31,553
Total	251,110	56,327	74,930	66,624	7,869	2,908	1,295	461,063
Total life insurance fund liabilities								103,607
Total liabilities								564,670
Net liquidity gap	(182,454)	(8,778)	(30,073)	3,177	89,359	159,893		

(1) Securities comprise government, debt and equity securities. Securities at FVTPL (Note 39) are expected to be recovered or settled within 12 months.
(2) Other assets include deferred tax assets.
(3) Property, plant and equipment and investment property include assets held for sale.
(4) Other liabilities include amounts due to associates, current tax and deferred tax liabilities.

38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Liquidity Risk (continued)

$ million	Within 1 week	1 week to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	Over 3 years	No specific maturity	Total
2023								
Cash and placements with central banks	13,091	3,332	12,335	108	–	–	5,420	34,286
Placements with and loans to banks	5,053	7,525	7,619	14,190	935	458	–	35,780
Loans to customers	17,628	35,299	19,327	35,047	57,779	127,674	–	292,754
Securities (1)	547	1,834	9,773	16,923	23,593	23,760	5,791	82,221
Derivative receivables	12,676	6	21	68	155	50	–	12,976
Other assets (2)	2,604	2,201	650	503	430	308	1,512	8,208
Associates	–	–	13	–	–	–	6,990	7,003
Property, plant and equipment and investment property (3)	–	1	–	–	–	–	3,600	3,601
Goodwill and other intangible assets	–	–	–	–	–	–	4,501	4,501
Total	51,599	50,198	49,738	66,839	82,892	152,250	27,814	481,330
Total life insurance fund assets								100,094
Total assets								581,424
Deposits of non-bank customers	199,553	45,572	57,355	58,338	1,700	1,252	–	363,770
Deposits and balances of banks	7,572	1,981	1,290	32	1	8	–	10,884
Trading portfolio liabilities	–	–	193	–	–	–	1	194
Derivative payables	13,323	3	7	62	239	86	–	13,720
Other liabilities (4)	2,485	2,357	1,374	2,654	269	131	1,385	10,655
Debt issued	919	2,676	10,660	5,424	5,325	1,549	–	26,553
Total	223,852	52,589	70,879	66,510	7,534	3,026	1,386	425,776
Total life insurance fund liabilities								100,094
Total liabilities								525,870
Net liquidity gap	(172,253)	(2,391)	(21,141)	329	75,358	149,224		

(1) Securities comprise government, debt and equity securities. Securities at FVTPL (Note 39) are expected to be recovered or settled within 12 months.
(2) Other assets include deferred tax assets.
(3) Property, plant and equipment and investment property include assets held for sale.
(4) Other liabilities include amounts due to associates, current tax and deferred tax liabilities.

As contractual maturities may not necessarily reflect the timing of actual cash flows of assets and liabilities, cash flows for profiling liquidity risk are on contractual and behavioural bases. The cash flows of assets and liabilities may be different from their contractual terms.

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38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Contractual Maturity for Financial Liabilities

The table below shows the undiscounted cash outflows of the Group's financial liabilities by remaining contractual maturities, except for trading portfolio liabilities which are profiled in accordance with the Group's trading strategies. Information on cash outflows of gross loan commitments is set out in Note 43. The behavioural cash flows of these liabilities could vary significantly from what is shown in the table. For example, demand deposits of non-bank customers, such as current and savings deposits (Note 17) may exhibit a longer behavioural maturity beyond the contractual profile. Similarly, loan commitments are not all expected to be drawn down immediately.

$ million	Within 1 week	1 week to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total
2024							
Deposits of non-bank customers [1]	**222,014**	**49,208**	**62,551**	**57,159**	**1,836**	**861**	**393,629**
Deposits and balances of banks [1]	**9,063**	**1,155**	**1,302**	**44**	**–**	**21**	**11,585**
Trading portfolio liabilities	**59**	**–**	**222**	**–**	**–**	**–**	**281**
Other liabilities [2]	**3,356**	**1,074**	**1,040**	**984**	**254**	**132**	**6,840**
Debt issued	**826**	**4,856**	**10,234**	**8,081**	**6,987**	**2,111**	**33,095**
Derivatives							
Trading	**15,718**	**–**	**–**	**–**	**–**	**–**	**15,718**
Hedging – Net settled	**2**	**4**	**27**	**50**	**39**	**9**	**131**
Hedging – Gross settled							
Outflow	**96**	**3,306**	**3,042**	**13,310**	**1,354**	**603**	**21,711**
Inflow	**(111)**	**(3,286)**	**(3,057)**	**(13,226)**	**(1,415)**	**(624)**	**(21,719)**
	251,023	**56,317**	**75,361**	**66,402**	**9,055**	**3,113**	**461,271**
2023							
Deposits of non-bank customers [1]	199,860	45,866	58,499	60,060	2,013	1,266	367,564
Deposits and balances of banks [1]	7,577	1,992	1,301	33	1	8	10,912
Trading portfolio liabilities	–	1	193	–	–	–	194
Other liabilities [2]	2,325	1,961	762	1,133	234	129	6,544
Debt issued	919	2,693	10,735	5,688	5,934	1,713	27,682
Derivatives							
Trading	13,319	–	–	–	–	–	13,319
Hedging – Net settled	5	–	53	39	87	29	213
Hedging – Gross settled							
Outflow	191	1,204	1,223	2,238	1,108	231	6,195
Inflow	(201)	(1,206)	(1,250)	(2,317)	(1,107)	(227)	(6,308)
	223,995	52,511	71,516	66,874	8,270	3,149	426,315

(1) Interest cash flows of bank and non-bank deposits are included in the respective deposit lines based on interest payment dates.
(2) Other liabilities include amounts due to associates.

Information Security and Digital Risk

Information security and digital risk is the risk of compromising confidentiality or integrity of information, cyber threats and technology failures.

Operational Risk

Operational risk is the risk of loss caused by failures in internal processes, systems, people or external events, which is present in all banking products, activities, processes and systems. It encompasses a range of non-financial risks, including fraud risk, money laundering, terrorism financing and sanctions risk, third-party risk, physical and personnel security risk, conduct risk, business continuity risk, unauthorised trading risk, regulatory risks as well as legal and reputational risk.

38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Hedging

The Group enters into hedging transactions to manage exposures to market risks. The tables below summarises the effects of hedge accounting applied by the Group on the hedging instruments.

GROUP ($ million)	2024 Principal notional amount	2024 Derivative receivables	2024 Derivative payables	2023 Principal notional amount	2023 Derivative receivables	2023 Derivative payables
Included items designated for hedges:						
Fair value/cash flow hedge – FED	**18,077**	**381**	**150**	3,415	39	96
Fair value/cash flow hedge – IRD	**30,230**	**172**	**105**	24,638	197	210
Hedge of net investments – FED	**8,245**	**21**	**265**	4,530	70	95
	56,552	**574**	**520**	32,583	306	401

BANK ($ million)	2024 Principal notional amount	2024 Derivative receivables	2024 Derivative payables	2023 Principal notional amount	2023 Derivative receivables	2023 Derivative payables
Included items designated for hedges:						
Fair value/cash flow hedge – FED	**21,143**	**247**	**397**	6,753	98	150
Fair value/cash flow hedge – IRD	**23,244**	**126**	**96**	17,349	129	199
Hedge of net investments – FED	**86**	**–**	**16**	88	–	11
	44,473	**373**	**509**	24,190	227	360

For the fair value hedges, the carrying amount at 31 December 2024 relating to the assets and liabilities designated as hedged items were $22,192 million and $7,533 million (2023: $10,474 million and $8,097 million) respectively. The hedged items were mainly fixed-rate debt securities held (financial assets) and debt securities issued (financial liabilities).

For the cash flow hedges, the carrying amount at 31 December 2024 relating to the assets and liabilities designated as hedged items were $13,164 million (2023: $9,160 million) and $1,039 million (2023: nil) respectively. The hedged items were mainly variable rate loans (financial assets).

Net investment hedges

The amounts relating to items designated as hedging instruments were as follows.

$ million	Nominal amount	Carrying amount Assets	Carrying amount Liabilities
2024			
Foreign exchange derivatives	**8,245**	**21**	**265**
Subordinated debt	**2,948**	**–**	**2,890**
2023			
Foreign exchange derivatives	4,530	70	95
Subordinated debt	2,859	–	2,746

The total change in fair value of the hedging instruments during the year was a loss of $222 million (2023: gain of $130 million), of which a loss of $223 million (2023: gain of $131 million) was recognised in OCI, while hedge ineffectiveness of a gain of $1 million (2023: loss of $1 million) was recognised immediately in the income statement as part of net trading income.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management

This note sets out the risk management information of GEH Group.

Governance Framework

Managing risk is an integral part of GEH Group's core business. GEH Group operates within parameters and limits that are calibrated to the risk appetite approved by the GEH Board, and pursue appropriate risk-adjusted returns.

GEH Group Risk Management department spearheads the development and implementation of the ERM Framework for GEH Group.

GEH Board provides oversight in ensuring that the activities of GEH Group are consistent with the strategic intent, risk appetite, operating environment, effective internal controls, capital sufficiency and regulatory requirements. GEH Board may delegate this responsibility to the Risk Management Committee (RMC) and Senior Management of GEH Group for the execution of these initiatives. At GEH Group level, detailed risk management and oversight activities are undertaken by the following Group Management committees, all of which are chaired by GEH Group Chief Executive Officer and comprise key Senior Management Executives, namely: GEH Group Management Committee (GMC), GEH Group Investment Committee (Group IC), GEH Group Asset-Liability Committee (Group ALC), GEH Group Technology Strategy Committee (Group TSC) and GEH Group Product Management and Approval Committee (Group PMAC).

GMC is responsible for providing leadership and direction with regards to all major operational and business issues and sustainable performance of GEH Group. The GMC ensures that GEH Group is operating within parameters and limits set out in the risk appetite approved by the Board; and in compliance with GEH Group's frameworks, policies and regulatory requirements. The GMC is supported by the GEH Group IC, GEH Group ALC, GEH Group PMAC, GEH Group TSC, Local Senior Management Team (SMT), Local ALC, Local Product Development Committee (PDC) and Local IT Steering Committee (ITSC).

GEH Group IC is responsible for the oversight of all investment management activities involving the asset side returns and risks of GEH Group, with the fiduciary responsibility to act in the best interest of the clients, to achieve returns commensurate with the assumed risks. It is also responsible to provide transparency and disclosure and the monitoring and the review of the insurance funds.

GEH Group ALC is responsible for Balance Sheet Management, involving interactions between assets and liabilities (including Asset-Liability Management, Liquidity Management, and Investment Management). Specifically, GEH Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management. GEH Group ALC is supported by the Local ALC.

GEH Group TSC is responsible for assisting GMC approving IT related issues and initiatives, providing overall strategic direction on technology in alignment to GEH Group strategy and manage technology related risk. Local ITSC supports GEH Group TSC in the alignment of overall direction and approval of all IT related issues and initiatives at the local operating subsidiaries.

GEH Group PMAC is responsible for reviewing, approving and managing new and existing products, ensuring the business operates within the risk appetite in delivering the annual business targets. Local PDC is responsible for reviewing and endorsing new products at the local operating subsidiaries.

Regulatory Framework

As set out in GEH Group's Compliance Risk Management Framework, GEH Group operates its business on a sound and responsible basis, which entails compliance with the applicable laws, regulations, rules and standards.

Insurers are required to comply with the Insurance Act 1966 and relevant regulatory requirements. GEH Board exercises oversight of compliance with the applicable laws, regulations, rules and standards to safeguard the interests of policyholders and shareholders.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Capital Management

The objectives of GEH Group's capital management policy are to create shareholder value, deliver sustainable returns to shareholders, maintain a strong capital position with sufficient buffer to meet policyholders' obligations and regulatory requirements.

GEH Group has increased its focus on improving capital efficiency and has issued Tier 2 debt in 2024 to diversify the capital mix and improve the return on ordinary share capital. In addition, there is also increasing focus to centralise the surplus capital at GEH Group holding level for more efficient management of surplus capital.

Regulatory Capital

GEH Group and its insurance subsidiaries are required to comply with the capital requirements prescribed by the Insurance Regulations of the jurisdictions in which they operate. The Capital Adequacy Ratios of GEH Group and its insurance subsidiaries in Singapore, Malaysia and Indonesia are above the regulatory minimum ratios under the Risk-based Capital Frameworks established by the Monetary Authority of Singapore (MAS), Bank Negara Malaysia (BNM) and Otoritas Jasa Keuangan, Indonesia respectively.

GEH Group's approach to capital management is to maintain an adequate level of capital to meet minimum regulatory requirements with sufficient buffer for business purposes. To this end, GEH Group manages asset liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (of GEH Group and each regulated entity) on a regular basis and, where necessary, taking appropriate actions to adjust the asset liability positions of GEH Group and/or the entity in response to changes in economic conditions and risk characteristics.

The primary sources of capital of GEH Group are shareholders' equity and alternative capital raised. GEH Group defines available capital as the amount of assets in excess of liabilities measured in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate.

The MAS Group Capital Framework (GCF) has been implemented effective 1 January 2024, which revises the rules for capital adequacy ratio and other relevant solvency ratio calculations at GEH Group level.

Dividend

GEH Group's dividend guideline aims to pay a steady dividend amount twice yearly. Each twice-yearly payment will be an amount that targets a full year payout to shareholders that is based on the sustainable profit level of GEH Group, and the dividends will be progressive in line with the profit trend. Barring unforeseen circumstances, the Company aims to maintain each dividend amount to be no lower than the preceding one.

The following sections provide details of GEH Group's exposure to insurance and key financial risks, as well as the objectives, policies and processes for managing these risks.

There has been no change to GEH Group's exposure to these insurance and key financial risks or the manner in which it manages and measures the risks.

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38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk

The principal activity of GEH Group is the provision of insurance products and related financial advisory services. The products cover risks such as mortality, morbidity (health, disability, critical illness, personal accident), property and casualty and wealth accumulation guarantees.

GEH Group's underwriting strategy is designed to ensure that risks are well diversified across the types of risk and level of insurance exposure. This is largely achieved through diversification across industry sectors and geography. Additionally, the use of medical screening ensures that pricing takes into account current health conditions and family medical history. There is also regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk acceptance criteria. For example, GEH Group has the right to reject renewal of insurance policy, impose deductibles and reject payment of fraudulent claims.

Risks inherent in GEH Group's activities include but are not limited to the following:

Insurance Risks of Life Insurance Contracts

Insurance risks arise when GEH Group underwrites insurance contracts. The types of risks insured, assumptions used in pricing the insurance products and subsequent setting aside of provisions may give rise to potential shortfalls in provision for future claims and expenses when actual claims experience are worse than projections. Assumptions that may cause insurance risks to be underestimated include assumptions on policy lapses, mortality, morbidity and expenses.

GEH Group utilises reinsurance to manage the mortality and morbidity risks. GEH Group's reinsurance management strategy and policy are reviewed annually by GEH Group ALC and GEH Group RMC. Reinsurance is structured according to the type of risk insured. Catastrophe reinsurance is procured to limit catastrophic losses.

In general, reinsurance business will only be ceded to reinsurers with a minimum credit rating of S&P A- or equivalent. GEH Group limits its risk to any one reinsurer by ceding different products to different reinsurers or to a panel of reinsurers.

GEH Group ALC reviews the actual experience of mortality, morbidity, persistency, and renewal expenses and ensures that the policies, guidelines and limits established for managing the risks remain adequate and appropriate.

A substantial portion of GEH Group's life insurance funds is participating in nature. In the event of volatile investment climate and/or unusual claims experience, the insurer has the option of revising the bonus payable to policyholders.

For non-participating funds, the risk is that the guaranteed policy benefits must be met even when investment portfolios perform below expectations, or claims experience is higher than expected.

For universal life portfolio, GEH Group has the discretion of revising the crediting rates or cap rates to policyholders in the event of adverse experience subject to the minimum guaranteed crediting rate or cap rate.

For investment-linked funds, the risk exposure for GEH Group is limited only to the underwriting aspect as all investment risks are borne by the policyholders. Nevertheless, the fees earned by GEH Group for managing the investment-linked funds would fluctuate with the changes in underlying fund values.

Stress testing is performed at least once a year to assess the solvency of the life insurance funds under various stress scenarios. The stress scenarios include regulatory prescribed scenarios, as well as scenarios depicting drastic changes in key parameters such as new business volume, market volatilities, expense patterns, mortality/morbidity patterns and lapse rates.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk (continued)

Insurance Risks of Life Insurance Contracts (continued)

The table below sets out the concentration of the insurance contract liabilities by distribution of the various life insurance risk as at year end.

$ million	Gross	Reinsurance	Net total
(a) By class of business			
2024			
Whole life	**65,557**	**(95)**	**65,462**
Endowment	**32,317**	**(25)**	**32,292**
Term	**2,265**	**(568)**	**1,697**
Annuity	**380**	**–**	**380**
Others	**93**	**1**	**94**
Total	**100,612**	**(687)**	**99,925**
2023			
Whole life	59,278	(10)	59,268
Endowment	35,798	(64)	35,734
Term	1,832	(273)	1,559
Annuity	385	–	385
Others	81	–	81
Total	97,374	(347)	97,027
(b) By country			
2024			
Singapore	**70,211**	**(655)**	**69,556**
Malaysia	**28,965**	**(30)**	**28,935**
Others	**1,436**	**(2)**	**1,434**
Total	**100,612**	**(687)**	**99,925**
2023			
Singapore	70,521	(337)	70,184
Malaysia	25,604	(9)	25,595
Others	1,249	(1)	1,248
Total	97,374	(347)	97,027

The sensitivity analysis below shows the impact of changes in key parameters on the value of insurance contract liabilities, and hence on the consolidated income statement and shareholders' equity.

Sensitivity analysis produced are based on parameters set out as follows:

	Change in assumptions
(a) Scenario 1 – Mortality and Morbidity	+ 10% for all future years
(b) Scenario 2 – Mortality and Morbidity	– 10% for all future years
(c) Scenario 3 – Accident and Health	+ 10% for all future years
(d) Scenario 4 – Accident and Health	– 10% for all future years
(e) Scenario 5 – Persistency	+ 25% for all future years
(f) Scenario 6 – Persistency	– 25% for all future years
(g) Scenario 7 – Renewal Expenses	+ 10% for all future years

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk (continued)

Insurance Risks of Life Insurance Contracts (continued)

Profit/(Loss) After Tax and Shareholders' Equity Sensitivity for the Singapore Segment

Impact on 1-Year's Profit/(Loss) After Tax and Shareholders' Equity

	Impact on Profit/(Loss) after tax			Impact on Equity		
$ million	Gross impact	Reinsurance ceded	Net impact	Gross impact	Reinsurance ceded	Net impact
2024						
Scenario 1	**(267)**	**146**	**(121)**	**(249)**	**137**	**(112)**
Scenario 2	**146**	**(92)**	**54**	**125**	**(81)**	**44**
Scenario 3	**(37)**	**#**	**(37)**	**(37)**	**#**	**(37)**
Scenario 4	**36**	**(#)**	**36**	**36**	**(#)**	**36**
Scenario 5	**(81)**	**90**	**9**	**(97)**	**87**	**(10)**
Scenario 6	**4**	**(57)**	**(53)**	**17**	**(54)**	**(37)**
Scenario 7	**(61)**	**14**	**(47)**	**(61)**	**13**	**(48)**
2023						
Scenario 1	(192)	95	(97)	(178)	92	(86)
Scenario 2	94	(42)	52	78	(38)	40
Scenario 3	(37)	1	(36)	(37)	1	(36)
Scenario 4	33	(#)	33	33	(#)	33
Scenario 5	(24)	61	37	(50)	59	9
Scenario 6	(41)	(28)	(69)	(21)	(26)	(47)
Scenario 7	(45)	4	(41)	(46)	4	(42)

Profit/(Loss) After Tax and Shareholders' Equity Sensitivity for the Malaysia Segment

Impact on 1-Year's Profit/(Loss) After Tax and Shareholders' Equity

	Impact on Profit/(Loss) after tax			Impact on Equity		
$ million	Gross impact	Reinsurance ceded	Net impact	Gross impact	Reinsurance ceded	Net impact
2024						
Scenario 1	**(61)**	**9**	**(52)**	**(69)**	**16**	**(53)**
Scenario 2	**15**	**(4)**	**11**	**24**	**(11)**	**13**
Scenario 3	**(105)**	**4**	**(101)**	**(130)**	**5**	**(125)**
Scenario 4	**6**	**(#)**	**6**	**30**	**(1)**	**29**
Scenario 5	**(6)**	**(1)**	**(7)**	**(6)**	**#**	**(6)**
Scenario 6	**(22)**	**3**	**(19)**	**(22)**	**2**	**(20)**
Scenario 7	**(15)**	**#**	**(15)**	**(19)**	**1**	**(18)**
2023						
Scenario 1	(70)	12	(58)	(78)	16	(62)
Scenario 2	16	(4)	12	24	(8)	16
Scenario 3	(81)	4	(77)	(103)	4	(99)
Scenario 4	5	(#)	5	28	(1)	27
Scenario 5	(7)	(#)	(7)	(1)	#	(1)
Scenario 6	(28)	3	(25)	(33)	2	(31)
Scenario 7	(16)	1	(15)	(20)	1	(19)

The tables above demonstrate the sensitivity of GEH Group's profit or loss after tax and equity to a change in actuarial valuation assumptions on an individual basis, with all other variables held constant.

The methodology for deriving sensitivities for each scenario has not changed from the previous year. Certain assumptions have been updated to reflect more reasonably possible scenarios.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts

Risks under non-life insurance policies usually cover a twelve-month duration. The risk inherent in non-life insurance contracts is reflected in the insurance contract liabilities which include the liability for remaining coverage and liability for incurred claims.

The table below sets out the distribution of the various categories of the non-life insurance risk for insurance contract liabilities as at reporting date.

	2024			2023		
Non-life insurance contracts $ million	Gross	Reinsurance	Net	Gross	Reinsurance	Net
(a) By class of business						
Fire	**82**	**(33)**	**49**	118	(83)	35
Motor	**112**	**(4)**	**108**	94	(2)	92
Marine and aviation	**14**	**(7)**	**7**	22	(4)	18
Workmen’s compensation	**30**	**(9)**	**21**	37	(11)	26
Personal accident and health	**58**	**(3)**	**55**	61	(8)	53
Surety	**29**	**(13)**	**16**	31	(21)	10
Engineering	**65**	**(41)**	**24**	53	(32)	21
Liability	**11**	**(6)**	**5**	13	2	15
Miscellaneous	**146**	**(127)**	**19**	162	(143)	19
Total	**547**	**(243)**	**304**	591	(302)	289
(b) By country						
Singapore	**221**	**(68)**	**153**	262	(121)	141
Malaysia	**291**	**(164)**	**127**	284	(164)	120
Indonesia	**35**	**(11)**	**24**	45	(17)	28
Total	**547**	**(243)**	**304**	591	(302)	289

Key Assumptions

Non-life insurance contract liabilities are determined based on claims experience, knowledge of existing events, terms and conditions of the relevant policies and interpretation of circumstances. Of particular relevance is past experience with similar cases, trends in historical claims, legislative changes, judicial decisions, economic conditions and claims handling procedures. The estimates of the non-life insurance contract liabilities are therefore sensitive to various factors. The actual future premium and claims liabilities will not develop exactly as projected and may vary from initial estimates.

Insurance risk of non-life insurance contracts is mitigated by achieving a large and well-diversified portfolio of insurance contracts across various industries and geographical areas. The risks are further mitigated by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. Comprehensive assessment of new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to further reduce the risk exposure of GEH Group. In addition, GEH Group further enforces a policy of active management and prompt pursuit of claims to reduce its exposure to unpredictable future developments that can negatively impact GEH Group.

GEH Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events such as hurricanes, earthquakes and flood damages.

Notes to the Financial Statements

For the financial year ended 31 December 2024

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts (continued)

The sensitivity analysis below shows the impact of changes in key assumptions on profit/(loss) after tax and equity.

		Impact on Profit/(Loss) after tax			Impact on Equity		
$ million	Change in assumptions	Gross Impact	Reinsurance Ceded	Net Impact	Gross Impact	Reinsurance Ceded	Net Impact
2024							
Risk adjustment	**+20%**	**(9)**	**5**	**(4)**	**(9)**	**5**	**(4)**
Loss ratio [1]	**+10%**	**(29)**	**10**	**(19)**	**(29)**	**10**	**(19)**
2023							
Risk adjustment	+20%	(11)	7	(4)	(11)	7	(4)
Loss ratio [1]	+10%	(29)	10	(19)	(29)	10	(19)

[1] Best estimate reserves and current accident year payments.

The above tables demonstrate the sensitivity of GEH Group's profit or loss after tax and equity to a change in actuarial valuation assumptions on an individual basis with all other variables held constant. The methodology for deriving sensitivities have not changed from the previous year. Certain assumptions have been updated to reflect more reasonably possible scenarios.

Cumulative Claims Estimates and Cumulative Payments To-Date

The tables below show the cumulative claims estimates, at each reporting date, together with cumulative payments to date.

(i) Gross non-life liabilities for incurred claims as at 31 December 2024

$ million	2017	2018	2019	2020	2021	2022	2023	2024	Total
(a) Estimate of cumulative claims									
Accident Year	206	178	211	259	241	247	234	235	
One year later	204	158	220	233	219	235	210	–	
Two years later	185	151	223	263	212	232	–	–	
Three years later	190	239	226	259	206	–	–	–	
Four years later	191	239	221	244	–	–	–	–	
Five years later	189	235	216	–	–	–	–	–	
Six years later	184	232	–	–	–	–	–	–	
Seven years later	180	–	–	–	–	–	–	–	
Current estimate of cumulative claims	**180**	**232**	**216**	**244**	**206**	**232**	**210**	**235**	
(b) Cumulative payments	**176**	**140**	**199**	**226**	**192**	**200**	**155**	**98**	
(c) Non-life gross claim liabilities	**4**	**92**	**17**	**18**	**14**	**32**	**55**	**137**	**369**
Gross claim liabilities – prior years									**6**
Effect of discounting									**(10)**
Effect of the risk adjustment margin for non-financial risk									**33**
Non-life insurance contract liabilities, gross									**398**

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk (continued)

Insurance Risk of Non-Life Insurance Contracts (continued)

Cumulative Claims Estimates and Cumulative Payments To-Date (continued)

(ii) Net non-life insurance for incurred claims as at 31 December 2024

$ million	2017	2018	2019	2020	2021	2022	2023	2024	Total
(a) Estimate of cumulative claims									
Accident Year	119	116	118	105	99	128	139	149	
One year later	121	110	113	101	93	119	129	–	
Two years later	117	108	116	96	91	115	–	–	
Three years later	116	110	116	95	88	–	–	–	
Four years later	116	109	113	93	–	–	–	–	
Five years later	113	107	112	–	–	–	–	–	
Six years later	111	104	–	–	–	–	–	–	
Seven years later	109	–	–	–	–	–	–	–	
Current estimate of cumulative claims	**109**	**104**	**112**	**93**	**88**	**115**	**129**	**149**	
(b) Cumulative payments	**108**	**102**	**106**	**87**	**81**	**99**	**98**	**62**	
(c) Non-life net claim liabilities	**1**	**2**	**6**	**6**	**7**	**16**	**31**	**87**	**156**
Net claim liabilities – prior years									3
Non-performing risk									2
Effect of discounting									(5)
Effect of the risk adjustment margin for non-financial risk									15
Others									8
Non-life liabilities for incurred claims, net									**179**

Market, Credit and Liquidity Risk

Market risk arises when market values of assets and liabilities are adversely affected by changes in financial markets. Changes in interest rates, foreign exchange rates, equity prices and prices of alternative investment assets can impact present and future earnings of the insurance operations, as well as shareholders' equity.

GEH Group is exposed to market risk through its investment portfolios, as well as in the mismatches between assets and liabilities of the Insurance Funds. In the case of the third-party funds managed by its asset management subsidiary, Lion Global Investors Limited, investment risks are borne by investors and GEH Group does not assume any liability in the event of occurrence of loss or write-down in market valuations.

GEH Group ALC, GEH Group IC and Local ALCs actively manage market risks through the setting of investment policies and asset allocations, approving portfolio construction, risk measurement methodologies, as well as hedging and alternative risk transfer strategies. Investment limits are monitored at various levels to ensure that all investment activities are conducted within GEH Group's risk appetite and in line with GEH Group's management principles and philosophies. Compliance with established limits forms an integral part of the risk governance and financial reporting framework. The approach adopted by GEH Group in managing the various types of risk, including interest rate risk, foreign exchange risk, equity price risk, credit risk, alternative investment risk and liquidity risk, is briefly described below.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Insurance Risk (continued)

Market, Credit and Liquidity Risk (continued)

(a) Interest Rate Risk (Including Asset Liability Mismatch Risk and Basis Risk)

GEH Group is exposed to interest rate risk through (i) investments in fixed income instruments, (ii) use of derivatives to manage asset liability mismatch and (iii) policy liabilities in the Insurance Funds. Since the Shareholders' Fund has exposure to investments in fixed income instruments but no exposure to insurance policy liabilities, it will incur economic losses when interest rates rise. Given the long duration of policy liabilities and the uncertainties in the cash flows of Insurance Funds, it is not possible to hold assets with duration or same reference interest rate that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk and basis risk, and these risks are managed and monitored by GEH Group ALC and Local ALCs.

Where the liabilities of the portfolios are predominantly measured using the VFA and the backing assets are measured at FVTPL, the changes in liabilities due to interest rates are expected to closely match the changes in assets.

For portfolios whose liabilities are predominantly measured using the GMM and Modified GMM, and have elected to disaggregate the insurance finance income and expenses between the income statement and other comprehensive income, the backing assets would also have a similar option elected. Therefore, the effect of changes in assets due to interest rates are also expected to closely match changes in liabilities in profit or loss.

(b) Foreign Exchange Risk

The foreign exchange risk inherent in foreign currency fixed income portfolio is typically hedged using currency forwards and swaps wherever practical and cost-effective. Foreign exchange instruments are also used for efficient portfolio management.

The SGD and MYR positions predominately arose from the entities within GEH Group with the same respective functional currencies. Limits are set on the total amount of foreign currency (net of liabilities) to cap GEH Group's foreign exchange risk.

38. **Risk Management** (continued)

38.4 **Insurance-Related Risk Management** (continued)

Market, Credit and Liquidity Risk (continued)

(b) Foreign Exchange Risk (continued)

The tables below show the foreign exchange position of GEH Group's financial and insurance-related assets and liabilities by major currencies.

$ million	SGD	MYR	USD	Others	Total
2024					
Financial assets at FVOCI					
Equity securities	**158**	**263**	**376**	**978**	**1,775**
Debt securities	**5,555**	**1,873**	**4,217**	**505**	**12,150**
Financial assets at FVTPL					
Equity securities	**993**	**7,716**	**1,522**	**3,662**	**13,893**
Debt securities	**15,859**	**16,833**	**12,610**	**4,160**	**49,462**
Other investments	**12,582**	**302**	**9,719**	**1,927**	**24,530**
Financial assets at amortised cost					
Debt securities	**2**	**–**	**455**	**52**	**509**
Derivative financial assets	**2,164**	**74**	**4,515**	**(6,382)**	**371**
Loans	**506**	**70**	**–**	**760**	**1,336**
Other debtors	**457**	**237**	**656**	**86**	**1,436**
Cash and cash equivalents	**1,829**	**1,266**	**938**	**366**	**4,399**
Insurance contract assets	**–**	**69**	**18**	**16**	**103**
Reinsurance contract assets	**700**	**291**	**109**	**8**	**1,108**
Financial and insurance-related assets	**40,805**	**28,994**	**35,135**	**6,138**	**111,072**
Other creditors	**832**	**336**	**97**	**38**	**1,303**
Derivative financial liabilities	**(21,752)**	**(51)**	**22,657**	**(127)**	**727**
Provision for agents' retirement benefits	**3**	**340**	**–**	**–**	**343**
Borrowings	**499**	**23**	**–**	**–**	**522**
Insurance contract liabilities	**66,553**	**29,325**	**4,564**	**821**	**101,263**
Reinsurance contract liabilities	**71**	**96**	**11**	**–**	**178**
Financial and insurance-related liabilities	**46,206**	**30,069**	**27,329**	**732**	**104,336**
2023					
Financial assets at FVOCI					
Equity securities	153	246	427	1,080	1,906
Debt securities	6,441	1,956	4,864	734	13,995
Financial assets at FVTPL					
Equity securities	799	6,298	1,012	3,422	11,531
Debt securities	19,145	14,850	11,532	3,113	48,640
Other investments	9,307	216	8,089	1,633	19,245
Financial assets at amortised cost					
Debt securities	439	–	747	32	1,218
Derivative financial assets	19,513	2	(19,617)	1,066	964
Loans	201	121	–	189	511
Other debtors	342	206	410	107	1,065
Cash and cash equivalents	3,813	881	1,171	438	6,303
Insurance contract assets	7	11	8	14	40
Reinsurance contract assets	506	309	46	8	869
Financial and insurance-related assets	60,666	25,096	8,689	11,836	106,287
Other creditors	816	380	549	86	1,831
Derivative financial liabilities	(3,092)	(101)	(2,632)	6,005	180
Provision for agents' retirement benefits	2	296	–	–	298
Insurance contract liabilities	67,332	25,899	4,035	735	98,001
Reinsurance contract liabilities	91	135	(7)	#	219
Financial and insurance-related liabilities	65,149	26,609	1,945	6,826	100,529

The financial assets and financial liabilities of Great Eastern Holdings Limited are not material.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(c) Equity Price Risk

Exposure to equity price risk exists in investment assets through direct equity, equity derivatives and fund investments, where GEH Group, through investments, bears all or most of the equity volatility and investment risks. Equity price risk also exists in investment-linked products where the revenues of the insurance operations are linked to the performances of underlying equity funds since this has an impact on the level of fees earned. Limits are set for single security holdings as a percentage of total equity holdings.

(d) Credit Spread Risk

Exposure to credit spread risk exists in GEH Group's bond investments and credit derivatives. Credit spread is the difference between the quoted yields of a credit and a government bond of the same maturity. Credit spreads widen when the default risk of credit bonds increases. Hence, widening credit spreads will result in mark-to-market losses in GEH Group's bond portfolio.

(e) Alternative Investment Risk

GEH Group is exposed to alternative investment risk through investments in real estate that it owns in Singapore and Malaysia, and through real estate funds, private equities, private debt, infrastructure and hedge funds. A monitoring process is established to manage foreign exchange, country and manager concentration risks. This process and the acquisition or divestment of alternative investments are reviewed and approved by GEH Group RMC and GEH Group IC.

(f) Commodity Risk

GEH Group does not have any exposure to commodity risk.

(g) Liquidity Risk

Liquidity risk arises when GEH Group is unable to meet its cash flow demands, or if the assets backing the liabilities cannot be sold quickly enough without incurring significant losses. For an insurance company, the greatest liquidity needs typically arise from its insurance liabilities. Demands for funds can usually be met through ongoing normal operations via premiums received, sale of assets or borrowings. Unexpected demands for liquidity may be triggered by surrender of insurance policies due to negative publicity, deterioration of the economy, adverse news on other companies in the same or similar lines of business, unanticipated policy claims, or other unexpected cash demands from policyholders or derivative margin requirements.

Expected liquidity demands are managed through a combination of treasury, investment and asset-liability management practices, which are monitored on an ongoing basis. Actual and projected cash inflows and outflows are regularly monitored, and a reasonable amount of liquid assets are maintained at all times. The projected cash flows from the in-force insurance policy contract liabilities consist of renewal premiums, commissions, claims, maturities and surrenders. Renewal premiums, commissions, claims and maturities are generally stable and predictable. Surrenders can be more uncertain although these have been quite stable over the past several years.

Unexpected liquidity demands are mitigated through product design, risk diversification, credit facilities, investment strategies and systematic monitoring. Surrender penalty in insurance contracts also protects GEH Group from losses due to unexpected surrender trends and reduces the sensitivity of surrenders to changes in interest rates.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(g) Liquidity Risk (continued)

The following tables show the expected recovery or settlement of financial assets and maturity profile of GEH Group's financial liabilities which are presented based on contractual undiscounted cash flows basis.

$ million	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	No maturity date	Total
2024						
Financial assets at FVOCI						
Equity securities	**1,775**	**–**	**–**	**–**	**1,775**	**1,775**
Debt securities	**12,150**	**2,540**	**4,749**	**9,231**	**–**	**16,520**
Financial assets at FVTPL						
Equity securities	**13,893**	**–**	**–**	**–**	**13,893**	**13,893**
Debt securities	**49,462**	**4,149**	**17,370**	**46,553**	**1,352**	**69,424**
Other investments	**24,530**	**–**	**–**	**–**	**24,530**	**24,530**
Financial assets at amortised cost						
Debt securities	**509**	**19**	**506**	**–**	**–**	**525**
Derivative financial assets	**371**	**211**	**103**	**57**	**–**	**371**
Loans	**1,336**	**124**	**982**	**247**	**–**	**1,353**
Other debtors	**1,436**	**1,430**	**2**	**4**	**–**	**1,436**
Cash and cash equivalents	**4,399**	**4,399**	**–**	**–**	**–**	**4,399**
	109,861	**12,872**	**23,712**	**56,092**	**41,550**	**134,226**
Other creditors	**1,255**	**1,214**	**4**	**1**	**37**	**1,256**
Lease liabilities	**48**	**13**	**39**	**–**	**–**	**52**
Derivative financial liabilities	**727**	**682**	**6**	**39**	**–**	**727**
Provision for agents' retirement benefits	**343**	**178**	**64**	**102**	**–**	**344**
Borrowings	**522**	**20**	**101**	**587**	**–**	**708**
	2,895	**2,107**	**214**	**729**	**37**	**3,087**
2023						
Financial assets at FVOCI						
Equity securities	1,906	–	–	–	1,906	1,906
Debt securities	13,995	2,957	5,899	9,557	–	18,413
Financial assets at FVTPL						
Equity securities	11,531	–	–	–	11,531	11,531
Debt securities	48,640	6,024	15,723	44,280	740	66,767
Other investments	19,245	–	–	–	19,245	19,245
Financial assets at amortised cost						
Debt securities	1,219	779	159	634	–	1,572
Derivative financial assets	964	853	78	33	–	964
Loans	511	95	436	12	–	543
Other debtors	1,065	1,060	4	1	–	1,065
Cash and cash equivalents	6,303	6,303	–	–	–	6,303
	105,379	18,071	22,299	54,517	33,422	128,309
Other creditors	1,780	1,739	5	#	36	1,780
Lease liabilities	47	11	44	–	–	55
Derivative financial liabilities	180	142	34	4	–	180
Provision for agents' retirement benefits	298	152	56	90	–	298
	2,305	2,044	139	94	36	2,313

The financial assets and financial liabilities of Great Eastern Holdings Limited are not material.

Notes to the Financial Statements

For the financial year ended 31 December 2024

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(g) Liquidity Risk (continued)

The following tables show the maturity profile of insurance contracts issued and reinsurance contracts held that are liabilities of GEH Group based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

$ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
2024							
Insurance contract liabilities	**11,117**	**6,898**	**2,466**	**3,238**	**3,053**	**63,305**	**90,077**
Reinsurance contract liabilities held	**110**	**17**	**17**	**11**	**10**	**78**	**243**
Total	**11,227**	**6,915**	**2,483**	**3,249**	**3,063**	**63,383**	**90,320**
2023							
Insurance contract liabilities	15,645	5,091	2,267	2,197	3,013	58,826	87,039
Reinsurance contract liabilities held	106	23	9	10	29	95	272
Total	15,751	5,114	2,276	2,207	3,042	58,921	87,311

Amounts Payable on Demand

The amounts payable on demand are as follows.

	2024		2023	
$ million	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
Universal life contracts	**4,091**	**4,298**	3,493	3,693
Investment-linked contracts	**10,411**	**11,256**	8,440	8,966
Participating contracts	**51,978**	**60,779**	54,293	65,640
Total	**66,480**	**76,333**	66,226	78,299

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(g) Liquidity Risk (continued)

The following tables show the current/non-current classification of assets and liabilities:

$ million	Current(1)	Non-current	Total
2024			
Cash and cash equivalents	**4,399**	**–**	**4,399**
Other debtors	**1,452**	**35**	**1,487**
Loans	**119**	**1,217**	**1,336**
Derivative financial assets	**211**	**160**	**371**
Investments	**18,640**	**83,680**	**102,320**
Income tax recoverable	**25**	**–**	**25**
Deferred tax assets	**#**	**12**	**12**
Reinsurance contract assets	**284**	**824**	**1,108**
Insurance contract assets	**48**	**55**	**103**
Investment in associates	**–**	**68**	**68**
Intangible assets	**44**	**188**	**232**
Investment properties	**–**	**1,939**	**1,939**
Property, plant and equipment	**43**	**466**	**509**
Assets	**25,265**	**88,644**	**113,909**
Other creditors	**1,301**	**79**	**1,380**
Income tax payable	**221**	**–**	**221**
Derivative financial liabilities	**682**	**45**	**727**
Provision for agents' retirement benefits	**26**	**317**	**343**
Deferred tax liabilities	**135**	**355**	**490**
Borrowings	**–**	**522**	**522**
Reinsurance contract liabilities	**100**	**78**	**178**
Insurance contract liabilities	**12,823**	**88,440**	**101,263**
Liabilities	**15,288**	**89,836**	**105,124**
2023			
Cash and cash equivalents	6,303	–	6,303
Other debtors	1,076	35	1,111
Loans	87	424	511
Derivative financial assets	853	111	964
Investments	19,286	77,249	96,535
Deferred tax assets	3	14	17
Reinsurance contract assets	256	613	869
Insurance contract assets	38	2	40
Investment in associates	–	95	95
Intangible assets	45	167	212
Investment properties	–	1,881	1,881
Property, plant and equipment	44	452	496
Assets	27,991	81,043	109,034
Other creditors	1,824	88	1,912
Income tax payable	165	–	165
Derivative financial liabilities	142	38	180
Provision for agents' retirement benefits	20	278	298
Deferred tax liabilities	1	268	269
Reinsurance contract liabilities	96	124	220
Insurance contract liabilities	17,216	80,785	98,001
Liabilities	19,464	81,581	101,045

(1) Expected recovery or settlement within 12 months from the reporting date.

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For the financial year ended 31 December 2024

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk

Credit risk is the risk of loss arising from an obligor failing to discharge an obligation. GEH Group is mainly exposed to credit risk through (i) investments in cash, bonds, and credit derivatives, (ii) corporate lending activities and (iii) exposure to counterparty's credit risk in derivative transactions and reinsurance contracts. For all three types of exposures, financial loss may materialise as a result of a downgrading of credit rating or default by the borrower or counterparty.

GEH group wide credit risk is managed by GEH Group ALC. GEH Group establishes internal limits by issuer and counterparty according to their investment credit rating which are actively monitored to manage the credit and concentration risk, and are reviewed on a regular basis. The creditworthiness of reinsurers is assessed on an annual basis by reviewing their financial strength through published credit ratings and other publicly available information. The task of evaluating and monitoring credit risk at the GEH subsidiary level is undertaken by Local ALCs.

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is mitigated through counterparty limits that are reviewed and approved on an annual basis.

Credit risk arising from customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated.

GEH Group issues unit-linked investment policies in which the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, GEH Group has no material credit risk or market risk on unit-linked financial assets.

The loans in GEH Group's portfolio are generally secured by collateral, with a maximum loan-to-value ratio of 70%. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines on the collateral eligibility have been established, and all collateral are revalued on a regular basis. GEH management monitors the market values of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. The fair values of collateral, held by GEH Group as lender, for which it is entitled to sell or pledge in the event of default is as tabulated below:

		2024		2023	
$ million	Type of collateral	Carrying amount	Fair value	Carrying amount	Fair value
Secured loans	Properties	**944**	**1,705**	372	882
Secured loans	Others	**57**	**65**	1	1
Derivatives	Cash	**75**	**75**	257	257
		1,076	**1,845**	630	1,140

There were no securities lending arrangements as at 31 December 2024 (2023: nil).

As at the reporting date, no investments (2023: nil) were placed as collateral for currency hedging purposes.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

The following table sets out information about the credit quality of loans and debt securities measured at amortised cost and debt securities measured at FVOCI. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of master netting or collateral agreements and the use of credit derivatives.

$ million	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
2024				
Loans at amortised cost				
Investment grade* (BBB to AAA)	**1,275**	**66**	**1**	**1,342**
Not rated	**1**	**–**	**57**	**58**
	1,276	**66**	**58**	**1,400**
Loss allowance	**(#)**	**(6)**	**(58)**	**(64)**
Carrying amount	**1,276**	**60**	**–**	**1,336**
Debt securities at amortised cost				
Investment grade* (BBB to AAA)	**511**	**–**	**–**	**511**
	511	**–**	**–**	**511**
Loss allowance	**(2)**	**–**	**–**	**(2)**
Carrying amount	**509**	**–**	**–**	**509**
Debt securities at FVOCI				
Investment grade* (BBB to AAA)	**12,084**	**65**	**–**	**12,149**
Non investment grade* (C to BB)	**–**	**1**	**–**	**1**
	12,084	**66**	**–**	**12,150**
2023				
Loans at amortised cost				
Investment grade* (BBB to AAA)	401	117	–	518
Not rated	2	–	47	49
	403	117	47	567
Loss allowance	(1)	(8)	(47)	(56)
Carrying amount	402	109	–	511
Debt securities at amortised cost				
Investment grade* (BBB to AAA)	1,219	–	–	1,219
	1,219	–	–	1,219
Loss allowance	(1)	–	–	(1)
Carrying amount	1,218	–	–	1,218
Debt securities at FVOCI				
Investment grade* (BBB to AAA)	13,945	48	–	13,993
Non investment grade* (C to BB)	–	2	–	2
	13,945	50	–	13,995

(1) * Based on internal ratings grades which are equivalent to grades of external rating agencies.

Notes to the Financial Statements

For the financial year ended 31 December 2024

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

The following table sets out the credit analysis for financial assets and reinsurance contract assets that are not subjected to ECL.

$ million	Investment grade (BBB to AAA)	Non investment grade (C to BB)	Not rated	Not subject to credit risk	Total carrying amount
2024					
Financial assets at FVOCI					
Equity securities	**–**	**–**	**–**	**1,775**	**1,775**
Financial assets at FVTPL					
Equity securities	**–**	**–**	**–**	**13,893**	**13,893**
Debt securities	**48,507**	**792**	**163**	**-**	**49,462**
Other investments	**–**	**–**	**-**	**24,530**	**24,530**
Derivative financial assets	**353**	**–**	**18**	**–**	**371**
Other debtors	**4**	**23**	**1,409**	**–**	**1,436**
Cash and cash equivalents	**4,393**	**6**	**–**	**–**	**4,399**
Reinsurance contract assets	**1,108**	**–**	**–**	**–**	**1,108**
	54,365	**821**	**1,590**	**40,198**	**96,974**
2023					
Financial assets at FVOCI					
Equity securities	–	–	–	1,906	1,906
Financial assets at FVTPL					
Equity securities	–	–	–	11,531	11,531
Debt securities	47,627	855	159	–	48,641
Other investments	–	–	–	19,245	19,245
Derivative financial assets	934	–	30	–	964
Other debtors	3	12	1,049	–	1,064
Cash and cash equivalents	5,673	–	630	–	6,303
Reinsurance contract assets	869	–	–	–	869
	55,106	867	1,868	32,682	90,523

Great Eastern Holdings Limited’s financial assets are not material.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

Amounts Arising from ECL

ECL provisioning is the setting of allowance for credit-impaired and non-credit-impaired exposure in accordance to SFRS (I) 9 through forward-looking ECL models.

Measurement of ECL – Explanation of Inputs, Assumptions and Estimation Techniques

The key inputs into the measurement of ECL are the following variables:
- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These parameters are derived from statistical models internally developed by GEH Group.

PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. PD estimates are derived from PD models that incorporate both quantitative and qualitative inputs, which are in turn derived from internal and external compiled data. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

LGD is the magnitude of the likely loss incurred during a default. LGD is expressed as a percentage of loss per unit of exposure at the time of default and represents an estimate of the economic loss in the event of the default of the counterparty. Factors in determining LGDs include claim seniority, availability and quality of collateral, legal enforceability processes in the jurisdiction and industry of borrower and prevailing market conditions. They are estimates at a certain date and are derived using statistical models. These statistical models are developed using internally compiled data and incorporate both quantitative and qualitative factors. The model outputs are adjusted to reflect forward-looking information whenever appropriate.

EAD represents the expected exposure in the event of a default. GEH Group derives the EAD based on the current exposure to the counterparty and potential future exposure.

The ECL is determined by the PD, LGD and EAD for each individual exposure. The ECLs are first determined from the product of these three components, which are then adjusted to take into account forward-looking information. The ECLs are finally discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Significant Increase in Credit Risk

To assess whether there is a significant increase in credit risk, GEH Group compares the risk of a default occurring on the asset as at reporting date with the risk of default assessed at the date of initial recognition. GEH Group considers available reasonable and supportive forward-looking information, which includes the following indicators:
- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.

A movement of an obligor's credit rating along the rating scale represents a change in the credit risk as measured by the change in PD.

Notes to the Financial Statements

For the financial year ended 31 December 2024

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

Significant Increase in Credit Risk (continued)

The criteria for assessing whether credit risk has increased significantly will be determined by changes in 12M PDs and other qualitative factors. The credit risk of an obligor is deemed to have increased significantly since initial recognition if, based on GEH Group's quantitative model, the 12M PD is determined to have more than doubled since origination, except when the obligor remains within the investment grade ratings.

Using expert credit judgement and, where possible, relevant historical experience, GEH Group may determine that an obligor has undergone a significant increase in credit risk based on qualitative factors that are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. GEH Group uses the watch-list as an additional trigger for the identification of significant increase in credit risk.

GEH Group considers an obligor to have relatively lower credit risk if it is of investment grade quality, taking into account both internal and external credit ratings.

Credit Risk Grades

GEH Group assigns each obligor to a credit risk grade that reflects the PD of the obligor. Credit risk grades are established based on qualitative and quantitative factors that are indicative of default risk. These factors vary depending on the nature of the exposure and the type of counterparty.

Credit risk grades are defined and calibrated such that the default risk increases as credit risk deteriorates. Each exposure is assigned with a credit risk grade at initial recognition, based on available information on the borrower. Obligors are subject to ongoing monitoring and review, and may be assigned with new credit risk grades that better reflects their creditworthiness. The monitoring typically involves the use of information obtained during periodic review, including published financial statements, external rating (where available), as well as qualitative information on an obligor's industry, competitive positioning, management, financial policy and financial flexibility.

Definition of Default

GEH Group considers a financial asset to be in default by assessing the following criteria:

Quantitative Criteria

For insurance receivables, the obligor is said to be in default if it fails to make contractual payments within 6 months after it falls due (i.e. after expiration of the maximum granted credit terms). For bonds and loans, the obligor is said to be in default if it fails to meet its contractual obligation and there are non-payments on another debt obligation of the same issuer to GEH Group.

Qualitative Criteria

The counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty; distressed exchange, merger or amalgamation without assumption or breach of material loan covenants not rectified within a given timeframe, restructuring with expected principal haircut or a breach in material loan covenant that is not rectified within given timeframe.

The criteria above have been applied to all financial instruments held by GEH Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout GEH Group's expected loss calculations.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

Incorporating of Forward-Looking Information

GEH Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and in its ECL measurement. GEH Group has performed historical analysis and identified key economic variables impacting credit risk and ECLs for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the base economic scenario) are obtained from publicly available economic databases published on a quarterly basis and provide the best estimate view of the economy over the next four to five years, and based on such information to project the economic variables for the full remaining lifetime of each instrument, a mean reversion approach is used. The impact of these economic variables on PDs, EADs and LGDs has been determined via regression analyses.

In addition to the base economic scenario, GEH Group uses multiple scenarios to ensure non-linear risks are captured. The number of scenarios and the respective scenario attributes are reviewed at each reporting date. At 31 December 2024, GEH Group concluded that two particular scenarios are capable of capturing non-linear risks inherent in all portfolios. The scenario weightings are determined by expert credit judgement, taking into account the range of possible outcomes presented by the chosen scenarios. The assessment of significant increase in credit risk is performed using the 12M PD under each scenario multiplied by the associated scenario weights. This determines whether the financial instrument is in Stage 1, 2 or 3, and hence whether 12M or lifetime ECL should be applied. Following this assessment, GEH Group measures ECL as either a probability-weighted 12M ECL (Stage 1), or a probability-weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of uncertainty and the actual outcomes may be significantly different from projected outcomes. GEH Group considers these forecasts being representative of the best estimates of the possible outcomes and has analysed the non-linear risks and asymmetries within the various portfolios of GEH Group to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to GEH Group for the year ended 31 December 2024.

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38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

Loss Allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

$ million	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and other receivables at amortised cost				
At 1 January 2023	1	6	36	43
Net remeasurement of loss allowance	–	2	11	13
New financial assets purchased	#	–	–	#
Financial assets that have been derecognised	(#)	–	–	(#)
Changes in models/risk parameters	(#)	–	–	(#)
Foreign exchange and other movements	–	–	–	–
At 31 December 2023/1 January 2024	**1**	**8**	**47**	**56**
Net remeasurement of loss allowance	**(#)**	**(1)**	**11**	**10**
New financial assets purchased	**1**	**#**	**–**	**1**
Financial assets that have been derecognised	**(1)**	**(2)**	**–**	**(3)**
Changes in models/risk parameters	**(#)**	**(1)**	**–**	**(1)**
Foreign exchange and other movements	**–**	**1**	**–**	**1**
At 31 December 2024	**1**	**5**	**58**	**64**
Debt securities at amortised cost				
At 1 January 2023	2	–	–	2
Net remeasurement of loss allowance	#	–	–	#
New financial assets purchased	#	–	–	#
Changes in models/risk parameters	(#)	–	–	(#)
At 31 December 2023/1 January 2024	**2**	**–**	**–**	**2**
Net remeasurement of loss allowance	**#**	**–**	**–**	**#**
New financial assets purchased	**#**	**–**	**–**	**#**
Financial assets that have been derecognised	**(#)**	**–**	**–**	**(#)**
Changes in models/risk parameters	**(#)**	**–**	**–**	**(#)**
At 31 December 2024	**2**	**–**	**–**	**2**
Debt securities at FVOCI				
At 1 January 2023	8	11	3	22
Transfer to 12 month ECL	1	(1)	–	–
Additional losses due to transfer	(1)	–	–	(1)
Net remeasurement of loss allowance	#	1	–	1
New financial assets purchased	6	(#)	–	6
Financial assets that have been derecognised	(3)	(1)	–	(4)
Changes in models/risk parameters	(#)	#	–	(#)
Foreign exchange and other movements	–	(#)	–	(#)
At 31 December 2023/1 January 2024	**11**	**10**	**3**	**24**
Transfer to 12 month ECL	**#**	**(#)**	**–**	**–**
Transfer to lifetime ECL not credit-impaired	**(#)**	**#**	**–**	**–**
Additional losses due to transfer	**(#)**	**#**	**–**	**#**
Net remeasurement of loss allowance	**–**	**3**	**–**	**3**
New financial assets purchased	**3**	**–**	**–**	**3**
Financial assets that have been derecognised	**(4)**	**(6)**	**–**	**(10)**
Changes in models/risk parameters	**(2)**	**(4)**	**–**	**(6)**
At 31 December 2024	**8**	**3**	**3**	**14**
Increase/(decrease) in provision for impairment of financial assets for the year				
31 December 2023	3	1	11	15
31 December 2024	**(3)**	**(10)**	**11**	**(2)**

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(h) Credit Risk (continued)

Loss Allowance (continued)

The changes in risk parameters may consist of management overlays, including but not limited to, the application of judgement to:

i) key economic variables including GDP growth projections;
ii) scenario weightings;
iii) obligor's credit rating to reflect a deterioration to credit risk;
iv) events arisen after post-model-run that require adjustment.

Loss allowances are reviewed quarterly, taking into consideration the effects of key variables.

(i) Concentration Risk

An important element of managing both market, credit and liquidity risks is to actively manage concentration to specific issuers, counterparties, industry sectors, countries and currencies. Both internal and regulatory limits are put in place to manage concentration risk. These limits are reviewed on a regular basis by the respective management committees. GEH Group's exposures are within the concentration limits set by the respective local regulators.

GEH Group actively manages its investment mix to ensure that there is no significant concentration in market, credit and liquidity risk.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(j) Sensitivity Analysis on Financial Risks

The sensitivity analysis below shows the impact on GEH Group's net profit after tax by applying possible shocks to each key variables, with all other variables constant. Co-movement of key variables can significantly affect the fair values and/or amortised cost of financial assets. To demonstrate the impact due to changes in each key variable, the variables are changed individually.

The impact on net profit after tax represents the effect caused by changes in fair value of financial assets whose fair values are recorded in the income statement, and changes in valuation of insurance and reinsurance contract liabilities/assets. The equity sensitivity represents the impact on net profit after tax and the effect on changes in fair value of financial assets measured at FVOCI and changes in insurance finance reserves.

Market Risk Sensitivity Analysis

	Impact on profit after tax					
$ million	2024			2023		
	Financial assets	Insurance & reinsurance contracts	Total	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:						
(a) Interest rate						
+100 basis points	**(3,319)**	**3,228**	**(91)**	(2,799)	2,733	(66)
−100 basis points	**3,919**	**(3,847)**	**72**	3,239	(3,202)	37
(b) Foreign currency						
5% increase in market value of USD denominated assets	**133**	**(167)**	**(34)**	109	(146)	(37)
5% decrease in market value of USD denominated assets	**(133)**	**167**	**34**	(109)	146	37
(c) Equity						
20% increase in market indices	**3,943**	**(3,700)**	**243**	3,219	(3,078)	141
20% decrease in market indices	**(3,905)**	**3,660**	**(245)**	(3,219)	3,051	(168)
(d) Credit						
Spread +100 basis points	**(1,520)**	**1,456**	**(64)**	(1,237)	1,193	(44)
Spread −100 basis points	**1,676**	**(1,594)**	**82**	1,417	(1,372)	45
(e) Alternative investments [1]						
10% increase in market value of all alternative investments	**541**	**(469)**	**72**	592	(520)	72
10% decrease in market value of all alternative investments	**(541)**	**469**	**(72)**	(592)	520	(72)

[1] Alternative investments comprise investments in real estate, private equity, private debt, infrastructure and hedge funds.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Market, Credit and Liquidity Risk (continued)

(j) Sensitivity Analysis on Financial Risks (continued)

Market Risk Sensitivity Analysis (continued)

	Impact on Equity					
$ million	2024			2023		
	Financial assets	Insurance & reinsurance contracts	Total	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:						
(a) Interest rate						
+100 basis points	**(3,841)**	**3,537**	**(304)**	(3,374)	2,968	(406)
–100 basis points	**4,516**	**(4,260)**	**256**	3,889	(3,644)	245
(b) Foreign currency						
5% increase in market value of USD denominated assets	**133**	**(166)**	**(33)**	109	(145)	(36)
5% decrease in market value of USD denominated assets	**(133)**	**166**	**33**	(109)	144	35
(c) Equity						
20% increase in market indices	**4,230**	**(3,709)**	**521**	3,533	(3,087)	446
20% decrease in market indices	**(4,192)**	**3,669**	**(523)**	(3,275)	3,060	(215)
(d) Credit						
Spread +100 basis points	**(1,891)**	**1,478**	**(413)**	(1,587)	1,224	(363)
Spread –100 basis points	**2,097**	**(1,625)**	**472**	1,807	(1,421)	386
(e) Alternative investments [1]						
10% increase in market value of all alternative investments	**565**	**(491)**	**74**	610	(535)	75
10% decrease in market value of all alternative investments	**(565)**	**491**	**(74)**	(610)	535	(75)

(1) Alternative investments comprise investments in real estate, private equity, private debt, infrastructure and hedge funds.

The above tables demonstrate the sensitivity of GEH Group's shareholders' equity to a change in the specified variables on an individual basis with all other variables held constant.

The methodology for deriving sensitivities have not changed from the previous year, certain variable has been updated to reflect more relevant scenarios for GEH Group.

Notes to the Financial Statements
For the financial year ended 31 December 2024

38. Risk Management (continued)
38.4 Insurance-Related Risk Management (continued)
Operational and Compliance Risk
Operational risk is an event or action that may potentially impact partly or completely the achievement of the organisation's objectives resulting from inadequate or failed internal processes and systems, human factors, or external events.

Compliance risk is any event or action that may potentially impact partly or completely the achievement of the organisation's objectives and its reputation as a result of its failure to comply with the following applicable laws, regulations and standards:
- local laws, regulations and rules governing licensed activities undertaken by GEH Group;
- foreign laws, regulations and rules that have extraterritorial jurisdiction over GEH Group's licensed activities;
- codes of practice promoted by industry associations of which GEH Group are members of; and
- any other applicable regulations which do not specifically govern the licensed activities undertaken by GEH Group but can expose the organisation to legal, regulatory or reputational loss.

The day-to-day management of operational and compliance risk is through the maintenance of comprehensive internal control frameworks, supported by an infrastructure of systems and procedures to monitor processes and transactions. GEH Group GMC reviews operational and compliance issues on a GEH Group basis at its monthly meetings while local level issues are managed and monitored by the local SMTs. GEH Group Internal Audit team reviews the systems of internal controls to assess their ongoing relevance and effectiveness, and reports at least quarterly to GEH Group Audit Committee.

Technology, Information and Cyber Risks
Technology risk is defined as risk related to any potential adverse outcome, damage, loss, disruption, violation, system/hardware failure, capacity deficiency arising from the use of technologies such as electronic hardware/devices, software, online networks and telecommunications systems.

Information risk is defined as risk related to confidentiality, integrity and availability of information (in physical or digital form).

Cyber risk is defined as risk related to acts perpetrated by malicious threat actors including internal sabotage, espionage, malicious attacks, hacking incidents, fraudulent conduct using information and communication technologies.

GEH Group adopts a risk-based approach in managing technology risks relating to IT disruption, cyber threats, data loss and third parties. GEH Group has put in place technological and procedural risk controls to defend against external and insider threats. Key risk indicators related to technology, information and cyber risks are reported to GEH Group Board on a regular basis. Independent assessment is performed by internal and external auditors on the adequacy and effectiveness of the technology risk controls.

39. Financial Assets and Financial Liabilities Classification

$ million	GROUP Mandatorily measured at FVTPL	Designated as FVTPL	Amortised cost	FVOCI	Insurance contracts	Total
2024						
Cash and placements with central banks	–	–	34,599	–	–	34,599
Singapore government treasury bills and securities	1,850	–	4,785	7,681	–	14,316
Other government treasury bills and securities	3,054	16	5,632	21,667	–	30,369
Placements with and loans to banks	1,418	–	20,510	20,479	–	42,407
Loans to customers	–	–	315,096	–	–	315,096
Debt securities	6,220	25	773	29,107	–	36,125
Equity securities and investment funds	6,133	–	–	1,155	–	7,288
Debt and equity securities	12,353	25	773	30,262	–	43,413
Derivative receivables	17,203	–	–	–	–	17,203
Other assets	–	–	6,868	–	310	7,178
Amounts due from associates	–	–	1	–	–	1
Financial assets	35,878	41	388,264	80,089	310	504,582
Non-financial assets						18,176
						522,758
Financial assets for life insurance funds	43,225	41,850	5,174	9,207	897	100,353
Non-financial assets for life insurance funds						1,939
Total assets						625,050
Deposits of non-bank customers	–	58	390,629	–	–	390,687
Deposits and balances of banks	–	21	11,544	–	–	11,565
Trading portfolio liabilities	281	–	–	–	–	281
Derivative payables	16,238	–	–	–	–	16,238
Other liabilities [1]	–	–	8,212	–	615	8,827
Debt issued	–	3,357	28,196	–	–	31,553
Financial liabilities	16,519	3,436	438,581	–	615	459,151
Non-financial liabilities						2,587
						461,738
Financial liabilities for life insurance funds	695	–	1,341	–	100,822	102,858
Non-financial liabilities for life insurance funds						74
Total liabilities						564,670

(1) Other liabilities include amounts due to associates.

39. Financial Assets and Financial Liabilities Classification (continued)

	GROUP					
$ million	Mandatorily measured at FVTPL	Designated as FVTPL	Amortised cost	FVOCI	Insurance contracts	Total
2023						
Cash and placements with central banks	–	–	34,286	–	–	34,286
Singapore government treasury bills and securities	1,904	80	3,358	13,823	–	19,165
Other government treasury bills and securities	3,040	78	4,437	18,910	–	26,465
Placements with and loans to banks	1,821	–	18,840	17,390	–	38,051
Loans to customers	11	–	292,743	#	–	292,754
Debt securities	4,604	23	822	25,351	–	30,800
Equity securities and investment funds	4,582	–	–	1,209	–	5,791
Debt and equity securities	9,186	23	822	26,560	–	36,591
Derivative receivables	12,976	–	–	–	–	12,976
Other assets	–	–	5,966	–	383	6,349
Amounts due from associates	–	–	13	–	–	13
Financial assets	28,938	181	360,465	76,683	383	466,650
Non-financial assets						17,257
						483,907
Financial assets for life insurance funds	36,940	41,282	5,813	11,076	525	95,636
Non-financial assets for life insurance funds						1,881
Total assets						581,424
Deposits of non-bank customers	–	–	363,770	–	–	363,770
Deposits and balances of banks	–	–	10,884	–	–	10,884
Trading portfolio liabilities	194	–	–	–	–	194
Derivative payables	13,720	–	–	–	–	13,720
Other liabilities [1]	–	–	7,755	–	673	8,428
Debt issued	–	1,900	24,653	–	–	26,553
Financial liabilities	13,914	1,900	407,062	–	673	423,549
Non-financial liabilities						2,328
						425,877
Financial liabilities for life insurance funds	171	–	2,193	–	97,552	99,916
Non-financial liabilities for life insurance funds						77
Total liabilities						525,870

(1) Other liabilities include amounts due to associates.

39. Financial Assets and Financial Liabilities Classification (continued)

$ million	Mandatorily measured at FVTPL	Designated as FVTPL	Amortised cost	FVOCI	Total
	BANK				
2024					
Cash and placements with central banks	–	–	30,525	–	30,525
Singapore government treasury bills and securities	1,834	–	4,786	6,562	13,182
Other government treasury bills and securities	1,725	–	3,919	5,552	11,196
Placements with and loans to banks	1,418	–	15,760	14,996	32,174
Loans to customers	–	–	227,598	–	227,598
Debt securities	4,973	–	773	16,639	22,385
Equity securities and investment funds	3,898	–	–	28	3,926
Debt and equity securities	8,871	–	773	16,667	26,311
Placements with and advances to subsidiaries	–	–	17,979	–	17,979
Derivative receivables	13,582	–	–	–	13,582
Other assets	–	–	3,962	–	3,962
Amounts due from associates	–	–	1	–	1
Financial assets	27,430	–	305,303	43,777	376,510
Non-financial assets					22,560
Total assets					399,070
Deposits of non-bank customers	–	58	253,117	–	253,175
Deposits and balances of banks	–	21	8,930	–	8,951
Deposits and balances of subsidiaries	–	–	46,602	–	46,602
Trading portfolio liabilities	222	–	–	–	222
Derivative payables	12,855	–	–	–	12,855
Other liabilities [1]	–	–	3,699	–	3,699
Debt issued	–	3,357	26,964	–	30,321
Financial liabilities	13,077	3,436	339,312	–	355,825
Non-financial liabilities					1,213
Total liabilities					357,038

(1) Other liabilities include amounts due to associates.

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39. Financial Assets and Financial Liabilities Classification (continued)

	BANK				
$ million	Mandatorily measured at FVTPL	Designated as FVTPL	Amortised cost	FVOCI	Total
2023					
Cash and placements with central banks	–	–	28,450	–	28,450
Singapore government treasury bills and securities	1,721	–	3,338	12,773	17,832
Other government treasury bills and securities	1,531	–	3,304	5,969	10,804
Placements with and loans to banks	1,821	–	14,001	12,951	28,773
Loans to customers	10	–	207,498	–	207,508
Debt securities	3,917	–	822	14,530	19,269
Equity securities and investment funds	3,110	–	–	53	3,163
Debt and equity securities	7,027	–	822	14,583	22,432
Placements with and advances to subsidiaries	–	–	12,719	–	12,719
Derivative receivables	11,417	–	–	–	11,417
Other assets	–	–	3,077	–	3,077
Amounts due from associates	–	–	13	–	13
Financial assets	23,527	–	273,222	46,276	343,025
Non-financial assets					20,947
Total assets					363,972
Deposits of non-bank customers	–	–	236,151	–	236,151
Deposits and balances of banks	–	–	8,080	–	8,080
Deposits and balances of subsidiaries	–	–	38,828	–	38,828
Trading portfolio liabilities	194	–	–	–	194
Derivative payables	12,083	–	–	–	12,083
Other liabilities [(1)]	–	–	3,110	–	3,110
Debt issued	–	1,900	23,821	–	25,721
Financial liabilities	12,277	1,900	309,990	–	324,167
Non-financial liabilities					1,468
Total liabilities					325,635

(1) Other liabilities include amounts due to associates.

40. Fair Values of Financial Instruments

40.1 Valuation Governance Framework

The Group has an established governance framework with respect to the measurement of fair values, which includes formalised processes for the review and validation of fair values independent of the businesses entering into the transactions.

The Market Risk Management (MRM) function within the GRM is responsible for the model validation process. Financial models are used to price financial instruments and to calculate value-at-risk (VaR). MRM ensures that the models used are fit for their intended purposes through internal independent validation and periodic review. MRM sources market rates independently for risk measurement and valuation.

The Treasury Financial Control and Advisory – Valuation Control function within the Group Finance Division is responsible for the establishment of the overall valuation control framework. This includes, but is not limited to, reviewing and recommending appropriate valuation adjustment methodologies, independent price testing, and identifying valuation gaps.

Valuation policies are formulated and reviewed annually by the Valuation Control function, and approved by the Market Risk Management Committee, the CEO and BRMC. Valuation adjustments are applied to account for input parameter uncertainties, known model deficiencies and other factors that may affect valuation. The main valuation adjustments are described below.

Bid Offer Adjustments

When the position is marked at mid-price, bid offer adjustment is applied to account for close out cost.

Model Adjustments

Model adjustments are applied when there are inherent limitations in the valuation models used by the Bank.

Day 1 Profit or Loss Adjustments

Day 1 profit or loss adjustments are applied when the valuation technique involves the use of significant inputs which are not readily observable. The difference between the fair value at initial recognition and the transaction price is deferred as an adjustment.

The Day 1 profit or loss adjustments are released to the income statement when the significant inputs become observable, when the transaction is derecognised or amortised over the life of the transaction.

Credit Valuation Adjustments

Credit valuation adjustments are applied to account for the expected losses due to counterparty default on derivative positions.

Collateral Valuation Adjustments

Collateral valuation adjustments are applied when a derivative is denominated and discounted using a curve in the same currency but is collateralised in another currency.

Parameter Uncertainty Adjustments

These valuation adjustments mainly include adjustments for illiquid prices or internal methodologies used to derive model inputs.

The Group's internal audit provides independent assurance on the respective divisions' compliance with the policy.

40. Fair Values of Financial Instruments (continued)

40.2 Fair Values

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. For financial assets and liabilities not carried at fair value on the financial statements, the Group has determined that their fair values were not materially different from the carrying amounts at the reporting date. The carrying amounts and fair values of financial instruments of the Group are described below.

Financial Assets
Fair values of cash and balances with central banks, placements with banks, interest and other short term receivables are expected to approximate their carrying amounts due to their short tenor or frequent re-pricing.

Securities held by the Group, comprising government securities and debt and equity securities are substantially carried at fair value on the balance sheet.

Non-bank customer loans are mainly carried at amortised cost on the balance sheet, net of allowances for impaired and non-impaired loans. The Group deems that the carrying amounts of non-bank loans approximate their fair values as substantially all the loans are subject to frequent re-pricing.

Financial Liabilities
Fair value of certain financial liabilities, which include mainly customer deposits with no stated maturity, interbank borrowings and borrowings under repurchase agreements, are expected to approximate their carrying amounts due to their short tenor. For non-bank customer term deposits, contractual or derived cash flows are discounted at market rates as at reporting date to estimate the fair values, which approximate the carrying amounts.

The fair values of the Group's subordinated term notes and covered bonds are determined based on quoted market prices and independent broker offer prices. For other debts issued which are usually short term, the fair values approximate the carrying amounts.

40.3 Fair Value Hierarchy

The Group determines the fair values of its financial assets and liabilities using various measurements. The different levels of fair value measurements are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable market data either directly (i.e. as prices) or indirectly (i.e. derived from observable market data). The valuation techniques that use market parameters as inputs include, but are not limited to, yield curves, volatilities and foreign exchange rates; and
- Level 3 – inputs for the valuation that are not based on observable market data.

40. Fair Values of Financial Instruments (continued)

40.3 Fair Value Hierarchy (continued)

The following table summarises the Group's assets and liabilities measured at fair values subsequent to initial recognition by level of the fair value hierarchy:

	2024				2023			
$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
GROUP								
Financial assets measured at fair value								
Placements with and loans to banks	**11,383**	**10,514**	**–**	**21,897**	3,023	16,188	–	19,211
Debt and equity securities	**31,176**	**9,405**	**2,059**	**42,640**	25,235	7,604	2,930	35,769
Loans to customers	**–**	**–**	**–**	**–**	1	–	10	11
Derivative receivables	**45**	**16,574**	**584**	**17,203**	57	12,422	497	12,976
Government treasury bills and securities	**28,766**	**5,502**	**–**	**34,268**	32,973	4,862	–	37,835
Investment securities for life insurance funds	**63,363**	**27,271**	**3,648**	**94,282**	48,481	38,024	2,793	89,298
Total	**134,733**	**69,266**	**6,291**	**210,290**	109,770	79,100	6,230	195,100
Non-financial assets measured at fair value								
Investment properties for life insurance funds	**–**	**–**	**1,939**	**1,939**	–	–	1,881	1,881
Associates	**–**	**–**	**68**	**68**	–	–	95	95
Total	**–**	**–**	**2,007**	**2,007**	–	–	1,976	1,976
Financial liabilities measured at fair value								
Derivative payables	**160**	**15,482**	**596**	**16,238**	76	13,028	616	13,720
Trading portfolio liabilities	**281**	**–**	**–**	**281**	194	–	–	194
Debt issued/other deposits	**–**	**3,436**	**–**	**3,436**	–	1,900	–	1,900
Insurance contract liabilities and other liabilities for life insurance funds	**237**	**458**	**–**	**695**	7	164	–	171
Total	**678**	**19,376**	**596**	**20,650**	277	15,092	616	15,985
BANK								
Financial assets measured at fair value								
Placements with and loans to banks	**8,957**	**7,457**	**–**	**16,414**	2,580	12,192	–	14,772
Debt and equity securities	**18,589**	**5,466**	**1,483**	**25,538**	14,859	4,381	2,370	21,610
Loans to customers	**–**	**–**	**–**	**–**	–	–	10	10
Derivative receivables	**32**	**13,000**	**550**	**13,582**	17	10,932	468	11,417
Government treasury bills and securities	**12,694**	**2,979**	**–**	**15,673**	18,398	3,596	–	21,994
Total	**40,272**	**28,902**	**2,033**	**71,207**	35,854	31,101	2,848	69,803
Financial liabilities measured at fair value								
Derivative payables	**145**	**12,133**	**577**	**12,855**	41	11,428	614	12,083
Trading portfolio liabilities	**222**	**–**	**–**	**222**	194	–	–	194
Debt issued/other deposits	**–**	**3,436**	**–**	**3,436**	–	1,900	–	1,900
Total	**367**	**15,569**	**577**	**16,513**	235	13,328	614	14,177

During the financial year, the Group transferred financial assets from Level 2 to Level 1 as prices became observable arising from increased market activity. Financial assets were also transferred from Level 1 to Level 2 when quoted prices become unobservable arising from reduced market activity.

Notes to the Financial Statements

For the financial year ended 31 December 2024

40. Fair Values of Financial Instruments (continued)

40.3 Fair Value Hierarchy (continued)

Valuation Techniques and Unobservable Inputs for Level 3 Instruments

GROUP $ million	Fair value at 31 December 2024	Classification	Valuation techniques	Unobservable inputs
Financial assets				
Equity securities	**2,059**	FVTPL/FVOCI	Net asset value/ Multiples/Discounted cash flows	Value of net asset/ Earnings and multiples/ Cash flows and discount rate
Loans to customers	**–**	FVTPL	Discounted cash flows	Cash flows and discount rate
Derivative receivables	**584**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Yield curve
Investment securities for life insurance funds	**3,648**	FVTPL/FVOCI	Net asset value	Value of net asset
Total	**6,291**			
Financial liabilities				
Derivative payables	**596**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Yield curve
Total	**596**			

GROUP $ million	Fair value at 31 December 2023	Classification	Valuation techniques	Unobservable inputs
Financial assets				
Equity securities	**2,930**	FVTPL/FVOCI	Net asset value/ Multiples/Discounted cash flows	Value of net asset/ Earnings and multiples/ Cash flows and discount rate
Loans to customers	**10**	FVTPL	Discounted cash flows	Cash flows and discount rate
Derivative receivables	**497**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Yield curve
Investment securities for life insurance funds	**2,793**	FVTPL/FVOCI	Net asset value	Value of net asset
Total	**6,230**			
Financial liabilities				
Derivative payables	**616**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Yield curve
Total	**616**			

40. Fair Values of Financial Instruments (continued)

40.3 Fair Value Hierarchy (continued)

Movements in Level 3 Financial Assets and Liabilities

GROUP $ million	2024 Debt and equity securities	Loans to customers	Derivative receivables	Investment securities for life insurance funds	Total
Financial assets measured at fair value					
At 1 January	**2,930**	**10**	**497**	**2,793**	**6,230**
Additions	**142**	**–**	**31**	**1,032**	**1,205**
Settlements/disposals	**(223)**	**(15)**	**(27)**	**(198)**	**(463)**
Transfer out [(1)]	**(461)**	**–**	**(108)**	**–**	**(569)**
(Losses)/gains recognised in					
– profit or loss	**(275)**	**5**	**179**	**21**	**(70)**
– other comprehensive income	**(54)**	**–**	**12**	**(#)**	**(42)**
At 31 December	**2,059**	**–**	**584**	**3,648**	**6,291**
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	**(291)**	**–**	**622**	**21**	**352**

(1) Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

GROUP $ million	2023 Debt and equity securities	Loans to customers	Derivative receivables	Investment securities for life insurance funds	Total
Financial assets measured at fair value					
At 1 January	3,381	23	347	3,256	7,007
Additions	183	–	17	901	1,101
Settlements/disposals	(383)	(49)	(42)	(1,229)	(1,703)
Transfer out [(1)]	(48)	–	–	–	(48)
(Losses)/gains recognised in					
– profit or loss	(51)	36	180	(135)	30
– other comprehensive income	(152)	–	(5)	(#)	(157)
At 31 December	2,930	10	497	2,793	6,230
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	(53)	67	564	(138)	440

Gains/(losses) included in profit or loss are presented in the income statement as follows:

	2024 Trading income	Other income	Total	2023 Trading income	Other income	Total
Total (losses)/gains included in profit or loss for the year ended	**(26)**	**(44)**	**(70)**	165	(135)	30
Unrealised gains/(losses) included in profit or loss for assets held at the end of the year	**396**	**(44)**	**352**	578	(138)	440

(1) Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

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40. Fair Values of Financial Instruments (continued)

40.3 Fair Value Hierarchy (continued)

Movements in Level 3 Financial Assets and Liabilities (continued)

BANK $ million	2024 Debt and equity securities	Loans to customers	Derivative receivables	Total	2023 Debt and equity securities	Loans to customers	Derivative receivables	Total
Financial assets measured at fair value								
At 1 January	**2,370**	**10**	**468**	**2,848**	2,615	23	332	2,970
Additions	**62**	**–**	**30**	**92**	173	–	17	190
Settlements/disposals	**(203)**	**(15)**	**(27)**	**(245)**	(307)	(49)	(43)	(399)
Transfer out (1)	**(461)**	**–**	**(1)**	**(462)**	(48)	–	–	(48)
(Losses)/gains recognised in								
– profit or loss	**(264)**	**5**	**80**	**(179)**	(40)	36	162	158
– other comprehensive income	**(21)**	**–**	**–**	**(21)**	(23)	–	–	(23)
At 31 December	**1,483**	**–**	**550**	**2,033**	2,370	10	468	2,848
Unrealised (losses)/ gains included in profit or loss for assets held at the end of the year	**(280)**	**–**	**338**	**58**	(41)	67	459	485

(Losses)/gains included in profit or loss are presented in the income statement as follows:

	2024 Trading income	Total	2023 Trading income	Total
Total (losses)/gains included in profit or loss for the year ended	**(179)**	**(179)**	158	158
Unrealised gains included in profit or loss for assets held at the end of the year	**58**	**58**	485	485

(1) Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

40. Fair Values of Financial Instruments (continued)

40.3 Fair Value Hierarchy (continued)

Movements in Level 3 Financial Assets and Liabilities (continued)

	GROUP				BANK			
	2024		2023		2024		2023	
$ million	Derivative payables	Total	Derivative payables	Total	Derivative payables	Total	Derivative payables	Total
Financial liabilities measured at fair value								
At 1 January	**616**	**616**	283	283	**614**	**614**	276	276
Additions	**30**	**30**	60	60	**31**	**31**	59	59
Settlements/disposals	**(27)**	**(27)**	(59)	(59)	**(27)**	**(27)**	(59)	(59)
Transfer out [1]	**(117)**	**(117)**	–	–	**(11)**	**(11)**	–	–
Losses/(gains) recognised in								
– profit or loss	**82**	**82**	337	337	**(30)**	**(30)**	338	338
– other comprehensive income	**12**	**12**	(5)	(5)	**–**	**–**	–	–
At 31 December	**596**	**596**	616	616	**577**	**577**	614	614
Unrealised losses included in profit or loss for liabilities held at the end of the year	**(524)**	**(524)**	(714)	(714)	**(235)**	**(235)**	(637)	(637)

(1) Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

(Losses)/gains included in profit or loss are presented in the income statements as follows:

	GROUP				BANK			
	2024		2023		2024		2023	
$ million	Trading income	Total	Trading income	Total	Trading income	Total	Trading income	Total
Total (losses)/gains included in profit or loss for the year ended	**(82)**	**(82)**	(337)	(337)	**30**	**30**	(338)	(338)
Unrealised losses included in profit or loss for liabilities held at the end of the year	**(524)**	**(524)**	(714)	(714)	**(235)**	**(235)**	(637)	(637)

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For the financial year ended 31 December 2024

40. Fair Values of Financial Instruments (continued)

40.3 Fair Value Hierarchy (continued)

Movements in Level 3 Non-Financial Assets

	GROUP					
	2024			2023		
$ million	Investment properties for life insurance funds [1]	Associates [2]	Total	Investment properties and asset held for sale for life insurance funds [1]	Associates [2]	Total
Non-financial assets measured at fair value						
At 1 January	**1,881**	**95**	**1,976**	1,954	122	2,076
Additions	**7**	**–**	**7**	–	8	8
Disposals	**–**	**–**	**–**	(71)	–	(71)
Gains/(losses) recognised in						
– profit or loss	**34**	**(32)**	**2**	16	(27)	(11)
– other comprehensive income	**17**	**5**	**22**	(18)	(8)	(26)
At 31 December	**1,939**	**68**	**2,007**	1,881	95	1,976

(1) The fair value of investment properties and asset held for sale is determined based on a combination of income approach, comparison approach and capitalisation approach under Level 3 fair value measurements.
(2) The fair value of investment in associate is determined based on income approach under Level 3 fair value measurements.

41. Offsetting Financial Assets and Financial Liabilities

The Group enters into master netting arrangements with counterparties in its normal course of business. The credit risk associated with favourable contracts is reduced by the master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. These arrangements do not qualify for net presentation on the balance sheet as the right to offset is enforceable only on the occurrence of future events such as default or other credit events.

The disclosures set out in the tables below pertain to financial assets and financial liabilities that are not presented net in the Group's balance sheet but are subject to enforceable master netting agreement or similar arrangement that covers similar financial instruments. The disclosures enable the evaluation on the potential effect of netting arrangements as well as provide additional information on how such credit risk is mitigated.

GROUP				Related amounts not offset on balance sheet		
Types of financial assets/liabilities $ million	Carrying amounts on balance sheet (A)	Amounts not subject to netting agreement (B)	Amounts subject to netting agreement (A – B = C + D + E)	Financial instruments (C)	Collateral (D)	Net amounts in scope (E)
2024						
Financial assets						
Derivative receivables	**17,203**	**5,977**	**11,226**	**3,032**	**835**	**7,359**
Reverse repurchase agreements	**8,361** [(1)]	**2,357**	**6,004**	**5,932**	**–**	**72**
Securities borrowings	**115** [(2)]	**114**	**1**	**1**	**–**	**–**
Total	**25,679**	**8,448**	**17,231**	**8,965**	**835**	**7,431**
Financial liabilities						
Derivative payables	**16,238**	**4,913**	**11,325**	**3,032**	**1,268**	**7,025**
Repurchase agreements	**5,014**	**2,529**	**2,485**	**2,468**	**–**	**17**
Securities lendings	**–**	**–**	**–**	**–**	**–**	**–**
Total	**21,252**	**7,442**	**13,810**	**5,500**	**1,268**	**7,042**
2023						
Financial assets						
Derivative receivables	12,976	972	12,004	6,857	465	4,682
Reverse repurchase agreements	6,947 [(1)]	4,226	2,721	2,689	–	32
Securities borrowings	8 [(2)]	8	#	#	–	–
Total	19,931	5,206	14,725	9,546	465	4,714
Financial liabilities						
Derivative payables	13,720	1,309	12,411	6,857	1,221	4,333
Repurchase agreements	5,388 [(3)]	3,202	2,186	2,167	–	19
Securities lendings	–	–	–	–	–	–
Total	19,108	4,511	14,597	9,024	1,221	4,352

(1) Reverse repurchase agreements shown above are the aggregate of transactions recorded in separate line items on the balance sheet, namely placements with central banks, loans to banks and non-bank customers and other assets. These transactions are measured either at fair value or amortised cost.

(2) Cash collateral placed under securities borrowings are presented under placements with and loans to banks and other assets on the balance sheet, and are measured at amortised cost.

(3) Repurchase agreements shown above are the aggregate of transactions recorded in separate line items on the balance sheet, namely deposits of banks and non-bank customers and other liabilities, and are measured at amortised cost.

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41. Offsetting Financial Assets and Financial Liabilities (continued)

BANK

Types of financial assets/liabilities $ million	Carrying amounts on balance sheet (A)	Amounts not subject to netting agreement (B)	Amounts subject to netting agreement (A – B = C + D + E)	Related amounts not offset on balance sheet: Financial instruments (C)	Collateral (D)	Net amounts in scope (E)
2024						
Financial assets						
Derivative receivables	**13,582**	**5,200**	**8,382**	**3,307**	**1,118**	**3,957**
Reverse repurchase agreements	**7,739**	**1,739**	**6,000**	**5,928**	**–**	**72**
Securities borrowings	**6**	**6**	**–**	**–**	**–**	**–**
Total	**21,327**	**6,945**	**14,382**	**9,235**	**1,118**	**4,029**
Financial liabilities						
Derivative payables	**12,855**	**4,654**	**8,201**	**3,307**	**1,186**	**3,708**
Repurchase agreements	**2,536**	**51**	**2,485**	**2,468**	**–**	**17**
Total	**15,391**	**4,705**	**10,686**	**5,775**	**1,186**	**3,725**
2023						
Financial assets						
Derivative receivables	11,417	412	11,005	6,752	752	3,501
Reverse repurchase agreements	4,935 (1)	2,221	2,714	2,682	–	32
Securities borrowings	8 (2)	8	–	–	–	–
Total	16,360	2,641	13,719	9,434	752	3,533
Financial liabilities						
Derivative payables	12,083	1,100	10,983	6,752	765	3,466
Repurchase agreements	2,232 (3)	46	2,186	2,167	–	19
Total	14,315	1,146	13,169	8,919	765	3,485

(1) Reverse repurchase agreements shown above are the aggregate of transactions recorded in separate line items on the balance sheet, namely placements with central banks, loans to banks and non-bank customers and other assets. These transactions are measured either at fair value or amortised cost.
(2) Cash collateral placed under securities borrowings are presented under placements with and loans to banks on the balance sheet, and are measured at amortised cost.
(3) Repurchase agreements shown above are the aggregate of transactions recorded in separate line items on the balance sheet, namely deposits of banks and non-bank customers and other liabilities, and are measured at amortised cost.

42. Contingent Liabilities

The Group conducts businesses involving acceptances, guarantees, documentary credits and other similar transactions. Acceptances are undertakings by the Group to pay on receipt of bills of exchange drawn. The Group issues guarantees on the performance of customers to third parties. Documentary credits commit the Group to make payments to third parties on presentation of stipulated documents. As the Group will only be required to meet these obligations in the event of customer's default, the cash requirements of these instruments are expected to be considerably below their nominal contractual amounts.

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Guarantees and standby letters of credit:				
Term to maturity of one year or less	**7,194**	7,222	**5,589**	5,770
Term to maturity of more than one year	**4,370**	4,186	**3,602**	3,441
	11,564	11,408	**9,191**	9,211
Acceptances and endorsements	**764**	506	**502**	281
Documentary credits and other short term trade-related transactions	**6,468**	6,570	**4,653**	4,874
	18,796	18,484	**14,346**	14,366

42.1 Analysed by Industry

	GROUP 2024	GROUP 2023	BANK 2024	BANK 2023
Agriculture, mining and quarrying	**83**	62	**37**	12
Manufacturing	**2,372**	1,991	**1,274**	1,187
Building and construction	**2,108**	2,213	**1,367**	1,555
General commerce	**9,872**	10,441	**8,194**	8,659
Transport, storage and communication	**576**	468	**329**	358
Financial institutions, investment and holding companies	**2,356**	1,709	**1,979**	1,309
Professionals and individuals	**252**	218	**37**	35
Others	**1,177**	1,382	**1,129**	1,251
	18,796	18,484	**14,346**	14,366

42.2 Analysed by Geography

	GROUP 2024	GROUP 2023	BANK 2024	BANK 2023
Singapore	**12,408**	12,488	**12,288**	12,294
Malaysia	**1,292**	1,060	**7**	7
Indonesia	**1,116**	1,000	**–**	–
Greater China	**2,659**	2,637	**712**	749
Other Asia Pacific	**243**	224	**261**	241
Rest of the World	**1,078**	1,075	**1,078**	1,075
	18,796	18,484	**14,346**	14,366

Contingent liabilities analysed by geography is based on the country where the transactions are recorded.

43. Commitments

Commitments comprise mainly agreements to provide credit facilities to customers. Such credit facilities (cancellable and non-cancellable) can either be made for a fixed period, or have no specific maturity.

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
43.1 Credit Commitments				
Undrawn credit facilities:				
Term to maturity of one year or less	**159,074**	152,568	**81,141**	75,198
Term to maturity of more than one year	**37,368**	34,602	**48,621**	44,357
	196,442	187,170	**129,762**	119,555
43.2 Other Commitments				
Capital commitment authorised and contracted	**716**	467	**469**	477
Forward deposits and assets purchase	**3,871**	134	**4,300**	215
	4,587	601	**4,769**	692
43.3 Total Commitments	**201,029**	187,771	**134,531**	120,247
43.4 Credit Commitments Analysed by Industry				
Agriculture, mining and quarrying	**1,444**	2,853	**815**	2,305
Manufacturing	**13,548**	13,867	**7,339**	7,254
Building and construction	**19,669**	27,233	**15,769**	23,569
General commerce	**31,486**	31,761	**25,734**	26,221
Transport, storage and communication	**6,764**	7,644	**5,377**	6,140
Financial institutions, investment and holding companies	**58,722**	39,354	**49,082**	28,347
Professionals and individuals	**56,990**	54,479	**19,014**	17,268
Others	**7,819**	9,979	**6,631**	8,451
	196,442	187,170	**129,761**	119,555
43.5 Credit Commitments Analysed by Geography				
Singapore	**140,850**	139,022	**105,115**	99,925
Malaysia	**10,954**	10,123	**1,040**	1,307
Indonesia	**6,814**	6,550	**–**	–
Greater China	**22,056**	19,589	**7,809**	6,408
Other Asia Pacific	**3,790**	3,311	**3,816**	3,337
Rest of the World	**11,978**	8,575	**11,981**	8,578
	196,442	187,170	**129,761**	119,555

Credit commitments analysed by geography is based on the country where the transactions are recorded.

44. Unconsolidated Structured Entities

Unconsolidated structured entities refer to structured entities that are not controlled by the Group. The Group's transactions in these structured entities are for investment opportunities as well as to facilitate client transactions. The Group's maximum exposure to loss is primarily limited to the carrying amount on its balance sheet and loan and capital commitments to these structured entities.

The following table summarises the carrying amount of the assets and liabilities recognised in the Group's financial statements relating to the interests in unconsolidated structured entities undertaken by business segments.

GROUP ($ million)	Global investment banking	Insurance	Others	Total
2024				
FVOCI investments	**13**	**–**	**–**	**13**
FVTPL investments	**5**	**190**	**9**	**204**
Other assets	**–**	**7**	**–**	**7**
Total assets	**18**	**197**	**9**	**224**
Other liabilities	**–**	**–**	**–**	**–**
Total liabilities	**–**	**–**	**–**	**–**
Other commitments				
Loan and capital commitments authorised and contracted [(1)]	**9**	**–**	**–**	**9**
Income earned from sponsored structured entities [(2)]	**#**	**58**	**1**	**59**
Assets of structured entities	**195**	**9,545**	**2,515**	**12,255**
2023				
FVOCI investments	41	–	–	41
FVTPL investments	4	97	9	110
Other assets	–	5	–	5
Total assets	45	102	9	156
Other liabilities	–	–	–	–
Total liabilities	–	–	–	–
Other commitments				
Loan and capital commitments authorised and contracted [(1)]	11	–	–	11
Income earned from sponsored structured entities [(2)]	1	51	1	53
Assets of structured entities	400	6,297	1,268	7,965

(1) These were also included in the Group's capital commitments authorised and contracted in Note 43.
(2) The income earned relates primarily to management fee, interest income or fair value gains or losses recognised by the Group arising from the interests held by the Group in the unconsolidated investment funds.

The amount of assets transferred to sponsored entities during 2024 and 2023 were not significant.

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45. Financial Assets Transferred

45.1 Assets Pledged

	GROUP		BANK	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Government treasury bills and securities				
– Singapore	**707**	425	**707**	525
– Others	**4,483**	3,117	**2,643**	1,780
Placements with and loans to banks	**312**	10	**976**	–
Loans to customers	**774**	538	**663**	451
Debt securities	**2,511**	2,761	**1,954**	1,848
Cash collateral	**2,241**	2,027	**1,611**	1,519
	11,028	8,878	**8,554**	6,123
Obligations to repurchase assets pledged	**4,418**	4,231	**3,308**	2,169

(a) The amounts received from repurchase transactions are recognised as collaterised borrowings, "obligations to repurchase assets pledged", measured at amortised cost and included in deposits of banks and non-bank customers and other liabilities on the balance sheet. The above assets pledged as collateral for repurchase transactions are not derecognised but are presented separately on the balance sheet.

(b) The amounts paid in reverse repurchase transactions are recognised as collaterised lendings, measured at amortised cost and included in loans to banks and non-bank customers as appropriate. The financial assets accepted as collateral for reverse repurchase transactions are not recognised as assets on the balance sheet. The fair value of financial assets accepted as collateral, which the Group is permitted to sell or re-pledge in the absence of default is $9.07 billion (2023: $6.55 billion), of which $0.21 billion (2023: $0.07 billion) have been sold or re-pledged. The fair value of financial assets accepted as collateral, which the Bank is permitted to sell or re-pledge in the absence of default is $8.97 billion (2023: $5.67 billion), of which $0.21 billion (2023: $0.07 billion) have been sold or re-pledged. The Group is obliged to return equivalent assets.

(c) Transactions are conducted under terms and conditions that are usual and customary to standard securities lending (equivalent to repurchase transactions) and securities borrowing (equivalent to reverse repurchase transactions).

45.2 Assets Assigned as Security for Covered Bonds Issued (Note 21.5)

Pursuant to the Bank's Global Covered Bond Programme, selected pools of Singapore housing loans originated by the Bank have been assigned to a bankruptcy-remote structured entity, Red Sail Pte. Ltd. (Note 33.3). These housing loans continue to be recognised on the Bank's balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2024, the carrying amounts of the covered bonds in issue was $698 million (2023: $698 million), while the carrying amounts of assets assigned was $5.49 billion (2023: $7.07 billion). The difference in values is attributable to an intended over-collateralisation required to maintain the credit ratings of the covered bonds in issue, and additional assets assigned to facilitate future issuances.

46. Related Party Transactions

Loans and deposits transactions with related parties arise from the ordinary course of business and are not treated any differently from loans and deposits transactions with other customers of the Group. Credit facilities granted are subject to the same credit evaluation, approval, monitoring and reporting processes. All transactions with related parties are conducted on commercial terms.

46.1 Material Related Party Transactions

Material related party balances at the reporting date and transactions during the financial year were as follows:

	GROUP		BANK		
$ million	Associates	Life insurance funds	Subsidiaries	Associates	Life insurance funds
(a) Loans, placements and other receivables					
At 1 January 2024	14	747	12,719	13	154
Net change	(13)	122	5,259	(12)	(64)
At 31 December 2024	**1**	**869**	**17,978**	**1**	**90**
(b) Deposits, borrowings and other payables					
At 1 January 2024	276	937	38,828	186	635
Net change	48	(78)	7,774	45	12
At 31 December 2024	**324**	**859**	**46,602**	**231**	**647**
(c) Off-balance sheet credit facilities [1]					
At 1 January 2024	–	4	15,975	–	4
Net change	–	3	2,438	–	3
At 31 December 2024	**–**	**7**	**18,413**	**–**	**7**
(d) Income statement transactions					
Year ended 31 December 2024					
Interest income	**#**	**34**	**392**	**#**	**3**
Interest expense	**9**	**17**	**1,860**	**7**	**15**
Rental income	**–**	**2**	**36**	**–**	**#**
Fee and commission and other income	**–**	**239**	**279**	**–**	**187**
Other income – disposal of properties	**–**	**–**	**965**	**–**	**–**
Rental and other expenses	**22**	**53**	**767**	**22**	**1**
Year ended 31 December 2023					
Interest income	#	19	445	#	1
Interest expense	8	11	1,562	7	3
Rental income	–	2	35	–	#
Fee and commission and other income	–	244	94	–	185
Rental and other expenses	20	21	674	20	1

(1) Off-balance sheet credit facilities refer to transaction-related and trade-related contingencies and commitments.

During the financial year, the Group had banking transactions with director-related and key management-related entities and personnel of the Group. These transactions were not material.

Notes to the Financial Statements

For the financial year ended 31 December 2024

46. Related Party Transactions (continued)

46.2 Key Management Personnel Compensation

	BANK	
	2024 $ million	2023 $ million
Key management personnel compensation is as follows:		
Short-term employee benefits	**45**	50
Share-based benefits	**16**	6
	61	56

Certain performance-related payments to key management personnel of the Bank in relation to the performance year 2024 included in the above table are subject to the approval of the Remuneration Committee.

Comparatives have been updated following the approval of the performance-related payments to key management personnel of the Bank in relation to the performance year 2023 by the Remuneration Committee.

47. Capital Management

The key objective of the Group's capital management policy is to maintain a strong capital position to support business growth and strategic investments, and to sustain investor, depositor, customer and market confidence. In line with this, the Group targets a minimum credit rating of "A" and ensures that its capital ratios are comfortably above the regulatory minima, while balancing shareholders' desire for sustainable returns and high standards of prudence. The Group actively manages its capital composition with an optimal mix of capital instruments in order to keep its overall cost of capital low.

A description of the key terms and conditions of the regulatory capital instruments can be found in Notes 13, 14 and 21 of the financial statements, and the approaches adopted by the Group for the computation of risk-weighted assets can be found in the "Pillar 3 Disclosures" chapter.

The Group has complied with all externally imposed regulatory capital requirements.

48. New Accounting Standards and Interpretations

As of the reporting date, certain new standards, amendments and interpretations to existing accounting standards have been published. The Group has not adopted the following relevant new/revised financial reporting standards and interpretations that have been issued but not yet effective.

SFRS(I)	Title	Effective for financial year beginning on or after
SFRS(I) 1-21 (Amendments), SFRS(I) 1 (Amendments)	*Lack of Exchangeability*	1 January 2025
SFRS(I) 10 (Amendments), SFRS(I) 1-28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 9 (Amendments), SFRS(I) 7 (Amendments)	*Classification and Measurement of Financial Instruments – Amendments to SFRS(I) 9 and SFRS(I) 7*	1 January 2026
SFRS(I) 9 (Amendments), SFRS(I) 7 (Amendments)	*Contracts Referencing Nature-dependent Electricity*	1 January 2026
Various	*Annual Improvements to SFRS(I)s – Volume 11*	1 January 2026
SFRS(I) 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
SFRS(I) 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027

Based on the Group's preliminary analysis, the initial application of the above standards (including their consequential amendments) and interpretations are not expected to have a significant impact on the Group's financial statements except as described below.

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. While SFRS(I) 18 does not impact the recognition and measurement of items in the financial statements, it impacts the presentation and disclosure of the income statement and introduces additional disclosure requirements, in particular those related to the income statement and providing management-defined performance measures within the financial statements.

The Group is currently assessing the impact of applying the new standard on the Group's consolidated financial statements, particularly with respect to the structure of the Group's income statement, disclosure of management-defined performance measures and other additional disclosure requirements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required. Therefore, comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

APPENDIX 7 – FIRST QUARTER 2025 RESULTS HIGHLIGHTS OF THE OFFEROR GROUP

See following pages.

FINANCIAL HIGHLIGHTS (unaudited)

S$ million	1Q25	1Q24	+/(-)	4Q24	+/(-)
			%		%
Selected Income Statement Items					
Net interest income	**2,345**	2,437	(4)	2,455	(4)
Non-interest income	**1,310**	1,189	10	961	36
Total income	**3,655**	3,626	1	3,416	7
Operating expenses	**(1,415)**	(1,346)	5	(1,560)	(9)
Operating profit before allowances and amortisation	**2,240**	2,280	(2)	1,856	21
Amortisation of intangible assets	**(5)**	(25)	(78)	(5)	–
Allowances for impaired assets	**(94)**	(180)	(48)	(155)	(40)
Allowances (charge)/write-back for non-impaired assets	**(118)**	11	nm	(53)	130
Operating profit after allowances and amortisation	**2,023**	2,086	(3)	1,643	23
Share of results of associates, net of tax	**274**	255	7	245	12
Profit before income tax	**2,297**	2,341	(2)	1,888	22
Net profit attributable to equity holders	**1,883**	1,982	(5)	1,687	12
Cash basis net profit attributable to equity holders [1/]	**1,888**	2,007	(6)	1,692	12
Selected Balance Sheet Items					
Ordinary equity	**59,190**	55,170	7	57,616	3
Equity attributable to equity holders of the Bank	**61,566**	56,870	8	59,316	4
Total assets	**636,655**	597,177	7	625,050	2
Assets excluding investment securities and other assets for life insurance funds	**535,608**	498,004	8	522,759	2
Net loans to customers	**317,885**	296,932	7	315,096	1
Deposits of non-bank customers	**402,732**	369,841	9	390,687	3
Goodwill and other intangible assets	**4,464**	4,517	(1)	4,504	(1)
Selected Changes in Equity Items					
Total comprehensive income, net of tax	**1,576**	2,152	(27)	1,729	(9)
Dividends and distributions	**(13)**	(15)	(19)	(24)	(47)
Key Financial Ratios (%)					
Return on equity [2/]	**13.0**	14.7		11.8	
Return on assets [2/]	**1.44**	1.64		1.35	
Net interest margin [2/]	**2.04**	2.27		2.15	
Non-interest income to total income	**35.8**	32.8		28.1	
Cost-to-income	**38.7**	37.1		45.7	
Loans-to-deposits	**78.9**	80.3		80.7	
NPL ratio	**0.9**	1.0		0.9	
Common Equity Tier 1 capital adequacy ratio	**17.6** [3/]	16.2		17.1 [3/]	
Tier 1 capital adequacy ratio	**18.3**	16.9		17.8	
Total capital adequacy ratio	**20.2**	18.4		19.7	
Leverage ratio	**7.5** [3/]	7.3		7.4 [3/]	
Singapore dollar liquidity coverage ratio	**274**	292		251	
All-currency liquidity coverage ratio	**132**	146		140	
Net stable funding ratio	**114**	115		113	
Earnings per share (S$) [2/]					
Basic earnings	**1.68**	1.76		1.48	
Diluted earnings	**1.67**	1.76		1.47	
Net asset value per share (S$)	**13.17**	12.27		12.80	

For notes on the computation of the above ratios, information can be found in the Financial Highlights disclosed on a half-yearly basis.

1. Excludes amortisation of intangible assets.
2. Computed on an annualised basis.
3. Computed based on MAS' final Basel III reform rules with effect from 1 July 2024.

APPENDIX 8 – ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. AUSTRALIA

GEH's Australian Shareholders should be aware that the Australian takeover rules will not apply to this Exit Offer. As this Exit Offer concerns two companies listed on the SGX-ST, the Exit Offer will be subject to the relevant laws and regulations of Singapore. Australian Shareholders should also be aware that the tax treatment of this offer will be different to that which can be expected in an Australian takeover. Australian Shareholders are encouraged to obtain independent tax advice.

2. UNITED STATES

The Exit Offer is being made for the securities of a company incorporated in Singapore with limited liability and is subject to Singapore disclosure requirements, which are different from those of the United States. The financial information included in this Exit Offer Letter has been prepared in accordance with SFRS(I) and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Exit Offer will be made in the United States pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom and otherwise in accordance with the requirements of the laws of Singapore. Accordingly, the Exit Offer will be subject to Singapore disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Exit Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Shareholders are urged to consult their independent professional advisor immediately regarding the tax consequences of acceptance of the Exit Offer.

U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Offeror and GEH are located in a country outside the United States and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Exit Offer, before or during the period in which the Exit Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law and is made outside the United States. Any information about such purchases will be reported to the SGX-ST and, to the extent made public by the SGX-ST, will be available on the website of the SGX-ST at www.sgx.com.

The Offeror Notification, this Exit Offer Letter (including the Relevant Acceptance Forms) and any related documents have not been reviewed by any federal or state securities commission or regulatory authority in the United States, nor has any such commission or authority passed upon the accuracy or adequacy of the Offeror Notification, this Exit Offer Letter (including the Relevant Acceptance Forms) and any related documents. Any representation to the contrary is unlawful and may be a criminal offence.

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