OCBC Annual Report 2023

The Strengths of **One Group.**
The Power of **One Brand.**

2023 was a year to remember.

The OCBC logo was refreshed for the first time in 25 years.

Our core banking subsidiaries across all markets and geographies have adopted this logo.

Following this exciting change, we add new chapters to our storied history.

All figures in this Annual Report are in Singapore dollars unless otherwise specified.

Financial Highlights

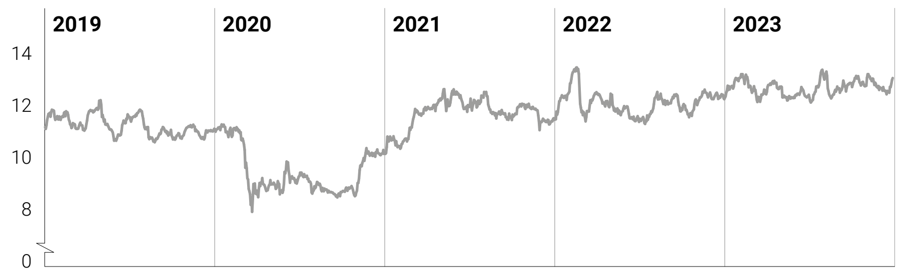
Group Five-Year Summary

	2023	2022[1]	2021	2020	2019
Selected Income Statement Items ($ million)					
Total income	**13,507**	11,286	10,596	10,139	10,871
Operating expenses	**5,223**	4,838	4,764	4,439	4,644
Operating profit before allowances and amortisation	**8,284**	6,448	5,832	5,700	6,227
Amortisation of intangible assets	**103**	104	103	104	103
Allowances for loans and other assets	**733**	584	873	2,043	890
Profit before income tax	**8,401**	6,670	5,680	4,165	5,800
Net profit attributable to equity holders of the Bank	**7,021**	5,526	4,858	3,586	4,869
Cash basis net profit attributable to equity holders of the Bank[2]	**7,124**	5,630	4,961	3,690	4,972
Selected Balance Sheet Items ($ million)					
Net loans to customers	**292,754**	291,467	286,281	263,538	262,348
Deposits of non-bank customers	**363,770**	350,081	342,395	314,907	302,851
Total assets	**581,424**	556,924	542,187	521,395	491,691
Assets excluding investment securities and other assets for life insurance funds	**483,907**	461,927	442,091	424,327	404,353
Total liabilities	**525,870**	504,499	487,849	470,219	443,088
Ordinary equity	**52,920**	49,417	51,463	48,422	45,662
Equity attributable to equity holders of the Bank	**54,170**	51,117	52,663	49,622	47,162
Per Ordinary Share ($)					
Basic earnings	**1.55**	1.22	1.07	0.80	1.12
Dividend (cents)	**82.0**	68.0	53.0	31.8	53.0
Net asset value	**11.77**	10.99	11.46	10.82	10.38
Ratios (%)					
Return on equity	**13.7**	11.1	9.6	7.6	11.2
Return on assets[3]	**1.46**	1.21	1.13	0.85	1.23
Dividend cover (times)	**1.89**	1.79	2.02	2.50	2.08
Cost-to-income	**38.7**	42.9	45.0	43.8	42.7
Capital adequacy ratios[4]					
Common Equity Tier 1	**15.9**	15.2	15.5	15.2	14.9
Tier 1	**16.5**	15.9	16.0	15.8	15.6
Total	**18.1**	17.7	17.6	17.9	16.8

(1) 2022 figures were restated with the adoption of Singapore Financial Reporting Standards (International) 17.
(2) Excludes amortisation of intangible assets.
(3) Computation of return on assets excludes investment securities and other assets for life insurance funds.
(4) The Group's capital adequacy ratios were computed based on MAS' fully phased-in Basel III rules.

Creating Investor Value

OCBC Share Price Performance ($)



	2019	2020	2021	2022	2023
Share Price ($)					
Highest	12.14	11.20	12.57	13.41	**13.32**
Lowest	10.51	7.81	10.06	11.22	**12.05**
Average	11.16	9.38	11.62	12.04	**12.63**
Last Done	10.98	10.06	11.40	12.18	**13.00**
Market Capitalisation ($ billion) (based on last done price)	48.3	45.0	51.2	54.7	**58.4**

Ratios[1]					
Price-to-earnings ratio (based on core earnings)[2]	9.79	11.72	10.86	9.87	**8.15**
Dividend yield (%)	4.75	3.39	4.56	5.65	**6.49**

Delivering Shareholder Value

46%

5-Year
Total Shareholder Returns

Strong Credit Ratings

AA-	Aa1	AA-
S&P	Moody's	Fitch

(1) Ratios are computed based on average share prices. (2) 2022 was restated with the adoption of SFRS(I) 17. (3) Source: Bloomberg

Engaging Our Investment Community

OCBC is committed to creating sustainable value for our stakeholders. We believe in the importance of maintaining active and effective communication with our global investment community to build trust, confidence and long-lasting relationships. To achieve this, we conduct regular engagements with a diverse range of stakeholders including equity and fixed income investors, institutional and retail investors, research analysts and credit/ESG rating agencies. This aims to keep them abreast of OCBC's strategy, performance and corporate developments to enable them to make timely and well-informed decisions.

Strong engagement with sell-side analysts
Actively covered by around 20 sell-side analysts

Results briefings
Hosted hybrid quarterly results briefings with media, analysts and institutional investors, with live webcast for half-year and full-year briefings

Conferences and non-deal roadshows
High level of interaction with our global investment community across Asia Pacific, Europe and North America

Targeted sessions to deepen engagement
Organised tailored events to provide insights on key developments and strategic initiatives

Annual General Meeting
Held 2023 AGM, which provided the opportunity for our Board and Management to meet face-to-face with our shareholders following the lifting of Covid restrictions

Full year 2023 results briefing

Briefing in Hong Kong SAR about how OCBC's unified brand solidifies its One Group strategy and commitment to supporting customers across ASEAN and Greater China

A Year of **Achievements**

Banking

$7.02 billion
Record net profit

$56 billion
in sustainable finance commitments, ahead of 2025 target of $50 billion

7x
increase in cross-border QR transactions since Alipay+ payments enabled in September 2023

>1 million
customers to be added with OCBC Indonesia's acquisition of PT Bank Commonwealth, pending regulatory approvals

35%
growth (y-o-y) in statutory net profits after tax for OCBC China

4 million
decisions made a day from AI deployment in risk management, customer service and sales, resulting in productivity gains

$30 million
investment from 2023 to 2025 for employee development to enable greater job mobility

25%
increase (y-o-y) in the number of staff volunteers helping the less advantaged

Wealth Management

$4.9 billion

increase in Singapore savings accounts, with market share increasing 3%

30%

Approximate growth (y-o-y) in number of family office clients for Bank of Singapore

1st

Singapore bank to enable fully digital account opening for foreigners (Malaysia, Indonesia, Mainland China, Hong Kong SAR) relocating to Singapore

Top 2

Bancassurance player in Singapore

Insurance

1st

Great Eastern has the largest agency force in Singapore and Malaysia combined

1st

Great Eastern has the largest market share of life insurance sales in Singapore and Malaysia

>16 million

Great Eastern policy holders, with more than 400,000 new policy holders added in Singapore, Malaysia and Indonesia

RM1.121 billion

Amount of Great Eastern Holdings' proposed acquisition of AmMetLife Insurance Berhad and AmMetLife Takaful Berhad in Malaysia

Asset Management

1st

Lion-OCBC Securities Hang Seng TECH ETF was SGX's Top ETF by Trading Turnover and Volume, and also had the highest returns among SGX-listed China Equities ETFs

1st

Lion-OCBC Securities Singapore Low Carbon ETF had the highest returns among SGX-listed Singapore Equities ETFs

Dear Fellow Shareholders,

The year 2023 continued to be marked by heightened geopolitical events and macroeconomic challenges. Interest rates and price inflation remained elevated, and we witnessed bank failures. Indeed, we are living through unprecedented uncertainties that will require OCBC to adopt a thoughtful approach towards positioning and responding for today and into the future.

Despite these, we navigated carefully and adroitly over the course of the year, and are pleased to share that for 2023, OCBC delivered record financial results. We made significant strides towards advancing our strategic initiatives, and continued to build purpose into everything we do to achieve our ambition.

Record Financial Results

Our 2023 net profit rose robustly to an all-time high of $7.02 billion, with return on equity at 13.7%. Income growth was diversified across our business franchise accompanied by strong cost discipline, whilst our healthy credit portfolio quality reflected our prudent risk management. Our capital and liquidity positions remained strong, with Common Equity Tier 1 Capital Adequacy Ratio at 15.9%. We maintained our credit ratings of Aa1 from Moody's and AA- from both Fitch and S&P, placing us as one of the world's most highly-rated banks. Our Group CEO, Helen Wong, will further discuss in detail our financial results on pages 8 to 11 of this report.

Higher Sustainable Dividends

The Board has recommended a final dividend of 42 cents per share, bringing the full year 2023 dividend higher to 82 cents, up 21% from 68 cents in 2022. This represents a payout ratio of 53%, comparable to last year. This is in-line with our declared dividend policy, which we announced in February 2023, to distribute a target payout ratio of 50% to our shareholders, barring unforeseen circumstances.

Our dividend payout strikes a balance of providing attractive returns to shareholders as they share in the benefits of OCBC's growth, whilst allowing OCBC to maintain a strong capital position to handle any adverse effects stemming from ongoing geopolitical and macroeconomic challenges. Our capital strength will also enable OCBC to seize future opportunities that complement our strategy and purpose; and indeed, we have deployed resources in 2023 to acquire businesses in Indonesia and Malaysia.

Refreshing Our Purpose, Values and Ambition

2023 marks OCBC's 91st year of continual operations. Amid a challenging external environment, it was timely that the Board initiated over the course of the year, an exercise to refine and reflect on the key drivers that have contributed to OCBC's longevity. The result was a renewed clarity of our Purpose, Values and Ambition, and the Board will work to ensure that future generations of employees will continue to do the right things for all our stakeholders.

Powering Our Ambitions Forward

Our ambition for OCBC's future is bold: to be Asia's leading financial services partner for a sustainable future. Very few banks in this region can rival us in the diversity and inter-connectedness of our franchise, developed through both organic and inorganic growth over the decades. We are uniquely a financial group that possesses a remarkably comprehensive banking, wealth management, insurance and asset management franchise which clearly differentiates us from our peers, in both structure and capabilities. We have a standalone leading private bank in Asia, Bank of Singapore; the oldest and most established life insurance group in Singapore and Malaysia in Great Eastern Holdings; and one of the largest asset managers in Southeast Asia, Lion Global Investors. We have also a sizeable stake in our associate, Bank of Ningbo, a domestic systemically important bank in China that is ranked amongst the top 20 largest Chinese banks by assets as of June 2023.

We have deep network presence in our core markets of Singapore, Malaysia, Indonesia and Greater China. Our regional and international network has been progressively expanded beyond our core markets to support customers seeking new markets, and we will continue to explore opportunities to further our presence.

We are acutely cognisant of the ongoing geopolitical and structural shifts which will substantially reshape the future operating landscape. While these present challenges, they also provide OCBC with generational opportunities to leverage on new wealth, investment and trade flows. We are well poised to support offshoring of manufacturing activities into Southeast Asia given our extensive network in this region. We are also able to capture cross-border wealth flows through both our established Private Banking hubs in Singapore, Hong Kong SAR and Dubai, and our extensive regional Wealth Management centres.

It is imperative that we develop a sharp focus on how we capture these new opportunities and position OCBC for the future. In the coming years, we will work to derive more value from our market-facing franchises and build stronger operational resiliency and efficiency, all underpinned with the best-in-class technologies. This will be accompanied by a reiteration for greater internal synergies and collaboration within OCBC and with the wider Group, including Great Eastern Holdings and Lion Global Investors.

We are confident that OCBC has the capital and people resources to do so. The Board will ensure that there is close alignment with Management and within all OCBC Group entities in achieving our goals, to deliver greater value to our shareholders in the years ahead.

Guiding Best Outcomes for a Sustainable Future

The Board remains committed to sustainability in OCBC's operations, and will champion the transition to a net-zero future and will work in alignment with the communities where we operate to support their aspirations. We will also remain steadfast in our diversity commitments. This was underscored by the creation of a Board Sustainability Committee in February 2023, which will provide board oversight of sustainability matters for OCBC.

We consciously refresh the Board composition periodically to ensure a diverse and well-balanced representation of gender, experience, skills and age. This approach is also adopted by all our subsidiaries. In September 2023, we warmly welcomed Mr Seck Wai Kwong, who joined the Board as an Independent Director. The Board implements the same practice in its appointment of senior management. In 2023, we appointed both our Head of Greater China and CEO of OCBC Hong Kong, and CEO of OCBC China through internal talent rotation.

Looking Ahead

Navigating the complex geopolitical environment in 2024 will continue to be very challenging. Severe disruptions to supply chains could also affect our regional economies. Notwithstanding the possibility of rate cuts over the course of this year, the fact is that interest rates will remain elevated and that will challenge the financial abilities of some businesses and individuals to service their existing loans.

These events are unprecedented in recent times. Therefore, we have to continue to be highly vigilant and nimble in taking decisive action where needed. We will boldly handle these challenges and are confident that OCBC will deliver greater value into the future.

Appreciation

In closing, I would like to thank my fellow Board members for their wise counsel and insights over the course of 2023. On behalf of the Board, I also express my gratitude to our dedicated employees who exemplify our purpose and values in the market-place. To our shareholders, customers and communities, we humbly thank you for your continued trust and support.

Andrew Lee
Chairman

February 2024

Helen
Group Chief Executive Officer

Dear Fellow Shareholders,

I would like to join our Chairman in extending my deep appreciation to you for your unwavering support. We are focused on delivering value to you as shareholders and I am pleased that we have achieved this in 2023 despite the uncertain and volatile operating environment. OCBC's net profit of $7.02 billion in 2023 was up 27% from the previous year, reaching another record high. This lifted our return on equity from 11.1% to 13.7%. Operating performance was resilient across our key businesses, demonstrating the strength of our diversified franchise and strong progress we made in executing our corporate strategy.

Let me highlight the key drivers of our 2023 earnings. Our total income was $13.5 billion, up 20% on the back of broad-based growth. Net interest income reached a new high, increasing by 25% to $9.65 billion, driven by 5% asset growth and a 37-basis point expansion in net interest margin to 2.28%. We have been proactively managing our balance sheet through selectively growing our loan portfolio and managing our funding base, which has positioned us well through the interest rate environment. Our non-interest income also increased by 7% to $3.86 billion, largely attributed to improved trading income and investment gains. Loan-related and credit card fees rose, but overall fee income was down as subdued investment sentiments among other reasons, continued to weigh on wealth-related fees. Nonetheless, our wealth management franchise was resilient, with our assets under management expanding 2% to $263 billion.

Our income growth far outpaced an 8% increase in expenses, which led to an improvement in cost-to-income ratio to 38.7%. Strict cost discipline will remain a priority for us, even as we continue to invest in our franchise across products, people and technology.

It is important that OCBC remains committed to enabling our customers to succeed while managing our risks prudently. Notwithstanding the challenging business landscape, our overall loans rose 2% in constant currency terms. We sustained non-trade corporate loan growth as we supported customers across our network, such as in the technology, infrastructure, logistics and electric vehicle supply chain sectors, as well as our customers' green transition efforts. At the same time, we expanded our housing loan portfolio in Singapore. These more than offset a decline in trade loans which reflect the current operating landscape. Our asset quality remained healthy with the non-performing loan ratio dropping to 1.0% from 1.2% a year ago. Total credit costs were at 20 basis points, mainly comprising allowances for non-impaired loans as we continued to pre-emptively set aside allowances.

OCBC's funding, liquidity, and capital ratios remained strong. Our Common Equity Tier 1 Capital Adequacy Ratio increased to 15.9% mainly attributable to profit accretion, RWA optimisation and positive movement in our fair value reserves. The movement in fair value reserves was supported by an $839 million net fair value gain on Fair Value through Other Comprehensive Income financial assets, as compared to $2.42 billion of losses a year ago. This reflected higher unrealised mark-to-market gains and active positioning of our debt securities portfolio against the backdrop of a volatile market environment. The Board has recommended a final dividend of 42 cents, and our total 2023 dividend is 82 cents, 21% above 2022. This is very important to us as the growth in our dividend represents the value we are creating for you, our shareholders.

Refer to page 11 to see the growth in our net profit and dividends over the years.

Strong Momentum with Our Corporate Strategy

Our corporate strategy took full flight in 2023, with a strong focus on leveraging OCBC's strengths to capitalise on the vast opportunities in Asia. The shifting dynamics of trade, investment, and wealth flows have led to a concentration of these activities within Asia. ASEAN-Greater China flows have gained prominence, driven by geopolitical tensions and the emergence of a multipolar world. Since 2019, ASEAN has surpassed the European Union to become China's largest trading partner, with China-ASEAN bilateral trade accounting for 15% of China's total goods trade. This is a significant figure considering the size of the Chinese economy.

The rise of Asian wealth is expected to continue. Personal financial assets in Asia-Pacific are predicted to grow by an average of about 8% annually over the next five years, well above the 5% global average. There is also a notable wealth flow within Asia, as an increasing number of high-net-worth individuals seek to diversify their assets beyond their countries of residence. Key financial hubs like Singapore and Hong Kong are best placed to benefit from this trend.

I firmly believe that OCBC is well positioned to seize these opportunities presented by the ASEAN-Greater China region. My conviction in this belief has only grown stronger ever since I rejoined OCBC in 2020.

Inclusive of Bank of Singapore, Great Eastern Holdings and Lion Global Investors, OCBC Group has strong presence and capabilities in the top 7 ASEAN markets. Singapore, Malaysia and Indonesia are our core markets in ASEAN. We have made significant moves to shore up this position in 2023. Pending regulatory approvals, OCBC Indonesia will be acquiring PT Bank Commonwealth, with more than 1 million customers to be added to our franchise as a result. Its capabilities in wealth management and auto joint financing will broaden our product offerings and diversify our customer acquisition channels. Turning to Malaysia, Great Eastern Holdings through its subsidiaries, is set to acquire AmMetLife Insurance Berhad and AmMetLife Takaful Berhad pending regulatory approvals. Again, this will expand the Group's customer base and breadth of product offerings.

We are strong in Greater China too, with more than 60 offices and branches in Mainland China, Hong Kong SAR and Macau SAR. The newest is our Wuhan branch which was opened in March 2023. Being the capital city of Hubei and one of China's largest transport, industrial and manufacturing hubs, Wuhan serves as an effective gateway to Hubei province and the Central China region for OCBC.

Complementing this strong OCBC network is our associate company Bank of Ningbo, in which we have a 20% stake. Bank of Ningbo is one of the fastest growing commercial banks in China and is one of its domestic systemically important banks. This collaboration strengthens our capabilities in China and extends our reach, allowing us to support their business customers that wish to expand into ASEAN and vice versa.

Our presence in other global financial centres is also vital to what we do. OCBC has offices in London, New York, and Sydney, to support our network corporate customers in expanding and investing beyond Asia. Bank of Singapore has a presence in Dubai, London and Luxembourg as well, enabling us to serve the Middle East and Europe regions, which have the third and fourth most ultra-high-net-worth individuals respectively.

The Power of One OCBC Brand

With our extensive coverage, it is vital that we optimise our linkages to boost our network capabilities. This entails strengthening our collaboration across markets and entities. We must demonstrate our commitment to supporting our customers across all markets as one OCBC Group. It is also imperative that our colleagues feel a true sense of unity as one team. The result is a better pooling of our resources, enabling us to serve each and every customer across multiple countries, with more products, and in a concerted manner.

In line with this objective, one strategic move made in 2023 was the launch of one OCBC brand with a refreshed logo and a new tagline – For Now, and Beyond – to unify all OCBC-branded entities. The new tagline demonstrates what OCBC has always been about – enabling people and communities to realise their aspirations today, and beyond that.

I would like to thank the many colleagues across all subsidiaries, branches and offices who came together to successfully launch the refreshed logo in Singapore, Malaysia, Indonesia, Mainland China, Hong Kong SAR, Macau SAR, and overseas branches including London, Sydney, New York. The legal names in Mainland China, Hong Kong SAR and Macau SAR were also changed. In Malaysia where we have an Islamic Banking Licence, we operate with two brands – OCBC and OCBC Al Amin.

The One Group, One Brand approach we have created is powerful. Consider a Chinese company that is venturing into Indonesia to tap on its large young population and abundance of natural resources. OCBC is present in both Mainland China and Indonesia to provide seamless support. When Chinese companies go to Malaysia, for example Penang with its established ecosystem for higher-end manufacturing, OCBC is there as well. When companies set up bases in Singapore and Hong Kong SAR from which they expand, again OCBC is present in both locations. The owners of these businesses can be referred to OCBC Premier Banking or Premier Private Client or our private banking arm, Bank of Singapore. Everywhere these customers go, they can bank with OCBC. This exciting potential showcases the benefits of working as One Group. By leveraging our collective strengths, we can harness the synergies and deliver results beyond our individual capabilities.

It is with this belief that we made a big announcement in July 2023: we said that we would aim to deliver $3 billion in incremental revenue by 2025 on top of our current growth trajectory. We are firmly on track to deliver on our goal and will intensify our efforts in 2024 and 2025.

Positioning for a Sustainable Future

Our Chairman has talked about structural shifts to the operating landscape. It is therefore imperative that we position ourselves for the future. I have spoken at length about how OCBC is strategically positioned today to capture the flows between ASEAN and Greater China. This trend will last way into the future. We have also been positioning OCBC in the past several years to support efforts in dealing with climate change, and to seize the opportunities that come out of it.

One of the first things I did in OCBC was to set up a Sustainability Taskforce to drive the agenda in a more deliberate and structured manner. Naturally, one of our priorities was to look at our financed emissions. We have come a long way. In September 2023, we exceeded $50 billion in sustainable financing commitments well ahead of our 2025 target.

The first time we publicly announced our target was in 2019 – $10 billion by 2022. This came just a few months after we made a market-leading decision to stop financing new coal-fired power plants. The sustainability movement was still nascent then, so we set ourselves a target to keep the momentum going following our coal announcement. Since then, we made two more upward revisions to our target and have met them. Today, sustainability has become embedded in all that we do, as we support our customers' green efforts via innovative products and services.

Our Group Chief Sustainability Officer was appointed to the role in 2023 and will lead the charge. A priority for him and his team will be to fulfil our commitments as a signatory of the Net-Zero Banking Alliance (NZBA). We became a signatory in 2022, and less than a year later, we announced ambitious, quantitative and science-based decarbonisation targets for six sectors – Power, Oil and Gas, Real Estate, Steel, Aviation and Shipping. These represent the most greenhouse gas emission intensive sectors that we finance. We have mapped out the key actions that we will take to meet these targets and will disclose our progress as we go along.

Building OCBC into a leading financial services partner for a sustainable future requires investments in our people and technology. While we watch our expenses closely, we do not shy away from making strategic investments. We will build up our talent pool of bankers and relationship managers in Greater China and ASEAN, and invest $30 million through 2025 to help employees progress in their careers and make them more resilient. Part of this has gone into building an artificial intelligence (AI)-enabled career marketplace which allows employees to find opportunities within the Group and recommends relevant training courses to equip them for the new role.

In 2022, we announced that we had completed Phase One of a seven-year digital core roadmap. That included a $250 million investment to accelerate digital transformation. Phase 2 is well under way, with another investment of $300 million over the period of 2023 to 2025. We are strengthening our AI architecture too, which is important given our ambitions in this space. More than 4 million decisions are made by AI daily and I expect these volumes to more than double in the next 12 to 24 months. Our experience with AI models has enabled us to move quickly in the area of generative AI. When Chat GPT took the world by storm in 2023, we became the first bank in Singapore to deploy a generative AI chatbot – OCBC GPT – to 30,000 employees globally by end 2023. Since then, I have heard so much good feedback from colleagues on productivity increases. OCBC GPT has assisted them with research, summarising of information and translation, just to name a few.

We will maintain our focus on executing our corporate strategy well. Our Ambition to be Asia's leading financial services partner for a sustainable future is a bold one. It demonstrates our determination to surpass industry standards and establish ourselves as the benchmark in our field. While doing so, we will always be anchored on reasons for OCBC's existence. Our Purpose, which was refined in 2023, is to enable people and communities to realise their aspirations. It means that we cannot and will not just gun for profit. Our LIFRR Values – Lasting Value, Integrity, Forward-looking, Respect and Responsibility – must always guide us. Are we advising our customers out of a sense of fair dealing? Or are we hawking an unsuitable investment product for self-serving reasons?

Are we providing the local knowledge and connections to help businesses expand into other markets? Or are we just looking to book that big loan? Our Purpose, Values and Ambition are intricately linked and are collectively referred to as our PVA. It forms the foundation of our business.

Appreciation

What we have done in 2023 would not have been possible without our people. I would like to extend my sincere appreciation to our supportive Board, my capable and committed management team, and to all colleagues across the Group for their drive, dedication and teamwork. We should take pride in the collective accomplishments we have achieved thus far.

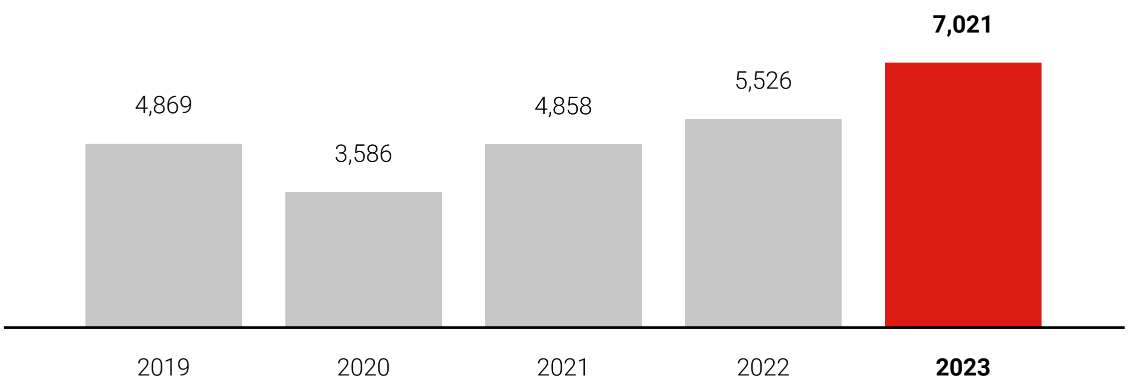
We would not have been able to build a 91-year history without the support of customers and communities. On behalf of all of us at OCBC, I would therefore like to extend our deep appreciation to them.

And to you, our shareholders, I hope that you are as excited as we are about what lies ahead. Thank you for putting your confidence and trust in OCBC.

Helen Wong
Group CEO

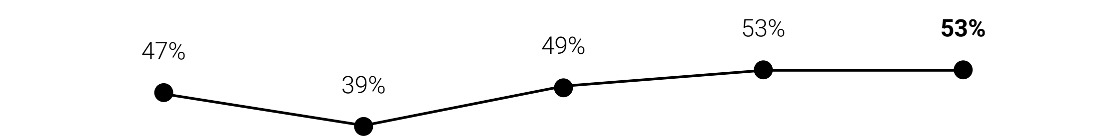
February 2024

Group Net Profit ($m)

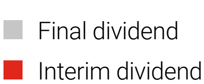


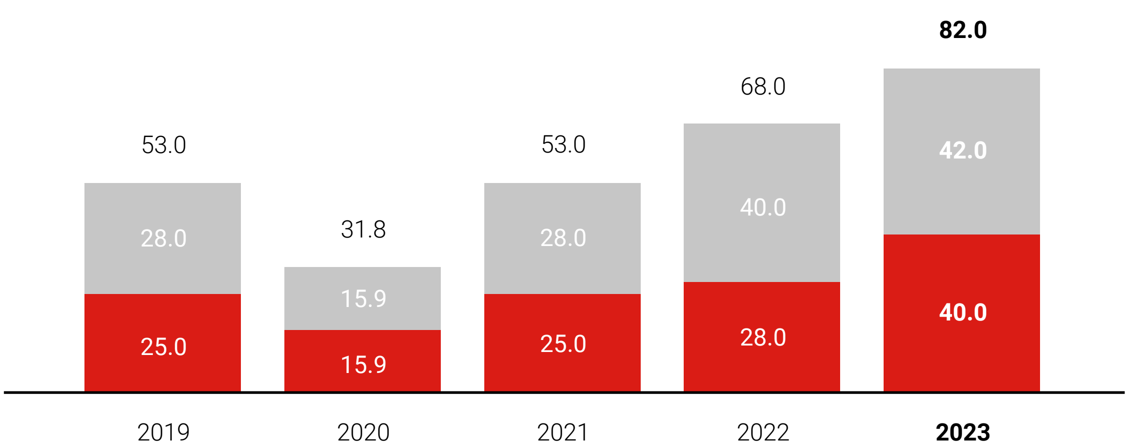
Note: 2022 was restated with the adoption of SFRS(I)17. Comparatives for 2019 to 2021 were not restated.

Dividend Payout Ratio



Dividend Per Share (cents)





Note: In July 2020, the MAS called on locally-incorporated banks headquartered in Singapore to cap total dividends per share for 2020 at 60% of that for 2019. In July 2021, the dividend cap was lifted for the 2021 dividend.

The Strengths of **One Group**

OCBC Group is unique and differentiated from our peers as we have a comprehensive banking, wealth management, insurance and asset management franchise. We work as One Group to pursue strong growth across ASEAN and Greater China.

Banking

OCBC Group's banking entities are locally incorporated commercial banks in top economies in ASEAN, such as Singapore, Malaysia and Indonesia, as well as in Greater China. We have the most comprehensive coverage across ASEAN and Greater China enabling us to serve the banking needs and enable the aspirations of businesses and individuals.

Through these banking subsidiaries, we have more than 330 branches and offices in ASEAN's leading economies of Singapore, Malaysia and Indonesia, and more than 60 in Mainland China, Hong Kong SAR and Macau SAR. This includes Bank of Singapore, our private banking subsidiary.

Besides our banking subsidiaries, our capabilities in Mainland China are strengthened significantly due to our associate company Bank of Ningbo which has 489 branches, sub-branches and offices in Mainland China. Bank of Ningbo has grown from strength to strength since 2006, the year we first acquired a stake in what was then Ningbo Commercial Bank. We raised our stake in the renamed Bank of Ningbo in 2014. As its presence is solely in Mainland China, it complements OCBC, which has an extensive network in ASEAN and the Greater Bay Area. Together, we are well-placed to support China business customers' expansion plans and personal customers' wealth diversification ambitions outside Mainland China.

We have increased our investment in Indonesia, the world's fourth most populated country which offers multiple business and investment opportunities. In 2023, we announced that pending regulatory approvals, OCBC Indonesia would acquire PT Bank Commonwealth – Commonwealth Bank of Australia's Indonesia unit which has strong wealth management and auto financing capabilities. We will hence broaden our product offerings and, as there is little customer overlap, we will welcome more than one million customers to our franchise.

Wealth Management

OCBC is uniquely positioned to lead in wealth management in Asia. OCBC has a regional platform to develop and distribute a wide range of products, and to provide wealth advisory services. Its three other large subsidiaries – Bank of Singapore, Great Eastern and Lion Global Investors – work seamlessly together to enhance the Group's wealth management capabilities.

Bank of Singapore has established itself as Asia's global private bank, with booking centres in Hong Kong SAR and Singapore. It also has offices in Dubai, London, Luxembourg, Malaysia and the Philippines. Bank of Singapore has increased its offerings in alternative investments.

Great Eastern, as a leading insurance company in Singapore and Malaysia, is a strategic component of OCBC Group's wealth management proposition. Insurance is an important investment and protection class in wealth management. With bank and insurer being part of the same group, the relationship goes beyond a legal contract. Great Eastern is well-placed to customise bancassurance products, service OCBC customers and improve processes and policies, taking a long-term view.

Insurance

The inclusion of Great Eastern in OCBC is unique and adds a diversifying business pillar – Insurance – to the Group. Testament to this synergy, in June 2023, OCBC increased its stake in Great Eastern from 87.9% to 88.4%, in line with its ambition to be Asia's leading financial services partner for a sustainable future. Great Eastern has over $100 billion in assets and over 16 million policy holders in Singapore and Malaysia, including 13 million from government schemes. It also operates in Indonesia and Brunei.

In October, Great Eastern announced that, pending regulatory approvals, it would acquire AmMetLife Insurance and AmMetLife Takaful in Malaysia for an estimated RM1.121 billion. Through this opportunity, Great Eastern would be able to offer its insurance and takaful solutions to AmBank's three million customers, providing it with an expanded distribution network in Malaysia.

Insurance solutions are provided to customers through three distribution channels – aside from bancassurance which is core to OCBC's wealth management strategy, Great Eastern's other distribution channels are its tied agency force and financial advisory firm, Great Eastern Financial Advisors. Great Eastern's general insurance business is underwritten by its wholly-owned subsidiary, Great Eastern General Insurance Limited (GEG), which offers customers a comprehensive suite of insurance solutions including Auto, Home, Travel, Personal Accident and Maid for retail customers and Small and Medium Business package and various Property and Casualty insurance for businesses.

Asset Management

Owned by OCBC and Great Eastern, Lion Global Investors is another strategic component of the OCBC Group. It is one of the largest asset management companies in Southeast Asia offering best-in-class Asian-centric investment solutions with Assets Under Management of $69.9 billion as at 31 December 2023. Tapping on its fund management expertise, Lion Global Investors has collaborated with OCBC Securities to launch several first-to-market products, bringing global securities to customers and deepening synergies within the OCBC Group.

Lion-OCBC Securities Singapore Low Carbon ETF was launched in April 2022, in recognition of the growing capital allocated to aligning investment portfolios with a low carbon and climate resilient future. This was Singapore's first ETF that focuses on the top 50 Singapore companies with lower carbon intensity.

In August 2021, the Lion-OCBC Securities China Leaders ETF was launched. This was Singapore's first China-focused ETF that pays out annual dividends to investors, allowing investors to diversify their investment portfolio through the inclusion of Chinese stocks in an easy and affordable way.

Singapore's first technology-focused ETF, the Lion-OCBC Securities Hang Seng TECH ETF, was launched in December 2020, giving investors an easy and affordable way to access Hong Kong-listed technology-themed stocks. It tracks the Hang Seng TECH Index, which is made up of the top 30 technology companies listed in Hong Kong by market capitalisation that have high business exposure to technology themes.

The Power of **One Brand**

We proudly unveiled the sixth iteration of the OCBC logo on 3 July 2023.

Where regulations permit, all subsidiaries, branches and offices across markets have adopted the refreshed OCBC logo, a strategic move as we link up as One Group to capture the trade, wealth and investment flows between ASEAN and Greater China. Banking subsidiaries in Mainland China, Hong Kong SAR and Macau SAR also changed their legal names.

The importance of the OCBC logo cannot be overstated. An embodiment of what we stand for, any change to the logo is monumental. 2023 will therefore be remembered as a historic year for OCBC, with our last logo change occurring some time ago – a quarter of a century, to be exact.

The changes we made may be subtle, but they are impactful.

The clean lines and geometric circles of the iconic mark that have come to be associated with OCBC have been accentuated. A bespoke font type was created. The word 'Bank' was removed as OCBC is not just a bank: we offer, rather, to enable the aspirations of people and communities beyond banking.

The result is a logo that is bold, strong and modern, but at its heart remains a Chinese sailing ship. This is our iconic mark that honours the migrants who crossed the seas many years ago to pursue a better life. The entrepreneurial and resilient spirit that the iconic mark represents unites all of us as One Group.

2023

1998

1989

1978

1960s

1932

It is also timely that we unveiled a new tagline alongside our refreshed logo which captures our brand promise.

OCBC has always been about reliability and integrity. We have been helping customers succeed. We have been giving our people a career to build on. We have been giving people-in-need the help they truly need. We also ensure that we do our part to fight climate change. In all our dealings and investments, we take a long-term view. We do this because we understand that our commitment is not just to the present but also to the future, to create long-lasting impact for a better world.

This is the OCBC DNA which is expressed by our new tagline.

For **now,** and **beyond**

The refreshed logo and tagline were first unveiled simultaneously in Singapore, Malaysia, Hong Kong SAR and Macau SAR to much fanfare on 3 July 2023. Colleagues gathered at our head offices in the respective markets to witness the unveiling that was headlined by festive lion dance performances.

OCBC NISP became OCBC Indonesia as it unveiled the new brand on 14 November 2023. Over 1,700 clients, partners, members of the media and staff attended the celebratory event, aptly named 'OCBC Experience: Supporting Indonesia to the Global Stage'. The last stop was Mainland China on 6 December 2023. Over 300 OCBC China colleagues joined our Group CEO Helen, Head of Global Wholesale Banking Teck Long, Head of Greater China and Hong Kong CEO Wang Ke, and China CEO Eng Siong to unveil the new legal name and logo.

Singapore (3 July 2023)

Malaysia (3 July 2023)

Indonesia (14 November 2023)

Hong Kong SAR (3 July 2023)

Macau SAR (3 July 2023)

Mainland China (6 December 2023)

For **now**,
and **beyond**

All Markets

心所向，
行致遠

心所向，
行致远

Greater China

Terus bersama,
melaju jauh

Indonesia

Terus bersama-sama,
melangkah lebih juah

Malaysia

Our Purpose

To enable people and communities to **realise their aspirations.**

Our Values

Lasting Value	Integrity	Forward-Looking	Respect	Responsibility
We are committed to long-term value creation, by balancing prudent risk-taking with bold actions. We build lasting relationships and deliver enduring outcomes. By doing so, we can achieve sustainable growth as One Group.	We hold ourselves to the highest ethical standards and always do the right things, even when no one is watching. We always act with integrity and honesty, in line with the spirit and letter of our code of conduct. By upholding integrity, we honour the trust of all our stakeholders, ensuring fair and transparent outcomes.	We stay curious, keeping ahead of shifting needs and emerging trends. We embrace change and take proactive actions with agility. By doing so, we anticipate and meet the evolving needs of all our stakeholders.	We treat all our stakeholders with empathy and humility regardless of differences. We respect views and recognise contributions. With mutual respect, we build trust for stronger relationships and effective collaboration.	We take ownership of our decisions and actions, and accountability for the outcomes. We take responsibility individually and as a team, and always act reliably and proactively. Our strong sense of shared responsibility ensures that we deliver our promises to all our stakeholders.

Our Ambition

To be Asia's leading financial services partner for a sustainable future.

Our Brand Promise

Be reliable	Be smart and knowledgeable	Take a long-term view

Excel for **Sustainable Growth**

3-year strategy refresh to drive growth and reinforce core strengths

Drive Growth

Banking on four growth priorities to capture regional trade, investment and wealth flows

Capture rising **Asian wealth** with our Singapore – Hong Kong hubs and digital propositions

Support increasing ASEAN-Greater China **trade and investment flows**

Unlock value from **New Economy** and high-growth industries

Drive transition to a **sustainable** low-carbon world

Reinforce Strengths

Accelerating investments in transformation, digitalisation and people assets

Forge a **"One Group"** integrated customer experience approach

Invest in accelerating **Transformation and Digitalisation**

Strengthen our **people assets** and culture

Build on our **capital and risk management strengths**

Accelerating the Net-Zero Transition for a Sustainable Future

OCBC is committed to accelerating the transition to a net-zero future, while conducting our business responsibly and bringing impact to our communities. We do this through our close engagement and collaboration with our customers and key stakeholders. We are dedicated to upholding business integrity and we have embedded sustainability focus across the Board, Board Committees, Management and functional groups, enabling us to realise our sustainability ambitions through our Sustainability Framework.

In 2023, we refreshed our sustainability framework to sharpen our sustainability priorities and leverage synergies across our operations. The framework reflects core elements of our approach including our sustainability imperatives and the material ESG factors that we are prioritising to drive performance and impact.

Board Oversight

Board of Directors

- Provides oversight for the overall sustainability agenda and strategy at OCBC

Board Sustainability Committee

- Supports the Board in its oversight of the Bank's sustainability matters in conjunction with other relevant Board Committees
- Provides strategic direction on sustainability issues, with a focus on climate and environmental matters

Management Oversight

Sustainability Council

- Oversees the Group's Sustainability Strategy and provides approval for key strategic initiatives relating to sustainability, with a focus on climate and environmental matters

Sustainability Steering Committee

- Supports the Sustainability Council in the alignment, execution and reporting of key sustainability-related outcomes and initiatives for the Group

Our Sustainability Framework

Asia's Leading Financial Services Partner for a Sustainable Future

Our Sustainability Imperatives

Accelerating the Transition to a Net-Zero Future	Bringing Impact to Communities	Conducting Our Business Responsibly
Enable our clients' transition through strategic advisory, innovative financial solutions and ecosystem partnerships, across our multifaceted businesses	Create a dynamic workplace and society through championing people development and community advancement	Safeguard long-term stakeholder value through embedding responsible business practices and strong governance

How we Execute

Climate Action	Talent Management and Wellbeing	Cybersecurity and Data Protection
Responsible Financing	Workplace Diversity	Fair Dealing
Sustainable Financial Solutions	Community Development	Financial Crime Prevention
		Governance and Culture

LIFRR as Foundation of our Sustainability Framework

Lasting value	**I**ntegrity	**F**orward-looking	**R**espect	**R**esponsibility

Our core values guide our approach to sustainability. We take a long-term view in our climate actions and community development efforts, delivering positive impact on the environment and the society in a responsible manner. Specifically, we proactively support our clients' net-zero transition and their aspirations for a low-carbon world.

2023 Sustainability Highlights

Accelerating the Transition to a Net-Zero Future

- Unveiled **science-based sectoral net-zero targets** for six key sectors
- Recorded **$56 billion** in sustainable finance commitments, **ahead of 2025 target of $50 billion**
- Launched the **OCBC 1.5°C loan**
- **More than 100** new sustainable finance transactions recorded in the year, totalling **$14 billion**
- Achieved **carbon neutrality** for our banking operational emissions by actively reducing our emissions and offsetting unabatable and residual emissions with carbon credits
- Organised the **OCBC Sustainability Innovation Challenge** and the **Emerging Enterprise Sustainability Award** in Singapore

Bringing Impact to Communities

- Initiated Grow Your Way Expedition, a **skills-first mobility initiative**, resulting in **12,000 activity completions** by employees and a **75% rise** in career awareness within the Bank
- Embarked on **two long-term volunteering projects**, Families100 by OCBC and Care Corner ElderConnect supported by OCBC, involving **more than 1,200 volunteers** to provide targeted assistance to **100 families and 3,500 seniors respectively** in Singapore
- Launched our inaugural **non-conventional talent hire initiative** in Singapore
- Empowered **over 1,300 women entrepreneurs** through our Women Warriors Programme in Indonesia

Conducting Our Business Responsibly

- Established the **Board Sustainability Committee** to strengthen our sustainability oversight
- Appointed our first **Group Chief Sustainability Officer** to strengthen our sustainability leadership and governance
- Rolled out a set of **first-to-market** anti-malware security measures on the OCBC digital app, **preventing customer losses of over $2 million** in Singapore
- Achieved the **highest Cyber Trust Mark (Advocate)**, a testament to OCBC's robust cybersecurity practices in Singapore

Our Net-Zero Progress Update

As a Net-Zero Banking Alliance (NZBA) signatory, we are committed to disclosing our progress on the net-zero targets every year. We are pleased with the good progress made in the first year for each sector. It is noteworthy to share that we have reduced the absolute emissions in the Oil & Gas sector and the emissions intensity of the remaining five sectors.

Science-based decarbonisation targets for six sectors to achieve net zero by 2050:

Sectors	2030 Target	2050 Target
Power	55% reduction	100% reduction by 2040
Oil & Gas*	35% reduction	95% reduction
Real Estate	Alignment Delta ≤ 0%	Alignment Delta ≤ 0%
Steel	13% reduction	94% reduction
Aviation	66% reduction	100% reduction
Shipping	Alignment Delta ≤ 0%	Alignment Delta ≤ 0%

Please refer to our Sustainability Report for more information by scanning the QR code.

* No new project financing for upstream Oil & Gas projects that are approved for development after 2021.

Seeding Change

Helping to mitigate climate change through projects that focus on carbon sequestration.

All our forestation efforts across the region will help to absorb more than 111 million kg of CO_2 in our fight against climate change.

2017

Trees planted under the Habitat Enhancement Programme at Singapore's Coney Island absorb 144,700kg of CO_2

2019

OCBC Arboretum at Singapore Botanic Gardens supports the conservation of 2,000 Dipterocarp trees that absorb 80 million kg of CO_2.

2022

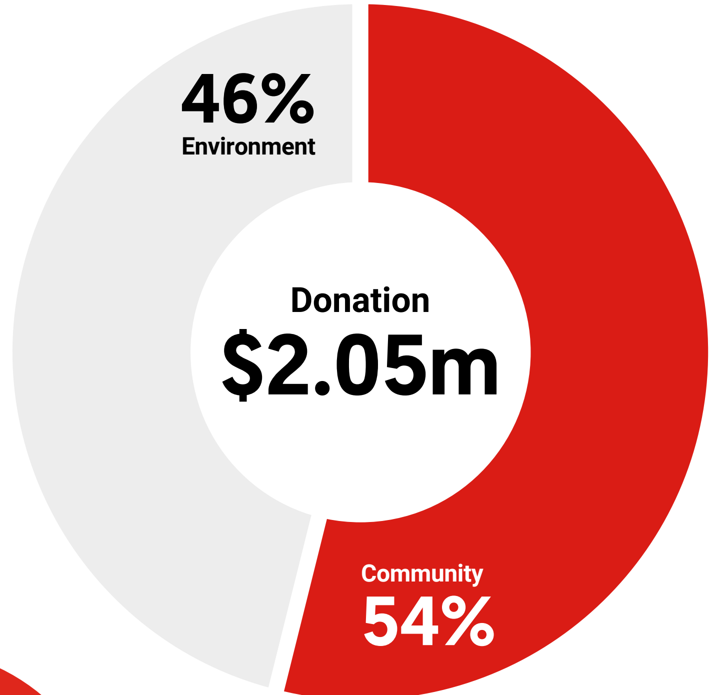
OCBC Mangrove Park at Pulau Ubin, Singapore and a mangrove project in Tebuk Mendeleng, Malaysia involve planting of 18,000 mangrove trees that absorb more than 30 million kg of CO_2.

2023

To date, a total of 105 taxodium distichum trees have been planted in Dongtan Wetland Park, Chongming Island, China. These trees will be able to absorb more than 11,000 kg of CO_2.

Helping with Heart

To truly help the less advantaged people and communities is to support them with what they truly need. This is what the #OCBCCares Programme is all about.



208,155
Individuals Impacted

16,329
Volunteers

59,482
Hours Contributed

Highlights

OCBC volunteers will spend 12 months to engage socially-isolated seniors as part of Care Corner ElderConnect supported by OCBC.

More than four-fold increase
in skills-based employee volunteering projects

Embarked on two long-term volunteering projects in Singapore: The Families100 Programme by OCBC and Care Corner ElderConnect supported by OCBC. The projects will last 12 months each with **1,200 volunteers** contributing more than **3,000 volunteering hours**

Close to **1,500 employees** took on leadership roles to lead their colleagues in volunteering activities

60% increase in number of OCBC volunteers

The Families100 Programme by OCBC

- In partnership with the Ministry of Social and Family Development, the Families100 Programme by OCBC is a first-of-its-kind social uplift initiative to provide targeted help to 100 lower-income Singaporean families with children living in rental flats.
- 200 OCBC volunteers will support these families over a period of 12 months. During this time, they can better understand these families' situations, and recommend and implement suitable solutions to help them achieve self-reliance, stability and social mobility.

Employee volunteers under Families100 programme by OCBC will help low-income families with specific support that meets their needs.

At the launch of the Families100 Programme by OCBC.

Gatherings and games are the first steps to address social isolation amongst seniors.

The Care Corner ElderConnect supported by OCBC

- Care Corner ElderConnect supported by OCBC addresses social isolation among seniors from low-income families and aims to reach out to more than 3,500 socially-isolated seniors above 60 years old in Singapore.
- Over the course of 12 months in 2024, more than 1,000 OCBC volunteers will make monthly house visits to check on the wellbeing of these seniors, and encourage them to step out of their house for activities organised at Active Aging Centers.

The donated necessities and solar panels will go a long way in managing operating costs for Kaizen Children Home.

The children were encouraged, through art, to explore their creativity in dreaming up ways to protect the environment.

Greener energy and better financial literacy

- Volunteers from the OCBC Kajang branch in Malaysia came together and bought RM 24,000 worth of solar panels for the Kaizen Children Home in Kuala Lumpur.
- This will save up to 100% in electricity bills for the Home.
- Employees also donated necessities for the Home and taught the children financial literacy.

The Little Green Summer Camp

- Little Green Summer Camp is an annual CSR event in China that allows employee volunteers to mentor young participants from less-privileged households in Shanghai.
- Through interesting games, art workshops and a visit to the ocean park, the children were taught innovative and new ways to help mitigate climate change.
- These children were encouraged to be the next generation of leaders to protect the environment.

Playing It Forward

Sports galvanise people and communities. They bring people from varied backgrounds together. Sports also help promote healthy lifestyles and mental wellbeing. OCBC Cycle and OCBC Aquatics are platforms to engage the communities beyond the financial world.

OCBC Cycle

Singapore

OCBC Cycle Singapore, a flagship sporting event, returned in full scale with more than 7,300 participants. The last time it was held physically in this scale was in 2019, before the outbreak of Covid.

Participants rode on closed roads against the backdrop of Singapore's iconic cityscape, over 40 km (The Sportive Ride) and 20 km (The Straits Times Ride).

Cycling enthusiasts competed on stationary bikes in the Indoor Ride by Shimano. Many others completed the event's longest-ever ride distance in the new 500km Virtual Ride. The OCBC Cycle Speedway Championships saw a total of 21 teams competing in either the Club or Corporate Championships.

The "Teach-a-Child-to-Cycle", the event's corporate social responsibility programme, organised cycling lessons by professional trainers from the Singapore Cycling Federation and OCBC volunteers for children from less advantaged families under the care of Care Corner Singapore and SportCares. Sports retailer, Decathlon, sponsored the bicycles and cycling gear for these children.

Cyclists could stop on the iconic Sheares Bridge to soak in the sights and take photos.

Children from underprivileged backgrounds are taught how to cycle by our volunteers with bicycles donated by Decathlon.

Kuala Lumpur

2023 marked the return of the city's only large-scale cycling event – OCBC Cycle Kuala Lumpur. After a three-year absence due to pandemic measures, the event's return allowed about 2,500 cyclists to ride on closed roads in the city.

The event took place along an uninterrupted stretch of closed roads against the city skyline with the Petronas Twin Towers in the background, with participants soaking up the beauty of Kuala Lumpur on either the 21 km or 42 km routes.

Participants in Malaysia ended off the city ride in the picturesque Dataran Merdeka.

Macau

The 2023 OCBC Macau Charity Family Cycle Parade was held as part of the 2023 Macau Road Cycling League. For the third consecutive year, all registration fees for the event were donated to the Caritas Macau, a charity organisation that offers assistance to underprivileged families.

The introduction of a new cosplay element to the event added a fun twist to the race. Participants showed up in colourful costumes and eye-catching accessories , bringing vibrancy and liveliness to the atmosphere.

Our young riders took to the streets of Macau to show off their cheery costumes.

Hong Kong

At Hong Kong's Singapore Festival 2023, we kickstarted our OCBC Cycle event with a Virtual Bike Challenge which saw participants face off in pairs on a virtual cycling platform.

Each cyclist rides to clock the maximum distance they can manage within a minute on the stationary bikes.

Participants included young beneficiaries from six non-governmental organisations, foundations and schools. Five young beneficiaries with special needs from Cherish House, a Family Service Centre, explored the fun of cycling in the safe environment.

Singapore Festival 2023 was another great opportunity for us to showcase OCBC in Hong Kong and reinforce our brand with the Singaporeans living there.

OCBC Aquatics

For the second year running, we partnered Singapore Aquatics to organise OCBC Aquatics for our employees, their families, and 50 beneficiaries from Care Corner Singapore, Ministry of Social and Family Development, and MINDS.

In addition to basic swimming lessons, the event featured niche water activities, such as diving, flippa ball and artistic swimming. The participants benefited from the expertise and guidance of Team Singapore athletes, experienced facilitators from Singapore Aquatics and OCBC volunteers.

OCBC volunteers and Team Singapore athletes guided our beneficiaries during the event.

Our Board

From left to right:
Ms Tan Yen Yen, Mr Seck Wai Kwong, Mr Chua Kim Chiu, Ms Helen Wong and Mr Andrew Lee

The OCBC Board is fully committed to upholding the highest standards of corporate governance. It ensures that OCBC is managed in the best interests of the Bank as a whole while taking into account the interests of shareholders, customers and other stakeholders.

Various Board Committees have been established to assist the Board in discharging its duties more effectively with clearly defined terms of reference.

Board Committees

Executive Committee
Dr Lee Tih Shih, Chairman
Mr Andrew Lee
Dr Andrew Khoo

From left to right:
Dr Lee Tih Shih, Dr Andrew Khoo, Mr Pramukti Surjaudaja, Ms Christina Ong and Ms Chong Chuan Neo

Nominating Committee
Dr Andrew Khoo, Chairman
Mr Andrew Lee
Ms Christina Ong
Mr Pramukti Surjaudaja
Ms Tan Yen Yen

Remuneration Committee
Ms Christina Ong, Chairman
Mr Andrew Lee
Dr Andrew Khoo
Mr Pramukti Surjaudaja

Audit Committee
Mr Chua Kim Chiu, Chairman
Ms Chong Chuan Neo
Mr Seck Wai Kwong
Ms Tan Yen Yen

Risk Management Committee
Mr Andrew Lee, Chairman
Mr Chua Kim Chiu
Mr Seck Wai Kwong
Ms Tan Yen Yen
Ms Helen Wong

Ethics and Conduct Committee
Ms Christina Ong, Chairman
Mr Andrew Lee
Ms Chong Chuan Neo

Board Sustainability Committee
Ms Chong Chuan Neo, Chairman
Mr Andrew Lee
Ms Helen Wong

Our Management

Ms Helen Wong
Group Chief Executive Officer

Ms Goh Chin Yee
Group Chief Financial Officer

Mr Noel Gerald DCruz
Group Chief Risk Officer

Mr Lim Khiang Tong
Group Chief Operating Officer

Mr Kenneth Lai
Global Markets

Mr Tan Teck Long
Global Wholesale Banking

Mr Sunny Quek
Global Consumer Financial Services

Mr Wang Ke
Greater China, CEO Hong Kong

Mr Tan Chor Sen
CEO Malaysia

Ms Parwati Surjaudaja
CEO Indonesia

Mr Ang Eng Siong
CEO China

Mr Jason Moo
CEO Bank of Singapore

Mr Linus Goh
Global Commercial Banking

Ms Elaine Lam
Global Corporate Banking

Mr Gan Kok Kim
Global Investment Banking

Mr Melvyn Low
Global Transaction Banking

Ms Lee Hwee Boon
Group Human Resources

Mr Praveen Raina
Group Operations and Technology

Ms Loretta Yuen
Group Legal and Compliance

Mr Harry Lim
Group Audit

Ms Koh Ching Ching
Group Brand and Communications

In my view, 2023 was a milestone year for OCBC. Not only did we achieve a strong set of results, we also made strategic moves that will drive our growth for years to come. The theme of this annual report – "The Strengths of One Group, The Power of One Brand" – captures our focus in a nutshell. We have doubled down on our unique One Group proposition to assist our customers as we pursue growth across ASEAN and Greater China, and will continue to do so, as guided by our corporate strategy.

A clear dividend policy resulting from focused capital management

Capital management is integral in supporting our growth ambitions. I shared last year that this is one of my key priorities as Group Chief Financial Officer. One year on, I am glad to report that we have made good progress. We have done so by adopting a more structured approach. Taking the cue from our corporate strategy, we can better forecast, plan and allocate our capital. In doing so, we aim to strike an optimal balance between maintaining a strong capital position to support business growth and buffer for uncertainties, and increasing shareholder returns. It was our focus on capital management that enabled us to announce a clear and transparent dividend policy in February 2023. We said that we aim to pay out 50% of our earnings to shareholders. This gives a clear indication of the confidence that we have in our ability to generate high-quality earnings and long-term growth, as well as our commitment to deliver long-term shareholder value.

Allocating capital to drive our ASEAN-Greater China ambitions

Good capital planning and resource allocation has also enabled us to take advantage of inorganic growth opportunities. When such opportunities arise, we will always evaluate them to gauge whether it is a right fit for our franchise and culture at the right price. It was in Indonesia – one of our core markets – that we found such an opportunity. At the end of 2023, we announced that, pending regulatory approvals, our subsidiary OCBC Indonesia would be acquiring PT Bank Commonwealth, Commonwealth Bank of Australia's Indonesia unit. This acquisition is strategic given our focus on capturing ASEAN-Greater China trade, investment and wealth flows. PT Bank Commonwealth complements OCBC Indonesia's business with little overlap in customer base – we will potentially add more than 1 million customers to our network from this acquisition. Their strengths in wealth management and auto joint financing will broaden our franchise. To me, this acquisition is a good example where we assessed the potential returns and determined the strategic fit based on our corporate strategy, before deciding that this is where we want to park our capital.

Great Eastern Holdings announced a strategic acquisition in 2023 as well – AmMetLife Insurance and AmMetLife Takaful in Malaysia – pending regulatory approvals. With this acquisition, Great Eastern Holdings would be able to offer its insurance and takaful solutions to three million AmBank customers, providing it with an expanded distribution network in Malaysia. Like the PT Bank Commonwealth acquisition, the synergies are apparent. As other opportunities come along in future, we will evaluate them using similar strategic lens.

Tapping innovative, diversified sources of funding

Another important part of capital management is finding innovative, diversified funding sources to support growth. In addition to our strong deposit base which currently forms a large proportion of our funding sources, we also tap on wholesale funding markets across currencies and capital instruments. There are two such issuances in 2023 that I would like to cite. In May, OCBC Sydney Branch priced A$1 billion of three-year senior floating rate green notes, the largest single-tranche deal by a Singaporean issuer in Australia. This issuance was primarily used to fund our Sydney Branch locally to support lending to a wide range of corporations – many of whom are our network corporate customers. This is our third green bond issuance, in line with our Group's commitment on sustainability. In recent years, we do see a growing portfolio of Australian green projects that we can support to drive the country's transition to a low-carbon economy.

Following this, in August, we priced a $550 million 4.50 percent perpetual capital securities first callable in 2029. This was the first Singapore Dollar Additional Tier 1 (AT1) bond since the write-down of certain AT1 bonds following the banking turmoil earlier in 2023. While there was apprehension around AT1 bonds following the write-down, the negative sentiment had calmed by then. The issuance attracted robust interest from investors as they searched for high-quality names to invest in. We believe our strong capital and liquidity positions, and high credit rating throughout the banking turmoil were important considerations and these gave investors the confidence to participate in our bonds. Notably, we achieved the tightest spread on record in the Singapore Dollar Bond Market for the AT1 issued. We will continue to calibrate our issuances to sustain a strong foothold and brand name in the bond market.

Solidifying our strengths and transforming for the future

What is next for Group Finance? The immediate challenge is softening interest rates. As our Group CEO Helen mentioned in her message, proactive management of our balance sheet has been crucial. It helped us make the most out of a rising interest rate environment. This was reflected in our record-high net interest income and significant net interest margin expansion in 2023. As interest rates come down, we must be similarly agile to seize a different set of opportunities. Can we build up our loan volume and capitalise on the revival of business and trade activities? How do we manage our funding sources and costs? Would we be able to capture the rising wealth, investment and insurance flows when market conditions improve? Therein lies the sound fundamentals of OCBC Group's business structure. Our comprehensive banking, wealth management, insurance and asset management franchise makes us unique. When the business landscape is not conducive for a certain business pillar, we rely on the others for growth, and this is how we protect our earnings during different phases of the interest rate and business cycles.

When we talk about the future, digitalisation naturally comes into play. Group Finance is taking a three-pronged approach in our digitalisation journey. First, we continue to keep up with and invest in technology to refresh core applications to enable straight-through processing, richer analysis, timely reporting as well as nimble forecasting and planning. Second, we progressively deploy robotics process automation (RPA) to streamline finance processes and drive operational efficiencies. We already have quite a few RPAs in operation. The savings in man hours and derived efficiencies are substantial. Finally, we need to focus on strengthening our business analytics and machine learning capabilities to proactively provide insights and foresights to businesses and management for timely and effective decision making. This would require us to invest resources into leveraging new technologies and extracting more value from data. We have already made much progress on the data analytics front, and going forward we will invest in harnessing the transformative capabilities of generative AI.

I am looking forward with excitement to what the future has in store and the opportunities that await. But at this juncture, I would like to take a pause to thank all my colleagues in Group Finance and across OCBC, for the commitment, good work and strong collaboration in 2023. To the wider investment community as well – thank you for your support. We deeply value the active engagements that we had with you in 2023 which gave us ample opportunities to update you on OCBC's developments. We look forward to working even more closely with you in future.

Khiang Tong
Group Chief Operating Officer

In my view, an organisation's employee experience is connected to how it delivers its customer experience. The advancement of technology has further strengthened this connection.

Hence, we doubled down on our efforts in these three areas – employee experience, customer experience and technology – last year.

One of the tools that we invested in to elevate employee experience was the roll-out of a generative artificial intelligence (AI) chatbot to our employees globally in November 2023. This was a first by a Singapore bank.

The chatbot, OCBC GPT, can be used to help with writing, research and ideation. The feedback from our people has been positive. They have reported productivity boosts of about 50%.

On the customer front, we worked closely with our consumer banking team to launch a fully digital account opening process for consumers in our core markets who are relocating to Singapore.

Individuals in Hong Kong SAR, Indonesia, Malaysia and Mainland China who plan to relocate to Singapore can now open Singapore dollar and multi-currency accounts remotely on the OCBC Digital app, within minutes.

This expedites the entire relocation process for them since a bank account facilitates two other key administrative arrangements – salary crediting and securing of accommodation.

2023 also marked the commencement of Phase 2 of our seven-year digital core roadmap which began in 2019. Over $300 million will be invested between 2023 and 2025 to continue the modernisation of our technology architecture. This further builds on the $250 million invested in Phase 1 (2019 to 2022).

The earlier investment to refresh our key channel systems across our markets enabled the quicker roll-out of digital features and sharpened our personalisation capabilities via machine learning and AI.

Tapping on emerging technologies

Generative AI has been a game-changer in the emerging technologies space and we see it as a long-term investment. Our intent is to embed it in our processes and systems.

Other than OCBC GPT, we deployed several generative AI productivity tools in 2023. One of them is OCBC Wingman – a coding assistant built internally – which helps our developers to auto generate, debug and improve computer codes.

Leveraging open source software, we were able to build and deploy OCBC Wingman in just two weeks. Since its launch in May 2023, productivity boosts of about 20% have been reported. As a result, the bank has also been able to deploy new features with significant speed, and improve time-to-market for new digital solutions.

Ultimately, the productivity gains arising from the deployment of these generative AI tools free up employees' time and enable them to deliver better services for our customers.

Apart from generative AI, we continue to focus on predictive AI. Around 4 million decisions are made in the Bank with the help of AI every day. These decisions help in managing risks, optimising operational efficiency and improvement of customer service. This figure is expected to more than double, to 10 million, within the next two years. We will continue to invest and tap on this technology for the benefit of our customers and employees.

Exploring fast-moving, emerging technologies like the metaverse, blockchain and digital assets are on our agenda as well.

In April 2023, OCBCx65Chulia – our metaverse platform in Decentraland – was launched. Named after the address of the Bank's Singapore headquarters on Chulia Street, the virtual reality platform allows visitors to learn about OCBC's historical milestones along with the latest banking products and services. They can open a bank account and apply for a credit card through instant access to the Bank's website from OCBCx65Chulia.

It is important that we embrace an experimental mindset in today's fast evolving technology landscape. Often, the real potential of emerging platforms and technologies such as the metaverse are not obvious in the early stages. However, testing them at this juncture allows us to better understand these technologies and develop the relevant skills to ensure that we are ahead of our peers in reaping the dividends when these technologies do take off.

We also supported innovative pilots with the authorities to expand and develop capabilities in asset tokenisation initiatives that leverage blockchain. These pilots include the Central Bank Digital Currency (CBDC) and Purpose Bound Money (PBM). CBDCs enable instantaneous interbank settlement while PBM allows issuers to set specific conditions on how it is used. These digital money trials open up new possibilities and we are watching this space closely.

Investing in people and the environment

Investing in technology is but one piece of the puzzle to be future-ready. The way we approach and implement these investments, and bring our employees along the journey, are equally important.

We have streamlined more than 1,500 processes to enhance operational efficiency over the past year. An example is what we termed the "Unified Experience", which connects the front, middle and support functions by eliminating emails and excessive workflows. Disparate processes slow down teams. By enabling teams to work more seamlessly, we can enhance responsiveness to our customers.

Another aspect to our operations that we have been focused on is in lowering our carbon footprint. While we have achieved carbon neutrality from 2022, we remain committed to advancing operational decarbonisation. This involves prioritising the deployment of sustainable technologies to optimise the energy efficiency of our buildings.

Our metaverse, OCBCx65Chulia, was launched as an interactive virtual platform for our younger audience.

Solar panels have been installed in our offices across the region – in Mainland China, Singapore and Indonesia – and we have increased the use of renewable energy sources where feasible. A total of 27,000 square feet of solar panels have been deployed, leading to significant electricity savings.

While we are guided by the drive to accelerate our own decarbonisation efforts, there is a limit to what we can achieve alone. Hence, we seek out partnerships with industry players to uplift the ecosystem and deliver more long-term outcomes.

It is with this in mind that we jointly launched the SGBC-OCBC Built Environment Decarbonisation Challenge with the Singapore Green Building Council to identify and support innovative technology solutions to decarbonise the built environment. More than 70 companies submitted proposals showcasing solutions that prioritise carbon abatement and energy efficiency in buildings while considering cost-effectiveness and practicality in terms of deployment and maintenance. Shortlisted solutions will be piloted at selected OCBC buildings, with the possibility of implementing them at all OCBC buildings if feasible.

Looking ahead to 2024, we are committed to advancing our investments in technology, our people and the environment.

Improving the employee and customer experience will remain a key priority and we will maintain a forward-thinking approach to stay at the forefront of technological advancements. This will enable us to deliver exceptional financial services and products to our customers, so they can pursue and realise their aspirations.

In my view, the global operating environment continued to contain many surprises in 2023.

Post-pandemic, 2022 started with Russia's invasion of Ukraine, stubbornly high inflation in developed markets and the US Federal Reserves' (Fed) series of rapid rate hikes to levels not seen since the US subprime crisis. These themes dominated in 2023 even as the year contained surprises of its own.

The much-anticipated post-pandemic growth rebound in China did not materialise even as its real estate sector underwent major upheaval. Geopolitics flared further with the Gaza conflict, exacerbated by supply chain disruptions in the Red Sea. The high US interest rate environment resulted in a run on several US regional banks, and a Global Systemically Important Bank was taken over by a peer bank over a weekend. Commercial real estate portfolios, particularly in the office sector, faced strains from relatively higher vacancies.

Risk reminders

We are constantly being reminded that the unexpected happens and of the need to be ever vigilant. There have been many useful 'Risk 101' lessons and reminders that we can also take from these events.

First is the natural inclination of assuming the status quo, and a lack of imagination or sense of history to challenge our assumptions. The case in point is the decade-long low interest rate environment that we had been used to since the US subprime crisis.

Even as the Fed signalled its policy intention to combat inflation, the market continued to bet against the Fed. The market assumed that such interest rate levels were transitory, and that the Fed would quickly unwind its interest rate policy.

However, the low interest rate environment over the past decade was an anomaly over a broader time horizon, even just counting the past three or four decades. This served as a reminder that we need to be prepared for a wide range of scenarios that could materialise, and to manage our risks accordingly.

Second is the amount of the risk taken at an aggregated level.

One of the US regional banks that experienced a bank run had significant sector and geography concentrations to the startup tech sector in California. The downturn experienced in the startup tech sector resulted in a confidence issue that was exacerbated by having to recognise mark-to-market losses on its bond portfolio.

This served as a reminder of the need for a well-diversified credit portfolio. Every economy and every industry would, over the course of time, run through a full credit cycle with both its attending booms and busts.

Banks in Asia also had concentrated portfolios and funding bases back during the Asian Financial Crisis. At OCBC, we have since strived to maintain a diversified business, both in our credit portfolio and in our funding base. It remains key that each loan is underwritten carefully, and the portfolio concentrations are actively managed to remain resilient.

We were fortunate that we were able to ride out the Covid-19 pandemic with the economic assistance provided by governments, and the sharp spikes in interest rates. This is evidenced in our credit costs being kept low at around 20 basis points and our Non-Performing Loan ratio at around 1%.

Nevertheless, there are leads and lags in the credit cycle, and we continue to test our portfolio for vulnerabilities.

Third and most importantly, while each of the risk events may be 'unique' and differs slightly from the previous crisis, they inevitably translate into financial risks for the Bank.

Collectively, the number of 'unexpected' risk events that have global repercussions have been occurring a lot more often in the past decade than in the past. Economic cycles have also become shorter. With increased interconnectedness, events often result in second and third order effects beyond the initial trigger.

In such an operating environment, the lesson learnt is that we need to remain constantly vigilant with measured, purposeful risk-taking. There needs to be buffers for the unexpected; otherwise, the Bank may find itself with far fewer strategic options when stress events materialise.

In addition to managing the financial risks to support sustainable growth for the Bank, it has also been equally important to continually invest in both operational resilience and sustainability.

In a digital world with growing reliance on technology, network connectivity, digital assets and a complex online ecosystem, service disruptions and other risks have become more prevalent. Investments have been made to enhance the Bank's business continuity and manage third-party risks. Cyber defences have also been raised and safeguards implemented to mitigate the downside risk of phishing attacks and malware affecting our customers.

The advancements in artificial intelligence (AI) have brought about additional opportunities to strengthen our internal controls to better protect our customers. These include enhancing our fraud prevention and detection capabilities to deter potential attempts by fraudsters or threat actors targeting our customers.

However, AI has inadvertently allowed threat actors to have easy access to more sophisticated hacking tools, which could increase the cyber risk exposure of the Bank. Continued investment and constant vigilance are required to maintain and strengthen our cyber resilience, both in the physical and digital environments.

As part of our decarbonisation efforts, the Bank announced our Net Zero commitment and targets for six sectors – Power, Oil and Gas, Real Estate, Steel, Aviation and Shipping. This is part of our first steps to more actively manage climate risks that occur from our business operations. At OCBC, we are keenly aware that long term sustainability is not only about managing financial risks, but also contributing towards a more sustainable economy.

Looking forward

I expect 2024 to hold its share of surprises. Nevertheless, I am confident that the team stands ready to tackle the challenges in the year ahead. We have inculcated a strong risk culture and focused on the risk fundaments, strong capital and funding to buffer against any adverse developments in the operating environment. And, most importantly, we will continuously invest in our people and technology to enhance our risk management capabilities.

In my view, 2023 was a challenging year. Headwinds in geopolitical tensions and global trade persisted. The impact of China's reopening was weaker than expected. This was duly reflected in our proprietary OCBC SME Index, a measurement of SME business health and performance in Singapore, which turned contractionary in 2023. The Index had been in expansionary range for eight consecutive quarters over 2021 and 2022.

The Wholesale Banking Division was able to navigate the volatile economic landscape successfully, achieving another record operating profit in 2023, 40% higher than a year ago. This was supported by interest rate hikes, broad-based loan growth and higher non-interest income.

We continued to see growth momentum in core strategic sectors including digital infrastructure, telecoms, media and technology, and sustainability-related industries such as renewable energy. A notable project that we supported last year was the launch of a 192 MW floating solar project in Taiwan's Changhua Coastal Industrial Park. Operating in saline water instead of the conventional freshwater reservoir-based systems, this project represents a significant step forward for the renewable energy sector.

To better support increasing ASEAN-Greater China trade and investment flows, we expanded our Greater China Business Office coverage to include Vietnam. With the expanded network that includes Singapore, Malaysia, Indonesia and Thailand, we were able to better support Greater China corporates investing in ASEAN.

We continued our digitalisation efforts to acquire and deepen our relationships with customers as well as to improve customer experience.

In Malaysia, we rolled out a digital Shariah-compliant business account – OCBC eBiz Account-i – that can be opened entirely online. This builds on the highly successful and fully online OCBC eBiz Account that was launched in July 2021, which has consistently garnered over 10,000 sign-ups each calendar year.

We launched new QR collections options on our OneCollect platform, which lets merchants collect payments through a QR code. Monthly transactions on OneCollect grew 2.5 times from January 2023 to December 2023. The number of merchants registered grew by about 30 per cent in the same period.

We continued to enhance our Velocity and Mobile Banking platforms with new capabilities. Nearly 70 per cent of our trade finance customers in Singapore have done away with traditional paper applications and now apply online for trade solutions such as import letters of credit, banker's guarantees and trade loans. We also launched 35 new currencies for international payments, bringing the total to over 60 currencies.

In recognition of our efforts, we were awarded the Best Transaction Bank in Singapore, as well as the Best Corporate Mobile Initiative – "OCBC Business App" at The Asian Banker Transaction Finance Awards.

Towards a Net Zero ASEAN and Greater China

Our sustainable finance loan commitments surpassed $50 billion in 2023, well ahead of our targeted timeline of 2025. Particularly for SMEs across the region, we saw promising traction in their energy transition plans. Their take-up of sustainable financing doubled year-on-year to reach over $7 billion, with the number of borrowers doubling to more than 1,200.

In May 2023, we unveiled science-based decarbonisation targets for six high-emissions intensive sectors – Power, Oil and Gas, Real Estate, Steel, Aviation and Shipping – and the key actions that the Bank will take to meet these targets as part of our commitment to achieve Net Zero in our financed emissions by 2050.

In addition, we committed not to extend project financing to upstream Oil and Gas projects that obtained approval for development after 2021. This is on top of the target (a 35% reduction in absolute emissions by 2030 for the Oil and Gas sector) that the Bank had set.

To drive this transition journey, we have developed sustainable financing solutions for our corporate clients to finance their green and transition business activities. The OCBC 1.5°C loan is one such example. A first-to-market sustainable financing solution, the loan incentivises corporates to set, and work towards, clear emissions reduction targets aligned with internationally recognised, science-based decarbonisation pathways for their sectors. The first OCBC 1.5°C loan was extended to Singapore's leading sustainable developer City Developments Limited.

Our commitment to sustainability earned us the Best Bank for Sustainable Finance in Singapore award at the Global Finance Sustainable Finance Awards 2023, as well as Management Award for Net Zero Contribution (Banking Industry) at the Hong Kong Green and Sustainable Finance Awards 2023.

Looking ahead

The macroeconomic outlook for 2024 remains volatile with continued geopolitical tensions, de-globalisation and expectation of rate cuts.

We will continue to tap ASEAN-Greater China flows, further build expertise in core strategic sectors globally, maintain our leadership in our SME franchise in Singapore and challenge incumbents for SME businesses in our core markets outside Singapore.

We will also stay focused on building up our product capabilities, putting emphasis on transaction banking products, investing in digital and data capabilities to grow the customer franchise, and streamlining processes to improve the employee experience.

Specifically, to build up our transaction banking capabilities in Greater China, the Bank will invest more than $50 million over the next three years. We target to achieve more than 500 regional mandates for cash management over the next five years.

Sustainability will continue to be of importance to us, with the strategic focus firmly placed on transition advisory and financing. We will continue to roll out new, innovative products to support our customers in their Net Zero ambitions.

Despite ongoing headwinds on the horizon, we remain steadfast in our commitment to clients. We are well-equipped to support them in navigating the challenges that lie ahead, with our deep understanding of local market dynamics, ever-growing digital capabilities and diverse sectoral expertise.

In May 2023, we unveiled ambitious, science-based 2050 and 2030 Net Zero targets spanning six key industry sectors for our corporate and commercial banking credit portfolio.

In my view, the global economy in 2023 was more resilient than widely anticipated, driven by healthy corporate and consumer balance sheets, and expansionary US fiscal policies.

We continue to see fresh funds from our core markets. In particular, the number of family office clients grew about 30% last year, reinforcing our position as a leading player in this space.

We have also seen meaningful growth in the penetration rate of our clients within alternative investing, having invested in our alternative capital platform over the last few years.

Receiving various accolades – such as 'Best Overall Asia Private Bank' by WealthBriefing Asia and 'Best Client Reporting Platform in Asia' by Professional Wealth Management is testament to our commitment to our clients.

On the people front, we made new strategic senior appointments across our three hubs in 2023 to shore up our bench strength. We are committed to creating opportunities and strengthening the organisational culture for our people, also our greatest asset, to collaborate, succeed and thrive.

Sharpening our focus

Coming into this role in March last year, I had a very clear goal for Bank of Singapore; to be the top Asian Private Bank – rooted in Asia, but global in perspectives.

I am confident that this is within our reach given our stellar track record. This is despite the Bank being one of the youngest private banks in the industry.

Singapore's growing stature as a global wealth management hub and Asia's rising prosperity, position us well to achieve our goal.

Building on the previous successes, we intend to sharpen our capabilities for the next stage of growth. As such, we went through a reorganisation in 2023, with a view to ensure we have the right pillars and engines for the next phase of growth.

One part of the reorganisation was about working to reduce cross-border management by business heads with more robust in-market oversight and governance, while sharpening our focus on family offices and financial intermediaries.

A dedicated advisory platform for our family office and financial intermediary clients has been created, to provide them with customised solutions and services to meet the increasing demand for wealth planning and portfolio advisory. We are confident that the enhanced platform will further accelerate our growth in this segment in the coming years.

In fact, there is potential for the financial intermediary segment in Asia to grow to similar levels as that of Europe's. Based on our estimates, the segment constitutes about 30% of the private wealth business there.

We also strengthened hub-to-region strategies. Meaning, Singapore will clearly serve Singapore, Indonesia, Malaysia, Thailand, the Philippines and Japan, as well as Non-resident Indian (NRI) and Chinese clients. Hong Kong will serve Hong Kong SAR, China and Taiwan. The Dubai and European offices will serve the Middle East, Europe and the NRI clients there.

A unit dedicated to driving One Group collaboration to meet our ultra-high net worth clients' business and financial needs beyond wealth management has been set up. We want to make it clear that we offer a comprehensive suite of financial solutions (from corporate and commercial banking to treasury and insurance) through the OCBC Group's strong network across ASEAN and Greater China.

Our Chief Investment Office is now a standalone unit. This will strengthen our value proposition of becoming the go-to bank for mandate solutions and discretionary portfolio management.

We will continue to strengthen our alternative investments offering by expanding our platform for greater access to direct co-investments into private companies, as well as a much more comprehensive suite of hedge fund solutions and portfolios.

Looking ahead

Heading into 2024, the economic outlook may weaken given restrictive monetary policy settings and geopolitical uncertainties.

The private banking space remains a crowded one. So does the financial intermediaries space. Fintech proliferation and digitisation will also continue to make asset management easier for clients to execute.

That said, this will not deter us from our commitment to clients. We will continue to help them navigate the challenges ahead, access opportunities, manage risks and align their portfolios to their investment goals.

We must clearly differentiate ourselves. Our role is to educate and advise, to help our clients navigate the volatile wealth landscape. Access may be easy to get nowadays but the expertise we have must and will remain valuable to clients through the generations.

The development of our talent and a strong sense of teamwork are an area that the management team and I pay particular attention to.

While we continue to invest in digital tools to provide timely and personalised advisory services and investment solutions, people remain firmly at the centre of our strategy.

We want everyone to win together. Growth, we believe, will come as a result of teamwork and a sense of togetherness.

Bank of Singapore organized the "In Conversation with The Right Honourable Dame Jacinda Ardern" client conference in November 2023. The former New Zealand Prime Minister shared her views on several topics in a dialogue hosted by prominent business leader Mr Ho Kwon Ping.

In my view, the continued success of our consumer banking business will be increasingly dependent on how we can capitalise on the opportunities from rising Asian wealth, which is a key pillar of our corporate strategy. We have observed that individuals are looking at different markets for diversification opportunities, leading to more wealth flows in the region. These are what we want to capture. But how will we go about achieving this? First, we must accelerate acquisition across the region. Second, we must deepen our engagement with customers. Digital plays a key role in both areas.

Accelerating acquisition around the region

Let me first talk about acquisition and our progress on this front. We doubled down on our efforts to grow our customer base across the region and I am pleased to share that new-to-bank customers across all our core markets grew 26% year-on-year.

A key initiative that drove acquisition was the launch of a fully digital account opening process for customers across the region. Consumers in Hong Kong SAR, Indonesia, Malaysia and Mainland China who plan to relocate to Singapore can open an OCBC Singapore account remotely using our OCBC Digital app – and it would take them just minutes. I am very proud of the team for pushing this through and enabling us to be the first Singapore bank to have this capability.

Acquisition for our Premier Banking segment was also strong. Here, our twin wealth hubs of Singapore and Hong Kong SAR are especially attractive. Hong Kong SAR was a market where we made a concerted effort last year. As a result, we grew our Premier Banking customer base there by 47% year-on-year. As we continue our ambition to make our Premier Banking customer onboarding process more seamless in our core markets, customers can also apply to be a Singapore Premier Banking customer if they wish. This is particularly where we want to leverage our digital strengths to capture wealth flows.

Another way that we acquire is by tapping on the strengths of OCBC Group. As our Group CEO Helen explains in her message, we have a powerful One Group, One Brand proposition. When businesses come from Greater China to ASEAN, not only can the business itself bank with OCBC, but their owners can become OCBC Premier Banking or Premier Private Client customers, too. From there, they could eventually become customers of our private banking arm, Bank of Singapore. This is what we call the wealth continuum, and we can support individuals at every stage. That is what makes us unique.

Engaging our customers digitally

Acquiring customers is just the first step. It is vital that we have meaningful engagement thereafter. We must give them a reason to continue choosing OCBC every single day. A key thrust will be to beef up our digital wealth capabilities. We already have an edge here as OCBC Digital is one of the most comprehensive digital wealth platforms and usage has been encouraging. For example, there has been a 30% year-on-year increase in the use of our OCBC Financial OneView dashboard for customers in Singapore. This allows our customers to consolidate all their financial information from various financial institutions with us, making financial planning easier. Thereafter, if they do decide to invest, they are more likely to do so with us. In 2023, there was a 45% year-on-year increase in the sale of gold on our digital app.

Even our foreign customers based in Singapore markedly increased their investments through the OCBC Digital app. In 2023, they grew their investments 1.5 times from 2022, and a whopping nine times from 2020. This speaks to how our digital wealth management services are increasingly sought after, and why we will continue to invest in strengthening our capabilities.

We also want to introduce more innovative digital products and services that address customers' lifestyle needs. For instance, as travel continued to pick up, we strengthened our OCBC Digital app's cross-border QR payment capabilities. Notably, there was a seven-times increase in cross-border QR payments since we launched Alipay+ on OCBC Digital in September 2023. This was in addition to our partnerships with UnionPay, Thailand's PromptPay, Malaysia's DuitNow and now – most recently in November 2023 – Indonesia's Quick Response Indonesian Standard. OCBC Digital is now the most comprehensive app for cross-border payments among banks in Singapore, with the greatest number of QR-enabled payment partners.

Never losing sight of our Purpose and Values

Even as we move full steam ahead, I want to assure our customers that it will not be growth for growth's sake. We are anchored on doing the right thing and helping customers achieve their aspirations, whether it is advising them about financing their dream home and car, or putting forth even more compelling card propositions that fit their lifestyles – the list goes on. This goes back to OCBC's Purpose – to enable people and communities to realise their aspirations – as well as our Values. To me, this is what it means to serve from the heart, which in turn is true customer engagement.

We are proud to say that financial transactions performed digitally across our core markets are growing. In Singapore, 97% of financial transactions are now performed digitally, while the figures are 96% in Malaysia and 95% in Indonesia. Still, we cannot forget that some of our customers are not as digitally savvy. That is why we are not a digital-only bank. Branches remain key and we have leveraged them for the very well-received OCBC Digital Silvers workshops in Singapore.

In 2023, through the OCBC Digital Silvers workshops, we empowered over 2,700 elderly customers by equipping them with the basics of digital banking and knowledge on how to keep safe from scams.

'Heart' is also the reason why we moved quickly to protect our customers from malware and phishing scams.

In August 2023, we were the first bank in Singapore to introduce an anti-malware security feature on our OCBC Digital app. The introduction of this measure required striking a balance between security and convenience. Here, our customers' feedback was invaluable as we tweaked the security feature to enhance customer experience without compromising their security, enabling them to turn off risky 'Accessibility' settings on downloaded apps so their access to the OCBC Digital app would not be blocked.

Just a few months later in November 2023, we introduced OCBC Money Lock so customers can guard against digital transfers made by scammers. We enabled customers to lock up their funds without opening a new account, and to unlock funds via our entire ATM network 24/7 without having to visit a bank branch during opening hours. Again, this was about balancing security and convenience – a tricky task, but one that I think the team managed well. We will continue to bolster our security measures going forward so our customers can bank with confidence.

I truly believe that at the heart of it all, banking is a people business. We are therefore especially grateful for our customers' trust in us, which has spurred OCBC to become what it is today. We look forward to being their go-to partner for all their wealth and banking needs for years to come.

Kenneth
Global Markets

In my view, 2023 was fraught with events that resulted in increased volatility for the financial markets. The US regional banking crisis, geopolitical events in the Middle East, and higher for longer rates that led to higher funding costs made it quite a challenging year.

Despite the challenges faced, our strategic initiatives on enhancing our sales and trading capabilities yielded positive outcomes. We have successfully grown our customer base, increased cross sell for treasury products, expanded our product suite and achieved a 29% year-on-year growth in our customer-facing revenues.

Supporting our customers along their sustainability journeys

To assist our customers in their Sustainability journeys, our Emissions Trading desk, together with our Sales and Structuring desk, have provided our customers with carbon credit solutions to help them offset their carbon footprint, and move closer towards their net-zero goals.

Aside from carbon credits, we continue to see demand across all our customer segments – corporates, financial institutions, retail, and high-net-worth individuals – for sustainability-themed products. These products include sustainability-linked interest rate swaps, green structured deposits, ESG bonds, and carbon credits.

Enhancing customer experience with digital transformation

While we embarked on our digital transformation journey some years ago, it still remains a key focus for us as technology keeps rapidly advancing. We launched FX Invest which offers 24/7 pricing and execution for customers to transact FX beyond market hours and even on weekends. The platform now incorporates market insights and personalised price alerts on FX movements. Customers can also utilise in-built FX charts to monitor market trends and set automatic execution orders at their preferred rate. We also increased our online product suite to include precious metals such as gold and silver. We partnered with ADDX (a digital market exchange) and were the first Singapore bank to issue a tokenised equity-linked structured note for accredited investors. As a testament to Global Markets' achievements in our digital transformation journey, OCBC won the following awards:

1. Best for Digital Solutions, Asia Pacific award – Corporate Treasurer Awards 2023
2. Best Retail FX Platform award for two consecutive years (2022 and 2023) – FX Markets Asia
3. Best Online FX Platform in Southeast Asia award for two consecutive years (2022 and 2023) – Alpha Southeast Asia

Shoring up our strengths in line with our ASEAN-Greater China focus

With increased transaction volumes in interest rate derivatives from our customers for Asian and G7 currencies, OCBC Singapore applied for direct clearing membership and is now a member of LCH SwapClear and OTC Clearing Hong Kong Limited (OTC Clear). With OTC Clear membership, we are able to clear cross currency swaps (CCS) and interest rate swaps (IRS) in HKD and CNH. Membership also allows us access to Mainland China's onshore swap market through Swap-Connect. With direct clearing membership through both LCH SwapClear and OTC Clear, OCBC is able to reduce counterparty exposure and achieve savings on risk weighted assets.

Looking ahead

We continue to be vigilant in 2024, and mindful of the macroeconomic environment. Global growth is expected to slow down and the inflation path remains uncertain, taking longer to return to target levels. We expect pockets of volatility both in FX and Rates to provide trading opportunities. The expected Federal Reserve rate cuts in the second half should also provide a more conducive environment for investment into financial assets.

Overall, we expect a stronger performance for Global Markets in 2024. We will continue to be a valuable partner to our customers in providing solutions for their financial needs.

Asia Risk Awards 2023.
Derivatives house of the year, Singapore (We won in 2016-2020, 2022 and 2023).

CorporateTreasurer Awards 2023.
The five awards won are: Best for FX/Hedging Solutions in Asia Pacific, and in Singapore; Best for Digital Solutions in Asia Pacific, and in Singapore; and Best for Sustainable Treasury Solutions in Singapore.

In my view, building agility, resilience and critical skills at the workplace is more important than ever before. New technologies, such as artificial intelligence (AI) and blockchain, are increasingly disrupting the workplace and current job roles.

In the face of such transformations, we remain even more resolute in continuing to provide growth and job mobility opportunities for our colleagues throughout their career with us.

Beyond technology disruption and its impact on jobs and skills, we also worked to address issues that our colleagues may face during these challenging times. For example, in recognition of rising cost-of-living concerns, we rolled out a one-off support to more than 14,000 junior colleagues. The support totalled close to $9 million and covered colleagues across OCBC and our subsidiaries globally.

Our commitment to our people is demonstrated by the recognition we have received, which includes the 'IBF Inspire Award' from The Institute of Banking and Finance Singapore (IBF), the 'Wellbeing Innovation Award' from Workwell Leaders and the 'Best Employer Award in Greater China' from HRoot.

Our vision remains unchanged; we want OCBC to be a place where the best want to work, and where our people enjoy coming to every day, for now and beyond.

Investing in our people

Building on our previous investment of $50 million, we are committing another $30 million towards employee development and mobility over the next three years from 2023 to 2025.

This, to me, is the most fundamental way we can motivate and engage our people, helping them grow with us. It also helps us build a more resilient workforce where there is a breadth of skills and not just technical domain expertise.

Training and certifying senior leaders as career coaches is one of the new programmes that we have introduced. The internal coaching certification programme, which is in line with the Internal Coaching Federation's framework, has seen more than 20 senior leaders certified since its launch in October 2023.

All colleagues – regardless of their ranks – will be able to tap on the guidance from these coaches. This approach distinguishes our programme from others (typically, career coaches are available only to senior employees). Response to the programme, from both senior leaders and other colleagues, has been overwhelming.

An artificial intelligence (AI)-driven career marketplace is another initiative that will be made available to all colleagues globally in the second quarter of 2024. In line with the Singapore government's push towards a skills-first approach, which is also intrinsically ours, the platform goes beyond being a regular job portal.

Personalised recommendations for roles within the Group will be delivered to colleagues. The suggestions will be derived by reviewing a colleague's skill set based on their existing role, the courses they have completed, and the competencies required for various job openings.

In the future, colleagues will be able to apply for short-term stints within the bank (outside of their regular roles). These gig assignments provide yet another avenue to add to the skills portfolio of our colleagues.

Developing the leader in everyone

One of our learning design principles is anchored on leadership. This is all about positive modelling, guidance and sharing by leaders of all definitions. Leadership programmes at OCBC are not limited solely to senior colleagues. Instead, we offer a comprehensive suite of programmes covering self-leadership, peer leadership and organisational leadership across different ranks, including entry-level colleagues across the Bank.

Over the last five years, we have grown the number of leadership programmes by more than five times.

These programmes include the OCBC Nanyang Technological University Executive Development Programme, LEAD (a three-month programme to build key competencies from adaptability and strategic thinking, to leading courageously), OCBC INSEAD Executive Development Programme and BOLD (a group-wide senior leadership programme which provides experienced leaders with insights and perspectives on global issues affecting organisations and countries).

Through these, we equip our people for leadership success by honing their agility and ability to effectively navigate uncertain and complex situations, both individually and as leaders.

Our leadership programmes also emphasise meaning and purpose, empowering our colleagues to pursue passion projects. Guided by OCBC's Purpose – to enable people and communities to realise their aspirations – a team of colleagues across various divisions under our LEAD programme realised an 18-month-long project in December 2023.

It was a project that contributed meaningfully to those in need, specifically those without access to digital devices.

The team was spurred on by this thought: In a digital age where much learning happens online, no one should be left behind. Not having a computer could hamper an underprivileged person's learning opportunities, employment chances and social participation in the long run.

Through Care Corner Singapore, the team was able to distribute 120 serviceable 'retired' laptops to underprivileged families.

We are deeply encouraged by the commitment displayed by the team through the long hours they spent outside of work on their project, which ran far beyond the three-month LEAD programme. This demonstrates the significant impact leadership can have. It serves as an inspiration for more colleagues to follow in the future.

Building workplace diversity

In 2023, we doubled down on our hiring efforts to provide opportunities for individuals who may have been overlooked in traditional hiring practices.

Jerome Syed, an individual with hearing impairment, joined OCBC's Human Resources Marketing team as a Social Media Content Writer in August 2023.

We partnered three non-profit organisations – SG Enable, Autism Resource Centre and SPD – to avail employment opportunities for persons with disabilities. These individuals took on roles within our Human Resources Marketing, Digital Transformation and Operations & Technology teams.

I am pleased to share that through working with them, colleagues have found that our work culture has been enriched. We hope to build on this momentum by exploring the possibility of having a contact centre staffed by persons with disabilities eventually.

To assist with the integration of these new colleagues, job coaches and mentors are matched to them to provide on-the-job support and guidance. In collaboration with our partners, we also conducted disability awareness trainings and provided disability etiquette resources to foster understanding and sensitivity among colleagues, creating a supportive environment.

Another group in the community that we have focused on integrating into our workforce are individuals who wish to return to work – these include mums, caregivers and retirees.

Under a new programme that targets such individuals, they can take up permanent half-day work arrangements, work full- or part-time based on hours of their choice or opt for project-based gig work. At present, they have taken up roles at various bank branches, and in our Legal & Compliance and Operations teams.

We will continue to explore more opportunities to bring diversity to our OCBC workforce. With the foundation that we have put in place, we are making good progress towards realising our vision of making OCBC a place where the best want to work, and where our people enjoy coming to every day.

Corporate Governance

The Bank's governance framework enables it to foster stakeholder confidence, ensuring long-term sustainability and value creation. Its corporate governance structure and policies are robust, underpinned by core values: Lasting Value, Integrity, Forward-looking, Respect and Responsibility (LIFRR). The Bank upholds the highest standards of corporate governance and complies in all material aspects with corporate governance regulations, code and guidelines established in Singapore.

Disclosures made pursuant to the Bank's corporate governance practices are summarised on pages 66 and 67 of this Annual Report.

Board Matters

Principle 1: The Board's Conduct of Affairs

The Board is elected by the shareholders to supervise the management and affairs of the Bank. The prime stewardship responsibility of the Board is to ensure the viability of the Bank and to ensure that it is managed in the best interests of the Bank as a whole while taking into account the need to safeguard the interests of shareholders, customers and other stakeholders. The Bank has a board charter approved by the Board.

Broadly, the responsibilities of the Board include the following:

- reviewing, approving and overseeing the implementation of strategic direction and overall business objectives as well as organisation structure, as developed and recommended by management;
- ensuring that decisions and investments are consistent with long-term strategic goals;
- ensuring that the Bank operates in such a way as to preserve its financial integrity and in accordance with policies approved by the Board;
- overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls;
- providing oversight in ensuring that the Bank's risk appetite and activities are consistent with its strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- overseeing, through the Risk Management Committee, the establishment and operation of independent and effective risk management systems and frameworks, processes and internal control mechanism for managing risks on an enterprise-wide basis, and ensuring that the risk management function is sufficiently resourced to manage the various risks exposed by the Bank and that it has appropriate independent reporting lines;
- reviewing any transaction for the acquisition or disposal of assets that is material to the Bank;
- ensuring that the necessary resources are in place for the Bank to meet its objectives;
- reviewing management performance and ensuring that management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- overseeing, through the Ethics and Conduct Committee, the establishment and review of the code of conduct and ethics as well as the culture and conduct framework emphasising integrity, honesty and proper conduct at all times with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- overseeing, through the Nominating Committee, the appointment or reappointment, election or re-election, resignation and retirement of Directors of the Bank as well as the appointment, dismissal, resignation and retirement of senior management, ensuring that principles of transparency, accountability and meritocracy are observed;
- overseeing, through the Remuneration Committee, the design and operation of an appropriate remuneration framework, and ensuring that remuneration practices are aligned to and in accord with the remuneration framework;
- providing a balanced and understandable assessment of the Bank's performance, position and prospects, including interim and other price-sensitive public reports as well as reports to regulators;
- ensuring that obligations to shareholders, customers, employees and others are understood and met;
- maintaining records of all meetings of the Board and Board Committees, particularly records of discussion on key deliberations and decisions taken;
- identifying the key stakeholder groups, recognising that perceptions affect the Bank's reputation; and
- considering, through the Board Sustainability Committee, sustainability matters, e.g. environmental, social and governance (ESG) factors, as part of strategy formulation.

Directors with conflicts of interests are required under the Bank's Constitution to recuse themselves from meetings and decisions involving issues of conflicts.

Board Approval
The Bank has documented internal guidelines for matters that require Board approval. These guidelines are communicated to management in writing. Matters which are specifically reserved for Board approval, amongst others, are:

- corporate strategy and related operational plans;
- material acquisition and disposal of assets;
- corporate or financial restructuring; and
- share issuance, dividends and other returns to shareholders.

The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board Committees and management to optimise operational efficiency.

Board Access to Information
Directors are provided with complete information related to agenda items in a timely manner before each meeting to allow adequate time for review. Directors are also equipped with electronic tablets that allow secured access to Board and Board Committee meeting materials, including background information on matters to be addressed by the Board. On an on-going basis, relevant information is also provided to Directors to enable them to make informed decisions when discharging their duties and responsibilities. This includes information such as disclosure documents, monthly internal financial statements, risk management reports, operational plans, forecasts, and reports of variances from operational plans and forecasts.

The Board and its Committees have unfettered access to information which the Bank is in possession of and to the Bank's senior management and Company Secretary. The Directors, individually or as a group, can also take independent professional advice from external advisors (when necessary) at the Bank's expense. The role of the Company Secretary is defined.

The Company Secretary attends all board meetings and ensures that board procedures and applicable regulations are complied with. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Committees and between senior management and non-executive Directors, and facilitates the orientation of new Directors and professional development of Directors, as required. The appointment and removal of the Company Secretary requires Board approval.

Board Committees
While the Board has ultimate responsibility for the affairs of the Bank, various Board Committees have been established to assist the Board in discharging its duties more effectively. The Board Committees have clearly-defined terms of reference and changes to the terms require Board approval. The Board and its Committees maintain records of all meetings setting out in detail key deliberations and decisions taken. The minutes of each Committee meeting are also circulated to members of the Board who are not members of that particular Committee. The composition and summary terms of reference of each of these Committees are as follows.

- **Executive Committee**
  The Executive Committee comprises Dr Lee Tih Shih (Chairman), Mr Andrew Lee and Dr Andrew Khoo. A majority of the Committee, i.e. Mr Andrew Lee and Dr Andrew Khoo, are independent Directors.

  The Committee has written terms of reference that describe the responsibilities of its members.

  The Executive Committee oversees – within the parameters delegated by the Board – the management of the business and affairs of the Bank and the Group. It reviews the Bank's policies, principles, strategies, values, objectives and performance targets. These include investment and divestment policies. It also endorses such other matters and initiates such special reviews and actions as are appropriate for the prudent management of the Bank.

- **Nominating Committee**
  The Nominating Committee comprises Dr Andrew Khoo (Chairman), Mr Andrew Lee, Ms Christina Ong, Mr Pramukti Surjaudaja and Ms Tan Yen Yen. All members, other than Mr Pramukti Surjaudaja, are independent Directors.

  The Committee has written terms of reference that describe the responsibilities of its members.

  The Nominating Committee plays a vital role in reinforcing the principles of transparency, accountability and meritocracy at the Bank. It plans for board succession and ensures that only the most competent individuals capable of contributing to the success of the organisation are appointed, taking into account diversity, gender equality and sustainability considerations. This includes reviewing all nominations for the appointment or reappointment, election or re-election as well as resignation or retirement of Directors and members of the Executive Committee, Remuneration Committee, Audit Committee, Risk Management Committee, Ethics and Conduct Committee and Board Sustainability Committee. The Nominating Committee also has oversight of the appointments of directors to boards of key subsidiaries to ensure governance standards are aligned with the Bank's. On an annual basis, the Nominating Committee is charged with determining whether or not a Director is independent, capable of carrying out the relevant duties and qualified to remain in office. In addition, it reviews nominations for the appointment as well as dismissal, resignation or retirement of senior management, including the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Risk Officer and Chief Operating Officer. It makes recommendations to the Board on relevant appointments, including the compensation package for offer of employment, promotion and cessation of employment. The Nominating Committee reviews obligations arising in the event of the termination of the contracts of service of executive Directors and senior management, to ensure such contracts contain fair and reasonable termination clauses. It also oversees the overall talent management framework and programmes, including the disclosure of related target metrics.

- **Audit Committee**
  The Audit Committee comprises Mr Chua Kim Chiu (Chairman), Ms Chong Chuan Neo, Mr Seck Wai Kwong and Ms Tan Yen Yen. All members, including the Chairman, are independent Directors and have recent and relevant accounting or related financial management expertise or experience. The Audit Committee members are not partners of PricewaterhouseCoopers LLP, the external auditor of the Bank, and hold no financial interest in the firm.

  The Audit Committee performs the functions specified in the Companies Act, the Code of Corporate Governance 2018 (the Code), the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual, and the corporate governance regulations and guidelines issued by the Monetary Authority of Singapore (MAS).

  The Committee has written terms of reference that describe the responsibilities of its members. The Board approves the terms of reference of the Audit Committee. The Committee may meet any time and no fewer than four times a year. It has full access to and co-operation from management, and has the discretion to invite any Director and executive officer to attend its meetings. It has explicit authority to investigate any matter within its terms of reference.

  Further information on the Audit Committee is provided under Principle 10 on pages 61 to 63.

- **Remuneration Committee**
  The Remuneration Committee comprises Ms Christina Ong (Chairman), Mr Andrew Lee, Dr Andrew Khoo and Mr Pramukti Surjaudaja. All members are non-executive Directors and, other than Mr Pramukti Surjaudaja, are also independent Directors. All are knowledgeable in executive compensation matters, given their extensive experience in senior corporate positions and major appointments.

  The Committee has written terms of reference that describe the responsibilities of its members.

  The Remuneration Committee recommends to the Board a framework for determining the remuneration of executive officers, and reviews the remuneration practices to ensure that they are aligned with the approved framework. It is empowered to review the human resource management policies and the policies governing the compensation of executive officers of the Bank and its subsidiaries, as well as the remuneration of senior executives and Directors. In its assessment of the performance and compensation of senior executives, the Remuneration Committee may take into consideration factors such as job function, business risk and overall performance of the organisation, as well as sustainability performance criteria. The Remuneration Committee also administers the Bank's employee share ownership schemes. In its deliberations, the Remuneration Committee takes into account remuneration principles, practices and standards that may be specified by MAS from time to time.

- **Risk Management Committee**
  The Risk Management Committee, which supports the Board in performing its risk oversight responsibilities, comprises Mr Andrew Lee (Chairman), Mr Chua Kim Chiu, Mr Seck Wai Kwong, Ms Tan Yen Yen and Ms Helen Wong. All members, other than Ms Helen Wong, are independent Directors. All members have the relevant technical financial expertise in risk disciplines or businesses to discharge their responsibilities. Mr Chua Kim Chiu, Mr Seck Wai Kwong and Ms Tan Yen Yen also serve on the Audit Committee. The common membership helps to facilitate communication and foster the sharing of information and knowledge between the two Committees.

  The Committee has written terms of reference that describes the responsibilities of its members.

  The Committee reviews the overall risk management philosophy in line with the overall corporate strategy as set and approved by the Board. It oversees the establishment and operation of independent risk management systems and frameworks for identifying, measuring, monitoring, controlling and reporting risk on an enterprise-wide basis. This includes ensuring the adequacy of risk management practices for material risks such as credit, market, liquidity, operational, information security and digital, conduct, financial crimes (including money laundering, terrorism financing and fraud), legal, regulatory, reputational, strategic as well as ESG (including climate) risks.

  The Committee reviews the scope, effectiveness and objectivity of the Group Risk Management Division. It ensures that the risk management function has appropriate independent reporting lines and is adequately resourced with experienced and qualified employees to monitor risk by the various risk categories. It approves the risk management frameworks, internal control systems and major policies, as well as reviews the risk appetite statement, risk disclosure policy and risk management principles for the approval of the Board. It also reviews the risk profile, risk tolerance level and risk strategy of the Bank for effective risk management, as well as the risk reports to monitor and control risk exposures. The Chief Risk Officer has direct reporting lines to the Committee and CEO.

Activities performed by the Risk Management Committee are also described under the section on Risk Management on pages 75 to 87.

- **Ethics and Conduct Committee**
  The Ethics and Conduct Committee supports the Board in overseeing efforts to build and maintain a strong and responsible organisational culture firmly founded on the Bank's LIFRR core values and the spirit of long-term thinking. The Committee comprises Ms Christina Ong (Chairman), Mr Andrew Lee and Ms Chong Chuan Neo. All members are independent Directors.

  The Committee has written terms of reference that describe the responsibilities of its members.

  The Committee reviews and assesses the state, adequacy, effectiveness and relevancy of the Bank's culture and conduct programmes and initiatives. Such review and assessment take into account regulatory policies, guidelines and expectations and desired outcomes. As part of its oversight on sustainability matters, the Committee also oversees management of employee practices (including employees' wellbeing and diversity and inclusion), and ethical conduct (including anti-bribery, anti-corruption and fair dealing), and considers the Bank's position on matters relating to human rights. Management will also apprise the Committee of key communication programmes to stakeholders on core values, desired behaviours, ethics, culture and conduct.

- **Board Sustainability Committee**
  The Board Sustainability Committee was established on 7 February 2023 to support the Board in its oversight of the Bank's sustainability matters in conjunction with other relevant Board Committees. The Committee comprises Ms Chong Chuan Neo (Chairman), Mr Andrew Lee and Ms Helen Wong. The members, other than Ms Helen Wong, are independent Directors.

  The Committee has written terms of reference that describe the responsibilities of its members.

  The Committee provides strategic direction on sustainability matters, with a focus on climate and environment (including net zero for financed emissions and carbon neutrality for operational emissions), social, and broader sustainability agenda that are not under the purview of other Board Committees. It approves and oversees the management and monitoring of ESG factors that are material to the business and considers the Bank's position on relevant emerging sustainability trends and issues. It also approves the Bank's Board statements, sustainability report and related disclosures.

Directors' Attendance at Board and Board Committee Meetings in 2023

Details of attendance at scheduled Board and Board Committee meetings are described in the tables below. In 2023, the Board and its Committees held a total of 38 meetings comprising 29 scheduled meetings and 9 ad hoc meetings. In addition, the Directors also attended regular briefings on macroeconomic developments, as well as briefings conducted by Committees (in which they are not members) on critical subjects such as climate and sustainability and new accounting treatment.

	Board		Executive Committee (Exco)		Audit Committee (AC)	Nominating Committee (NC)	
	Scheduled	Ad Hoc	Scheduled	Ad Hoc	Scheduled	Scheduled	Ad Hoc
Name of Director	Held[(1)]/Attended	Attended	Held[(1)]/Attended	Attended	Held[(1)]/Attended	Held[(1)]/Attended	Attended
Andrew Lee[(2)]	5/5	2	4/4	1	–	2/2	2
Ooi Sang Kuang[(3)]	1/1	–	–	–	1/1	1/1	–
Chong Chuan Neo[(4)]	5/5	2	–	–	5/5	–	–
Chua Kim Chiu	5/5	2	–	–	5/5	–	–
Andrew Khoo	5/5	2	4/4	1	–	2/2	2
Koh Beng Seng[(5)]	1/1	–	–	–	–	–	–
Lee Tih Shih[(6)]	5/5	2	4/4	1	–	–	–
Christina Ong	5/5	2	–	–	–	2/2	2
Seck Wai Kwong[(7)]	1/1	1	–	–	1/1	–	–
Pramukti Surjaudaja[(8)]	5/5	2	–	–	–	1/1	2
Tan Yen Yen	5/5	2	–	–	5/4	2/2	2
Helen Wong[(9)]	4/4	2	–	–	–	–	–

	Remuneration Committee (RC)		Risk Management Committee (RMC)		Board Sustainability Committee (BSC)	Ethics and Conduct Committee (ECC)		ID Meeting	AGM
	Scheduled	Ad Hoc	Scheduled	Ad Hoc	Scheduled	Scheduled	Ad Hoc		
Name of Director	Held[(1)]/ Attended	Attended	Held[(1)]/ Attended	Attended	Held[(1)]/ Attended	Held[(1)]/ Attended	Attended		
Andrew Lee[(2)]	2/2	1	6/6	2	2/2	2/2	1	1	1
Ooi Sang Kuang[(3)]	1/1	–	–	–	–	–	–	–	–
Chong Chuan Neo[(4)]	–	–	–	–	2/2	2/2	1	1	1
Chua Kim Chiu	–	–	6/5	2	–	–	–	1	1
Andrew Khoo	3/3	1	–	–	–	–	–	1	1
Koh Beng Seng[(5)]	1/1	–	1/1	–	–	–	–	–	–
Lee Tih Shih[(6)]	–	–	–	–	–	–	–	–	1
Christina Ong	3/3	1	–	–	–	2/2	1	1	1
Seck Wai Kwong[(7)]	–	–	2/2	–	–	–	–	–	–
Pramukti Surjaudaja[(8)]	3/3	1	–	–	–	–	–	–	1
Tan Yen Yen	–	–	6/6	2	–	–	–	1	1
Helen Wong[(9)]	–	–	5/5	2	2/2	–	–	–	1

(1) Reflects the number of meetings held during the time the Director held office.
(2) Appointed as Board Chairman and RC member on 1 February 2023, RMC Chairman on 3 February 2023 and BSC member on 7 February 2023.
(3) Stepped down as Board Chairman, Exco Chairman, AC, NC, RC and ECC member on 31 January 2023.
(4) Appointed as BSC Chairman on 7 February 2023.
(5) Stepped down as Board Member, RMC Chairman, Exco and RC member on 3 February 2023.
(6) Appointed as Exco Chairman on 1 February 2023.
(7) Appointed as Board, AC and RMC member on 4 September 2023.
(8) Appointed as NC member and stepped down as ECC member on 1 February 2023.
(9) Appointed as Board, BSC and RMC member on 7 February 2023.

Directors attend and actively participate in Board and Board Committee meetings. Their contributions go beyond attendance at meetings. They individually or collectively engage with other Board members and management outside formal meetings in their oversight of the affairs of the Bank.

The Bank's Constitution provides for Directors to participate in Board and Board Committee meetings by means of video or audio conferencing.

Board Orientation and Development

A formal appointment letter and a director handbook are provided to every new Director. The handbook sets out, along with other corporate information, the time commitment required and the duties and obligations of Directors, as well as relevant rules and regulations such as those relating to the Banking Act and SGX-ST Listing Manual. The Bank conducts a focused orientation programme, presented by the CEO and senior management, to familiarise new Directors with its business and governance practices. The programme also enables the new Directors to be acquainted with senior management, thereby facilitating the latter's interaction with and access to the Directors. Arrangements are made for new Directors to visit the Bank's operations and facilities.

On a continuing basis, the Directors receive appropriate development to perform their roles on the Board and its Committees. This includes updates on global trends and regulatory developments as well as their impact on business, new businesses and products, sustainability, accounting and finance, corporate governance, risk management and anti-money laundering issues as well as fintech, technology and cybersecurity, which are provided by subject matter experts from within and outside the Bank. When deciding on the scope of the development to be provided, the knowledge and skills required to enable Directors to properly discharge their duties as members of the Board and its Committees are taken into account.

The Directors participate in external courses and learning experience as and when needed. The Bank funds the training and development programmes that it arranges for existing and new Directors. There is a formal record of all attendance at training sessions.

Training and updates provided to Directors in 2023 were on subjects that included:

- Emerging Sustainability Trends and Issues
- Monthly Economic Updates
- Information Security and Digital Risks
- Anti-Money Laundering, Countering the Financing of Terrorism and Sanctions
- Basel III Reforms
- Future of Banking

Principle 2: Board Composition and Guidance

The Bank has majority representation of independent Directors on its Board.

An independent Director of the Bank is one who is independent of any management, substantial shareholder and business relationship with the Bank, and who has not served for more than nine years on the Board. The Board at present comprises ten Directors of whom seven, a majority, are independent Directors. They are Mr Andrew Lee, Ms Chong Chuan Neo, Mr Chua Kim Chiu, Dr Andrew Khoo, Ms Christina Ong, Mr Seck Wai Kwong and Ms Tan Yen Yen.

Dr Lee Tih Shih is not independent of a substantial shareholder. Mr Pramukti Surjaudaja is not an independent Director as he has served for more than nine years on the Board and has an immediate family member, a sister, who is chief executive of the Bank's subsidiary, PT Bank OCBC NISP Tbk. Ms Helen Wong, appointed on 7 February 2023, is deemed not independent by virtue of her executive role as CEO of the Bank.

Ms Christina Ong is senior partner and chairman of Allen & Gledhill LLP (A&G), one of several law firms which provides legal services to and receives fees from the Bank. She did not involve herself in the selection and appointment of legal counsels for the Group. Her interest in A&G is less than 5% and the fees paid by the Group do not form a significant portion of A&G's revenue. She is also an independent director of Singapore Telecommunications Ltd which provides telecommunication services to and receives payments from the Bank, not unlike many organisations in Singapore. The Nominating Committee (with Ms Christina Ong recusing) also notes that these business relationships have not affected her conduct at meetings where her deliberations and constructive views consistently reflect her independent business judgement. Ms Christina Ong is deemed an independent Director.

The Board reviews the size of Board and Board Committees annually and considers the current number of Board and Board Committee members to be appropriate given the size of the Group and its business needs. It also assesses the diversity of members' profiles and determines the collective skills required to discharge its responsibilities effectively, keeping in view the Group's strategic objectives. A Board Diversity Policy, setting out the approach to diversify the appointment of members and composition of the Board has been established and is published on the Bank's website. The policy embraces the diversity of skills, knowledge, experience including familiarity in the Bank's core markets, age, gender, nationalities and length of service as well as merit and independence. Steps are taken to improve effectiveness where necessary. In assessing the Board's mix of skills, knowledge, experience, competencies and other aspects of diversity such as gender and age, the Board agreed to adopt a gender diversity target that is aligned with the gender diversity target set by the Council for Board Diversity (CBD). The CBD advocates for women board representation of 25% by 2025 and 30% by 2030. The Bank currently has four women Directors or more than 25% women representation on its Board of Directors. It will maintain at least 25% women representation on its Board of Directors until 2025 and review the targeted representation subsequently.

The Board has also assessed that its diversity profile in terms of age, nationalities, length of service and skills and knowledge are adequate to foster constructive debate and ensure the effectiveness of the Board and its Committees in supporting the Bank's strategic objectives. The Board's intrinsic competencies and foundational skillsets including strategy formulation and management experience, banking and finance, insurance, digital banking and cyber risk, core market experience in Greater China, Malaysia and Indonesia, sustainability/ESG, risk management, regulatory, accounting and law, contribute to the Bank's corporate strategy.

To strengthen overall board governance, skills and knowledge on sustainability matters, the Board established a Board Sustainability Committee in February 2023 which is chaired by Ms Chong Chuan Neo. The Committee is supported by executives, including a Chief Sustainability Officer who was appointed in August 2023, with the relevant knowledge and experience on sustainability matters. The Committee will also consider appointing an external Advisor with the relevant sustainability experience to further complement the Committee's existing skillsets. To enhance overall Board knowledge, the Board will continue to advocate regular training for Directors on sustainability matters. Please refer to Principle 4: Board Membership for more details on the board renewal process. Details of the Directors' professional qualifications, background and age can be found on pages 266 to 271.

The non-executive Directors on the Board constructively challenge and help develop proposals on strategy, review the performance of management in meeting agreed goals and objectives, and monitor the reporting of performance. They meet during the year, without the presence of management, to discuss the effectiveness of management.

Separate sessions are also arranged for the independent Directors to meet at least once a year to ensure effective corporate governance in managing the affairs of the Board and the Bank.

The Board and senior executives meet as frequently as necessary to develop or refresh strategies for the Group.

Principle 3: Chairman and Chief Executive Officer

The Chairman and CEO are not related. The roles of the Chairman and the CEO are separated, which is consistent with the principle of instituting an appropriate balance of power and authority. The Chairman's responsibilities, to name a few, include leading the Board to ensure its effectiveness in all aspects of its role; setting its meeting agenda; ensuring that Directors receive accurate, timely and clear information; ensuring effective communication with shareholders; encouraging constructive relations between the Board and management; promoting a culture of openness and debate at the Board and facilitating the effective contribution of all Directors; ensuring constructive relations between executive and non-executive Directors; and promoting high standards of corporate governance.

The Bank does not have a Lead Independent Director as the Chairman of the Board, Mr Andrew Lee, is a non-executive and independent Director.

Principle 4: Board Membership

As a principle of good corporate governance, all Directors are subject to re-nomination and re-election at regular intervals and at least every three years. The Bank's Constitution provides for the retirement of Directors by rotation and all appointments and reappointments of Directors have to be approved by MAS.

The Board establishes a Nominating Committee to make recommendations to the Board on matters relating to board membership. The Committee reviews the independence of Directors at least annually in accordance with internal due diligence procedures and the Directors' declarations. It also reviews the succession plans for Directors, including the appointment and/or replacement of the Chairman and executive Director, and ensures that only the most competent individuals capable of contributing to the success of the organisation are appointed. It reviews all nominations for the appointment or reappointment, election or re-election – as well as resignation or retirement – of Directors of the Bank and members of the Executive Committee, Remuneration Committee, Audit Committee, Risk Management Committee, Ethics and Conduct Committee and Board Sustainability Committee. It is also charged with determining annually whether or not a Director is independent, capable of carrying out relevant duties and qualified to remain in office.

The Nominating Committee assesses annually the profile of Board members individually and collectively, having regard to the skills, talents, experience and diversity required and their alignment with the Group's strategic priorities, and makes recommendations to the Board on the appointment of new Directors, when necessary. When the need for a new Director is identified, the Nominating Committee will consider a shortlist of candidates with the appropriate profile and qualities for nomination. To improve gender and other aspects of diversity, the Nominating Committee may engage external search consultants to identify suitable director candidates from a wider pool. Shortlisted candidates are assessed by the Nominating Committee and recommendations submitted to the Board for review and appointment, subject to the approval of MAS. In accordance with the Bank's Constitution, the new Director will hold office until the next Annual General Meeting (AGM) and, if eligible, may then stand for re-election.

As part of the Board renewal process, the Board has appointed new Directors, Ms Helen Wong on 7 February 2023 and Mr Seck Wai Kwong on 4 September 2023. Mr Wee Joo Yeow retired from the Board on 1 January 2023 after having served for more than nine years on the Board, the maximum period to be deemed an independent Director. Mr Ooi Sang Kuang retired as Chairman and also as a Director on 31 January 2023. Mr Koh Beng Seng stepped down as a Director on 3 February 2023 to allow more time to focus on his other commitments.

The Bank does not, as a matter of practice, appoint alternate directors.

Directors are aware of their duties and obligations and the expectation to set aside adequate time for their oversight of matters relating to the Bank. They attend and actively participate in Board and Board Committee meetings. The number of such meetings and each Director's attendances at such meetings are disclosed in the Annual Report. They must provide declarations of any changes in their other appointments and principal commitments, which are disseminated to all Board members. The Bank has guidelines on meeting attendance and the extent of other appointments that a Director can assume. The Nominating Committee, based on the guidelines established, assesses annually each Director's attendance record and degree of participation at meetings to determine if a Director is able to and has been adequately carrying out his or her duties as a Director of the Bank. In respect of other appointments, it takes into account – among various factors – the nature of an appointment (full-time or otherwise), number of meetings to attend, complexity of organisation and degree of participation in sub-Committees. Generally, a Director who has full-time employment in any organisation shall have appointments in no more than three other listed companies, while a Director who has no full-time employment shall have appointments in no more than six other listed companies.

Key information on the Directors' qualifications, working experience, and other directorships and principal commitments/appointments are provided on pages 266 to 271 while information on their shareholdings in the Bank and its related corporations are provided in the Directors' Statement on pages 107 to 112.

Principle 5: Board Performance

The Board has an annual performance evaluation process, carried out by the Nominating Committee, Nominating Committee Chairman and Board Chairman, to assess the effectiveness of the Board, Board Committees and each Director's contribution. The purpose of the evaluation process is to increase the overall effectiveness of the Board.

An external party is engaged after every three years of internal evaluation to facilitate the evaluation of the Board as a whole and provide the Board with an independent perspective of the Board's performance, including benchmarking against peer boards and industry best practices. As an external party had been engaged to conduct the evaluation in 2022, the 2023 Board evaluation was conducted internally.

The Directors participate in the evaluation. Each Director evaluates the performance of the Board and Board Committees as well as the Board Chairman, whilst the Chairman and Nominating Committee Chairman evaluate the performance of each Director and meet to discuss the matter. The assessments are made against pre-established criteria which include composition, information management, board processes, representation of shareholders and ESG matters, performance management, human capital management, director development, internal controls and risk management and effectiveness of Board Committees. The results of the evaluation are used constructively to discuss improvements to the Board and ensure that each Director remains qualified for office. The Chairman and/or Nominating Committee Chairman acts on the results of the evaluation, and if appropriate, proposes new Directors or seeks the resignation or retirement of Directors, in consultation with the Nominating Committee.

Remuneration Matters

Principle 6: Procedures for Developing Remuneration Policies

The objective of the Bank's remuneration policy is to attract, motivate, reward and retain talented and competent staff globally. The Board ensures that remuneration policies are in line with the strategic objectives as well as code of conduct and ethics of the Bank, and do not give rise to conflicts between the objectives of the Bank and the interests of employees.

The Remuneration Committee is tasked to review and recommend to the Board the general remuneration framework as well as the specific remuneration for each Director and for each key executive. The composition and summary terms of reference of the Remuneration Committee are provided on page 50. No member of the Remuneration Committee is involved in the deliberations regarding any remuneration, compensation, options or any form of benefits to be granted to himself or herself.

In its review of the Bank's remuneration practices, the Remuneration Committee can seek expert advice, if necessary. The Bank used salary surveys conducted by external compensation consultants, Aon, Mercer and Willis Towers Watson for the purpose of benchmarking employee salaries in Singapore and overseas. Aon, Mercer and Willis Towers Watson and their consultants are independent and are not related to the Bank or its subsidiaries or any of their directors. The Bank's compensation practices are also reviewed annually by Aon against local regulations as well as the Financial Stability Forum's principles and implementation standards for Sound Compensation Practices for significant financial institutions.

The Bank's remuneration policy is applied to all OCBC overseas branches and the following subsidiaries:

- Bank of Singapore Limited
- OCBC Management Services Private Limited
- OCBC Securities Private Limited
- OCBC Investment Research Private Limited
- BOS Trustee Limited
- e2 Power Pte. Ltd.
- e2 Power Sendirian Berhad
- OCBC Bank (Malaysia) Berhad
- OCBC Al-Amin Bank Berhad
- OCBC Bank (Hong Kong) Limited
- OCBC Bank Limited (OCBC China)

The Bank does not provide for any termination, retirement or post-employment benefits to executive Directors or the top five key management personnel.

Principle 7: Level and Mix of Remuneration

Compensation for Non-Executive Directors

The Bank's remuneration for non-executive Directors is intended to attract capable individuals to the Board, as well as retain and motivate them in their roles as non-executive Directors. It aligns their interests with those of shareholders, is competitive in the region and recognises individual contributions. The remuneration for non-executive Directors is subject to shareholder approval at the AGM.

The Remuneration Committee has considered market practices for non-executive Director compensation and the nature, complexity and circumstances of the organisation. On its recommendation, the Board has adopted the following fee structure to fix the fee for each non-executive Director of the Bank.

The fee structure is as follows:

- Board chairman all-in fee $2,100,000
- Retainer fee $55,000
- Committee chairperson fee for the Audit, Risk Management and Executive Committees $95,000
- Committee chairperson fee for the Nominating, Remuneration, Ethics and Conduct, and Board Sustainability Committees $55,000
- Committee member fee for the Audit, Risk Management and Executive Committees (Committee chairpersons are not awarded these fees) $55,000
- Committee member fee for the Nominating, Remuneration, Ethics and Conduct, and Board Sustainability Committees (Committee chairpersons are not awarded these fees) $30,000
- Attendance fee per meeting $4,000

The Board Chairman fee is adjusted to $2,100,000 from $1,400,000 to reflect increased responsibilities of the Board Chairman since the fee was last adjusted in 2016. It also includes an adjustment in lieu of other fees no longer payable for being chairman or member of board committees. The Board Chairman is expected to consistently oversee Group priorities regardless of varying time or effort expended. The Board Chairman fee is now an all-in fee. Other than this, there is no change to the fee structure for non-executive Directors. The resolution proposing the fee for non-executive Directors will be presented to shareholders at the 2024 AGM.

In the previous year, shareholders had approved the grant of 6,000 remuneration shares to each non-executive Director. The remuneration shares align the interests of non-executive Directors with the interests of shareholders. At the recommendation of the Remuneration Committee, the Board has decided to continue with the granting of 6,000 new ordinary shares to each non-executive Director. Any non-executive Director who has served on the Board for less than a full financial year will be awarded shares on a pro-rated basis, depending on the length of service. The resolution proposing these share grants will be presented to shareholders at the 2024 AGM.

Compensation for Executive Directors

The compensation for an executive Director is formulated and reviewed annually by the Remuneration Committee to ensure that it is market-competitive and that the rewards are commensurate with the contributions made. The compensation package comprises basic salary, benefits-in-kind, performance bonus, share awards and compensation in the event of early termination where service contracts are applicable. Performance bonus relate directly to the financial performance of the Group and the contributions of the executive Director. The guidelines on the granting of share awards to the executive Director are similar to those for the executives of the Bank.

Employee Remuneration

The total compensation packages for employees comprise basic salary, variable performance bonus, allowances and deferred share awards for eligible executives, as well as benefits. Compensation is tied to the achievement of business and performance objectives based on a balanced scorecard approach, which includes leadership competencies and adherence to core values. Where relevant, financial measurements – adjusted as appropriate for the various types of risk (such as market, credit and operational risks) – include:

- Operating efficiency measures covering revenue, direct and allocated costs and operating profits, net profits as well as efficiency indicators such as unit costs.
- Economic efficiency measures such as cost of capital. Capital is attributed to each business based on the amount of risk-weighted assets held and the return on capital.
- Liquidity is factored into the performance measurement of each business through the application of liquidity premiums charged or credited according to the behavioural maturity of each type of asset and liability booked.

There were no significant changes to the above measures during 2023.

In the Bank's continuous efforts to create sustainable value for stakeholders, relevant performance measures are set for each business unit. These objectives which include broad-based growth across its core markets, delivering sustained earnings momentum from core businesses, driving core competencies of disciplined risk management, diversified funding base and continued investments in technology and people, and ensuring sustainable business practices are also consistent with the Group's risk appetite. In the determination of remuneration of senior executives, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing business performance. Executives are remunerated based on the achievements of their own performance measures, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles.

The performance of risk and compliance functions is measured independently of the businesses they oversee. Employees in these functions are assessed based on achievement related to their respective performance measures. Market compensation data on risk and compliance functions is also taken into account for remuneration.

In determining the composition of compensation packages, the Bank takes into account the time horizon of risk and includes, in the total compensation for executives, a significant portion of deferred payment in the form of deferred shares. Awards of deferred shares or share options (granted in previous years) may be subject to cancellation and clawback if it is determined, amongst other things, that they were granted on the basis of materially inaccurate financial statements and/or that the grantee had engaged in conduct that resulted in financial loss, reputational harm, restatement of financial results or financial statements, adverse changes to the Bank's and/or the Group's risk profile or rating and/or is otherwise detrimental to the Bank and/or the Group and/or the business conducted by any member of the Group. To ensure that its remuneration packages are competitive, the Bank regularly reviews salary levels and benefits packages based on market data provided by recognised consultants who conduct surveys on comparative groups in the financial sector. The determination of the Bank's variable bonus pool is fully discretionary and the factors taken into consideration include financial and non-financial metrics like the Bank's performance, audit ratings, risk indicators and compliance issues, market conditions and competitive market practices.

The Bank adopts a performance-driven approach to compensation. Compensation packages are linked to personal performance, the performance of each business unit, and the overall performance of the Bank. Compensation is reviewed each year based on information from market surveys provided by reputable management consultants.

As a consequence of the last financial crisis, the Financial Stability Forum developed principles and implementation standards for Sound Compensation Practices for significant financial institutions. The Remuneration Committee made changes to the Bank's compensation structure to increase the proportion of the deferred remuneration component for senior executives. The Bank's compensation practices are reviewed annually by Aon which has confirmed for 2023 that the Bank had met the Financial Stability Forum principles and implementation standards.

The Bank has identified a group of senior executives whose authority and actions are deemed to have a major influence on the long-term performance of the Bank and whose actions or decisions can materially impact the Bank's risk profile. This group, identified as "Material Risk Takers" comprises senior management (the CEO, her direct reports and other senior management staff), key personnel at business units, senior control staff, and employees who had been awarded significant variable performance bonuses as well as senior managers identified under the regulator's guidelines. For the "Material Risk Takers" with bonuses exceeding $100,000, at least 40% of their variable performance bonuses are deferred in the form of shares. The Board approves the compensation of the CEO, CFO, Chief Risk Officer, Chief Operating Officer and Head, Global Markets, and the Audit Committee approves the compensation of Head of Group Audit. The Remuneration Committee approves the compensation of all other relevant senior executives including other employees who had been awarded significant variable performance bonuses.

The performance evaluation for senior executives in 2023 has been conducted in accordance with the above objectives and considerations.

The remuneration practices for staff in bargainable positions are established through negotiation with the Bank's unions.

Share Schemes

- **OCBC Share Option Scheme 2001**
  The Bank has ceased granting share options under the OCBC Share Option Scheme 2001 (2001 Scheme) effective from financial year 2018 remuneration. The 2001 Scheme which was extended from 2011 had ceased operation on 2 August 2021. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients.

  The validity period of the options granted is subject to legislation applicable on the date of grant. 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.

  The options granted will lapse immediately upon termination of employment or appointment, except in certain events such as ill health, injury or disability, retirement at or after the applicable retirement age, redundancy, or other events approved by the Remuneration Committee, in which case the Remuneration Committee may allow all or any part of such options to be preserved such that they can be exercisable within the relevant exercise periods or such periods as may be determined by the Remuneration Committee. Shares granted upon the exercising of options are allocated from treasury shares or from new ordinary shares issued by the Bank.

  The 2001 Scheme also contains provisions which allow for the cancellation and clawback of grants if it is determined, amongst other things, that they were made on the basis of materially inaccurate financial statements and/or that the grantee had engaged in conduct that resulted in financial loss, reputational harm, restatement of financial results or financial statements, adverse changes to the Bank's and/or the Group's risk profile or rating and/or is otherwise detrimental to the Bank and/or the Group and/or the business conducted by any member of the Group.

- **OCBC Deferred Share Plan**
  The OCBC Deferred Share Plan (the Plan) 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 Plan.

  In 2021, the Bank adopted a new OCBC Deferred Share Plan 2021 (DSP 2021). The new OCBC DSP 2021 permits new ordinary shares to be issued to satisfy the Bank's delivery obligations under the Plan. It replaces the previous OCBC Deferred Share Plan, under which no new ordinary shares may be issued. The participants are executives of the Bank, selected overseas locations and subsidiaries.

  Under the DSP 2021, share awards are granted annually to eligible executives who are paid variable performance bonuses exceeding $100,000 for the previous year. The share awards form 20% to 40% of their total variable performance bonus for the relevant year. 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 2021. The grants are part of the variable performance bonuses already earned for the prior year where the delivery of key performance indicator targets have already been completed. There are no further performance conditions imposed prior to the vesting of the share awards, other than those described below and on pages 57 and 58 of the 2023 Annual Report relating to the conditions for cancellation and clawback of these share awards. Prior to the vesting date, the executives will not be accorded voting rights for the shares.

  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 to fulfil share grants, 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 unvested deferred share grants will be adjusted to take into account dividends declared by the Bank. The additional shares granted in respect of this adjustment may be acquired from the market in accordance with guidelines established under the Plan.

  The share awards granted will lapse immediately upon termination of employment or appointment, except in certain events such as ill health, injury or disability, retirement at or after the applicable retirement age, redundancy, or other events approved by the Remuneration Committee, in which case the Remuneration Committee may allow all or any part of such awards to be preserved such that they can be vested within the relevant vesting periods or such periods as may be determined by the Remuneration Committee.

  The DSP 2021 also contains provisions which allow for the cancellation and clawback of grants if it is determined, amongst other things, that they were granted on the basis of materially inaccurate financial statements and/or that the grantee had engaged in conduct that resulted in financial loss, reputational harm, restatement of financial results or financial statements, adverse changes to the Bank's and/or the Group's risk profile or rating and/or is otherwise detrimental to the Bank and/or the Group and/or the business conducted by any member of the Group.

- **OCBC Employee Share Purchase Plan**
  The OCBC Employee Share Purchase Plan (ESPP) was implemented for all employees of the participating companies in the Group, including executive Directors, to inculcate in all participants a stronger and more lasting sense of identification with the Group.

  The ESPP is a saving-based share ownership plan to help employees own ordinary shares in the Bank through their monthly contributions via deductions from payroll (CPF has been removed as a contribution mode for offering periods commencing on or after 1 January 2024). 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 ESPP, the Bank pays interest on the amounts saved at a preferential interest rate.

  The duration of the offering period is 24 months and the share acquisition price is fixed before the offering period based on the average of the last traded prices over the five consecutive trading days immediately preceding the price fixing date. Shares granted upon conversions in accordance with the rules of the ESPP are allocated from treasury shares or from new ordinary shares issued by the Bank.

  The aggregate number of new ordinary shares issued by the Bank pursuant to the ESPP, together with the aggregate number of any new ordinary shares issued pursuant to the 2001 Scheme and the aggregate number of new ordinary shares issued to awards granted under the DSP 2021, cannot exceed 10% of the Bank's total number of issued ordinary shares (excluding treasury shares and subsidiary holdings (as defined in the SGX-ST Listing Manual)). Notwithstanding the limits allowed under the relevant rules, the Bank has been applying a lower aggregate limit of 5% instead of 10% as a matter of conservative practice.

Principle 8: Disclosure on Remuneration

The following disclosures should be read in conjunction with the remuneration policies, practices and share plans as described under Principles 6 and 7.

Directors' and CEO's Remuneration in 2023

Bank

Director	Fees	Shares[a]	Other Benefits[b]	Total
	$	$	$	$
Andrew Lee *(Chairman with effect from 1 February 2023)*	1,964,109	79,080	43,687	2,086,876
Ooi Sang Kuang *(Former Chairman)*	139,287	6,722	24,550	170,559
Chong Chuan Neo	261,425	79,080	4,277	344,782
Chua Kim Chiu	281,000	79,080	4,363	364,443
Andrew Khoo	287,000	79,080	4,277	370,357
Koh Beng Seng	33,247	7,144	–	40,391
Lee Tih Shih	194,603	79,080	4,277	277,960
Christina Ong	271,000	79,080	4,277	354,357
Seck Wai Kwong	73,796	25,780	1,512	101,088
Pramukti Surjaudaja	175,000	79,080	–	254,080
Tan Yen Yen	287,000	79,080	4,277	370,357
	3,967,467	672,286	95,497	4,735,250

Group CEO	Salary	Bonus	Deferred Shares	Other Benefits[b]	Total
	$	$	$	$	$
Helen Wong	1,442,400	6,352,800	4,235,200	69,892	12,100,292

Subsidiaries

Director	Total
	$
Andrew Lee	172,180[c]
Ooi Sang Kuang	30,672[d]
Chong Chuan Neo	99,027[e]
Andrew Khoo	540,343[f]
Koh Beng Seng	255,407[g]
Pramukti Surjaudaja	1,119,210[h]

Notes:

(a) Value of remuneration shares was estimated based on closing price of ordinary shares on 8 March 2024, i.e. $13.18 per share.

(b) Non-cash component such as club and car benefits for Mr Andrew Lee, Mr Ooi Sang Kuang and Ms Helen Wong, and carparks for Directors.

(c) Fees from OCBC Al-Amin Bank and Great Eastern Holdings.

(d) Fees from OCBC Bank (Hong Kong).

(e) Fees from Great Eastern Digital for services as nominee director on board of Boost Holdings (an associated company of Great Eastern Holdings), Lion Global Investors Ltd and OCBC Bank (Hong Kong).

(f) Fees from OCBC Bank (Hong Kong) for being Board Chairman.

(g) Fees from Great Eastern Holdings and its subsidiaries.

(h) Fees from PT Bank OCBC NISP for being Board President Commissioner, a capacity in Indonesia with critical supervisory responsibilities over the organisation, and medical reimbursements.

Remuneration of Top Five Key Management Personnel in 2023

The Code recommends the disclosure of the individual remuneration of the Bank's top five key management personnel as well as their aggregate remuneration. The Board considered this matter carefully and has decided against such a disclosure for the time being as it is not standard business practice to do so, having taken into account the highly competitive conditions for talent in the industry.

Remuneration of Directors' and CEO's Immediate Family

Mr Pramukti Surjaudaja, a Director of the Bank, has a sister, Ms Parwati Surjaudaja, who is chief executive of the Bank's subsidiary, PT Bank OCBC NISP Tbk. Her personal remuneration in 2023 exceeds $100,000 but for reasons stated above, her individual remuneration is not disclosed. In 2023, apart from Ms Parwati Surjaudaja, none of the Group's employees was an immediate family member of a Director or the CEO.

Remuneration of Substantial Shareholder's Immediate Family

A disclosure on remuneration to employees who are immediate family members of substantial shareholders is not applicable as none of the Bank's substantial shareholders are individuals.

Remuneration Disclosure for Senior Management and Material Risk Takers

Remuneration Awarded during the Financial Year

		Senior Management	Other Material Risk-Takers
Fixed remuneration	Number of employees	18	412
	Total fixed remuneration	27%	55%
	Of which: cash-based	27%	55%
	Of which: deferred	0%	0%
	Of which: shares and other share-linked instruments	0%	0%
	Of which: deferred	0%	0%
	Of which: other forms	0%	0%
	Of which: deferred	0%	0%
Variable remuneration	Number of employees	18	406
	Total variable remuneration	73%	45%
	Of which: cash-based	44%	28%
	Of which: deferred	0%	0%
	Of which: shares and other share-linked instruments	29%	17%
	Of which: deferred	29%	17%
	Of which: other forms	0%	0%
	Of which: deferred	0%	0%
Total remuneration		100%	100%

Special Payments

	Guaranteed Bonuses		Sign-on Awards		Severance Payments	
	Number of Employees	Total Amount ($)	Number of Employees	Total Amount ($)	Number of Employees	Total Amount ($)
Senior Management	1	Not disclosed*	0	0	0	0
Other Material Risk-Takers	8	3,984,541	2	280,000	0	0

* Due to confidentiality reason

Deferred Remuneration

Deferred and Retained Remuneration	Total outstanding deferred remuneration	Of which: Total outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments	Total amendment during the year due to ex post explicit adjustments[1]	Total amendment during the year due to ex post implicit adjustments[2]	Total deferred remuneration paid out in the financial year
Senior management	100%	100%	0%	0%	39%
Cash	1%	1%	0%	0%	0%
Shares	99%	99%	0%	0%	39%
Share-linked instruments	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%
Other material risk-takers	100%	100%	0%	0%	40%
Cash	0%	0%	0%	0%	0%
Shares	100%	100%	0%	0%	40%
Share-linked instruments	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%

Notes:

(1) Examples of ex post explicit adjustments include malus, clawbacks or similar reversal or downward revaluations of awards.

(2) Examples of ex post implicit adjustments include fluctuation in the value of shares performance or performance units.

Accountability and Audit

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and sets the tone from the top to cultivate a strong risk culture. It approves the Bank's risk appetite and oversees risk activities to ensure that these are consistent with the Bank's strategic intent and operating environment, as well as capital sufficiency and regulatory standards. It oversees, through the Risk Management Committee, the establishment and operation of independent risk management systems and frameworks for managing risks on an enterprise-wide basis. It also oversees the adequacy and effectiveness of the internal controls and risk management processes and systems. It ensures that the risk management function has appropriate independent reporting lines and is sufficiently resourced to monitor risk by the various risk categories.

Further details on risk management are described under the section on Risk Management Committee on pages 50 and 51.

The Board is also responsible for ensuring that the Bank's internal controls adequately safeguard shareholders' interests and the Bank's assets. Self-assessment processes are in place for all business units to assess the adequacy and effectiveness of their internal controls, and level of compliance with applicable rules and regulations. The results of the evaluations are reviewed by senior management. The Board has received assurance from the CEO and key management personnel who are responsible regarding the adequacy and effectiveness of the Bank's risk management and internal control systems. The Board has also received assurances from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Bank's operations and finances.

Based on the established internal control, work performed by the internal and external auditors, and reviews performed by the management and various Board Committees, the Board – with the concurrence of the Audit and Risk Management Committees – is of the view that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems, was adequate and effective as at 31 December 2023, to address the risks which the Bank considers relevant and material to its operations.

The system of internal controls provides reasonable but not absolute assurance that the Bank will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

The composition and summary terms of reference of the Audit Committee are provided under the section on Audit Committee on page 50 and the Committee's summary activities are also provided in the Directors' Statement on page 112. The Audit Committee adopts, where appropriate, relevant best practices set out in the Guidebook for Audit Committees in Singapore.

In addition to the review of the Group Financial Statements, which includes reviewing the assurances provided by the CEO and CFO on the financial records and statements, the Audit Committee reviews and evaluates, with the external and internal auditors, the adequacy and effectiveness of the system of internal controls including financial, operational, compliance and information technology controls, and risk management policies and systems as well as processes related to sustainability disclosures. The Audit Committee also provides oversight and guidance to ensure the effectiveness in identifying, monitoring and managing significant tax risks under the Group Tax Risk Management Framework. It reviews the scope and results of the audits, the cost-effectiveness of the audits and the independence and objectivity of the external and internal auditors. When the external auditor provides non-audit services to the Bank, the Committee keeps the nature, extent and costs of such services under review. This is to balance the objectivity of the external auditor against its ability to provide value-for-money services. The Audit Committee members keep abreast of changes to accounting standards and development of related significant accounting policies which have a direct impact on financial statements and Group accounting policies through briefings provided by internal or external subject matter experts. The Audit Committee also reviews significant financial reporting issues and judgements to ensure the integrity of the financial statements. The Committee reviews announcements relating to financial performance.

The Audit Committee is also responsible for the review of the Bank's whistleblowing policy as well as any concerns, including anonymous complaints, which staff may in confidence raise about possible improprieties in matters of financial reporting or other matters. The whistleblowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees. The Committee will ensure such concerns are independently investigated and followed up on. If the case escalated is found to be substantiated, appropriate action will be taken and the Audit Committee updated regularly on its status. The whistleblower's identity is kept confidential and his/her interests will be safeguarded at all times, including a right to appeal to the Audit Committee if reprisals are taken against him/her.

The Audit Committee meets at least once a year with the external auditor and internal auditor in separate sessions and without the presence of management, to consider any matters which may be raised privately. In addition, the Chairman of the Audit Committee meets the Head of Group Audit on a regular basis to discuss the work undertaken, key findings and any other significant matters arising from the Group's operations. Formal reports are sent to the Audit Committee on a regular basis.

External Audit

The Audit Committee has received the requisite disclosures from the current external auditor evidencing its independence. It is satisfied that the financial, professional and business relationships between the Group and the external auditor will not prejudice the independence and objectivity of the external auditor. The aggregate amount of fees paid to the external auditor for financial year 2023, and the breakdown of total fees paid for audit and non-audit services, are shown in the Notes to the Financial Statements.

The Audit Committee assesses the quality of OCBC's external auditor before its first appointment and at least annually thereafter. The selection of the external auditor is made through a tender process based on an established framework for the selection/appointment of OCBC's external auditor. This framework lists the considerations and criteria for the external auditor and provides a robust tender process. Considerations include having global reach as well as technical and industry expertise, skills, resources and reputation, and quality of service delivery.

Exercising oversight over the external audit function, the Audit Committee is responsible for making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor. The Audit Committee also considers the annual fee proposals presented by the external auditor and reviews the scope of the audit plan, the level of materiality, areas of focus and significant risks to be addressed.

For reappointment of external auditor, the Audit Committee considers the length of the external auditor's tenure and the risk this may pose to objectivity and independence. The Audit Committee also takes into consideration the external auditor's compliance with SGX-ST Listing Rules which require the lead engagement partner to be rotated every five years.

The Audit Committee is responsible for monitoring the performance, objectivity and independence of the external auditor. In its evaluation process, the Audit Committee takes into consideration the following:

- the experience and expertise of senior members of the engagement team;
- the audit plan agreed with the external auditor, the areas of audit focus and the external auditor's approach to materiality;
- the quality of reports and findings presented by the external auditor;
- the external auditor's presentation of its Audit Quality Framework and its confirmation of independence pursuant to its policies and processes for maintaining independence and objectivity;
- the external auditor's report to the Audit Committee on main findings on audit quality reviews of the Bank's audit;
- the key highlights or findings on the external auditor's quality control systems by audit oversight bodies and, where relevant, the appropriate steps taken by the external auditor; and
- feedback through an annual evaluation exercise from senior management across geographical regions to gather internal perceptions as to the knowledge, competence, independence, efficiency and effectiveness – as well as communications by and with – the external auditor.

As part of its assurance process on the objectivity and independence of the external auditor, the Audit Committee has in place a policy that lists the non-audit services which may not be provided by the external auditor and sets out the circumstances in which the external auditor may be permitted to undertake non-audit services. Permitted non-audit services with a fee exceeding $250,000 per engagement require the approval of the Audit Committee before the auditor can be engaged. In addition, the Audit Committee reviews a list of non-audit services undertaken by the external auditor to satisfy itself as to the nature of non-audit services being provided and the fees incurred. The nature of the non-audit services provided during the financial year ended 31 December 2023 is shown in the Notes to the Financial Statements.

To reinforce the Audit Committee's effectiveness and enhance the quality of the audit, the Audit Committee meets regularly with the external auditor. The external auditor discusses its audit plan with the Audit Committee and presents its engagement teams and its audit fee proposals. It reports to the Audit Committee on audit focus areas, the support rendered by management, key audit findings, quantitative and qualitative aspects of financial statement disclosures, any unadjusted audit differences (or review differences in the case of a half-yearly or a quarterly review) and any other matters relevant to its engagement. Discussions may be held privately without the presence of management. The external auditor also discusses with the Audit Committee key changes to regulatory requirements and reporting as well as developments in accounting standards.

In the review of the 2023 financial statements, the Audit Committee discussed with management the accounting principles applied and significant judgements affecting the financial statements. Matters raised by Group Audit and the external auditor in respect of governance, risk management, accounting and internal controls over financial reporting were also reviewed. The following key audit matters highlighted in the Independent Auditor's Report on pages 113 to 120 of the Annual Report were discussed with management and the external auditor:

- **Impairment of loans to customers**
  The Audit Committee reviewed management's assessment and justification of allowances for impaired loans and non-impaired loans, including the forward-looking assumptions and scenarios adopted as well as the adjustments made to the model-driven requirements to reflect current conditions and forecasts of future economic conditions (e.g. economic and geopolitical developments). The adequacy of allowances for impaired loans set aside for key loan accounts was also discussed with the external auditor. Additionally, the Audit Committee also considered the input from Group Audit's independent assessment of the Group's credit portfolio quality and credit risk management process.

- **Valuation of financial instruments measured at fair value – Levels 2 and 3**
  The Audit Committee, with the input of the Risk Management Committee, reviewed management's valuation of financial instruments framework and their control, monitoring and issue escalation processes. In addition, the Committee reviewed both internal and the external auditors' assessment of the controls over valuation which included independent verification of price and validation of valuation models.

- **Impairment of goodwill**
  The Audit Committee reviewed management's goodwill impairment testing methodology and results, including the cash flow projections and discount rates used. The Committee also considered the external auditor's assessment of the methodology and testing results.

- **Valuation of life insurance contract liabilities for life insurance funds**
  The Audit Committee reviewed the approach and methodology applied to the valuation of insurance contract liabilities in the consolidated financial statements of Great Eastern Holdings Limited (Great Eastern) in their review of Great Eastern's financial results together with the Group's financial performance. In considering the valuation of insurance contract liabilities, the Committee considered the external auditor's assessment of the valuation methodology and assumptions adopted by Great Eastern and its subsidiaries.

  The Audit Committee believes that the financial statements are fairly presented in conformity with the relevant Singapore Financial Reporting Standards (International) in all material aspects, based on its review and discussions with management and the external auditor.

Internal Audit

The Audit Committee approves the Internal Audit Charter of Group Audit and reviews the adequacy and effectiveness of the internal audit function, at least annually. In line with leading practice, Group Audit's mission statement and charter requires it to provide independent and reasonable, but not absolute, assurance that the Group's governance, risk management and internal control processes – as designed and implemented by senior management – are adequate and effective. Group Audit reports on the adequacy and effectiveness of the system of internal controls to the Audit Committee and senior management, but does not form any part of the system of internal controls. Group Audit meets or exceeds the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors.

Group Audit adopts a risk-based approach where audit work is prioritised and scoped according to an assessment of current and emerging risks, including financial, operational, technology, cyber, compliance, sustainability and strategic risks. The work undertaken by Group Audit involves the assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in meeting its strategic objectives and operating within the risk appetite established. In addition, Group Audit provides an independent assessment of the Group's credit portfolio quality and credit risk management process. Without assuming management responsibility, Group Audit may provide advisory services to line management on certain business initiatives as well as system developments and enhancements where the objective is to add value and improve governance, risk management and controls.

The Audit Committee is responsible for reviewing the independence, effectiveness and standing of the internal audit function and adequacy of resources needed to achieve the internal audit objectives. For the year ended 31 December 2023, the Audit Committee has assessed that the internal audit function was adequately resourced, independent, effective and possessed the right standing within the organisation. The Committee reviews the processes that are in place to deal with recommendations raised in internal audit reports in a timely manner and to closely monitor outstanding action plans. Currently, the number of internal audit staff in the Group is 353. The division is organised into departments that are aligned with the structure of the Group. The Audit Committee approves the appointment, resignation, dismissal, succession and remuneration of the Head of Group Audit and reviews the reasons for the resignation or dismissal of Head of Group Audit.

Shareholder Rights and Engagement

Principle 11: Shareholder Rights and Conduct of General Meetings

OCBC is committed to maintaining regular, effective and fair communication with its shareholders by gathering their views, addressing their concerns, and protecting and facilitating the exercise of their rights.

Following the easing of the Covid-19 situation in 2023, the Bank resumed holding its Annual General Meeting (AGM) physically on 25 April 2023. All Directors attended the 2023 AGM together with the Bank's external auditor and senior management to meet and interact with shareholders.

Prior to the commencement of the AGM, the CEO and CFO presented the Group's business developments as well as financial performance of the preceding year. Shareholders were given the opportunity to raise questions during the presentation.

At the AGM, shareholders were given the opportunity to fully participate by raising questions or communicating their views, as relevant. This is in addition to the ability to submit questions in advance of the AGM by way of post or email. Responses to all substantial and relevant questions received prior to the AGM would be provided before or during the AGM, as well as published on the SGX website and the Bank's website.

Under the Bank's Constitution, shareholders are allowed to vote in person or appoint up to two proxies unless the shareholder is a relevant intermediary (as defined under the Singapore Companies Act 1967). A shareholder who is a relevant intermediary can appoint more than two proxies to attend, speak and vote at the general meetings of the Bank. The Bank conducts voting by poll for all resolutions proposed at its general meetings, for greater transparency in the voting process. The Bank also provides for separate resolutions on each substantially separate issue. It does not "bundle" resolutions, unless the resolutions are interdependent and linked so as to form one significant proposal. Independent scrutineers are also present at the Bank's general meetings to review the voting process and address shareholders' questions on voting procedures.

For the 2023 AGM, all shareholders or appointed proxies who were authenticated via the Bank's verification process were allowed to attend, speak and vote in person at the AGM. Persons who held shares through relevant intermediaries and CPF and SRS investors were able to vote at the AGM if they were appointed as proxies by their respective relevant intermediaries, CPF Agent Banks or SRS operators. Alternatively, they could appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM. Proxy forms submitted by shareholders were independently verified by the independent scrutineers. The results of all votes cast for and against each resolution and the respective percentages were announced by the Chairman of the Meeting at the AGM. The detailed voting results were also announced on the SGX website and posted on the Bank's website within the same day after the conclusion of the 2023 AGM.

Minutes of the Bank's general meetings are made available on the SGX website and the Bank's website. The minutes prepared by the Company Secretary would reflect the proceedings including responses from the Board and management to queries and comments from shareholders.

Principle 12: Engagement with Shareholders

The Bank has a shareholders communication policy approved by the Board. The Bank recognises the importance of communicating regularly and effectively with its shareholders so that they can better understand its operations, strategies and directions. One of the key roles of the Group's Investor Relations and Group Brand and Communications units is to keep the market and investors apprised of the Group's major corporate developments and financial performance through regular media releases, briefings and meetings with the investment community and media. The Bank's financial results presentations in 2023 were conducted both virtually and physically, with audio recordings of the results briefings uploaded on the Bank's website. Live webcasts of the Bank's half-year and full-year financial results presentation are available for viewing on OCBC's website. The Bank's dividend policy is also disclosed in the Capital Management section on pages 73 and 74 of this Annual Report. In 2023, the Bank held close to 700 meetings both virtually and physically, including conferences and roadshows, with the investment community including investors, rating agencies and analysts. These meetings provided channels for management to engage investors and update them on the Group's corporate strategy, business developments and performance. In addition, shareholders and the public can access the Group's media releases, financial results and presentation materials used at briefings, and other corporate information via the Bank's website.

Material information is also announced through the SGX website and the Bank's website.

Investors can submit feedback and queries to OCBC's Investor Relations Unit through the contact details provided on the Bank's website.

Managing Stakeholders Relationships

Principle 13: Engagement with Stakeholders

The Bank recognises the importance in maintaining positive stakeholder relationships, and adopts an inclusive approach in the management and engagement of its stakeholders – namely customers, investors, communities, regulators and employees. The Sustainability Report sets out the Bank's approach to stakeholder engagement including key areas of focus and how it responds to stakeholder concerns.

The Bank maintains a corporate website – OCBC.com – to communicate and engage with its stakeholders.

Related Party Transactions and Interested Person Transactions

The Group has established policies and procedures on transactions involving related parties and interested persons in compliance with relevant regulatory requirements and SGX-ST Listing Rules.

For related party transactions, the Group is guided by relevant authorities governing the definitions of relatedness, limits applied, terms of transactions, procedures for approving and monitoring the transactions and where necessary, the writing off of these transactions. Related party transactions are monitored with particular care, and appropriate steps are taken to control or mitigate the risks of such transactions. The Board reviews the Group policy on a regular basis to ensure it remains relevant and is kept informed of all material related party transactions. During the financial year, there were no material related party transactions between the Bank and its related parties under the Group policy.

For interested person transactions, the Bank's established policy and procedures comply with requirements mandated under Chapter 9 of the SGX-ST Listing Manual. Details of interested person transactions carried out during the financial year under review are set out in the section under "Additional Information Required under the SGX-ST Listing Manual" on page 72.

Ethical Standards

The Bank's ethical standards are guided by its commitment to uphold its core values or "LIFRR".

The Bank has also adopted the SGX-ST Listing Manual's guidelines on dealings in securities and has a policy against insider trading. Directors and officers are prohibited from dealing in the securities of the Bank and its listed subsidiary, Great Eastern, during the period commencing two weeks before the voluntary disclosures of the Bank's and Great Eastern's first and third quarters' financial results, and one month before the announcement of half-year and full-year financial results (the blackout period) and any time they are in possession of unpublished material price-sensitive information. The Bank will notify Directors and employees of the commencement date for each blackout period. The policy also states that employees are not to deal in the Bank's securities on short-term considerations. In addition, employees are instructed to conduct all their personal securities transactions through the Group's stockbroking subsidiary.

The Bank's insider trading policy also includes instructions pertaining to dealings in the listed securities of customers of the Group. The Bank reviews its policy on insider trading at least biennially to ensure it remains relevant and effective.

The Bank has a code of conduct that applies to all employees and reinforces the core values expected of employees. The code covers all aspects of the business operations of the Bank and sets out principles to guide employees in carrying out their duties and responsibilities while adhering to the highest standards of personal and corporate integrity.

Employees are required to observe and comply with laws and regulations as well as company policies, along with the ABS Code of Conduct for Banks and Bank Staff.

The Bank has a suite of policies in place for proper governance and management that staff have to comply with. All policies, including those related to vendor management and procurement, are subject to the Bank's risk management and internal control systems and processes, including management self-assessment and independent audits.

The Bank also has a policy to manage or eliminate any actual or potential conflicts of interest which may impact the impartiality of research analyses or research reports issued by research analysts in the Bank or its financial subsidiaries. These include prohibitions on business units attempting to influence research analyses or recommendations by research analysts, as well as on securities trading by staff who receive information on research analyses or recommendations in unissued research reports.

Summary of Disclosures

Express disclosure requirements in the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued by the Monetary Authority of Singapore (MAS) on 9 November 2021, which comprises the Code of Corporate Governance 2018 and the additional guidelines added by the MAS.

Provisions of the Code of Corporate Governance 2018	Page reference in OCBC Annual Report 2023
Provision 1.2 The induction, training and development provided to new and existing directors.	Page 53
Provision 1.3 Matters that require Board approval.	Page 49
Provision 1.4 Names of the Board Committee members, the terms of reference, delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	Pages 49 to 51
Provision 1.5 The number of Board and Board Committee meetings and the directors' attendance at these meetings.	Page 52
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	Pages 53 and 54
Provision 4.3 Process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	Pages 54 and 55
Provision 4.4 If the Board determines that a director is independent notwithstanding the existence of a relationship with the Company, its related corporations, its substantial shareholders or its officers, which may affect his/her independence, the relationships and the Board's reasons for considering him/her as independent.	Page 53
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds significant number of directorships and commitments, the Nominating Committee's and Board's reasoned assessment of the ability of the director to diligently discharge his/her duties.	Pages 54 and 55, 266 to 271
Provision 5.2 How the assessments of the Board, its Board Committees and each director have been conducted, including the identity of any external facilitator and its connection (if any) with the Company or any of its directors.	Page 55
Provision 6.4 The engagement of any remuneration consultants and their independence.	Page 55
Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) Each individual director and the CEO (b) At least the top five key management personnel (who are not directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel.	For CEO and Management: Pages 55 to 60 For the Company's Directors: Pages 56, 57 and 59
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 during the year, in bands no wider than $100,000. The Company should also state clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Page 59
Provision 8.3 All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the Company as well as details of employee share schemes.	Pages 56 to 60, and Pages 108 to 111

Provisions of the Code of Corporate Governance 2018	Page reference in OCBC Annual Report 2023
Provision 9.2 The Board has received assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	Page 61
Provision 10.1 The Company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising concerns.	Page 61
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	Pages 52 and 64
Provision 12.1 The steps taken to solicit and understand the views of shareholders.	Page 64
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Page 65

Additional Guidelines	Page reference in OCBC Annual Report 2023
Additional Guideline 1.17 An assessment of how the induction, orientation and training provided to new and existing directors meet the requirements as set out by the Nominating Committee to equip the Board and the respective Board Committees with relevant knowledge and skills in order to perform their roles effectively.	Page 53
Additional Guideline 4.7 The names of the directors submitted for appointment or re-appointment are accompanied by details and information to enable shareholders and the Board to make informed decisions. Such information, which accompanies the relevant resolution, includes: (a) date of last re-appointment; (b) professional qualifications; (c) any relationships including immediate family relationships between the candidate and the directors, the Company or its substantial shareholders; (d) a separate list of all current directorships in other listed companies; (e) details of other principal commitments; and (f) any prior experience as a director of a listed issuer or as a director of a financial institution.	Pages 68 to 71
Additional Guideline 4.11 Resignation or dismissal of key appointment holders.	Page 54
Additional Guideline 4.12 Designations and roles of all directors.	Pages 28 and 29, and 266 to 271
Additional Guideline 9.9 The appointment and remuneration of the non-director member of the Risk Management Committee.	Not applicable
Additional Guideline 9.11 (a) The Board's comments on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls, and risk management systems). (b) A statement on whether the Audit Committee concurs with the Board's comment. Where material weaknesses are identified by the Board or Audit Committee, they are disclosed together with the steps taken to address them.	Page 61
Additional Guideline 10.19 The Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced.	Page 63
Additional Guideline 14.5 Material related party transactions.	Page 65

Additional Information on Directors Seeking Re-Election

Name of Director	Andrew Lee	Andrew Khoo	Pramukti Surjaudaja	Seck Wai Kwong
Date of appointment	18 February 2022	8 March 2021	1 June 2005	4 September 2023
Date of last re-appointment (if applicable)	22 April 2022	29 April 2021	29 April 2021	Not applicable
Age	71	61	61	68
Country of principal residence	Singapore	Singapore	Indonesia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	With his wide financial industry and leadership experience, Mr Andrew Lee's contributions will continue to be invaluable to the Board.	With his extensive knowledge, experience and leadership roles in the industry, Dr Andrew Khoo will continue to be an essential member of the Board.	Mr Pramukti Surjaudaja's deep insights into banking and business, especially in Indonesia, will continue to add value to the Board's initiatives and activities.	With his qualifications, experience and background, Mr Seck Wai Kwong will be able to contribute to the roles and deliberations of the Board and also complement the Board's overall competency and skills.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Chairman, Risk Management Committee • Member, Board Sustainability Committee • Member, Ethics and Conduct Committee • Member, Executive Committee • Member, Nominating Committee • Member, Remuneration Committee	• Chairman, Nominating Committee • Member, Executive Committee • Member, Remuneration Committee	• Member, Nominating Committee • Member, Remuneration Committee	• Member, Audit Committee • Member, Risk Management Committee
Professional qualifications	Please refer to his academic and professional qualifications in the section under "Further Information on Board of Directors" on page 266.	Please refer to his academic and professional qualifications in the section under "Further Information on Board of Directors" on page 267.	Please refer to his academic and professional qualifications in the section under "Further Information on Board of Directors" on page 270.	Please refer to his academic and professional qualifications in the section under "Further Information on Board of Directors" on page 269.

Name of Director	Andrew Lee	Andrew Khoo	Pramukti Surjaudaja	Seck Wai Kwong
Working experience and occupation(s) during the past 10 years	Mr Andrew Lee is a veteran banker with more than 30 years of financial services experience in Standard Chartered Bank, OCBC Bank, Great Eastern Life Assurance and BCS Information Systems as its Executive Chairman. Please refer to his present directorships/principal commitments in the section under "Further Information on Board of Directors" on page 266 for further information.	Dr Andrew Khoo spent 22 years in the Monetary Authority of Singapore holding several key positions. He retired as its Deputy Managing Director (Corporate Development). Please refer to his present directorships/principal commitments in the section under "Further Information on Board of Directors" on page 267 for further information.	Mr Pramukti Surjaudaja has held key positions at OCBC Indonesia, for 36 years, including President Director, and is presently its Board President Commissioner. Please refer to his present directorships/principal commitments in the section under "Further Information on Board of Directors" on page 270 for further information.	Mr Seck retired as the CEO of Eastspring Investments Group, the Asian investment management arm of Prudential plc in August 2023. Prior to Eastspring, he was CEO, Asia-Pacific of State Street Bank and Trust Company from 2011 to 2019 and has held senior positions in the Singapore Exchange, Monetary Authority of Singapore, GIC, Lehman Brothers and DBS Bank. Mr Seck was a recipient of the Public Service Star on Singapore's National Day in 2023. Please refer to his present directorships/principal commitments in the section under "Further Information on Board of Directors" on page 269 for further information.
Shareholding interest in the listed issuer and its subsidiaries	Yes 529,953 ordinary shares in Oversea-Chinese Banking Corporation Limited (Direct interest) 43,512 ordinary shares in Oversea-Chinese Banking Corporation Limited under Employee Share Schemes	Yes 18,151 ordinary shares in Oversea-Chinese Banking Corporation Limited (Direct interest)	Yes 97,050 ordinary shares in Oversea-Chinese Banking Corporation Limited (Direct interest)	Yes 9,386 ordinary shares in Oversea-Chinese Banking Corporation Limited (Direct interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil
Conflict of interests (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

Name of Director	Andrew Lee	Andrew Khoo	Pramukti Surjaudaja	Seck Wai Kwong
Other Principal Commitments* Including Directorships * "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.				
Past (for the last 5 years) **Present**	Please refer to the section under "Further Information on Board of Directors" on page 266.	Please refer to the section under "Further Information on Board of Directors" on page 267.	Please refer to the section under "Further Information on Board of Directors" on page 270.	Please refer to the section under "Further Information on Board of Directors" on page 269.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him/her?	No	No	No	No
(d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No	No	No
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

Name of Director	Andrew Lee	Andrew Khoo	Pramukti Surjaudaja	Seck Wai Kwong
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	Yes(1)	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	No	Yes(2)
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

(1) On 26 December 2023, the National Environment Agency (NEA) was charged under the Workplace Safety and Health Act in relation to an explosion that took place at the Tuas Incineration Plant on 23 September 2021. The case is currently before the courts, and the NEA is studying its charge in consultation with its legal counsel. Dr Andrew Khoo is currently an independent non-executive director of the NEA. In his role as a Board Member, he is not involved in the NEA's day-to-day operations nor management thereof.

(2) This relates to Mr Seck Wai Kwong's past directorship as a non-executive director of TMB Asset Management Company Limited (TMBAM) of Thailand from 15 April 2019 to 11 July 2022, as disclosed in Mr Seck's announcement of appointment as an OCBC director dated 31 August 2023.

During Mr Seck's four-year tenure as chief executive officer (CEO) of Eastspring Investments Group (Eastspring), which manages over US$200 billion in assets, he held more than ten directorships at Eastspring's various subsidiaries as part of his role as CEO. One of those subsidiary entities was TMBAM, a joint venture Thai fund management company in which Eastspring had purchased a 65% stake in 2018, the year prior to him joining as Eastspring's CEO. As a non-executive director of TMBAM, Mr Seck did not have any managerial or investment responsibilities at TMBAM.

In March 2020, the Covid-19 pandemic caused widespread disruption in financial markets, leading to significant redemptions in four of TMBAM's Thai Baht denominated fixed income funds. TMBAM's inability to sell illiquid securities forced these four funds, with a total value of about US$4 billion, to be suspended and subsequently closed due to the non-existence of gating and swing pricing mechanisms in the Thai market at that time. Post the suspension and as the markets recovered, TMBAM was able to sell the illiquid securities and returned all the funds to investors within 18 months at prices above those at the time of the suspension.

Nonetheless, given the closures, the Securities and Exchange Commission in Thailand (SECT) conducted an on-site inspection of the four closed funds and issued the final inspection report on 20 October 2021. SECT did not find any wilful intention on the part of TMBAM, or any of its directors not to comply with relevant requirements. But given the disruption, SECT levied a US$153,000 fine on TMBAM in March 2022 for having inadequate communication and crisis management and internal controls in fund management/risk management during that episode.

Additional Information Required under the SGX-ST Listing Manual

1. Interested Person Transactions

Interested person transactions carried out during the financial year under review:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 2023 $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) 2023 $'000
Dasar Sentral (M) Sdn Bhd – Renewal of lease of premises at Wisma Lee Rubber, Kuala Lumpur to subsidiaries of OCBC Bank.	An associate of Dr Lee Tih Shih, director of OCBC Bank	4,337	–
Lee Rubber Company (Pte) Limited – Renewal of lease of premises at OCBC Centre, Singapore from a subsidiary of OCBC Bank.	An associate of Dr Lee Tih Shih, director of OCBC Bank	4,096	–
PT Suryasono Sentosa – Capital Injection to PT OCBC NISP Ventura by PT Suryasono Sentosa and PT Bank OCBC NISP Tbk.	An associate of Mr Pramukti Surjaudaja, director of OCBC Bank	7,502	–
PT Udayawira Utama – Renewal of lease of premises at OCBC NISP Tower, Jakarta, to PT Bank OCBC NISP Tbk.	An associate of Mr Pramukti Surjaudaja, director of OCBC Bank	1,621	–

2. Material Contracts

Since the end of the previous financial year, no material contract involving the interest of the Chief Executive Officer, any Director or controlling shareholder of the Bank has been entered into by the Bank or any of its subsidiary companies, and no such contract subsisted as at 31 December 2023, save as disclosed via SGXNet.

3. Appointment of Auditor

The Group has complied with Rules 712 and 715 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditor.

Capital Management

Capital Policy

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 regulatory minima, while balancing shareholders' expectations 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 our overall cost of capital low.

Capital Monitoring and Planning

The Group's capital is closely monitored and actively managed to ensure that there is sufficient capital to support business growth, and pursue strategic business and investment opportunities that will create value for our stakeholders, while taking into consideration the Group's risk appetite. The Group's internal capital adequacy assessment process (ICAAP) involves a comprehensive assessment of all material risks that the Group is exposed to and an evaluation of the adequacy of the Group's capital in relation to those risks. This includes an annual capital planning exercise to forecast capital demands and assess the Group's capital adequacy over a multi-year horizon. This process takes into consideration the Group's business strategy, operating environment, regulatory changes, target capital ratios and composition, as well as expectations of its various stakeholders. In addition, capital stress tests are conducted to understand the sensitivity of the key assumptions in the capital plan to the effects of plausible stress scenarios, and evaluate how the Group can continue to maintain adequate capital under such scenarios.

Within the Group, excess capital will be centralised as far as possible at the parent (i.e. OCBC Bank) level for efficient deployment across the Group. While the transfer of capital resources within the Group is generally subject to regulations in local jurisdictions, where applicable, the Bank has not faced significant impediments on the flow of capital within the Group.

Dividend

The Group aims to deliver a dividend payout ratio of 50% of its core net profit, barring unforeseen circumstances. The dividends are payable on a half-yearly basis. For the financial year ended 31 December 2023, the Board of Directors has recommended a final dividend of 42 cents per share. This brings the full year 2023 dividend to 82 cents per share, or a total dividend payout of $3.7 billion.

Share Buyback and Treasury Shares

Shares purchased under the share buyback programme are held as treasury shares. These are recorded as a deduction against share capital, and may be subsequently cancelled, sold or used to meet delivery obligations under employee share schemes. During the financial year ended 31 December 2023, the Bank purchased 16.4 million ordinary shares for $205 million as part of its share buyback programme, while 15.6 million treasury shares were delivered to meet obligations under its employee share schemes.

Capital Adequacy Ratios

Since 1 January 2019, the Monetary Authority of Singapore (MAS) has fully phased-in the Basel III capital adequacy ratio requirements under the MAS Notice 637. Under this framework, Singapore-incorporated banks are required to meet minimum Common Equity Tier 1 (CET1), Tier 1, and total capital adequacy ratios (CAR) of 6.5%, 8.0%, and 10.0%, respectively. On 8 June 2023, MAS announced that the implementation of the final Basel III reforms will come into effect from 1 July 2024. The reforms include revisions to the credit, market and operational risk standards and the introduction of an output floor transitional arrangement.

To ensure that banks build up adequate capital buffer outside periods of stress, a Capital Conservation Buffer (CCB) of 2.5 percentage points above the minimum capital adequacy requirements was introduced. Including the CCB, Singapore-incorporated banks are required to meet CET1 CAR, Tier 1 CAR and Total CAR of 9.0%, 10.5% and 12.5%, respectively.

In addition, the Group will be subject to a Countercyclical Buffer requirement if this buffer is applied by regulators in countries which the Group has credit exposures to. Generally in the range of 0% to 2.5% of risk-weighted assets, the Countercyclical Buffer is not an ongoing requirement but it may be applied by regulators to limit excessive credit growth in their economy.

The table below shows the composition of the Group's regulatory capital and its capital adequacy ratios as of 31 December 2023. The capital adequacy ratios were determined in accordance with the requirements of MAS Notice 637, which included the definitions for CET1, Tier 1 and Tier 2 capital, the required regulatory adjustments against capital (including goodwill, intangible assets, deferred tax assets and investments in unconsolidated financial institutions in which the Bank holds a major stake), and the methodologies available for computing risk-weighted assets. As per the requirements of MAS Notice 637, the Bank's insurance subsidiaries were not consolidated for the computation of the capital adequacy ratios, i.e. capital investments in these insurance subsidiaries were deducted from the Group's capital and their assets were excluded from the computation of the Group's risk-weighted assets.

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.

$ million	**2023**	2022
Ordinary shares	**18,045**	18,048
Disclosed reserves/others	**29,199**	26,254
Regulatory adjustments	**(9,559)**	(9,123)
Common Equity Tier 1 Capital	**37,685**	35,179
Additional Tier 1 capital	**1,285**	1,730
Regulatory adjustments	**–**	–
Tier 1 Capital	**38,970**	36,909
Tier 2 capital	**3,768**	4,028
Regulatory adjustments	**–**	–
Total Eligible Capital	**42,738**	40,937
Credit	**208,220**	202,713
Market	**9,850**	8,587
Operational	**18,624**	20,348
Risk Weighted Assets	**236,694**	231,648
Capital Adequacy Ratios		
Common Equity Tier 1	**15.9%**	15.2%
Tier 1	**16.5%**	15.9%
Total	**18.1%**	17.7%

The Bank's banking and insurance subsidiaries are subject to capital adequacy requirements of the jurisdiction in which they operate. As of 31 December 2023, the capital adequacy ratios of these subsidiaries were above their respective local requirements.

Risk Management

Risks are an inherent part of our business operations and managing them is crucial for our long-term growth and sustainability. Our primary objective is to manage our businesses and their associated risks in a way that provides enduring value for our customers, shareholders, employees and communities.

The Group has a comprehensive and integrated risk management approach that covers all types of risks, underpinned by a strong corporate culture. This approach is embodied in our risk management framework, which incorporates our risk appetite and governance and covers the key principles, policies, and practices we use to manage both financial and non-financial risks.

Principal risk types are managed with the requisite competencies and resources, detailed guidelines and procedures, infrastructure and systems that commensurate with our defined risk-taking parameters. We pay close attention to identifying, measuring, setting tolerances and monitoring, reporting and dynamically reviewing the risks we accept. Established escalation processes are in place to ensure that risks are discussed and sanctioned at the appropriate levels. Our risk management frameworks and approaches are periodically reviewed and enhanced to incorporate best-in-class practices.

Our policies and procedures comply with the prevailing regulatory standards applicable in the jurisdictions where we operate. Banking subsidiaries adopt the Group risk management framework and policies to comply with the Group's risk standards and/or local regulatory requirements, whichever is stricter. Approving authority and limit structures, designed to ensure proper ownership and accountability, are also consistent with that of the Group.

Great Eastern Holdings (GEH) and OCBC Indonesia are listed companies. Their annual reports contain information on their risk management frameworks and practices. Their risk management frameworks, policies and practices are appropriately aligned with the Group's risk standards.

Risks are increasingly inter-connected and have to be assessed holistically. To this end, we have also established cross functional assessments of risk via emerging risk discussions, and a suite of stress-testing and scenario analyses that inform what the impact of plausible risk factors could be to our earnings, capital, liquidity, customer segments, and obligations. Such impacts are taken into account in shaping our risk strategies and contingency plans.

Additionally, we continue to invest in risk infrastructure, digital technologies and data analytics to enhance our risk management capabilities. This includes the selected adoption of artificial intelligence (AI) techniques in early warning and risk assessments which enable us to make more informed decisions and develop proactive strategies to mitigate potential risks.

Principal Risk Types

We generally categorise the risks we face into five principal risk types, as follows:

Table 1: Principal Risk Types

Principal Risks	Definition
Credit Risk	Credit risk is the risk of losing principal and/or income from the failure of an obligor or counterparty to meet its financial or contractual obligations due to an adverse change in the credit profile of an obligor or counterparty.
Market Risk	Market risk is the risk of income and/or market value loss due to fluctuations in factors such as interest rates, foreign exchange rates, credit spreads and, equity and commodity prices or their volatilities and correlations arising from both trading and/or banking activities.
Liquidity Risk	Liquidity risk is the risk arising from an inability to meet financial and cash outflow obligations as they fall due.
Operational Risk	Operational risk is the risk of loss caused by failures in internal processes, and systems or due to poor management, human error or external events. It covers various non-financial risks including fraud; money laundering, terrorism financing and sanctions risk; new product risk; third-party risk; physical and people security risk; conduct risk; business continuity risk; unauthorised trading risk and regulatory, legal and reputational risk.
Information Security and Digital Risk	Information security risk is the risk of compromising confidentiality, integrity and/or availability of information (in physical or digital form). Digital risk includes cyber and technology risks. Cyber risk is the risk arising from malicious acts perpetrated by threat actors. Technology risk is the risk of disruption, failure or irregularity in essential financial services due to the use of information and communication technologies.

Please refer to the respective sections for details of our risk management approach for each of the principal risk types.

Environmental, Social and Governance (ESG) and Climate Risks
We take an integrated and risk-based approach to addressing the financial and reputational implications with respect to ESG and climate risks. This entails ensuring that risk drivers that impact the Group across credit, market, liquidity, operational and reputational risks are adequately identified, assessed and managed in accordance with our existing risk management approaches and planning horizons. In addition to embedding ESG and climate risk management in the responsibilities of the relevant principal risk management committees, our risk appetite framework takes into account the management of the reputational and financial impact of sustainability issues.

Currently, ESG and climate considerations impinge more significantly on credit and reputational risks primarily relating to our wholesale lending activities. Hence, we have incorporated such considerations in our Responsible Financing framework and policies and our credit approval processes for such activities. We continue to enhance our assessment and management of our portfolio through ESG and climate risk metrics, policies and reports, along with climate scenario analysis and stress testing. We also engage clients in certain sectors to evaluate their ability to manage ESG, transition and physical risks. High-risk clients undergo enhanced due diligence as well as further reviews and approvals. These include escalation of transactions with significant reputational risks to the Reputational Risk Review Group, while time-bound action plans or legal covenants may be required. We will continue to progressively adopt quantitative ESG and climate risk metrics and enhance our climate risk scenario analysis methodologies taking into account industry developments, availability of data and regular dialogue with regulators.

Please refer to our Sustainability Report 2023 on Climate Action and Responsible Financing for more information on our ESG and climate risk management efforts.

Risk Governance and Organisation

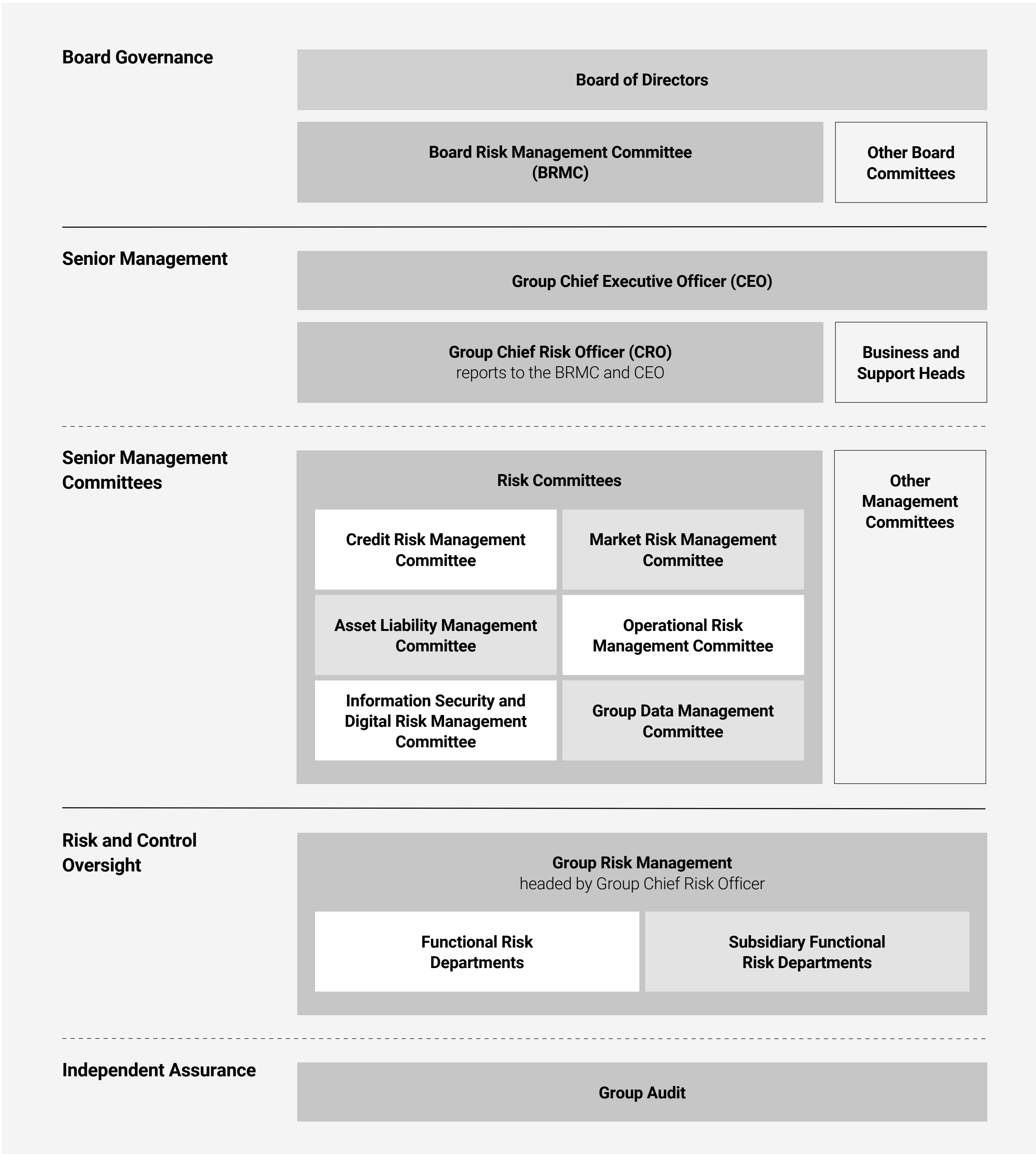
A robust risk governance structure ensures effective oversight and accountability of risk. This enables smooth reporting and escalation of risks to the Board of Directors who have ultimate responsibility for the effective management of risk. The Board establishes the corporate strategy and approves the risk appetite within which senior management executes the strategy. The Group's risk governance and oversight structure, which banking subsidiaries and GEH are aligned with, is shown on page 77.

The Board Risk Management Committee (BRMC) is the designated board committee overseeing 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, legal, regulatory, strategic, 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 ensures that the overall risk management organisation is in place and effective.

The BRMC provides quantitative and qualitative guidance to major business units and risk functions to guide risk-taking. Senior management, functional risk committees and the BRMC regularly review our risk drivers, risk profiles, risk management frameworks and policies, and compliance matters. Please refer to the Corporate Governance Chapter for more information on the BRMC.

Dedicated functional risk committees to manage the principal risk types have been established to facilitate the BRMC's 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. It recommends mitigating actions to senior management, risk committees, the BRMC and Board. At the Group level, GRM also provides functional oversight to the banking subsidiaries and GEH.


Board Governance
Board of Directors
Board Risk Management Committee (BRMC)
Other Board Committees
Senior Management
Group Chief Executive Officer (CEO)
Group Chief Risk Officer (CRO) reports to the BRMC and CEO
Business and Support Heads
Senior Management Committees
Risk Committees
Credit Risk Management Committee
Market Risk Management Committee
Asset Liability Management Committee
Operational Risk Management Committee
Information Security and Digital Risk Management Committee
Group Data Management Committee
Other Management Committees
Risk and Control Oversight
Group Risk Management headed by Group Chief Risk Officer
Functional Risk Departments
Subsidiary Functional Risk Departments
Independent Assurance
Group Audit

Three Lines of Defence

All employees are responsible for identifying and managing risk, a responsibility embedded in our corporate culture and robust internal control environment. This is operationalised via a three-line defence structure that distinctly outlines the roles, responsibilities and accountability of risk.

Table 2: Three Lines of Defence

First Line	Second Line	Third Line
Day-to-day Risk Management	**Risk and Control Oversight**	**Independent Assurance**
Business and Support Units: • Owns and manages risks arising from their business activities on a day-to-day basis. • Carries out business activities that are consistent with the Group's strategy and risk appetite. • Operates within the approved boundaries of our policies and limits and comply with applicable laws and regulations.	**Risk and Control Function:** • Independently and objectively identifies and assesses the risk-taking activities of the first line. • Establishes relevant risk management frameworks, policies, processes and systems. • Provides independent identification, assessment, monitoring and reporting of the Group's risk profiles, portfolio concentrations and material risk issues.	**Group Audit:** • Independently provides assurance to the Group CEO, Audit Committee and Board on the adequacy and effectiveness of our risk management and internal control systems. • Evaluates the overall risk awareness and control consciousness of management in discharging its supervisory and oversight responsibilities.

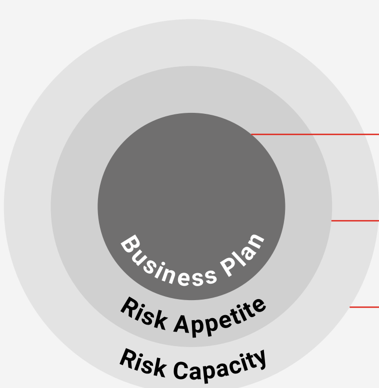
Risk Appetite

Our aim is to manage risks in a prudent and sustainable manner for the long-term viability of the Group. The Board determines the Group's risk appetite, defining the level and nature of risks that we can undertake on behalf of our shareholders while maintaining our commitments to customers, regulators, employees and other stakeholders. Business plans take into account the corporate strategy, the forward-looking operating environment and potential risks assessed against our risk appetite.

Our risk appetite is operationalised across the Group through our policies, processes and limits to manage both financial and non-financial risks.

Senior business and risk managers participate in regular forums to review macroeconomic and financial developments and discuss operating conditions, event risks and potential 'dark clouds' that may significantly impact on our earnings or solvency. These risks are measured via stress tests as well as segment-specific and ad hoc event-specific portfolio reviews. The results are used to assess the potential impact of various scenarios on our earnings and capital, and to identify vulnerabilities of material portfolios and trigger appropriate risk management actions.

We conduct an annual Internal Capital Adequacy Assessment Process (ICAAP) that incorporates the results of stress tests for various risk types. The aim is to assess if we can maintain sufficient capital levels under a forward-looking operating environment and in severe stress scenarios. Appropriate risk-mitigating actions are taken to manage potential risks.



Business Plan	Demand for Risk and Financial Resources to meet our business objectives
Risk Appetite	Level and nature of risk deemed acceptable while ensuring a sufficient buffer in the Risk and Financial Resources
Risk Capacity	Supply of Risk and Financial Resources such as Funding and Capital

Credit Risk Management

Credit risk arises from our lending activities to retail, corporate and institutional customers. It also includes counterparty and issuer credit risks arising from our underwriting, trading and investment banking activities.

Credit Risk Management Approach

Our credit risk management framework provides a comprehensive and proactive approach towards managing credit risk in the Group. The framework documents the credit risk objectives and minimum standards for the full credit risk management cycles of the Group's lending businesses. Effective risk management is enhanced by the experience and sound judgment of our credit specialists.

Our credit risk management approach is tailored based on the unique characteristics and nature of the various portfolios or customer segments. Specific policies and procedures are in place for major customer segments. Please refer to Table 3 for more information.

Counterparty Credit Risk Management

Counterparty credit risk emerges from the potential default of a counterparty during our trading and/or banking activities in derivatives and debt securities. The credit exposure to a counterparty is measured as the sum of current mark-to-market value of the transactions plus an appropriate add-on for potential future exposures due to market price fluctuations. This risk also covers settlement risk, which is the potential loss incurred if a counterparty fails to fulfil its obligation after the Bank has performed its obligation under a contract or agreement at the settlement date.

We actively manage counterparty credit risk through a dedicated risk management team. The team assesses risk at the individual counterparty level, country and sector portfolio level, and product level following a set of policies and procedures. Each counterparty undergoes robust credit assessment, including the suitability of the product offered. Credit risk mitigation tools are used as needed to manage counterparty credit risk. Please refer to the Credit Risk Mitigation section on page 81 for details.

We independently manage our credit exposures through daily limit monitoring, escalation of excesses, pre-deal excess approvals, regular risk reporting and stress testing. In addition, we have an established policy and process to identify, manage and report wrong-way risk, which arises when the quantum of exposure to a counterparty increases as the counterparty's credit quality deteriorates.

Table 3: Credit Risk Management Approach for Major Customer Segments

Consumers and Small Businesses	• Assess credits through credit programmes with predefined acquisition strategies, product structures and portfolio and transaction limits, as well as customer selection, lending and collateral criteria. • Use advanced application models and systems for efficient, objective and consistent credit decision making and customer due diligence checks. • Apply bankruptcy and credit bureau checks, together with systems and processes such as identity checks and independent verification of documentation for credit screening and fraud detection purposes. • Use comprehensive risk management information systems (MIS), behavioural models and stress testing for monitoring and early identification of potentially weak credits. • Monitor credit risk on a portfolio basis.
Corporate and Institutional Customers	• Assess credits individually with robust independent evaluation carried out by experienced credit officers. • Use predefined target market and risk acceptance criteria to guide credit extensions. • Make credit decisions after comprehensive qualitative and quantitative risk assessment, including a thorough understanding of the customer and customer group's interdependencies. • Business and credit risk units jointly approve credits to ensure objectivity and shared risk ownership. • Conduct regular reviews and forward-looking stress tests at borrower and portfolio levels to monitor credit quality and identify potential weak credits early.
Private Banking Customers	• Assess credits individually with robust independent evaluation carried out by experienced credit officers. • Use predefined risk acceptance criteria, availability of acceptable collateral and stipulated loan advance ratio and margin requirements to guide credit extensions. • Business and credit risk units jointly approve credits to ensure objectivity and shared risk ownership. • Take prompt remedial actions through timely and disciplined resolution of margin calls, top-up provisions, and execution of stop-loss and force-selling of collateral.

Credit Portfolio Management

Credit portfolio management focuses on managing the collective or aggregate risk of our credit portfolios, instead of the credit risk of individual borrowers. We have developed and implemented a range of capabilities to identify, measure and monitor credit risk at the portfolio level. These capabilities include:

- **Portfolio Segmentation**: This is the process of grouping credit exposures that are similar in nature. It involves using attributes that represent common business drivers, such as geography, industry and business segment, as well as common risk drivers such as exposure to material downside risks like a property price correction, a sharp hike in interest rates, or a country risk event.
- **Portfolio Modelling**: This includes using internal rating models to quantify the exposure risk, default risk and potential losses of our borrowers. Please refer to Table 4 for information on our internal rating models. We also use stress test models to simulate the potential increase in our credit losses and Credit Risk Weighted Assets (CRWA) under stressed scenarios.

Overview of Internal Rating Models

Internal credit rating models and their components such as probability of default (PD), loss given default (LGD) and exposure at default (EAD) are used in limit setting, credit approval, portfolio monitoring and reporting, remedial management, stress testing and assessment of capital adequacy and portfolio allowances.

Our model risk management framework governs the development, validation, application and maintenance of rating models. Models are developed with the active participation of credit experts from risk taking and risk control units. They are subject to independent validation before implementation and annually after that to ensure that performance standards, which take into consideration regulatory requirements and industry best practices, are continually met. In addition, Group Audit reviews the robustness of the rating process and the effectiveness of the independent validation process annually. Approval for the adoption and continued use of material models rests with the BRMC. In addition, models that are used in the regulatory capital assessment must be approved by the regulators.

While our internal risk grades are not explicitly mapped to external credit ratings, they may correlate with external credit ratings in terms of the PD ranges because the factors used to rate obligors are similar. As such, an obligor rated poorly by an external credit

Table 4: Key Components of Internal Ratings Based (IRB) Models

IRB Models and Portfolios	PD	LGD and EAD
A-IRB approach covers major retail portfolios such as residential mortgages, credit cards, auto loans, insurance financing, small businesses and margin lending	• PD is estimated based on the application and behaviour scores of obligors. • PD models are calibrated to reflect the expected long-run average one-year default rate over an economic cycle.	• Product, collateral and geographical characteristics are major factors. • LGD models are calibrated to reflect the economic loss under downturn conditions. • EAD models are calibrated to reflect the default-weighted average and economic downturn conditions.
F-IRB (Non-Supervisory Slotting) approach covers major wholesale portfolios such as sovereigns, banks, non-bank financial institutions, corporate real estate (including income producing real estate) and general corporates	• PD models are statistical based or expert judgement models that use both quantitative and qualitative factors to assess an obligor's repayment capacity and calibrated to reflect the expected long-run average one-year default rate over an economic cycle. • Expert judgement models based on inputs from internal credit experts are typically used for portfolios with low default rates.	• LGD and EAD are estimated based on rules prescribed in MAS Notice 637.
F-IRB (Supervisory Slotting) approach covers other specialised lending portfolios such as project finance, object finance and commodities finance	• Obligors are mapped to the five supervisory slotting categories prescribed in MAS Notice 637 based on regulatory loan classifications.	• LGD and EAD are estimated based on rules prescribed in MAS Notice 637.

rating agency is likely to have a weak internal risk rating as well.

Table 4 on page 80 describes the approaches used to estimate the key parameters for Advanced Internal Ratings-Based (A-IRB) and Foundation Internal Ratings-Based (F-IRB) credit risk models used to calculate the CRWA.

- **Portfolio Reporting:** This includes internal and external reporting of portfolio risk information to the respective stakeholders. These reports provide a better understanding of how the credit portfolio risk trends are evolving in response to the changing operating environment and downside risks. Regular risk reports covering detailed metrics for credit portfolio exposures, quality, concentrations and hotspots covering dimensions such as geography, industry and business segment are provided to Senior Management and Board for making timely and better-informed decisions.

Using insights from portfolio modelling and reporting, we allocate appropriate risk and financial resources such as funding and capital to support growth opportunities. We use these insights to set credit concentration limits managing potential risks from adverse changes in the operating environment. The design of these limits considers direct and indirect risk drivers, such as economic sector, industry and geographic location, collateral type or other credit risk mitigation.

We also utilise these insights to identify and quantify more vulnerable segments and take proactive risk management actions when appropriate. This is especially crucial during periods of slow economic growth, high inflation, elevated interest rates, and heightened geopolitical tensions. These actions include actively tracking potentially vulnerable exposures; setting limits on maximum exposure; closely monitoring and reviewing vulnerable exposures; stress testing to assess potential credit impact; implementing risk mitigation and remedial management measures; and ensuring prudent provisioning and adequate capital allocation if needed.

Credit Risk Mitigation

We use various credit risk mitigation measures such as holding collateral, buying credit protection and setting netting arrangements to reduce credit risk exposures. However, risk mitigation does not replace our proper assessment of the obligor's ability to repay, which remains the primary repayment source.

Our credit policies outline the key considerations for eligible credit risk mitigants including legal certainty and enforceability, correlation, liquidity, marketability, counterparty risk of the credit protection provider and collateral-specific minimum operational requirements. Eligible physical and financial collateral include cash, real estate, marketable securities, standby letters of credit and credit insurance.

Where collateral is taken, appropriate haircuts are made to the value to reflect its inherent nature, quality, liquidity and volatility. Regular independent valuations of the collateral are conducted. We also monitor our collateral holdings to maintain diversification across asset classes and markets. We accept guarantees from individuals, corporates and institutions as a form of support. Where guarantees are recognised as credit risk mitigants via the PD substitution approach, we have established eligibility criteria and guidelines.

Netting, collateral arrangements, early termination options and central clearing mechanisms are common risk mitigation tools to manage counterparty credit risk. In approved netting jurisdictions, netting agreements allow us to offset our obligations against what is due from the counterparty in the event of a default, thereby reducing credit risk exposure. Collateral arrangements are typically governed by market standard documentation such as the International Swaps and Derivatives Association (ISDA) and Credit Support Annexes (CSA) or Global Master Repurchase Agreements (GMRA). Such arrangements require the posting of additional collateral if the mark-to-market exposures exceed the agreed threshold amount. We apply a haircut to the value of the eligible collateral to cover potential adverse market volatility. Regulatory margin requirements may apply to the agreed threshold amount. ISDA agreements may also include rating triggers to allow for transaction termination or require additional collateral if a rating downgrade occurs. Given our current investment grade rating, a one-notch rating downgrade would result in a minimal increase in collateral to be posted. Where possible, we also clear Over-the-Counter (OTC) derivatives transactions through approved central clearing counterparties, thereby replacing the counterparty's credit risk with that of a highly regulated and better credit rated central clearing counterparty.

Remedial Management

Processes are in place to foster early identification of vulnerable borrowers. The quality of our credit portfolios is proactively monitored and discussed at various risk forums. Action plans to remediate deteriorating trends are worked out and reviewed at such forums.

We classify our credit exposures as restructured assets when we grant non-commercial concessions to borrowers who are unable to meet their original repayment obligations. We further classify a restructured credit exposure into the appropriate non-performing grade based on our assessment of the borrower's financial condition and ability to repay under the restructured terms. Such credit exposure must comply fully with the restructured terms for a reasonable period before it can be restored to performing status in accordance with MAS Notice 612.

Dedicated remedial management units manage the restructuring, work-out and recovery of non-performing assets (NPAs) for wholesale portfolios. The goal is to rehabilitate NPAs where possible or maximise recoveries for NPAs that are on an exit strategy. For retail portfolios, we develop appropriate risk-based and time-based collections strategies to maximise recoveries while trying to minimise impact to our customers. We use data such as delinquency buckets and adverse status tags for delinquent consumer loans to constantly analyse, refine and prioritise our collection efforts.

Credit Loss Allowances

We maintain sufficient allowances to absorb credit losses inherent in our loan portfolios. Allowance for Expected Credit Losses (ECL) is recognised for credit-impaired and non-credit-impaired exposures in accordance with Singapore Financial Reporting Standard (International) 9: *Financial Instruments* (SFRS(I) 9) and MAS Notice 612 through a forward-looking ECL model.

We assess our ECL allowances on a forward-looking basis, taking into account the three stages of credit risk below.

Stages of Credit Risk and Expected Credit Losses

Non-Credit-Impaired		Credit-Impaired
Stage 1 Performing exposures with no significant increase in credit risk since initial recognition	**Stage 2** Performing exposures with significant increase in credit risk since initial recognition	**Stage 3** Non-performing exposures
12-month ECL	**Lifetime ECL**	**Lifetime ECL**

Please refer to Note 2.11 in the Group's Financial Statements for more information on impairment allowances.

Market Risk Management

Market risks arise primarily from our trading, client servicing and balance sheet management activities. Given the high interest rates and volatile geopolitical environment, it is paramount that the management of market risk is robust and timely. This is achieved through market risk management approach, identification, measurement, monitoring, reporting and control.

Market Risk Management Approach

Group level market risk policies and procedures are established to provide common guidelines and standards for managing market risks. We regularly review our market risk management strategy and limits established within our risk appetite and in line with our business strategies taking into account prevailing macroeconomic and market conditions.

Market Risk Identification

Our internal approval processes ensure that market risk is properly identified and quantified, allowing us to manage and mitigate such risks.

Market Risk Measurements

Value-At-Risk

Value-at-risk (VaR) is a key metric used to quantify market risk exposures arising from our trading portfolio activities. VaR is measured and monitored by individual market risk components, namely interest rate risk, foreign exchange risk, equity risk and credit spread risk, as well as at the aggregate level. Our VaR model is based on the historical simulation approach, calibrated at the 99% confidence level and a one-day holding period. A 99% confidence level means that, statistically, losses on a single trading day may

Table 5: VaR by Risk Type – Trading Portfolio

	2023				2022			
SGD Million	End of the period	Average	Minimum	Maximum	End of the period	Average	Minimum	Maximum
Interest Rate VaR	**4.2**	**7.6**	**4.2**	**12.6**	4.9	5.3	1.4	8.0
Foreign Exchange VaR	**2.5**	**3.1**	**1.1**	**9.3**	3.6	1.7	0.4	6.8
Equity VaR	**1.0**	**1.9**	**0.8**	**3.0**	1.0	2.0	0.6	4.9
Credit Spread VaR	**2.2**	**5.7**	**1.9**	**12.0**	5.8	3.6	1.9	6.8
Diversification Effect[1]	**(4.4)**	**(9.1)**	**NM[2]**	**NM[2]**	(6.9)	(5.8)	NM[2]	NM[2]
Aggregate VaR[3]	**5.5**	**9.2**	**5.0**	**16.0**	8.3	6.8	2.8	11.1

(1) Diversification effect is computed as the difference between Aggregate VaR and the sum of asset class VaRs.
(2) Not meaningful as the minimum and maximum VaRs may have occurred on different days for different asset classes.
(3) Aggregate VaR includes Carbon trading exposure that is not material.

exceed VaR on average, once every 100 days. Table 5 on page 82 provides a summary of the Group's trading VaR profile by risk type as of 31 December 2023 and 31 December 2022.

Other Risk Measures

As our main market risk arises from interest rate movements, Present Value of a Basis Point (PV01) which measures the change in value of interest rate-sensitive exposures resulting from a one basis point increase across the entire yield curve is an important measure that is monitored on a daily basis. Other than VaR and PV01, we use risk metrics such as notional positions, Profit & Loss (P&L) for One Basis Point Move in Credit Spreads (CS01) and other risk variables for specific exposure types.

Stress Testing and Scenario Analysis

We perform stress testing and scenario analyses to assess and quantify potential losses from unlikely but plausible extreme market conditions. We regularly review and adjust the stress scenarios to ensure their relevance to our trading portfolio activities and risk profile, as well as current and forecasted economic conditions. These analyses determine if potential losses from such extreme market conditions are within our risk tolerance. In addition to regular stress scenarios, we also use ad hoc event specific stress scenarios to assess the potential impact of specific market conditions on our market risk exposures.

Risk Monitoring, Reporting and Control

Limits

Trading units may only undertake authorised trading activities for approved products. All trading risk positions are monitored on a daily basis against approved and allocated limits. Trading activities are conducted within approved mandates and dynamically hedged to remain within limits. Hedge effectiveness is enforced through independent limit monitoring to ensure compliance with market risk limits. Limits are approved to reflect our risk appetite and manage the downside risks from trading opportunities, with clearly defined exception escalation procedures. We report exceptions, including temporary breaches, promptly to Senior Management and the Board. We also manage market risk exposure holistically by using multiple risk limits (VaR and risk sensitivities), P&L stop loss and other measures.

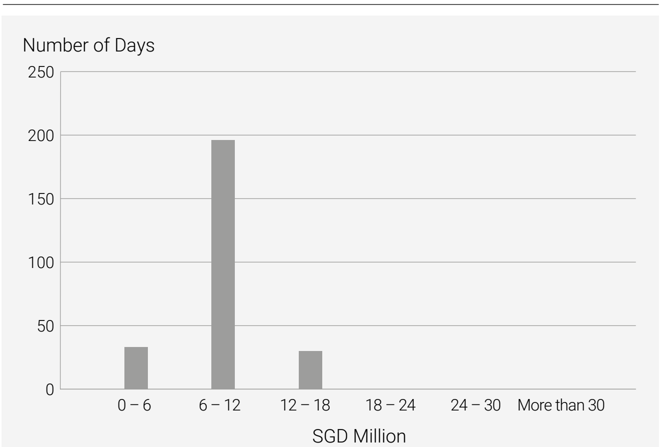
Model Validation

Model validation is an integral part of our risk control process. Financial models are used to price financial instruments and calculate VaR. We ensure that the models used are fit for their intended purposes through periodic independent validation and reviews. To enhance the integrity of the trading P&L and risk measures generated, we source market rates independently for risk measurement and valuation.

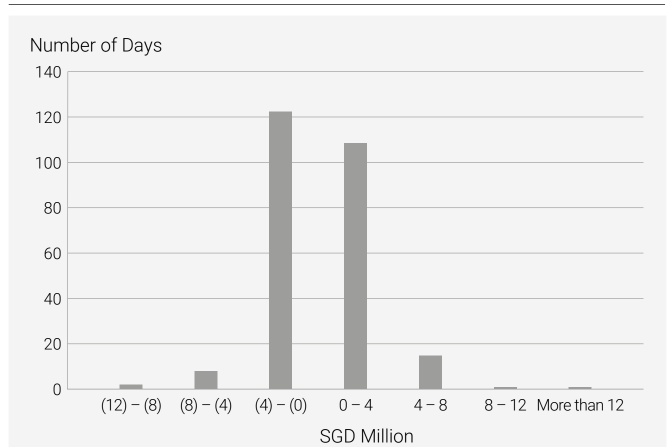
Back Testing

To ensure the continued integrity of our VaR models, we back-test the VaR against actual trading P&Ls and hypothetical P&Ls daily to confirm that the models do not underestimate our market risk exposures. The charts below illustrate the Frequency Distribution of Group Trading Book's Daily Total VaR and P&L.

Frequency Distribution of Group Trading Book's Daily Total VaR (One Day Holding Period) for FY 2023



Frequency Distribution of Group Trading Book's Daily Hypothetical P&L for FY 2023



Interbank Offered Rates (IBOR) Transition

The London Interbank Offered Rate (LIBOR), formerly a key benchmark in international financial markets, has been phased out and replaced by Risk Free Rates (RFRs). All British pound, Euro, Swiss franc and Japanese yen LIBORs, as well as the 1-week and 2-month US dollar LIBOR were discontinued on 31 December 2021. All remaining US dollar LIBORs were discontinued on 30 June 2023.

The discontinuation of LIBOR had a direct impact on the viability of the Singapore Dollar Swap Offer Rate (SOR), which relied on US dollar LIBOR in its computation. Additionally, like LIBOR, the Singapore Interbank Offered Rate (SIBOR), a key benchmark widely used in retail loans, is subject to expert judgement due to a lack of underlying transactions. The Singapore Overnight Rate Average (SORA) was identified as the alternative benchmark to SOR and SIBOR. MAS established an industry-led Steering Committee for SOR & SIBOR Transition to SORA (SC-STS) to oversee the coordination and implementation of the transition efforts.

To ensure a smooth transition from LIBOR to RFRs and SOR and SIBOR to SORA, we also established an internal Steering Committee to coordinate efforts across various business, control and support functions. We make the necessary system upgrades and modifications to ensure the readiness of our infrastructure and processes in a timely manner.

We have also assessed the adequacy of provisions relating to the discontinuation of benchmarks in our documentation for loans, derivatives, debt instruments and other relevant transactions, and remediated the necessary documentation. With the cessation of US dollar LIBOR and SOR on 30 June 2023, all retail and corporate loans and derivatives referencing SOR have successfully transitioned to SORA, fixed rates or other industry standard replacement rates. Appropriate adjustments were made as recommended by the industry to reflect the differences between SOR and SORA. As of 31 December 2023, loans and derivatives referencing US dollar LIBOR have also successfully transitioned to the Secured Overnight Financing Rate (SOFR), fixed rates or other industry standard replacement rates as agreed between contracting parties. There was no significant impact from the cessation of US dollar LIBOR and SOR.

For SIBOR, the transition will be completed in 2024 in line with the roadmap established by the industry. No significant impact is expected from the transition of SIBOR to SORA.

Asset Liability Management

Asset liability management is the strategic management of our balance sheet structure and liquidity requirements. It covers liquidity sourcing and diversification, as well as interest rate and structural foreign exchange management.

Asset Liability Management Approach

Our asset liability management framework focuses on managing the balance sheet exposures that give rise to liquidity risk, Interest Rate Risk in the Banking Book (IRRBB) and structural foreign exchange risk. The asset liability framework consists of key elements that facilitate the asset liability management risk process, including comprehensive risk measures and actively monitored risk limits, all supported by strong data capabilities and risk systems.

Liquidity Risk

Liquidity risk refers to the risk of being unable to meet our contractual and regulatory financial obligations. The objective of liquidity risk management is to ensure that we continue to fulfil our financial obligations and to undertake new transactions, through the management of liquidity and funding risks within our risk appetite.

Liquidity Risk Identification

Liquidity risks arise from cashflow mismatches in maturing assets, liabilities and off-balance sheet items. Liquidity risks are also identified through the monitoring of early warning indicators of potential liquidity risk, which take into account the market environment as well as any other financial risks that could potentially trigger a liquidity risk event. Early identification of liquidity risk is crucial for effective management of our funding requirements and liquidity risks.

Liquidity Risk Measurements

Liquidity risk metrics consist of a framework for projecting cash flows on both contractual and behavioural bases under business as usual and stressed market scenarios. We also established liquidity and funding concentration ratios to measure and manage the effective diversification of funding sources, and the adequacy of sources of liquidity under stressed conditions.

Liquidity Stress Testing

We perform stress testing and scenario analyses under a range of scenarios to assess the potential impact of extreme market events on our liquidity risk profile. We regularly review these stress scenarios in the context of the prevailing risk climate, financial conditions and liquidity strategies. Stress testing bolsters our resilience in the face of liquidity stresses, helping us to anticipate and set aside sufficient liquidity buffers while applying the relevant stress testing outcomes to develop effective funding strategies, policies and contingency funding plans.

Liquidity Risk Monitoring, Reporting and Control

Liquidity risk positions are monitored and reported against approved liquidity risk limits and triggers. Limits are established in alignment with our risk appetite, taking into account our funding capacity, business requirements and the liquidity environment we operate in. There is also an established review, oversight and escalation process to facilitate prompt escalation and remediation of any limit exceptions. To facilitate the risk monitoring and reporting processes, we continually invest in the development of risk and management information systems and analyses to support the liquidity risk framework.

Interest Rate Risk in the Banking Book (IRRBB)

IRRBB refers to the current and prospective risk of interest rates to the Bank's capital and earnings. The primary goal of the management of IRRBB is to ensure that interest rate risk exposures are consistent with our risk appetite and maintained within the defined risk tolerance.

Interest Rate Risk Identification

Interest rate risks arise from interest rate sensitive instruments which are repriced at different times (gap risk), are repriced by referencing different interest rate benchmarks (basis risks), or possess optionality with respect to timing of cashflows or interest reset under different circumstances (optionality risk).

Interest Rate Risk Measurements

We measure IRRBB from the perspective of both earnings and capital. Net Interest Income (NII) sensitivity estimates the potential change in earnings over a one-year horizon: Economic Value of Equity (EVE) sensitivity estimates the potential impact on the Bank's capital under various interest rate shock scenarios. Interest rate sensitivity measures such as PV01 and repricing gap profile analysis are also part of the risk metrics employed. Behavioural models are adopted to assess interest rate risks in relation to loan prepayment, time deposit early redemption and the profile of non-maturity deposits. Appropriate systems and standards are used in the quantification and measurement of IRRBB.

Interest Rate Risk Stress Testing

We perform IRRBB stress testing under a range of scenarios encompassing historical and hypothetical scenarios, as well as regulatory prescribed interest rate shock scenarios. The stress tests assess the potential impact of adverse scenarios on our financial condition, where stress limits and management actions are integrated with the stress test results.

Interest Rate Risk Monitoring, Reporting and Control

Interest rate risk positions and metrices are comprehensively monitored against approved risk limits and triggers. Interest rate risk limits are aligned with the risk appetite and prevailing risk outlook. There is also an established review, oversight and escalation process to facilitate prompt escalation and remediation of any limit exceptions. We invest in the development of risk systems to support the monitoring and analysis of interest rate risks.

Structural Foreign Exchange Risk Identification

Structural Foreign Exchange (SFX) exposures arise from non-Singapore Dollar exposures in overseas branches, subsidiaries, other strategic investments and property assets. They affect the Bank's Capital Adequacy Ratio (CAR) and total equity through the impact on Foreign Currency Translation Reserves (FCTR). The objective of structural FX risk management is to protect the capital and financial soundness of the Bank by managing the potential impact arising from adverse FX movements, through monitoring, stress testing and hedging where appropriate.

SFX Stress Testing, Monitoring and Reporting

We implement a comprehensive risk management methodology to ensure appropriate and effective risk capturing and controls around SFX exposures. We monitor the SFX impact on our capital and CAR stability and perform regular assessments to ensure the potential losses under severe market stress scenarios are within our risk tolerance.

Other Risks

Non-structural foreign exchange exposures in our banking book are largely transferred to our trading book for foreign exchange risk management. In addition, we are exposed to credit spread risk through the holding of High-Quality Liquid Assets (HQLA) in our banking book to comply with the Liquidity Coverage Ratio (LCR) requirements. While the default risk for HQLA is low, their value could be sensitive to changes in credit spreads. This risk is monitored against approved CS01 limits on a daily basis and subject to historical and anticipatory stress testing. The other risk residing in our banking book is equity price risk arising from our equity investments in listed and non-listed companies. Equity investments (excluding those held by GEH) form an insignificant portion of our overall securities portfolio.

Operational Risk Management

Operational risk is the risk of loss caused by failures in internal processes, systems, poor management, human error or external events. This risk is inherent in all banking products, activities, processes and systems. It covers various non-financial risks including fraud; money laundering, terrorism financing and sanctions risk; third-party risk; physical and people security risk; conduct risk; business continuity risk; unauthorised trading risk and regulatory, legal and reputational risk.

Operational Risk Management Approach

We recognise the heightened risk of business disruptions arising from operational failures and the importance of strengthening our operational resiliency. We continue to anticipate and prevent potential operational events through robust risk management practices.

Our operational risk management framework sets out our approach to managing and controlling the operational risks arising from the Group's business activities and operations. This includes regular review of our operational risk profile, comprising operational risk events, key risk indicators, material issues and trends. Senior Management and the Board receive regular updates on the operational risk profile and an annual assurance report assessing the adequacy and effectiveness of our internal controls and risk management systems.

In addition, the operational risk management framework is supported by various programmes that ensure preparedness and, minimise the impact of any adverse event through a timely response, recovery, and adaptability, thus ensuring the continued provision of essential services. The table below shows the key components of operational risk management.

Table 6: Key Components of Operational Risk Management

Risk Management Capabilities	**New Product Approval** • A stringent process to identify and mitigate risks inherent in new products or the distribution/ marketing of new products, ensure prudent allocation of resources and capital, and compliance with regulatory requirements. **Third-Party Risk Management** • Scrutiny of outsourced and third-party service providers through stringent onboarding and ongoing due diligence assessments. **Business Continuity Management** • Regular reviews to identify the Bank's Critical Business Services and Service Recovery Time Objective. • Establishment, review and regular testing of recovery strategies and business recovery plans. **Anti-Money Laundering / Countering the Financing of Terrorism** • Enhanced risk assessment methodologies that overlay on existing monitoring and screening platforms to assess customer, product and geographical risks. • Robust risk surveillance capabilities that leverage AI and data analytics for dynamic monitoring and detection of emerging financial crime trends and typologies. **Anti-Fraud** • Transaction monitoring capabilities to detect and alert customers of suspicious account activities, and to prevent the completion of such transactions. • Ongoing efforts to strengthen the fraud surveillance systems in response to changes in fraud/scam typologies and regulatory landscape.
Incident Response and Crisis Response	• Crisis Management procedures and playbooks to guide the Bank's responses to potential crisis events such as pandemic situations, surge in fraud and scams and, cyber-attacks. • A comprehensive governance and anti-fraud response model to expedite incident handling through the Dynamic Response Committee (DRC) and Anti-Fraud Standing Committee (AFSC).
Insurance	• Financial lines insurance programmes in place to cover key operational risks: – Bankers Blanket Bond and Professional Indemnity Programme – Cyber and Network Security Liability Insurance Programme
Awareness and Training	• An Operational Risk Working Group that fosters continuous engagement with stakeholders across the organisation, facilitating awareness and understanding of operational risk. • Availing of targeted and specialised training, including certified courses recognised by the Institute of Banking and Finance (IBF) and International Compliance Training Academy (ICA), to raise staff competency.
Industry Collaboration	• Active participation in industry committees and working groups (e.g. Association of Banks in Singapore (ABS) Outsourcing Advisory Committee, ABS Standing Committee on Business Resilience and Continuity) to share and stay abreast of developments in the operational risk landscape.

Information Security and Digital Risk Management

Information security and digital risk is a business risk that comprises the risk domains of information, cyber and technology risks. Effective management of information security and digital risk is critical to minimising any impact on our customers and any financial, operational, reputational, legal and/or regulatory impact on the Group.

Information Security and Digital Risk Management Approach

Robust management of information security and digital risks remain a key focus in view of the Bank's continued digitalisation efforts and the evolving cyber threat landscape, further exacerbated by factors such as adoption of new technology by threat actors (e.g. using generative AI to develop more realistic phishing emails) and geopolitical conflicts (e.g. possible associated cyber-attacks).

To achieve resilience for the Group, our information security and digital risk framework sets out a comprehensive approach towards governing and managing information security and digital risks. This includes regular review of key risk areas, considering other factors such as incidents, regulatory expectations and emerging risks, to facilitate the prioritisation of risk management activities including risk monitoring and risk reporting (e.g. group-wide risk profiles, related key trends and significant incidents) to Senior Management and the Board.

In addition, an organisation strategy comprising the following key components has been adopted:

Table 7: Key Components of Information Security and Digital Risk Management

Preventive, detective and response capabilities	• A 24-by-7 Cybersecurity Operations Centre and a Technology Command Centre that monitor our networks and systems for potential cyber threats or disruptions to our financial services. • Ongoing monitoring of cyber threat intelligence to identify any indication of potential cyber events that could target or impact the Bank. • Regular review and testing of existing controls, with new capabilities added where necessary to take into account evolving threats.
Awareness & Vigilance Uplift & Testing Programmes	• Mandatory cyber and information security awareness e-learning, regular risk awareness broadcasts and social engineering testing programmes covering all staff. • Group-wide internal Cyber Smart Programme to improve related knowledge, skills, and behaviours, through gamification and curated activities. • Refreshed Cyber Certification Pathway to further raise the proficiency level of selected staff. • Regular security advisories to raise awareness of customers, as well as initiatives to familiarise selected outsourced services providers with control expectations of the Group.
Incident Response and Crisis Management	• Robust incident response and crisis management processes to mitigate the impact from disruption of essential financial services during times of crisis. • Regular simulation exercises to improve the readiness of our cybersecurity incident response team, as well as crisis management exercises to enhance the preparedness of senior management. • Established processes to facilitate a prompt response to a cyber-attack on our third-party service providers.
Cyber and Network Security Insurance	• Relevant cyber and network security insurance to cover damages arising from specific cyber-attacks and technology disruption scenarios (including cyber extortion and business interruption losses due to a security breach or system failure).
Collaboration with regulators and industry partners	• Active engagement with regulatory agencies in Singapore, Malaysia, China and Hong Kong as well as the Financial Services Information Sharing and Analysis Centre to exchange cyber threat intelligence. • Participation in industry committees and working groups (e.g. the ABS Standing Committee on Cyber Security) to share information security and digital risk-related updates.

Pillar 3 Disclosures

(OCBC Group – As at 31 December 2023)

Introduction

In accordance with Pillar 3 disclosure requirements under Monetary Authority of Singapore (MAS) Notice 637 on Risk Based Capital Adequacy Requirements, Notice 651 on Liquidity Coverage Ratio Disclosure and Notice 653 on Net Stable Funding Ratio Disclosure for Banks incorporated in Singapore, relevant quantitative and qualitative disclosures have been included in the Stand-alone Pillar 3 Disclosures Report and this Annual Report under the Risk Management, Corporate Governance, Capital Management Chapters and the Notes to Financial Statements. The Pillar 3 disclosures are to enable market participants to better understand and compare capital adequacy and risk profiles across banks via improved consistency in public disclosures.

Scope of Consolidation

The consolidation basis used for regulatory capital computation is similar to that used for financial reporting except for Great Eastern Holdings Limited and its insurance subsidiaries, which are excluded from regulatory consolidation and are treated as investments in unconsolidated major stake companies that are financial institutions in accordance with MAS Notice 637's definition of an insurance subsidiary. The regulatory adjustments applied to these investments are in accordance with MAS Notice 637 paragraphs 6.1.3(p), 6.2.3(e) and 6.3.3(e).

The Stand-alone Pillar 3 Disclosures Report is located in the Capital and Regulatory Disclosures section of OCBC's website under Fourth Quarter and Full Year 2023 (https://www.ocbc.com/group/investors/investor-information.page#Capital-and-regulatory-disclosures).

Overview of Disclosures

To read the quantitative and qualitative Pillar 3 disclosures, please refer to this table:

Disclosure Requirement	Location of Disclosure
Overview of Risk Management and RWA	
Key Metrics	Pillar 3 Disclosures Report Section 4
Risk Management Approach	OCBC Annual Report 2023 – Risk Management Chapter – Corporate Governance Chapter – Capital Management Chapter
Overview of Risk Weighted Assets (RWA)	Pillar 3 Disclosures Report Section 11
Linkages between Financial Statements and Regulatory Exposures	
Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories	Pillar 3 Disclosures Report Section 7.1
Main Sources of Differences between Regulatory Exposure Amounts and Carrying Amounts in Financial Statements	Pillar 3 Disclosures Report Section 7.2
Qualitative Disclosure of Differences between Carrying Amounts in Financial Statements and Regulatory Exposure Amounts	Pillar 3 Disclosures Report Sections 3 and 7 OCBC Annual Report 2023 – Notes to Financial Statements, Fair Values of Financial Instruments: Valuation Governance Framework [(1)] and Fair Values – Notes to Financial Statements, Material accounting policy information: Critical Accounting Estimates and Judgements, Fair value estimation
Prudent Valuation Adjustments	Pillar 3 Disclosures Report Section 7.3

(1) Valuation Governance Framework does not apply to Great Eastern Holdings Limited and other non-bank entities with the exception of OCBC Securities Private Limited and PT OCBC Securitas.

Disclosure Requirement	Location of Disclosure
Credit Risk	
General Qualitative Disclosures on Credit Risk	OCBC Annual Report 2023 – Risk Management Chapter, Credit Risk Management
Credit Quality of Assets	Pillar 3 Disclosures Report Section 9.1
Changes in Stock of Defaulted Loans and Debt Securities	Pillar 3 Disclosures Report Section 9.2
Additional Disclosures related to the Credit Quality of Assets	Pillar 3 Disclosures Report Sections 9.3, 9.4 and 9.5 OCBC Annual Report 2023 – Risk Management Chapter, Credit Risk Management: Remedial Management – Notes to Financial Statements, Material accounting policy information: Impairment of Assets – Notes to Financial Statements, Risk Management: Credit Risk
Qualitative Disclosures related to CRM Techniques	OCBC Annual Report 2023 – Risk Management Chapter, Credit Risk Management: Credit Risk Mitigation – Risk Management Chapter, Credit Risk Management: Credit Portfolio Management – Notes to Financial Statements, Risk Management: Credit Risk, Collateral – Notes to Financial Statements, Offsetting Financial Assets and Financial Liabilities
Overview of Credit Risk Mitigation (CRM) Techniques	Pillar 3 Disclosures Report Section 13.5
Qualitative Disclosures on the use of External Credit Ratings under the Standardised Approach (SA) Credit Risk (CR)	Pillar 3 Disclosures Report Section 10
(SA)(CR) and (SA) Equity Exposures (EQ) – Credit Risk Exposure and CRM Effects	Pillar 3 Disclosures Report Section 13.1
(SA)(CR) and (SA)(EQ) – Exposures by Asset Classes and Risk Weights	Pillar 3 Disclosures Report Section 13.2
Qualitative Disclosures for Internal Ratings-Based Approach (IRBA) Models	OCBC Annual Report 2023 – Risk Management Chapter, Credit Risk Management: Overview of Internal Rating Models – Risk Management Chapter, Credit Risk Management: Key Components of Internal Ratings Based (IRB) Models
IRBA – Credit Risk Exposures by Portfolio and Probability of Default (PD) Range	Pillar 3 Disclosures Report Sections 13.3 and 13.4
IRBA – Effect on RWA of Credit Derivatives used as CRM	Pillar 3 Disclosures Report Section 13.6
IRBA – RWA Flow Statement for Credit Risk Exposures	Pillar 3 Disclosures Report Section 12
IRBA – Backtesting of PD per Portfolio	Pillar 3 Disclosures Report Section 14
IRBA – Specialised Lending and Equities under the Simple Risk Weight Method	Pillar 3 Disclosures Report Section 15

Disclosure Requirement	Location of Disclosure
Counterparty Credit Risk (CCR)	
Qualitative Disclosures Related to Counterparty Credit Risk (CCR)	OCBC Annual Report 2023 – Risk Management Chapter, Credit Risk Management: Counterparty Credit Risk Management – Risk Management Chapter, Credit Risk Management: Credit Risk Mitigation
Analysis of CCR Exposure by Approach	Pillar 3 Disclosures Report Section 16.1
Credit Valuation Adjustments (CVA) Risk Capital Requirements	Pillar 3 Disclosures Report Section 16.2
Exposures to Central Counterparties	Pillar 3 Disclosures Report Section 16.3
Standardised Approach – CCR Exposures by Portfolio and Risk Weights	Pillar 3 Disclosures Report Section 16.4
IRBA – CCR Exposures by Portfolio and PD Range	Pillar 3 Disclosures Report Sections 16.5 and 16.6
Composition of Collateral for CCR Exposure	Pillar 3 Disclosures Report Section 16.7
Credit Derivative Exposures	Pillar 3 Disclosures Report Section 16.8
RWA Flow Statements under the CCR Internal Models Method	Pillar 3 Disclosures Report Section 2
Securitisation	
Qualitative Disclosures Related to Securitisation Exposures	Pillar 3 Disclosures Report Sections 10 and 17
Securitisation Exposures in the Banking and/or Trading Book	
Securitisation Exposures in the Banking Book and Associated Regulatory Capital Requirements – A Reporting Bank Acting as Originator/ Sponsor/ Investor	
Market Risk	
Qualitative Disclosures Related to Market Risk	Pillar 3 Disclosures Report Section 10 OCBC Annual Report 2023 – Risk Management Chapter, Market Risk Management
Qualitative Disclosures Related to Internal Models Approach (IMA)	Pillar 3 Disclosures Report Section 18
Market Risk under Standardised Approach	
RWA Flow Statements of Market Risk Exposures under IMA	Pillar 3 Disclosures Report Section 2
IMA Values for Trading Portfolios	Pillar 3 Disclosures Report Section 18
Comparison of VaR Estimates with Gains or Losses	OCBC Annual Report 2023 – Risk Management Chapter, Market Risk Management: Market Risk Measurements – Risk Management Chapter, Market Risk Management: Risk Monitoring and Control

Disclosure Requirement	Location of Disclosure
Operational Risk	
Operational Risk	Pillar 3 Disclosures Report Section 10 OCBC Annual Report 2023 – Risk Management Section, Operational Risk Management
Interest Rate Risk in the Banking Book (IRRBB)	
IRRBB Risk Management Objectives and Policies	Pillar 3 Disclosures Report Section 19.1 OCBC Annual Report 2023 – Risk Management Chapter, Asset Liability Management: Interest Rate Risk in the Banking Book (IRRBB) – Notes to Financial Statements, Risk Management: Market Risk and Asset Liability Management, Interest Rate Risk
Quantitative Information on IRRBB	Pillar 3 Disclosures Report Section 19.2
Remuneration	
Remuneration	OCBC Annual Report 2023 – Corporate Governance Chapter related to Remuneration
Composition of Capital	
Reconciliation of Regulatory Capital to Balance Sheet	Pillar 3 Disclosures Report Section 6.1
Composition of Regulatory Capital	Pillar 3 Disclosures Report Section 6.2
Main Features of Regulatory Capital Instruments	Pillar 3 Disclosures Report Section 6.3
Leverage Ratio	
Leverage Ratio Summary Comparison Table	Pillar 3 Disclosures Report Section 8.1
Leverage Ratio Common Disclosure Table	Pillar 3 Disclosures Report Section 8.2
Macroprudential Supervisory Measures	
Disclosure of Global Systemically Important Bank (G-SIB) Indicators	Pillar 3 Disclosures Report Section 5.1
Geographical Distribution of Credit Exposures Used in the Countercyclical Capital Buffer	Pillar 3 Disclosures Report Section 5.2
Liquidity Coverage Ratio	
Liquidity Coverage Ratio	Pillar 3 Disclosures Report Section 20
Net Stable Funding Ratio	
Net Stable Funding Ratio	Pillar 3 Disclosures Report Section 21
Others	
Attestation Statement	Pillar 3 Disclosures Report Sections 1 and 2
Overview of Disclosure Policy	Pillar 3 Disclosures Report Section 2

Financial **Report**

Management Discussion and Analysis

Overview

	2023 $ million	2022 $ million	+/(-) %
Selected Income Statement Items			
Net interest income	**9,645**	7,688	25
Non-interest income	**3,862**	3,598	7
Total income	**13,507**	11,286	20
Operating expenses	**(5,223)**	(4,838)	8
Operating profit before allowances and amortisation	**8,284**	6,448	28
Amortisation of intangible assets	**(103)**	(104)	–
Allowances for loans and other assets	**(733)**	(584)	25
Operating profit after allowances and amortisation	**7,448**	5,760	29
Share of results of associates, net of tax	**953**	910	5
Profit before income tax	**8,401**	6,670	26
Net profit attributable to equity holders	**7,021**	5,526	27
Cash basis net profit attributable to equity holders (1)	**7,124**	5,630	27
Selected Balance Sheet Items			
Ordinary equity	**52,920**	49,417	7
Equity attributable to equity holders of the Bank	**54,170**	51,117	6
Total assets	**581,424**	556,924	4
Assets excluding investment securities and other assets for life insurance funds	**483,907**	461,927	5
Net loans to customers	**292,754**	291,467	–
Deposits of non-bank customers	**363,770**	350,081	4
Per Ordinary Share ($)			
Basic earnings (2)	**1.55**	1.22	
Diluted earnings (2)	**1.55**	1.22	
Net asset value	**11.77**	10.99	
Key Financial Ratios (%)			
Return on equity (2)(3)	**13.7**	11.1	
Return on assets (4)	**1.46**	1.21	
Net interest margin	**2.28**	1.91	
Non-interest income to total income	**28.6**	31.9	
Cost-to-income	**38.7**	42.9	
Loans-to-deposits	**80.5**	83.3	
Non-performing loan ratio	**1.0**	1.2	
Total capital adequacy ratio (CAR) (5)	**18.1**	17.7	
Tier 1 CAR (5)	**16.5**	15.9	
Common Equity Tier 1 CAR (5)	**15.9**	15.2	
Leverage ratio (5)(6)	**7.2**	7.2	
Singapore dollar liquidity coverage ratio (5)(7)	**394**	325	
All-currency liquidity coverage ratio (5)(7)	**155**	152	
Net stable funding ratio (5)(8)	**116**	117	

(1) Excludes amortisation of intangible assets.
(2) Calculated based on net profit less distributions on other equity instruments paid and estimated to be due at the end of the financial year.
(3) Other equity instruments and non-controlling interests are not included in the computation for return on equity.
(4) Computation of return on assets excludes investment securities and other assets for life insurance funds.
(5) Public disclosures required under MAS Notice 637, MAS Notice 651 and MAS Notice 653 can be found in the Capital and Regulatory Disclosures section of the Bank's Investor Relations website (https://www.ocbc.com/group/investors/investor-information#pillarthreedisclosures).
(6) The Group's leverage ratio is computed based on MAS Notice 637.
(7) The Group's liquidity coverage ratios ("LCR") are computed based on MAS Notice 649 and reported based on the average LCR for the respective years.
(8) The Group's net stable funding ratio is computed based on MAS Notice 652.
(9) Comparative figures have been restated with the adoption of SFRS(I) 17, except for Capital and Liquidity ratios which are not restated.

Overview (continued)

Group net profit was $7.02 billion for the financial year 2023, up 27% from $5.53 billion a year ago.

Total income for 2023 rose to a new high of $13.5 billion, lifted by growth across the Group's diversified income streams, with net interest income at a record high, and trading and investment income higher. Loan-related and credit card fees rose, but overall fee income was down as subdued investment sentiments continued to weigh on wealth-related fees. Continued cost discipline amid an inflationary environment, combined with income growth, drove the cost-to-income ratio lower to 38.7%. Asset quality was resilient with NPL ratio of 1.0% and credit costs at 20 basis points. The Group's strong capital, funding and liquidity levels provide ample headroom to drive growth and capture opportunities as they arise. With strong earnings and sound capital position, the final dividend was raised to 42 cents per share from 40 cents a year ago. This brings the 2023 dividend to 82 cents per share, up 21% from 68 cents a year ago and represents a payout ratio of 53% of the Group's 2023 net profit.

Record net interest income of $9.65 billion was 25% higher than a year ago, underpinned by a 5% growth in average assets and a 37-basis point expansion in net interest margin (NIM) to 2.28%. NIM was higher across all key markets, benefitting from the higher interest rate environment and proactive balance sheet management.

Non-interest income rose 7% to $3.86 billion. The increase was largely attributed to improved trading income and investment gains. Net fee income of $1.80 billion was 3% below the $1.85 billion in the previous year. Higher fees from credit card and loan-related activities were more than offset by lower wealth-related fees as customer activities remained subdued amid global risk-off investment sentiments.

Net trading income improved 8% to $1.00 billion, from $929 million a year ago, driven by record customer flow treasury income. Net realised gains from sale of investment securities were $47 million, as compared to a net loss of $206 million in 2022 that was largely attributed to rebalancing of the fixed income portfolio.

Insurance income was $808 million as compared to $803 million a year ago. Great Eastern Holdings (GEH) adopted Singapore Financial Reporting Standards (International) (SFRS(I)) 17 on 1 January 2023, and the Group's insurance results for 2023 are prepared based on SFRS(I) 17 and respective comparatives for 2022 have been restated. Total weighted new sales and new business embedded value (NBEV) were $1.66 billion and $762 million respectively, while NBEV margin was higher at 45.9%. GEH's embedded value, a measure of the long-term economic value of the existing business of a life insurance company, was $17.3 billion as at 31 December 2023.

The Group's wealth management income, comprising income from insurance, private banking, premier private client, premier banking, asset management and stockbroking comprised 32% of the Group's total income. Wealth management income for 2023 rose 26% to $4.32 billion, up from $3.42 billion a year ago. Group wealth management AUM expanded 2% to $263 billion, from $258 billion in the previous year.

Operating expenses increased 8% to $5.22 billion. This was largely attributed to higher staff costs, IT-related costs and other operational expenses associated with business growth. The rise in staff costs was led by annual salary adjustments, headcount growth and a one-off support to help junior employees cope with rising cost-of-living concerns. Cost-to-income ratio improved to 38.7% in 2023, from 42.9% in the prior year.

Total allowances were $733 million, up 25% from $584 million in the previous year.

Share of results of associates grew 5% to $953 million, from $910 million a year ago.

The Group's return on equity for 2023 improved to 13.7%, from 11.1% a year ago. Earnings per share was 27% higher at $1.55, compared to $1.22 in the previous year.

Overview (continued)

Allowances and Asset Quality

Total non-performing assets (NPA) were lower at $2.90 billion as at 31 December 2023, 17% lower than a year ago. NPL ratio of 1.0% improved from 1.2% in the previous year. Allowance coverage against total NPAs increased to 151% from 114% a year ago.

For 2023, total allowances were $733 million, up 25% from $584 million in 2022, from allowances for both impaired and non-impaired assets. Allowances for impaired assets were $333 million, up from $216 million in the previous year. Non-impaired allowances of $400 million were set aside to account for macroeconomic variable updates, shifts in risk profiles and management overlays, taking a forward-looking view.

Funding, Liquidity and Capital Position

As at 31 December 2023, customer loans were $297 billion. In constant currency terms, loans were 2% higher than the previous year. Loan growth for the year was driven by both non-trade corporate and housing loans, which compensated for weak trade loan demand. By geography, the increase from a year ago was led by higher loans in Singapore, Australia, Europe and the United Kingdom. As at 31 December 2023, sustainable financing loans grew 29% from the previous year to $38.4 billion, against a total loan commitment of $56 billion.

Customer deposits rose 4% year-on-year to $364 billion. Loans-to-deposits ratio was 80.5%.

Group Common Equity Tier 1 (CET1) CAR was 15.9%, while the leverage ratio was 7.2%.

Dividend

The Board has proposed a final dividend of 42 cents per share, an increase from 40 cents a year ago. This brings total dividend for 2023 to 82 cents per share, up 14 cents or 21% from 2022. The total dividend payout will amount to $3.69 billion, representing a payout ratio of 53%.

The Scrip Dividend Scheme is not applicable.

Net Interest Income

Average Balance Sheet

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

Volume and Rate Analysis

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

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

Non-Interest Income

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

(1) Comparative figures have been restated with the adoption of SFRS(I) 17.
(2) "nm" denotes not meaningful.

Operating Expenses

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

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

Allowances for Loans and Other Assets

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

(1) "nm" denotes not meaningful.

Loans to Customers

	2023 $ million	2022 $ million	+/(-) %
By Industry			
Agriculture, mining and quarrying	**6,808**	8,193	(17)
Manufacturing	**14,186**	15,052	(6)
Building and construction	**93,165**	89,299	4
Housing loans	**63,833**	62,015	3
General commerce	**27,411**	29,209	(6)
Transport, storage and communication	**16,113**	13,017	24
Financial institutions, investment and holding companies	**24,093**	24,387	(1)
Professionals and individuals	**31,708**	34,752	(9)
Others	**19,336**	19,056	1
	296,653	294,980	1
By Currency			
Singapore Dollar	**112,367**	107,270	5
United States Dollar	**59,553**	70,884	(16)
Malaysian Ringgit	**17,592**	18,413	(4)
Indonesian Rupiah	**9,827**	8,732	13
Hong Kong Dollar	**37,583**	36,295	4
Chinese Renminbi	**8,623**	7,358	17
Others	**51,108**	46,028	11
	296,653	294,980	1
By Geography (1)			
Singapore	**123,369**	119,925	3
Malaysia	**23,604**	25,077	(6)
Indonesia	**19,088**	18,600	3
Greater China	**71,301**	72,756	(2)
Other Asia Pacific	**22,641**	21,734	4
Rest of the World	**36,650**	36,888	(1)
	296,653	294,980	1

(1) Loans by geography are determined based on where the credit risk resides, which may be different from the borrower's country of residence or the booking location of the loans.

Non-Performing Assets

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

(1) Refer to Non-performing assets. Comprise loans to customers, debt securities and contingent liabilities.
(2) Refer to Non-performing loans. Exclude debt securities and contingent liabilities.
(3) "#" represents amounts less than $0.5 million.

Non-Performing Assets (continued)

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

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

Deposits

	2023 $ million	2022 $ million	+/(-) %
Deposits of non-bank customers	**363,770**	350,081	4
Deposits and balances of banks	**10,884**	10,046	8
	374,654	360,127	4

Non-Bank Deposits by Product			
Fixed deposits	**149,994**	133,415	12
Savings deposits	**72,527**	69,036	5
Current accounts	**104,465**	112,245	(7)
Others	**36,784**	35,385	4
	363,770	350,081	4

Non-Bank Deposits by Currency			
Singapore Dollar	**137,641**	130,205	6
United States Dollar	**121,018**	119,527	1
Malaysian Ringgit	**20,502**	21,278	(4)
Indonesian Rupiah	**11,806**	11,196	5
Hong Kong Dollar	**30,061**	26,210	15
Chinese Renminbi	**9,803**	8,837	11
Others	**32,939**	32,828	–
	363,770	350,081	4

Performance by Business Segment

OCBC Group's businesses are presented in the following customer segments and business activities: Global Consumer/Private Banking, Global Wholesale Banking, Global Markets and Insurance.

Profit before Income Tax by Business Segment

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

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

Global Consumer/Private Banking

Global Consumer/Private Banking provides a full range of products and services to individual customers. At Global Consumer Banking, the products and services offered include deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards, wealth management products (unit trusts, bancassurance products and structured deposits) and brokerage services. Private Banking caters to the specialised banking needs of high net worth individuals, offering wealth management expertise, including investment advice and portfolio management services, estate and trust planning, and wealth structuring.

Global Consumer/Private Banking's 2023 profit before income tax rose 65% to $2.23 billion, driven by net interest income growth from rise in interest rates, partly offset by higher expenses and allowances.

Global Wholesale Banking

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

Global Wholesale Banking's profit before income tax grew 37% to $3.88 billion in 2023 from $2.84 billion a year ago. The higher profit was led by net interest income growth and higher income from investment banking activities, partly offset by an increase in expenses and allowances.

Performance by Business Segment (continued)

Global Markets

Global Markets is responsible for the management of the Group's asset and liability interest rate positions, engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and offers structured treasury products and financial solutions to meet customers' investment and hedging needs. Income from treasury products and services offered to customers in Global Consumer/Private Banking and Global Wholesale Banking, is reflected in the respective business segments.

Global Markets' profit before income tax was down 94% to $39 million in 2023 from high funding cost and drop in net trading income, partly offset by higher realised gains from its fixed income portfolio.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 88.4%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

GEH's profit before income tax was $891 million in 2023, 31% higher from $681 million in 2022, mainly attributable to improved investment performance in its Shareholders' fund.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was $636 million in 2023, higher than the $489 million in 2022.

Others

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

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

Performance by Geographical Segment

	2023		2022	
	$ million	%	$ million	%
Total income				
Singapore	**8,360**	**62**	6,571	58
Malaysia	**1,524**	**11**	1,434	13
Indonesia	**1,035**	**8**	1,028	9
Greater China	**1,774**	**13**	1,558	14
Other Asia Pacific	**294**	**2**	251	2
Rest of the World	**520**	**4**	444	4
	13,507	**100**	11,286	100
Operating profit before allowances and amortisation				
Singapore	**5,201**	**63**	3,625	56
Malaysia	**1,046**	**13**	1,039	16
Indonesia	**583**	**7**	588	9
Greater China	**904**	**11**	721	11
Other Asia Pacific	**212**	**2**	176	3
Rest of the World	**338**	**4**	299	5
	8,284	**100**	6,448	100
Profit before income tax				
Singapore	**4,872**	**58**	3,421	51
Malaysia	**1,009**	**12**	1,144	17
Indonesia	**458**	**5**	366	6
Greater China	**1,756**	**21**	1,285	19
Other Asia Pacific	**218**	**3**	239	4
Rest of the World	**88**	**1**	215	3
	8,401	**100**	6,670	100
Total assets				
Singapore	**343,009**	**59**	321,516	58
Malaysia	**60,369**	**10**	63,996	11
Indonesia	**22,231**	**4**	21,193	4
Greater China	**95,364**	**16**	93,307	17
Other Asia Pacific	**22,461**	**4**	20,287	4
Rest of the World	**37,990**	**7**	36,625	6
	581,424	**100**	556,924	100

(1) The geographical segment analysis is based on the location where assets or transactions are booked. The geographical information is stated after elimination of intra-group transactions and balances.
(2) Comparative figures have been restated with the adoption of SFRS(I) 17.

Capital Adequacy Ratios

The Group remained strongly capitalised, with a CET1 CAR of 15.9%, and Tier 1 and Total CAR of 16.5% and 18.1% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2023.

Directors' Statement
For the financial year ended 31 December 2023

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 2023.

In our opinion:

(a) the financial statements set out on pages 121 to 262 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 2023, 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
Christina Hon Kwee Fong (Christina Ong)
Seck Wai Kwong (appointed on 4 September 2023)
Pramukti Surjaudaja
Tan Yen Yen
Helen Wong Pik Kuen (appointed on 7 February 2023)

Andrew Lee Kok Keng, Andrew Khoo Cheng Hoe, and Pramukti Surjaudaja 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.

Seck Wai Kwong 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' 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 [1]	
	At 31.12.2023	At 1.1.2023/ Date of appointment	At 31.12.2023	At 1.1.2023/ Date of appointment
BANK				
Ordinary shares				
Andrew Lee Kok Keng	**529,953**	257,431	**–**	–
Chong Chuan Neo	**5,210**	–	**–**	–
Chua Kim Chiu	**32,663**	26,663	**–**	–
Andrew Khoo Cheng Hoe	**18,151**	12,151	**–**	–
Lee Tih Shih	**11,662,000**	11,656,000	**–**	–
Christina Hon Kwee Fong (Christina Ong)	**43,240**	37,240	**–**	–
Seck Wai Kwong [2]	**9,386**	9,386	**–**	–
Pramukti Surjaudaja	**97,050**	91,050	**–**	–
Tan Yen Yen	**18,000**	12,000	**–**	–
Helen Wong Pik Kuen [3]	**441,608**	262,431	**–**	–
Options to acquire ordinary shares under the OCBC Share Option Scheme 2001				
Andrew Lee Kok Keng	**43,512**	310,824	**–**	–
Unvested ordinary shares under the OCBC Deferred Share Plan				
Helen Wong Pik Kuen [3]	**–**	102,324	**–**	–
Unvested ordinary shares under the OCBC Deferred Share Plan 2021				
Helen Wong Pik Kuen [3]	**578,330**	332,389	**–**	–

(1) Ordinary shares held by spouse.
(2) Mr Seck Wai Kwong was appointed to the Board of Directors on 4 September 2023.
(3) Ms Helen Wong Pik Kuen was appointed to the Board of Directors on 7 February 2023.

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, date of appointment, or at the end of the financial year. There were no changes to any of the above-mentioned interests between the end of the financial year and 21 January 2024.

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:

Christina Hon Kwee Fong (Christina Ong), Chairman
Andrew Khoo Cheng Hoe
Andrew Lee Kok Keng
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 2013, 2014, 2015, 2015CT, 2016, 2016A, 2017, 2017SL, 2017DM and 2018 were set out in the Directors' Reports/Directors' Statements for the financial years ended 31 December 2013 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 2023 are as follows:

					At 31.12.2023	
Options	Exercise period	Acquisition price ($)	Options exercised	Treasury shares transferred	Outstanding	Exercisable
2013	15.03.2014 to 13.03.2023	10.018	1,673,475	1,604,243	–	–
2014	15.03.2015 to 13.03.2024	9.169	521,906	521,906	913,178	913,178
2015	16.03.2016 to 15.03.2025	10.378	609,571	609,571	2,074,705	2,074,705
2015CT	30.06.2016 to 29.06.2025	10.254	–	–	31,779	31,779
2016	16.03.2017 to 15.03.2026	8.814	244,488	244,488	2,614,382	2,614,382
2016A	16.03.2017 to 15.03.2026	8.814	85,202	85,202	–	–
2017	23.03.2018 to 22.03.2027	9.598	557,007	555,475	3,298,129	3,298,129
2017SL	04.08.2018 to 03.08.2027	11.378	–	–	18,943	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	–	–	5,342,374	5,342,374
			3,691,649	3,620,885	14,299,163	14,299,163

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 2023, the Bank launched its eighteenth offering under the ESP Plan, which commenced on 1 September 2023 and will expire on 31 August 2025. Under the eighteenth offering, 7,062 employees enrolled to participate in the ESP Plan to acquire 8,899,030 ordinary shares at S$12.47 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 seventeenth offerings under the ESP Plan were set out in the Directors' Reports/Directors' Statements for the financial years ended 31 December 2004 to 2022. During the financial year, 6,589,209 ordinary shares were delivered to participants under the ESP Plan. As at the end of the financial year, there were (i) rights to acquire 7,078,986 ordinary shares at S$12.07 per ordinary share granted under the seventeenth offering (which will expire on 31 August 2024) outstanding, and (ii) rights to acquire 8,413,463 ordinary shares at S$12.47 per ordinary share granted under the eighteenth offering (which will expire on 31 August 2025) 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 DSP 2021, no awards were granted under the DSP during the financial year ended 31 December 2023. Existing awards were adjusted following the declarations of a final dividend for the financial year ended 31 December 2022, and an interim dividend for the financial year ended 31 December 2023, resulting in an additional 675 ordinary shares being subject to awards under the DSP. During the financial year, 5,413,124 deferred shares were released to grantees, of which 102,324 deferred shares were released to Ms Helen Wong Pik Kuen, who was appointed as a director of the Bank on 7 February 2023.

Share-Based Compensation Plans (continued)

(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.

Awards over an aggregate of 6,785,111 ordinary shares (including awards over 287,200 ordinary shares granted to Ms Helen Wong Pik Kuen who was appointed as a director of the Bank on 7 February 2023) were granted to eligible executives under the DSP 2021 during the financial year ended 31 December 2023, and awards over an aggregate of 23,781,132 ordinary shares (including awards over 599,499 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 2023. An aggregate of 19,451,075 ordinary shares (including 578,330 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 2023. Existing awards were adjusted following the declarations of a final dividend for the financial year ended 31 December 2022, and an interim dividend for the financial year ended 31 December 2023, resulting in an additional 1,256,219 ordinary shares being subject to awards under the DSP 2021 (including an additional 35,594 ordinary shares being subject to awards held by Ms Helen Wong Pik Kuen). During the financial year, 3,787,000 deferred shares were released to grantees, of which 76,853 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 31.12.2023	Aggregate number of options/ awards granted since commencement of scheme/plan to 31.12.2023	Aggregate number of options exercised/awards released since commencement of scheme/plan to 31.12.2023	Aggregate number of options/ awards outstanding at 31.12.2023 [(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	287,200[(2)]	599,499[(2)]	76,853[(3)]	578,330

(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.

There were no changes to the above-mentioned interests between the end of the financial year and 21 January 2024.

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 2023.

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.

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 (appointed on 4 September 2023)
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	**Helen Wong Pik Kuen**
Director	Director

Singapore
27 February 2024

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 2023 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 2023;
- 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 2023;
- 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 2023. 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.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Impairment of loans to customers *(Refer to Notes 2.20, 26, 27, 28 and 30 to the financial statements)* The Group's allowances on loans to customers are S$3,899 million as at 31 December 2023. 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$2,571 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.	*ECL on non-credit impaired loans to customers* We assessed the design 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; • use of reliable and accurate critical data elements 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 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 and 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 assessed the methodologies and key assumptions made by the Group to estimate the ECL on non-credit impaired loans to customers to be reasonable.

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 2023, the allowances on credit-impaired loans to customers of the Group are S$1,328 million, a significant portion of which relates to the Global Wholesale Banking ("GWB") loan portfolio. We focused on this area because of the highly subjective 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 have 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.

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 2.20 and 41.3 to the financial statements)* As at 31 December 2023, the Group had financial assets of S$79,100 million and financial liabilities of S$15,092 million measured at fair value which were classified as Level 2. These represent 41% 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$6,230 million and financial liabilities of S$616 million measured at fair value which were classified as Level 3. These represent 3% of the financial assets and 4% 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 considered that the valuation of Level 2 and Level 3 financial instruments measured at fair value was within a reasonable range of outcomes.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Impairment of goodwill *(Refer to Notes 2.20 and 36 to the financial statements)* The Group has a significant amount of goodwill arising from its business acquisitions. As at 31 December 2023, the carrying amount of goodwill on the Group's balance sheet amounted to S$4,403 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.	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 found the key assumptions and estimates made by management to be reasonable based on our audit procedures performed.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of insurance contract liabilities for life insurance funds *(Refer to Notes 2.20, 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"). On 1 January 2023, the Group adopted SFRS(I) 17 *Insurance Contracts* ("SFRS(I) 17"). The standard sets out the requirements that an entity should apply in accounting for insurance contracts it issues, reinsurance contracts it holds and investment contracts with discretionary participating features it issues. 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 2022 to 31 December 2023, showing the key drivers of the changes during the year. Based on the work performed and the evidence obtained, we 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.

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

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, 27 February 2024

Income Statements

For the financial year ended 31 December 2023

	Note	GROUP 2023 $ million	GROUP 2022 $ million (Restated)	BANK 2023 $ million	BANK 2022 $ million
Interest income		**20,867**	11,590	**15,154**	7,421
Interest expense		**(11,222)**	(3,902)	**(9,130)**	(2,869)
Net interest income	3	**9,645**	7,688	**6,024**	4,552
Insurance service results from life insurance [1]	4	**427**	683	**–**	–
Net investment income/(expenses) from life insurance	4	**5,590**	(4,966)	**–**	–
Net insurance financial result from life insurance	4	**(5,239)**	5,085	**–**	–
Insurance service results from general insurance		**30**	1	**–**	–
Fees and commissions (net)	5	**1,804**	1,851	**881**	879
Dividends from subsidiaries and associates	6	**–**	–	**1,499**	1,399
Net trading income	7	**1,004**	929	**415**	418
Other income	8	**246**	15	**219**	2
Non-interest income		**3,862**	3,598	**3,014**	2,698
Total income		**13,507**	11,286	**9,038**	7,250
Staff costs		**(3,501)**	(3,233)	**(1,221)**	(1,154)
Other operating expenses		**(1,722)**	(1,605)	**(1,418)**	(1,238)
Total operating expenses	9	**(5,223)**	(4,838)	**(2,639)**	(2,392)
Operating profit before allowances and amortisation		**8,284**	6,448	**6,399**	4,858
Amortisation of intangible assets	36	**(103)**	(104)	**–**	–
Allowances for loans and other assets	10	**(733)**	(584)	**(476)**	(210)
Operating profit after allowances and amortisation		**7,448**	5,760	**5,923**	4,648
Share of results of associates, net of tax		**953**	910	**–**	–
Profit before income tax		**8,401**	6,670	**5,923**	4,648
Income tax expense	11	**(1,236)**	(1,031)	**(664)**	(503)
Profit for the year		**7,165**	5,639	**5,259**	4,145
Attributable to:					
Equity holders of the Bank		**7,021**	5,526		
Non-controlling interests		**144**	113		
		7,165	5,639		
Earnings per share ($)	12				
Basic		**1.55**	1.22		
Diluted		**1.55**	1.22		

[1] Includes insurance revenue of $5,717 million (2022: $5,508 million) and insurance service expense of $4,758 million (2022: $4,696 million).

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

Statements of Comprehensive Income

For the financial year ended 31 December 2023

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
Profit for the year	**7,165**	5,639	**5,259**	4,145
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Financial assets, at FVOCI [1]				
Fair value gains/(losses) for the year	**839**	(2,420)	**319**	(807)
Reclassification of (gains)/losses to income statement				
– on disposal	**1**	264	**(44)**	149
– on impairment	**3**	(#)	**2**	2
Tax on net movements	**(116)**	289	**(15)**	28
Cash flow and other hedges	**105**	(2)	**69**	(22)
Currency translation on foreign operations	**(480)**	(834)	**(41)**	(109)
Other comprehensive losses of associates	**(145)**	(605)	**–**	–
Net insurance financial result	**37**	310	**–**	–
Items that will not be reclassified subsequently to income statement:				
Currency translation on foreign operations attributable to non-controlling interests	**(12)**	(49)	**–**	–
Equity instruments, at FVOCI,[1] net change in fair value	**(65)**	(207)	**(10)**	(12)
Defined benefit plans remeasurements	**(1)**	2	**–**	–
Own credit	**(1)**	1	**(1)**	1
Total other comprehensive income, net of tax	**165**	(3,251)	**279**	(770)
Total comprehensive income for the year, net of tax	**7,330**	2,388	**5,538**	3,375
Total comprehensive income attributable to:				
Equity holders of the Bank	**7,145**	2,443		
Non-controlling interests	**185**	(55)		
	7,330	2,388		

(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 2023

		GROUP			BANK	
	Note	31 December 2023 $ million	31 December 2022 $ million (Restated)	1 January 2022 $ million (Restated)	31 December 2023 $ million	31 December 2022 $ million
EQUITY						
Attributable to equity holders of the Bank						
Share capital	13	**18,045**	18,048	18,040	**18,045**	18,048
Other equity instruments	14	**1,248**	1,696	1,198	**1,248**	1,696
Capital reserves	15	**815**	792	782	**544**	560
Fair value reserves		**(439)**	(1,140)	852	**(435)**	(674)
Revenue reserves	16	**34,501**	31,721	29,868	**18,935**	17,286
		54,170	51,117	50,740	**38,337**	36,916
Non-controlling interests		**1,384**	1,308	1,407	**–**	–
Total equity		**55,554**	52,425	52,147	**38,337**	36,916
LIABILITIES						
Deposits of non-bank customers	17	**363,770**	350,081	342,395	**236,151**	223,310
Deposits and balances of banks	17	**10,884**	10,046	8,239	**8,080**	7,691
Due to subsidiaries		**–**	–	–	**38,828**	36,522
Due to associates		**276**	236	431	**186**	197
Trading portfolio liabilities		**194**	212	393	**194**	212
Derivative payables	18	**13,720**	16,048	9,070	**12,083**	14,300
Other liabilities	19	**9,156**	8,385	7,031	**3,565**	2,844
Current tax payables		**1,037**	995	905	**721**	566
Deferred tax liabilities	20	**636**	349	606	**106**	125
Debt issued	21	**26,553**	21,938	20,115	**25,721**	21,294
		426,226	408,290	389,185	**325,635**	307,061
Insurance contract liabilities and other liabilities for life insurance funds	22	**99,644**	96,209	98,153	**–**	–
Total liabilities		**525,870**	504,499	487,338	**325,635**	307,061
Total equity and liabilities		**581,424**	556,924	539,485	**363,972**	343,977
ASSETS						
Cash and placements with central banks	23	**34,286**	34,966	27,919	**28,450**	27,812
Singapore government treasury bills and securities	24	**19,165**	17,096	11,112	**17,832**	15,889
Other government treasury bills and securities	24	**26,465**	22,271	26,159	**10,804**	8,165
Placements with and loans to banks	25	**38,051**	30,244	25,462	**28,773**	18,680
Loans to customers	26	**292,754**	291,467	286,281	**207,508**	201,110
Debt and equity securities	29	**36,591**	28,010	34,015	**22,432**	16,621
Derivative receivables	18	**12,976**	15,605	9,267	**11,417**	13,742
Other assets	31	**7,278**	6,578	6,227	**3,463**	2,538
Deferred tax assets	20	**586**	448	285	**133**	104
Associates	32	**7,003**	6,353	6,200	**2,241**	2,228
Subsidiaries	33	**–**	–	–	**27,701**	33,923
Property, plant and equipment	34	**3,528**	3,483	3,506	**882**	818
Investment property	35	**723**	763	801	**469**	480
Goodwill and other intangible assets	36	**4,501**	4,643	4,774	**1,867**	1,867
		483,907	461,927	442,008	**363,972**	343,977
Investment securities for life insurance funds	22	**89,570**	83,445	86,806	**–**	–
Other assets for life insurance funds	22	**7,947**	11,552	10,671	**–**	–
Total assets		**581,424**	556,924	539,485	**363,972**	343,977

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

Statement of Changes in Equity – Group

For the financial year ended 31 December 2023

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 – Restated	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 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.

In $ million	Attributable to equity holders of the Bank Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
At 1 January 2022 – Previously reported	19,238	782	848	31,795	52,663	1,675	54,338
Effect of adopting SFRS(I) 17	–	–	4	(1,927)	(1,923)	(268)	(2,191)
At 1 January 2022 – Restated	19,238	782	852	29,868	50,740	1,407	52,147
Total comprehensive income for the year							
Profit for the year	–	–	–	5,526	5,526	113	5,639
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value losses for the year	–	–	(2,252)	–	(2,252)	(168)	(2,420)
Reclassification of (gains)/losses to income statement							
– on disposal	–	–	254	–	254	10	264
– on impairment	–	–	(#)	–	(#)	(#)	(#)
Tax on net movements	–	–	261	–	261	28	289
Cash flow and other hedges	–	–	–	(2)	(2)	–	(2)
Net insurance financial result	–	–	–	273	273	37	310
Currency translation on foreign operations	–	–	–	(834)	(834)	–	(834)
Other comprehensive income of associates	–	–	(38)	(567)	(605)	–	(605)
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	–	–	–	–	–	(49)	(49)
Equity instruments, at FVOCI, net change in fair value	–	–	(217)	36	(181)	(26)	(207)
Defined benefit plans remeasurements	–	–	–	2	2	#	2
Own credit	–	–	–	1	1	–	1
Total other comprehensive income, net of tax	–	–	(1,992)	(1,091)	(3,083)	(168)	(3,251)
Total comprehensive income for the year	–	–	(1,992)	4,435	2,443	(55)	2,388
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	7	12	–	(19)	–	–	–
Buy-back of shares for holding as treasury shares	(250)	–	–	–	(250)	–	(250)
Dividends and distributions	–	–	–	(2,576)	(2,576)	(44)	(2,620)
DSP reserve from dividends on unvested shares	–	–	–	13	13	–	13
Perpetual capital securities issued	498	–	–	–	498	–	498
Share-based payments for staff costs	–	8	–	–	8	–	8
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares transferred to DSP Trust	–	(13)	–	–	(13)	–	(13)
Shares vested under DSP Scheme	–	103	–	–	103	–	103
Treasury shares transferred/sold	250	(100)	–	–	150	–	150
Total contributions by and distributions to owners	506	10	–	(2,582)	(2,066)	(44)	(2,110)
At 31 December 2022	19,744	792	(1,140)	31,721	51,117	1,308	52,425
Included in the balances:							
Share of reserves of associates	–	–	137	3,342	3,479	–	3,479

(1) Included regulatory loss allowance reserve of $444 million at 1 January 2022 and $455 million at 31 December 2022.
(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 2023

In $ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total equity
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**
At 1 January 2022	19,238	559	(25)	15,825	35,597
Profit for the year	–	–	–	4,145	4,145
Other comprehensive income	–	–	(649)	(121)	(770)
Total comprehensive income for the year [2]	–	–	(649)	4,024	3,375
Transfers	7	(7)	–	–	–
Buy-back of shares for holding as treasury shares	(250)	–	–	–	(250)
Dividends and distributions	–	–	–	(2,576)	(2,576)
DSP reserve from dividends on unvested shares	–	–	–	13	13
Perpetual capital securities issued	498	–	–	–	498
Share-based payments for staff costs	–	8	–	–	8
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	250	–	–	–	250
At 31 December 2022	19,744	560	(674)	17,286	36,916

(1) Included regulatory loss allowance reserve of $444 million at 1 January 2023, 1 January 2022, 31 December 2023 and 31 December 2022.
(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 2023

In $ million	2023	2022 (Restated)
Cash flows from operating activities		
Profit before income tax	**8,401**	6,670
Adjustments for non-cash items:		
Allowances for loans and other assets	**733**	584
Amortisation of intangible assets	**103**	104
Change in hedging transactions, fair value through profit or loss securities and debt issued	**21**	130
Depreciation of property and equipment and interest expense on lease liabilities	**447**	429
Net (gain)/loss on disposal of government, debt and equity securities	**(47)**	206
Net gain on disposal of property and equipment	**(71)**	(99)
Share-based costs	**61**	80
Share of results of associates, net of tax	**(953)**	(910)
Operating profit before change in operating assets and liabilities	**8,695**	7,194
Change in operating assets and liabilities:		
Deposits of non-bank customers	**13,703**	7,518
Deposits and balances of banks	**838**	1,807
Derivative payables and other liabilities	**(1,772)**	8,105
Trading portfolio liabilities	**(19)**	(181)
Restricted balances with central banks	**(437)**	229
Government securities and treasury bills	**(5,952)**	(2,913)
Fair value through profit or loss securities	**(2,419)**	1,931
Placements with and loans to banks	**(7,808)**	(4,782)
Loans to customers	**(1,892)**	(5,795)
Derivative receivables and other assets	**3,285**	(5,508)
Net change in other assets and liabilities for life insurance funds	**4,317**	2,494
Cash provided by operating activities	**10,539**	10,099
Income tax paid [1]	**(1,412)**	(1,167)
Net cash provided by operating activities	**9,127**	8,932
Cash flows from investing activities		
Dividends from associates	**132**	145
Purchases of debt and equity securities	**(24,241)**	(11,622)
Purchases of investment securities for life insurance funds	**(46,610)**	(37,237)
Purchases of property and equipment	**(537)**	(479)
Proceeds from disposal of debt and equity securities	**18,037**	13,582
Proceeds from disposal of interests in associate	**1**	–
Proceeds from disposal of investment securities for life insurance funds	**42,675**	33,970
Proceeds from disposal of property and equipment	**89**	128
Net cash used in investing activities	**(10,454)**	(1,513)
Cash flows from financing activities		
Changes in non-controlling interests	**(44)**	–
Buy-back of shares for holding as treasury shares	**(205)**	(250)
Dividends and distributions paid	**(3,733)**	(2,620)
Net issue of other debt issued (Note 21.6)	**4,752**	1,897
Net proceeds from perpetual capital securities issued	**550**	498
Repayments of lease liabilities	**(77)**	(89)
Proceeds from subordinated debt issued (Note 21.6)	**–**	1,042
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**112**	150
Redemption of perpetual capital securities issued	**(1,000)**	–
Net cash provided by financing activities	**355**	628
Net change in cash and cash equivalents	**(972)**	8,047
Net currency translation adjustments	**(142)**	(773)
Cash and cash equivalents at 1 January	**29,984**	22,710
Cash and cash equivalents at 31 December (Note 23)	**28,870**	29,984

(1) In 2023, the Group paid income tax of $1,412 million (2022: $1,167 million), of which $634 million (2022: $576 million) was paid in Singapore and $778 million (2022: $591 million) in other jurisdictions.

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

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 27 February 2024.

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 2.20.

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2023:

SFRS(I)	Title
SFRS(I) 17	*Insurance Contracts*
Various	*Amendments to SFRS(I) 17*
Various	*Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies*
SFRS(I) 1-8 (Amendments)	*Definition of Accounting Estimates*
SFRS(I) 1-12 (Amendments), SFRS(I) 1 (Amendments)	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
SFRS(I) 1-12 (Amendments)	*International Tax Reform—Pillar Two Model Rules*

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, except for the adoption of SFRS(I) 17 *Insurance Contracts*.

The Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023. The adoption of SFRS(I) 17 by the Group's insurance subsidiary and associate has brought significant changes to the accounting policies (Note 2.13) for insurance and reinsurance contracts. The Group has restated information for the financial year 2022 for comparative purposes.

A. GEH Group – SFRS(I) 17 Insurance Contracts
Changes to Classification and Measurement

SFRS(I) 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by Great Eastern Holding Limited and its subsidiaries (collectively GEH Group).

The key principles of SFRS(I) 17 are that GEH Group:

- Identifies insurance contracts as those under which GEH Group accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts and accounts for them in accordance with other accounting standards;
- Divides the insurance and reinsurance contracts (or portfolios of contracts with similar risks and managed together) into groups based on the expected contract profitability;

2. Material Accounting Policy Information (continued)

2.1 Basis of Preparation (continued)

A. GEH Group – SFRS(I) 17 Insurance Contracts (continued)

Changes to Classification and Measurement (continued)

- Recognises and measures groups of insurance contracts at:
    - o A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
    - o An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);
- Recognises profit from a group of insurance contracts over the period GEH Group provides insurance coverage, as GEH Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, GEH Group recognises the loss immediately. An onerous contract group's expected loss is not offset against the expected gains of other contract groups.

Changes to Presentation and Disclosure

For presentation in the balance sheet, GEH Group aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of insurance contracts that are liabilities; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the SFRS(I) 17 requirements.

The descriptions of the line items in the consolidated income statement have been changed significantly compared with the previous year. Previously, GEH Group reported the following line items: gross premiums, gross claims, maturities, surrenders and annuities and change in insurance contract liabilities. SFRS(I) 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expense;
- Insurance finance income or expense; and
- Income or expenses from reinsurance contracts held.

GEH Group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognised in its financial statements from insurance contracts and reinsurance contracts; and
- Significant judgements, and changes in those judgements made when applying the standard.

B. GEH Group – Transition

GEH Group has restated the comparative information based on the transition approaches taken on adoption of SFRS(I) 17.

Changes in accounting policies resulting from the adoption of SFRS(I) 17 were applied using the fully retrospective approach to the extent practicable and the modified retrospective approach or fair value approach. The fully retrospective approach was applied to insurance contracts that were originated less than one year prior to the effective date.

Where it was not possible to obtain all required historical data without undue cost and effort, the modified retrospective approach or fair value approach was applied. The modified retrospective approach was applied to certain groups of insurance contracts that were originated less than 10 years prior to the transition date. The fair value approach was applied to the remaining insurance contracts in force at transition date.

On transition date, at 1 January 2022, GEH Group:

- Identified, recognised and measured each group of insurance and reinsurance contracts as if SFRS(I) 17 had always been applied unless impracticable;
- Derecognised previously reported balances that would not have existed if SFRS(I) 17 had always been applied;
- Elected the option introduced by SFRS(I) 17 to redesignate certain financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities, and applied the classifications retrospectively; and
- Recognised any resulting net difference in equity.

2. Material Accounting Policy Information (continued)

2.1 Basis of Preparation (continued)

Impact on Transition

The net transition impact to the Group's equity consisted of the following effects.

Measurement adjustments	Description of impact	
	Contracts not measured under Premium Allocation Approach (PAA) [1]	**Contracts measured under PAA**
CSM	A CSM liability is recognised for the unearned profit for insurance contracts.	Not applicable
Contract Measurement	Other components of insurance contracts are also remeasured: • Risk adjustment: GEH Group recognises a separate risk adjustment for non-financial risk which is lower than the risk margin under SFRS(I) 4 as a result of recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements. • Discount rates: GEH Group now uses current discount rates to measure future cash flows as required by SFRS(I) 17. • Deferred acquisition costs: Under SFRS(I) 17, GEH Group now recognises eligible insurance acquisition cash flows, when incurred, in the carrying amount of related groups of insurance contracts and amortises them in a systematic way based on the passage of time over the expected coverage of related groups of insurance contracts. • Other changes: Include those related to the application of SFRS(I) 17 and provision for future taxes.	Other components of insurance contracts are remeasured: • Risk adjustment: The risk adjustment is now measured at the 85th percentile under SFRS(I) 17 as compared to the provision for adverse deviation used under SFRS(I) 4 which was measured at the 75th percentile. • Discounting future cash flows: Under SFRS(I) 17, GEH Group discounts the future cash flows when measuring liabilities for incurred claims. This was not done for non-life contracts previously. • Deferred acquisition costs: Under SFRS(I) 17, GEH Group now recognises eligible insurance acquisition cash flows when incurred, in the carrying amount of related groups of insurance contracts and amortises them based on the passage of time.
Insurance Finance Reserve	Under SFRS(I) 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses in profit or loss. GEH Group has elected the option to include these changes for certain portfolios measured under General Measurement Model (GMM) under insurance finance reserve in the Group's equity.	Not applicable

(1) 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 non-life insurance contracts, because each of these contracts has a coverage period of one year or less, or meets the eligibility criteria.

Besides the impact on equity upon transition, there are also other changes in the balance sheet mainly resulting from insurance related receivables and payables now included within fulfilment cash flows instead of being presented separately.

Redesignation of Financial Assets and Classification Overlay

SFRS(I) 17 allows entities that had applied SFRS(I) 9 to annual periods before the initial application of SFRS(I) 17, to redesignate its financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities. A transition option was elected to apply a classification overlay for the financial assets as if the classification and measurement requirements of SFRS(I) 9 had been applied to that financial asset during the comparative period. At the transition date, the Group elected the option to redesignate debt instruments held with a carrying amount of $2,094 million from fair value through profit or loss to fair value through other comprehensive income.

2. Material Accounting Policy Information (continued)

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.

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 statements.

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.

2. Material Accounting Policy Information (continued)

2.2 Basis of Preparation (continued)

2.2.3 Associates and Joint Ventures (continued)

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.

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. Material Accounting Policy Information (continued)

2.5 Financial Instruments (continued)

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 profit or loss.

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.

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 rate 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, 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.

2. Material Accounting Policy Information (continued)

2.6 Non-Derivative Financial Assets (continued)

Classification and Measurement of Financial Assets (continued)

(a) Business Model Assessment (continued)

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 outstanding.

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. Equity instruments that are not held for trading may be classified as FVOCI based on an irrevocable election on initial recognition on an investment-by-investment basis.

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 as dividend income in the income statement. Dividend from equity instruments classified as FVOCI is recognised as dividend income in the income statement 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. Material Accounting Policy Information (continued)

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 profit or loss 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.

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.

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 profit or loss. 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.

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)

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.

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. Material Accounting Policy Information (continued)

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.

2.11 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 three macroeconomic scenarios (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

2. Material Accounting Policy Information (continued)

2.11 Impairment of Assets (continued)

(I) Financial Assets (continued)

2.11.3 Measurement (continued)

The three macroeconomic scenarios represent a most likely "Base" outcome, and two other less likely "Upside" and "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.

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 requirement, 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.

2. Material Accounting Policy Information (continued)

2.11 Impairment of Assets (continued)

(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.

2.11.7 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 in profit or loss, 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.

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.1 Definition and Classification (continued)

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 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 non-life insurance contracts, because each of these contracts have a coverage period of one year or less, or otherwise meets the eligibility criteria.

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 profit or loss.

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. 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

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.

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.

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 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 2.20.3.

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 profit or loss 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 2.20.3.

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 contract 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 profit or loss. 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 profit or loss 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 profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance finance income or expenses in profit or loss, 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 profit or loss 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 profit or loss 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 profit or loss.

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 profit or loss. 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.

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)

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 profit or loss 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 profit or loss 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 profit or loss 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 profit or loss 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.

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;

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.7 Measurement – Contracts Measured Under the PAA (continued)

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 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.

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 profit or loss:

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

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.8 Derecognition and Contract Modification (continued)

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 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.

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 consolidated 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

2. Material Accounting Policy Information (continued)

2.13 Insurance and Reinsurance Contracts (continued)

2.13.9 Insurance Service Result From Insurance Contracts Issued (continued)

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).

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 conventional life and non-life insurance contracts, GEH Group includes all insurance finance income or expenses for the period in profit or loss, 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 profit or loss 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 profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

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 Finance Income or Expenses (continued)

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

2.13.10 Life Insurance Assets and Liabilities

The assets and liabilities of the 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.

Right-of-Use Assets

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 "Property, plant and equipment".

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 expensed to profit or loss 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 the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2. Material Accounting Policy Information (continued)

2.16 Recognition of Income and Expense (continued)

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.

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. Also, no deferred tax is recognised with respect to Pillar Two model rules published by the Organisation for Economic Cooperation and Development ("Pillar Two legislation"). 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.

2. Material Accounting Policy Information (continued)

2.17 Income Tax Expense (continued)

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 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.

2.19 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.

2.20 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.

2.20.1 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.

<u>Allowances for Non-Credit-Impaired Loans to Customers</u>

As of 31 December 2023, the forward-looking scenarios used in the ECL model have been updated from those as of 31 December 2022, 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 include:

- Post-model adjustments that were made to more accurately reflect the continued weakness of certain industries and segments.
- Credit events assumed in an additional scenario which were modelled as a top-down post-model adjustment – As indicated in Note 2.11.3, Stages 1 and 2 ECL are modelled based on a central baseline forecast with its upper and lower bound to represent forecasting ranges. However, the central forecast with its upper/lower range may not factor in significant emerging risks and macroeconomic events that are expected but uncertain in terms of impact and timing. Such events have the potential to trigger a recession but are not adequately captured in existing forecasts. Therefore, the Group included an additional scenario in the computation of ECL. As such events are global in nature, these are modelled as a top-down post-model adjustment.

2. Material Accounting Policy Information (continued)

2.20 Critical Accounting Estimates and Judgements (continued)

2.20.1 Impairment of Financial Assets (continued)

Sensitivity of ECL

ECL is estimated to increase by $1,473 million (2022: $1,310 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 2023.

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

2.20.2 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.

2.20.3 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 quarter-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)

2.20 Critical Accounting Estimates and Judgements (continued)

2.20.3 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:

	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%

	2022				
Currency	1 year	5 years	10 years	15 years	20 years
SGD	3.75% – 4.68%	2.82% – 3.75%	3.06% – 3.99%	2.86% – 3.79%	2.46% – 3.39%
USD	4.64% – 5.60%	3.94% – 4.90%	3.82% – 4.78%	4.04% – 5.00%	4.15% – 5.11%
MYR	3.25% – 3.40%	3.88% – 4.16%	4.09% – 4.36%	4.36% – 4.80%	4.53% – 4.93%

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 the 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)

2.20 Critical Accounting Estimates and Judgements (continued)

2.20.3 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.

2.20.4 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.

2.20.5 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.

2.21 Comparative Figures

SFRS(I) 17

1) GEH Group has applied the transitional provisions in SFRS(I) 17 and has not disclosed the impact of the adoption of SFRS(I) 17 on each financial statement line item. The effects of adopting SFRS(I) 17 at 1 January 2022 are presented in the statement of changes in equity. The effects from applying SFRS(I) 17 by GEH Group resulted in a reduction of the Group's equity attributable to equity holders of $1,953 million, net of tax, as at 1 January 2022.

2) The effects from applying SFRS(I) 17 by the Group's associate resulted in the increase of the Group's equity attributable to equity holders of $30 million as at 1 January 2022.

2. Material Accounting Policy Information (continued)

2.21 Comparative Figures (continued)

Others

Certain comparative figures have been reclassified to be consistent with the presentation for 2023.

	GROUP		
	2022		
	As reclassified [1] $ million	As previously reported $ million	Increase/ (Decrease) $ million
Income Statement			
Dividends	–	125	(125)
Net trading income	929	834	95
Other income	18	(12)	30

	BANK		
	2022		
	As reclassified $ million	As previously reported $ million	Increase/ (Decrease) $ million
Income Statement			
Dividends	–	1,481	(1,481)
Dividends from subsidiaries and associates	1,399	–	1,399
Net trading income	418	336	82
Other income	2	2	#

(1) Excluding effects of SFRS(I) 17 adjustment to the financial year ended 31 December 2022.

3. Net Interest Income

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Interest income				
Loans to customers	**15,006**	8,852	**10,522**	5,555
Placements with and loans to banks	**3,296**	1,314	**3,060**	1,153
Other interest-earning assets	**2,565**	1,424	**1,572**	713
	20,867	11,590	**15,154**	7,421
Interest expense				
Deposits of non-bank customers	**(9,798)**	(3,223)	**(6,498)**	(1,866)
Deposits and balances of banks	**(470)**	(195)	**(1,709)**	(541)
Other borrowings	**(954)**	(484)	**(923)**	(462)
	(11,222)	(3,902)	**(9,130)**	(2,869)
Analysed by classification of financial instruments				
Income – Assets at amortised cost	**17,842**	9,976	**13,263**	6,620
Income – Assets at FVOCI	**2,619**	1,322	**1,570**	576
Income – Assets mandatorily measured at FVTPL	**406**	292	**321**	225
Expense – Liabilities not at FVTPL	**(11,128)**	(3,892)	**(9,037)**	(2,859)
Expense – Liabilities mandatorily measured at FVTPL	**(94)**	(10)	**(93)**	(10)
Net interest income	**9,645**	7,688	**6,024**	4,552

Included in interest income were interest of $31 million (2022: $28 million) and $16 million (2022: $13 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 2023 and 31 December 2022.

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

Insurance Service Result from Life Insurance

	GROUP	
	2023 $ million	2022 $ million (Restated)
Insurance revenue from life insurance		
Expected incurred claims and other insurance service expenses	**4,062**	3,936
Change in the risk adjustment for non-financial risk for the risk expired	**426**	433
CSM recognised in profit or loss for the services provided	**773**	858
Insurance acquisition cash flows recovery	**456**	281
	5,717	5,508
Insurance service expenses	**(4,758)**	(4,696)
Net expense from reinsurance contracts held	**(532)**	(129)
Insurance service result from life insurance	**427**	683

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	
	2023 $ million	2022 $ million (Restated)
Investment income/(loss)		
Interest income	**2,237**	2,034
Other investment income/(loss)	**3,366**	(6,975)
Net impairment loss on financial assets	**(13)**	(25)
Amounts recognised at OCI	**402**	(1,188)
Total investment income/(loss)	**5,992**	(6,154)
Finance (expenses)/income from insurance contracts issued		
Changes in value of underlying assets of contract measured under the VFA	**(4,492)**	5,102
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	**210**	257
Interest accreted	**(672)**	(362)
Effect of changes in interest rates and other financial assumptions	**(281)**	425
Gain on currency exchange differences	**68**	29
Others	**(12)**	38
Total finance (expenses)/income from insurance contracts issued	**(5,179)**	5,489
Represented by:		
Amounts recognised in profit or loss	**(5,244)**	5,072
Amounts recognised in OCI	**65**	417
	(5,179)	5,489
Finance (expenses)/income from reinsurance contracts held		
Interest accreted to reinsurance contracts using locked-in rate	**8**	8
Effect of changes in interest rates and other financial assumptions	**(21)**	(35)
(Loss)/gain on currency exchange differences	**(1)**	2
Total finance expenses from reinsurance contracts held	**(14)**	(25)
Represented by:		
Amounts recognised in profit or loss	**5**	13
Amounts recognised in OCI	**(19)**	(38)
	(14)	(25)

5. Fees and Commissions (Net)

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Gross fee and commission income				
Brokerage	**75**	103	**2**	2
Credit card	**369**	337	**321**	295
Fund management	**107**	119	**–**	–
Guarantees	**14**	14	**4**	6
Investment banking	**90**	100	**73**	87
Loan-related	**207**	180	**146**	118
Service charges	**99**	87	**79**	64
Trade-related and remittances	**275**	298	**194**	208
Wealth management [1]	**896**	919	**288**	302
Others	**55**	50	**10**	10
	2,187	2,207	**1,117**	1,092
Fee and commission expense	**(383)**	(356)	**(236)**	(213)
Fees and commissions (net)	**1,804**	1,851	**881**	879

(1) Includes trust and custodian fees.

6. Dividends from Subsidiaries and Associates

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million (Restated)
Subsidiaries	**–**	–	**1,372**	1,261
Associates	**–**	–	**127**	138
	–	–	**1,499**	1,399

7. Net Trading Income

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million (Restated)
Foreign exchange [1]	**611**	761	**207**	308
Hedging activities [2]				
Hedging instruments	**133**	65	**169**	(52)
Hedged items	**(125)**	(61)	**(166)**	56
Net gain from fair value hedge ineffectiveness	**8**	4	**3**	4
Net gain/(loss) from interest rate and other derivative financial instruments [3]	**52**	259	**(41)**	127
Net gain/(loss) from non-derivative financial instruments [4][5]	**338**	(96)	**251**	(22)
Others	**(5)**	1	**(5)**	1
	1,004	929	**415**	418

(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 $98 million and $84 million for the Group and Bank (2022: $95 million and $82 million) respectively.

8. Other Income

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million (Restated)
Disposal of investment securities	**47**	(206)	**45**	(149)
Disposal of property, plant and equipment	**71**	99	**19**	24
Rental and property-related income	**87**	78	**67**	55
Dividends from FVOCI securities	**30**	30	**1**	#
Others	**11**	14	**87**	72
	246	15	**219**	2

9. Staff Costs and Other Operating Expenses

		GROUP		BANK	
		2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
9.1	**Staff costs**				
	Salaries and other costs	**3,172**	2,909	**1,094**	1,031
	Share-based expenses	**60**	79	**21**	28
	Contribution to defined contribution plans	**254**	236	**92**	88
		3,486	3,224	**1,207**	1,147
	Directors' emoluments:				
	Remuneration of Bank's directors	**9**	2	**9**	2
	Fees of Bank's directors (1)	**6**	7	**5**	5
		15	9	**14**	7
	Total staff costs	**3,501**	3,233	**1,221**	1,154
9.2	**Other operating expenses**				
	Property and equipment: (2)				
	Depreciation	**440**	426	**227**	201
	Maintenance and rental (3)	**162**	163	**101**	104
	Others	**364**	330	**219**	201
		966	919	**547**	506
	Auditors' remuneration:				
	Payable to auditor of the Bank	**10**	7	**3**	3
	Payable to associated firms of auditor of the Bank	**7**	4	**1**	1
	Payable to other auditors	**#**	#	**#**	#
		17	11	**4**	4
	Other fees:				
	Payable to auditor of the Bank (4)	**2**	3	**1**	2
	Payable to associated firms of auditor of the Bank	**1**	1	**1**	#
		3	4	**2**	2
	Hub processing charges	**–**	–	**416**	326
	Others (5)	**736**	671	**449**	400
		736	671	**865**	726
	Total other operating expenses	**1,722**	1,605	**1,418**	1,238
9.3	**Staff costs and other operating expenses**	**5,223**	4,838	**2,639**	2,392

(1) Includes remuneration shares amounting to $1 million (2022: $1 million) issued to directors.
(2) Direct operating expenses on investment property that generated rental income for the Group and the Bank amounted to $17 million and $5 million (2022: $18 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 $2 million and $# million (2022: $2 million and $# million) respectively.
(3) Includes expenses relating to short-term leases of $12 million and $4 million for the Group and the Bank (2022: $11 million and $5 million) respectively, and low-value assets of $4 million and $1 million (2022: $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	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Allowances/(write-back):				
Impaired loans (Note 28)	**269**	136	**182**	40
Impaired other assets	**64**	80	**13**	1
Non-impaired loans	**394**	369	**276**	169
Non-impaired other assets	**6**	(1)	**5**	#
Allowances for loans and other assets	**733**	584	**476**	210

11. Income Tax Expense

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
Current tax expense	**1,285**	1,239	**730**	533
Deferred tax credit (Note 20)	**(29)**	(149)	**(45)**	(24)
	1,256	1,090	**685**	509
Over provision in prior years	**(20)**	(59)	**(21)**	(6)
Charge to income statements	**1,236**	1,031	**664**	503

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

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
Operating profit after allowances and amortisation	**7,448**	5,760	**5,923**	4,648
Prima facie tax calculated at tax rate of 17%	**1,266**	979	**1,007**	790
Effect of:				
Different tax rates in other countries	**116**	190	**27**	43
Income not subject to tax	**(24)**	(12)	**(246)**	(219)
Income taxed at concessionary rates	**(197)**	(135)	**(185)**	(126)
Singapore life insurance funds	**(11)**	(19)	**–**	–
Non-deductible expenses and losses	**108**	17	**68**	#
Others	**(2)**	70	**14**	21
	1,256	1,090	**685**	509
The deferred tax credit comprised:				
Accelerated tax depreciation	**(1)**	3	**(1)**	(2)
Depreciable assets acquired in business combinations	**(10)**	(10)	**(1)**	(1)
Tax losses	**(41)**	(29)	**(25)**	(7)
Insurance/reinsurance contract liabilities	**58**	(97)	**–**	–
Unrealised gains/(losses) on financial assets	**22**	(9)	**22**	(4)
Allowances for assets	**(56)**	(53)	**(36)**	(24)
Other temporary differences	**(1)**	46	**(4)**	14
	(29)	(149)	**(45)**	(24)

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 has not been enacted in Singapore, the Bank's country of incorporation. Pillar Two legislation was enacted or substantively enacted in Japan, Luxembourg, Malaysia, South Korea, the United Kingdom and Vietnam, and will come into effect from 1 January 2024 for Luxembourg, South Korea, the United Kingdom, and Vietnam, fiscal year beginning on or after 1 April 2024 for Japan and 1 January 2025 for Malaysia. Under the legislation, the Group is expected to be subject to top-up tax for the difference between their Global Anti-Base Erosion (GloBE) rules effective tax rate per jurisdiction and the 15% minimum rate.

As the Group is in the process of assessing its exposure to the Pillar Two legislation, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS(I) 1-12 issued in May 2023.

12. Earnings Per Share

	GROUP	
	2023 $ million	2022 $ million (Restated)
Profit attributable to equity holders of the Bank	**7,021**	5,526
Perpetual capital securities distributions declared in respect of the period	**(66)**	(56)
Profit attributable to ordinary equity holders of the Bank after other equity distributions	**6,955**	5,470
Weighted average number of ordinary shares (million)		
For basic earnings per share	**4,495**	4,494
Adjustment for assumed conversion of share options and acquisition rights	**3**	3
For diluted earnings per share	**4,498**	4,497
Earnings per share ($)		
Basic	**1.55**	1.22
Diluted	**1.55**	1.22

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Bank net of preference dividends and 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	2023 Shares (million)	2022 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	**(20)**	(23)
Share buyback	**(16)**	(21)
Share Option Scheme	**4**	6
Share Purchase Plan	**6**	10
Treasury shares transferred to DSP Trust	**5**	8
At 31 December	**(21)**	(20)

GROUP AND BANK	2023 $ million	2022 $ million
Issued share capital, at 31 December	**18,045**	18,048

(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 2023 and 31 December 2022.

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 2023 and 31 December 2022, 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:

	2023		2022	
	Number of shares under options ('000)	Average price	Number of shares under options ('000)	Average price
At 1 January	**18,377**	**$10.760**	25,111	$10.450
Exercised	**(3,692)**	**$9.787**	(6,542)	$9.520
Forfeited/lapsed	**(386)**	**$13.252**	(192)	$12.585
At 31 December	**14,299**	**$10.943**	18,377	$10.760
Exercisable options at 31 December	**14,299**	**$10.943**	18,377	$10.760
Average share price underlying the options exercised		**$12.619**		$12.245

At 31 December 2023, the weighted average remaining contractual life of outstanding share options was 2.9 years (2022: 3.5 years). The aggregate number of shares under outstanding options held by a director of the Bank was 43,512 (2022: 310,824).

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 2023, the Bank launched its eighteenth offering under the ESP Plan, which commenced on 1 September 2023 and will expire on 31 August 2025. Under the eighteenth offering, the Bank granted rights to acquire 8,899,030 (2022: 8,738,996) ordinary shares in the Bank. For the financial years ended 31 December 2023 and 31 December 2022, 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 $6.6 million (2022: $7.9 million). Significant inputs to the valuation model are set out below:

	2023	2022
Acquisition price ($)	**12.47**	12.07
Share price ($)	**12.94**	12.24
Expected volatility based on historical volatility as of acceptance date (%)	**12.97**	16.51
Singapore government bond yields (%)	**3.36**	2.45
Expected dividend yield (%)	**4.91**	4.05

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:

	2023		2022	
	Number of acquisition rights ('000)	Average price	Number of acquisition rights ('000)	Average price
At 1 January	**14,908**	**$11.851**	17,850	$10.147
Exercised and conversion upon expiry	**(6,589)**	**$11.602**	(9,581)	$9.036
Forfeited	**(1,726)**	**$12.072**	(2,100)	$11.129
Subscription	**8,899**	**$12.470**	8,739	$12.070
At 31 December	**15,492**	**$12.287**	14,908	$11.851
Average share price underlying acquisition rights exercised/converted		**$12.649**		$11.986

At 31 December 2023, the weighted average remaining contractual life of outstanding acquisition rights was 1.2 years (2022: 1.2 years). At 31 December 2023 and 31 December 2022, 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, 5,413,124 (2022: 9,734,401) deferred shares were released to employees under the DSP, of which 102,324 deferred shares were released to directors of the Bank who held office at 31 December 2023.

Total awards of 6,785,111 (2022: 9,232,761) ordinary shares were granted and accepted by eligible executives under the DSP 2021 for the financial year ended 31 December 2023, of which 287,200 ordinary shares were granted to directors of the Bank who held office as at 31 December 2023. The fair value of the shares at grant date was $83.8 million (2022: $108.1 million). During the year, 3,787,000 (2022: nil) deferred shares were released to employees under the DSP 2021, of which 76,853 deferred shares were released to directors of the Bank who held office at 31 December 2023.

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

14. Other Equity Instruments

	Note	GROUP AND BANK 2023 $ million	2022 $ million
SGD1,000 million 4.0% non-cumulative non-convertible perpetual capital securities (4.0% Capital Securities)	(a)	**–**	998
SGD200 million 3.0% non-cumulative non-convertible perpetual capital securities (3.0% Capital Securities)	(b)	**200**	200
SGD500 million 3.9% non-cumulative non-convertible perpetual capital securities (3.9% Capital Securities)	(c)	**498**	498
SGD550million 4.5% non-cumulative non-convertible perpetual capital securities (4.5% Capital Securities)	(d)	**550**	–
		1,248	1,696

(a) The 4.0% Capital Securities issued by the Bank on 24 August 2018 are non-cumulative non-convertible perpetual capital securities. They qualify as Additional Tier 1 capital of the Bank under the requirements of MAS.

The 4.0% Capital Securities were fully redeemed by the Bank on 24 August 2023.

(b) 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.

14. Other Equity Instruments (continued)

(c) 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.

(d) 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.

15. Capital Reserves

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
At 1 January	**792**	782	**560**	559
Share-based payments for staff costs	**6**	8	**6**	8
Shares transferred to DSP Trust	**(84)**	(113)	**–**	–
Shares vested under DSP Scheme	**113**	103	**–**	–
Transfer from unappropriated profit (Note 16.1)	**10**	19	**–**	–
Transfer to share capital	**(22)**	(7)	**(22)**	(7)
At 31 December	**815**	792	**544**	560

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.

16. Revenue Reserves

	Note	GROUP 2023 $ million	GROUP 2022 $ million (Restated)	BANK 2023 $ million	BANK 2022 $ million
Unappropriated profit	16.1	**35,549**	32,185	**17,735**	16,119
General reserves	16.2	**1,317**	1,277	**1,412**	1,406
Cash flow and other hedge reserves	16.3	**101**	(3)	**41**	(28)
Currency translation reserves	16.4	**(2,464)**	(1,737)	**(251)**	(210)
Own credit reserves		**(2)**	(1)	**(2)**	(1)
At 31 December		**34,501**	31,721	**18,935**	17,286

16.1 Unappropriated Profit

	GROUP 2023 $ million	GROUP 2022 $ million (Restated)	BANK 2023 $ million	BANK 2022 $ million
Profit attributable to equity holders of the Bank	**7,021**	5,526	**5,259**	4,145
Add:				
Unappropriated profit at 1 January	**32,185**	30,785	**16,119**	14,535
Effect of adopting SFRS(I) 17	**–**	(1,576)	**–**	–
Total amount available for appropriation	**39,206**	34,735	**21,378**	18,680
Appropriated as follows:				
Ordinary dividends:				
Final tax-exempt dividend of 40 cents paid for the previous financial year (2022: tax-exempt dividend of 28 cents)	**(1,800)**	(1,260)	**(1,800)**	(1,260)
Interim tax-exempt dividend of 40 cents paid for the current financial year (2022: tax-exempt dividend of 28 cents)	**(1,798)**	(1,260)	**(1,798)**	(1,260)
Distributions for other equity instruments:				
4.0% perpetual capital securities	**(40)**	(40)	**(40)**	(40)
3.0% perpetual capital securities	**(6)**	(6)	**(6)**	(6)
3.9% perpetual capital securities	**(20)**	(10)	**(20)**	(10)
Transfer (to)/from:				
Capital reserves (Note 15)	**(10)**	(19)	**–**	–
Fair value reserves	**14**	37	**13**	8
General reserves (Note 16.2)	**10**	7	**10**	7
Others	**(7)**	1	**(2)**	(#)
	(3,657)	(2,550)	**(3,643)**	(2,561)
At 31 December	**35,549**	32,185	**17,735**	16,119

At the annual general meeting to be held, a final tax-exempt dividend of 42 cents per ordinary share in respect of the financial year ended 31 December 2023, totalling $1,888 million, will be proposed. The dividends will be accounted for as a distribution in the 2024 financial statements.

16. Revenue Reserves (continued)

16.2 General Reserves

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
At 1 January – Previously reported	**1,277**	1,349	**1,406**	1,400
Effect of adopting SFRS(I) 17	**–**	(351)	**–**	–
At 1 January – Restated	**1,277**	998	**1,406**	1,400
DSP reserve from dividends on unvested shares	**16**	13	**16**	13
Net insurance financial result	**34**	273	**–**	–
Transfer to unappropriated profit (Note 16.1)	**(10)**	(7)	**(10)**	(7)
At 31 December	**1,317**	1,277	**1,412**	1,406

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	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
At 1 January – Previously reported	**(1,737)**	(336)	**(210)**	(101)
Effect of adopting SFRS(I) 17	**–**	(#)	**–**	–
At 1 January – Restated	**(1,737)**	(336)	**(210)**	(101)
Movements for the year	**(858)**	(1,430)	**(45)**	(111)
Gain from foreign currency net investment hedges	**131**	29	**4**	2
At 31 December	**(2,464)**	(1,737)	**(251)**	(210)

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.

17. Deposits and Balances of Non-Bank Customers and Banks

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Deposits of non-bank customers				
Current accounts	**104,465**	112,245	**64,287**	65,250
Savings deposits	**72,527**	69,036	**62,073**	57,364
Term deposits	**141,547**	128,443	**73,027**	65,764
Structured deposits	**8,447**	4,972	**3,046**	1,693
Certificates of deposit issued	**23,639**	23,979	**23,101**	23,445
Other deposits	**13,145**	11,406	**10,617**	9,794
	363,770	350,081	**236,151**	223,310
Deposits and balances of banks	**10,884**	10,046	**8,080**	7,691
	374,654	360,127	**244,231**	231,001

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.

	2023			2022		
GROUP ($ million)	Principal notional amount	Derivative receivables	Derivative payables	Principal notional amount	Derivative receivables	Derivative payables
Foreign exchange derivatives (FED)						
Forwards	**52,751**	**408**	**385**	45,985	473	512
Swaps	**477,047**	**4,414**	**5,105**	437,131	5,734	6,076
OTC options	**48,259**	**261**	**258**	66,376	495	476
	578,057	**5,083**	**5,748**	549,492	6,702	7,064
Interest rate derivatives (IRD)						
Swaps	**648,196**	**7,215**	**7,074**	506,660	8,110	8,069
OTC options	**12,758**	**33**	**53**	12,276	62	72
Exchange traded options	**–**	**–**	**–**	67	1	–
Exchange traded futures	**20,489**	**1**	**1**	12,499	10	1
Others	**129**	**–**	**2**	–	–	–
	681,572	**7,249**	**7,130**	531,502	8,183	8,142
Equity derivatives						
Swaps	**4,384**	**312**	**490**	3,688	369	508
OTC options	**6,227**	**175**	**185**	5,339	231	200
Exchange traded futures	**367**	**2**	**#**	216	1	1
Others	**81**	**#**	**5**	103	#	7
	11,059	**489**	**680**	9,346	601	716
Credit derivatives						
Swaps – protection buyer	**3,155**	**1**	**54**	3,993	6	37
Swaps – protection seller	**2,573**	**44**	**–**	3,310	30	6
	5,728	**45**	**54**	7,303	36	43
Other derivatives						
Precious metals	**1,372**	**12**	**11**	741	9	9
OTC options	**10,735**	**98**	**97**	8,544	74	74
Commodity swaps	**–**	**–**	**–**	3	#	#
	12,107	**110**	**108**	9,288	83	83
Total	**1,288,523**	**12,976**	**13,720**	1,106,931	15,605	16,048

18. Derivative Financial Instruments (continued)

BANK ($ million)	2023 Principal notional amount	2023 Derivative receivables	2023 Derivative payables	2022 Principal notional amount	2022 Derivative receivables	2022 Derivative payables
Foreign exchange derivatives (FED)						
Forwards	32,743	288	271	30,624	294	361
Swaps	379,657	3,566	4,098	362,328	4,482	4,813
OTC options	45,800	249	249	63,795	472	463
	458,200	4,103	4,618	456,747	5,248	5,637
Interest rate derivatives (IRD)						
Swaps	451,924	6,674	6,602	375,121	7,754	7,795
OTC options	11,103	33	52	11,431	63	72
Exchange traded options	–	–	–	67	1	–
Exchange traded futures	20,421	1	1	11,807	9	#
Others	45	–	2	–	–	–
	483,493	6,708	6,657	398,426	7,827	7,867
Equity derivatives						
Swaps	4,010	286	465	3,581	366	501
OTC options	5,876	173	184	4,708	192	170
Exchange traded futures	241	–	#	176	#	1
Others	81	#	5	103	#	7
	10,208	459	654	8,568	558	679
Credit derivatives						
Swaps – protection buyer	2,966	1	53	3,779	5	37
Swaps – protection seller	2,384	43	–	3,106	30	5
	5,350	44	53	6,885	35	42
Other derivatives						
Precious metals	741	7	7	79	1	2
OTC options	9,920	96	94	8,372	73	73
	10,661	103	101	8,451	74	75
Total	967,912	11,417	12,083	879,077	13,742	14,300

19. Other Liabilities

	GROUP 2023 $ million	GROUP 2022 $ million (Restated)	BANK 2023 $ million	BANK 2022 $ million
Bills payable	**422**	473	**378**	400
Interest payable	**1,995**	1,121	**1,291**	726
Lease liabilities	**218**	216	**59**	70
Precious metal liabilities	**1,001**	1,281	**13**	21
Sundry creditors	**3,608**	3,605	**883**	862
Others	**1,912**	1,689	**941**	765
	9,156	8,385	**3,565**	2,844

At 31 December 2023, non-life insurance contract liabilities included in "Others" amounted to $673 million (2022: $687 million) for the Group.

20. Deferred Tax

	GROUP 2023 $ million	GROUP 2022 $ million (Restated)	BANK 2023 $ million	BANK 2022 $ million
At 1 January – Previously reported	**(99)**	2,552	**21**	66
Effects of adopting SFRS(I) 17	**–**	(2,231)	**–**	–
At 1 January – Restated	**(99)**	321	**21**	66
Currency translation and others	**74**	4	**(3)**	6
Net credit to income statements (Note 11)	**(29)**	(149)	**(45)**	(24)
Over provision in prior years	**(21)**	(1)	**(27)**	–
Net charge/(credit) to equity	**76**	(293)	**27**	(27)
Net change in tax for life insurance funds	**49**	19	**–**	–
At 31 December	**50**	(99)	**(27)**	21

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	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
Deferred tax liabilities				
Accelerated tax depreciation	**110**	123	**70**	71
Unrealised gains on investments	**45**	47	**26**	–
Depreciable assets acquired in business combination	**97**	110	**33**	34
Provision for policy liabilities	**326**	37	**–**	–
Regulatory loss allowance reserve	**63**	63	**63**	63
Others	**50**	40	**#**	4
	691	420	**192**	172
Amount offset against deferred tax assets	**(55)**	(71)	**(86)**	(47)
	636	349	**106**	125
Deferred tax assets				
Allowances for impairment of assets	**(352)**	(281)	**(148)**	(85)
Tax losses	**(119)**	(34)	**(35)**	(13)
Unrealised losses on financial assets	**(59)**	(102)	**(18)**	(38)
Others	**(111)**	(102)	**(18)**	(15)
	(641)	(519)	**(219)**	(151)
Amount offset against deferred tax liabilities	**55**	71	**86**	47
	(586)	(448)	**(133)**	(104)
Net deferred tax liabilities/(assets)	**50**	(99)	**(27)**	21

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 2023, unutilised tax losses carried forward for which no deferred income tax has been recognised amounted to $133 million (2022: $63 million) for the Group, $52 million (2022: $6 million) for the Bank. These tax losses have no expiry date except for an amount of $125 million (2022: $61 million) which will expire between the years 2024 and 2037 (2022: years 2023 and 2030).

21. Debt Issued

		GROUP		BANK	
	Note	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Subordinated debt	21.1	**3,499**	3,484	**3,499**	3,484
Fixed and floating rate notes	21.2	**4,191**	3,202	**3,387**	2,558
Commercial paper	21.3	**14,418**	10,759	**14,390**	10,759
Structured notes	21.4	**3,747**	2,713	**3,747**	2,713
Covered bonds	21.5	**698**	1,780	**698**	1,780
Total debt issued		**26,553**	21,938	**25,721**	21,294

21.1 Subordinated Debt

				GROUP	
	Note	Issue date	Maturity date	2023 $ million	2022 $ million
Issued by the Bank:					
USD1 billion 4.25% notes	(a)	19 Jun 2014	19 Jun 2024	**1,301**	1,298
USD1 billion 1.832% notes	(b)	10 Sep 2020	10 Sep 2030	**1,239**	1,220
USD0.75 billion 4.602% notes	(c)	15 Jun 2022	15 Jun 2032	**959**	966
Total subordinated debt				**3,499**	3,484

(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 4.25% 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.

(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 1.58% 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.

21. Debt Issued (continued)

21.2 Fixed and Floating Rate Notes

				GROUP	
	Note	Issue date	Maturity date	2023 $ million	2022 $ million
Issued by the Bank:					
AUD200 million floating rate notes	(a)	4 Sep 2020	4 Sep 2023	–	182
AUD200 million floating rate notes	(a)	19 Aug 2022 – 30 Aug 2022	20 Nov 2023	–	182
AUD250 million fixed rate notes	(a)	20 Jan 2022	20 Jan 2023	–	228
AUD460 million floating rate notes	(b)	18 Mar 2021 – 25 Mar 2021	18 Mar 2024	**415**	419
AUD500 million floating rate notes	(b)	12 Aug 2021	12 Aug 2024	**450**	455
AUD700 million floating rate notes	(b)	14 Apr 2022	14 Apr 2025	**631**	637
AUD500 million floating rate notes	(b)	11 Aug 2022	11 Aug 2025	**451**	455
AUD200 million floating rate notes	(b)	20 Jan 2023	25 Nov 2024	**180**	–
AUD1,000 million floating rate notes	(b)	18 May 2023	18 May 2026	**900**	–
AUD200 million floating rate notes	(b)	21 Aug 2023	21 Aug 2024	**180**	–
AUD200 million floating rate notes	(b)	21 Nov 2023	21 Mar 2025	**180**	–
				3,387	2,558
Issued by Pac Lease Berhad:					
MYR50 million 3.20% fixed rate notes	(a)	30 Jul 2021	2 Aug 2023	–	15
MYR50 million 3.28% fixed rate notes	(a)	13 Aug 2021	14 Feb 2024	–	9
MYR80 million 3.48% fixed rate notes	(a)	17 Dec 2021	18 Jun 2024	–	25
MYR50 million 4.05% fixed rate notes	(a)	28 Jun 2022	10 Jan 2024	–	15
MYR30 million 4.34% fixed rate notes	(c)	21 Mar 2023	21 Mar 2025	**9**	–
MYR70 million 4.50% fixed rate notes	(c)	21 Mar 2023	19 Mar 2026	**20**	–
MYR100 million 4.35% fixed rate notes	(c)	26 Apr 2023	24 Apr 2026	**29**	–
MYR80 million 3.48% fixed rate notes	(c)	19 Jun 2023	18 Jun 2024	**23**	–
MYR50 million 4.05% fixed rate notes	(c)	28 Jun 2023	10 Jan 2024	**14**	–
MYR50 million 4.15% fixed rate notes	(c)	27 Jul 2023	29 Jul 2025	**14**	–
MYR50 million 4.25% fixed rate notes	(c)	2 Aug 2023	4 Aug 2026	**14**	–
MYR45 million 4.15% fixed rate notes	(c)	3 Aug 2023	5 Aug 2025	**13**	–
MYR50 million 3.28% fixed rate notes	(c)	14 Aug 2023	14 Feb 2024	**15**	–
				151	64
Issued by OCBC Bank Limited:					
CNY730 million 3.50% fixed rate bonds	(d)	24 May 2021	24 May 2024	**136**	142
CNY1.02 billion 3.32% fixed rate bonds	(d)	22 Nov 2021	22 Nov 2024	**191**	198
CNY750 million 2.99% fixed rate bonds	(d)	30 May 2022	30 May 2025	**140**	144
CNY500 million 3.24% fixed rate bonds	(d)	17 Nov 2022	17 Nov 2025	**93**	96
CNY500 million 2.88% fixed rate bonds	(d)	17 Aug 2023	17 Aug 2026	**93**	–
				653	580
Total fixed and floating rate notes				**4,191**	3,202

(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 0.26% to 0.82% per annum.

(c) Interest is payable monthly/semi-annually.

(d) Interest is payable annually.

21. Debt Issued (continued)

21.3 Commercial Paper

	GROUP	
	2023 $ million	2022 $ million
Issued by the Bank	**14,390**	10,759
Issued by subsidiary	**28**	–
	14,418	10,759

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 2023 (2022: 31 December 2022) were issued between 18 September 2023 (2022: 9 February 2022) and 27 December 2023 (2022: 12 December 2022), and mature between 2 January 2024 (2022: 3 January 2023) and 14 May 2024 (2022: 22 May 2023). 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	2023 $ million	2022 $ million
Issued by the Bank:				
Credit linked notes	1 Oct 2012 – 29 Dec 2023	12 Mar 2024 – 21 Dec 2028	**1,126**	912
Fixed rate notes	9 Oct 2012 – 29 Dec 2023	3 Jan 2024 – 24 Aug 2043	**834**	107
Bond linked notes	26 May 2017 – 19 Dec 2023	11 Mar 2024 – 01 Dec 2034	**132**	130
Fund linked notes	5 Aug 2019 – 20 Dec 2023	22 Feb 2024 – 14 Nov 2029	**115**	71
Participation notes	14 Jun 2019 – 31 Dec 2023	28 Feb 2024 – 07 Jul 2028	**1,490**	1,491
Equity linked notes	13 May 2022 – 29 Dec 2023	02 Jan 2024 – 19 May 2027	**50**	2
			3,747	2,713

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 $1,040 million (2022: $909 million) included under credit linked notes, $726 million included under fixed rate notes (2022: nil), $2 million included under equity linked notes (2022: nil) and $132 million (2022: $131 million) included under bond linked notes as at 31 December 2023 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

			GROUP	
	Issue date	Maturity date	2023 $ million	2022 $ million
Issued by the Bank:				
EUR500 million 0.375% fixed rate bonds	1 Mar 2018	1 Mar 2023	**–**	712
EUR500 million 0.625% fixed rate bonds	18 Apr 2018	18 Apr 2025	**698**	663
GBP250 million floating rate bonds	14 Mar 2018	14 Mar 2023	**–**	405
			698	1,780

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 and GBP covered bonds is payable annually and quarterly, respectively, 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 2022	2,730	2,771	8,668	2,425	3,521	20,115
Cash flows	1,042	635	2,341	377	(1,456)	2,939
Non-cash changes						
Currency translation	(52)	(204)	(290)	(73)	(118)	(737)
Others	(236)	(#)	40	(16)	(167)	(379)
At 31 December 2022/1 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	**3,499**	**4,191**	**14,418**	**3,747**	**698**	**26,553**

22. Assets and Liabilities for Life Insurance Funds

	GROUP	
	2023 $ million	2022 $ million (Restated)
Insurance contract liabilities and other liabilities for life insurance funds		
Insurance contract liabilities	**97,386**	94,157
Reinsurance contract liabilities	**166**	445
Others	**2,092**	1,607
	99,644	96,209
Other assets for life insurance funds		
Deposits with banks and financial institutions	**3,082**	6,028
Loans	**509**	479
Investment property	**1,881**	1,881
Reinsurance contract assets	**512**	811
Insurance contract assets	**12**	355
Others [1]	**1,951**	1,998
	7,947	11,552
Investment securities for life insurance funds	**89,570**	83,445
	97,517	94,997
Balances for life insurance funds included under the following balance sheet items:		
Liabilities		
Current tax	**144**	139
Deferred tax	**254**	107
Other liabilities	**51**	62
Assets		
Cash and placements with central banks	**#**	#
Placements with and loans to banks	**2,271**	2,136
Property, plant and equipment and intangible assets	**651**	654
Deferred tax assets	**4**	7

(1) Others mainly comprise interest receivable, deposits collected, prepayments, investment debtors and sundry debtors.

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

	2023				2022 (Restated)			
	Liabilities for remaining coverage				Liabilities for remaining coverage			
$ million	Excluding loss component	Loss component	Liabilities for incurred claim	Total	Excluding loss component	Loss component	Liabilities for incurred claim	Total
Insurance contract liabilities at 1 January	**86,739**	**308**	**7,110**	**94,157**	89,940	–	6,585	96,525
Insurance contract assets at 1 January	**(371)**	**25**	**(9)**	**(355)**	(219)	10	(1)	(210)
Net insurance contract liabilities/(assets) at 1 January	**86,368**	**333**	**7,101**	**93,802**	89,721	10	6,584	96,315
Insurance revenue								
Contracts under modified retrospective approach	**(1,155)**	**–**	**–**	**(1,155)**	(1,228)	–	–	(1,228)
Contracts under fair value transition approach	**(3,095)**	**–**	**–**	**(3,095)**	(3,590)	–	–	(3,590)
Other contracts	**(1,467)**	**–**	**–**	**(1,467)**	(690)	–	–	(690)
	(5,717)	**–**	**–**	**(5,717)**	(5,508)	–	–	(5,508)
Insurance service expenses								
Incurred claims and other expenses	**–**	**–**	**4,103**	**4,103**	–	–	3,960	3,960
Amortisation of insurance acquisition cash flows	**515**	**–**	**–**	**515**	338	–	–	338
Losses on onerous contracts and reversal of those losses	**–**	**140**	**–**	**140**	–	324	–	324
Changes to liabilities for incurred claims	**–**	**–**	**–**	**–**	–	–	74	74
	515	**140**	**4,103**	**4,758**	338	324	4,034	4,696
Insurance service result	**(5,202)**	**140**	**4,103**	**(959)**	(5,170)	324	4,034	(812)
Insurance finance expenses/(income)	**4,951**	**31**	**197**	**5,179**	(5,665)	3	173	(5,489)
Effect of movements in exchange rates	**(1,291)**	**(7)**	**(257)**	**(1,555)**	(1,206)	(4)	(242)	(1,452)
Total changes in the statement of profit or loss and OCI	**(1,542)**	**164**	**4,043**	**2,665**	(12,041)	323	3,965	(7,753)
Investment components	**(9,450)**	**–**	**9,450**	**–**	(7,429)	–	7,429	–
Cash flows								
Premiums received	**16,126**	**–**	**–**	**16,126**	17,823	–	–	17,823
Claims and other expenses paid	**–**	**–**	**(13,841)**	**(13,841)**	–	–	(11,288)	(11,288)
Insurance acquisition cash flows	**(1,477)**	**–**	**–**	**(1,477)**	(1,544)	–	–	(1,544)
Total cash flows	**14,649**	**–**	**(13,841)**	**808**	16,279	–	(11,288)	4,991
Other movements	**(349)**	**(#)**	**448**	**99**	(162)	–	411	249
Net insurance contract liabilities/(assets) at 31 December	**89,676**	**497**	**7,201**	**97,374**	86,368	333	7,101	93,802
Insurance contract liabilities at 31 December	**89,709**	**466**	**7,211**	**97,386**	86,739	308	7,110	94,157
Insurance contract assets at 31 December	**(33)**	**31**	**(10)**	**(12)**	(371)	25	(9)	(355)
Net insurance contract liabilities/(assets) at 31 December	**89,676**	**497**	**7,201**	**97,374**	86,368	333	7,101	93,802

22. Assets and Liabilities for Life Insurance Funds (continued)

22.2 Reconciliation of the Measurement Components of Insurance Contract Balances for Life Insurance

	2023				2022 (Restated)			
$ million	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contract liabilities at 1 January	**83,364**	**3,925**	**6,868**	**94,157**	85,061	3,580	7,884	96,525
Insurance contract assets at 1 January	**(580)**	**118**	**107**	**(355)**	(419)	104	105	(210)
Net insurance contract liabilities/(assets) at 1 January	**82,784**	**4,043**	**6,975**	**93,802**	84,642	3,684	7,989	96,315
Changes that relate to current services								
CSM recognised for services provided	**–**	**–**	**(773)**	**(773)**	–	–	(858)	(858)
Risk adjustment recognised for the risk expired	**–**	**(515)**	**–**	**(515)**	–	(466)	–	(466)
Experience adjustments	**(345)**	**–**	**–**	**(345)**	(162)	–	–	(162)
Changes that relate to future services								
Contracts initially recognised in the year	**(862)**	**659**	**418**	**215**	(1,049)	500	709	160
Changes in estimates that adjust the CSM	**(221)**	**(23)**	**244**	**–**	244	372	(616)	–
Changes that result in onerous losses or reversal of such losses	**203**	**95**	**–**	**298**	289	43	–	332
Changes that relate to past services								
Adjustments to liabilities for incurred claims	**156**	**5**	**–**	**161**	169	13	–	182
Insurance service result	**(1,069)**	**221**	**(111)**	**(959)**	(509)	462	(765)	(812)
Insurance finance expenses/(income)	**4,780**	**190**	**209**	**5,179**	(5,491)	49	(47)	(5,489)
Effect of movements in foreign exchange rates	**(1,186)**	**(176)**	**(193)**	**(1,555)**	(1,098)	(152)	(202)	(1,452)
Total changes in the statement of profit or loss and OCI	**2,525**	**235**	**(95)**	**2,665**	(7,098)	359	(1,014)	(7,753)
Cash flows								
Premiums received	**16,126**	**–**	**–**	**16,126**	17,823	–	–	17,823
Claims and other expenses paid	**(13,841)**	**–**	**–**	**(13,841)**	(11,288)	–	–	(11,288)
Insurance acquisition cash flows	**(1,477)**	**–**	**–**	**(1,477)**	(1,544)	–	–	(1,544)
Total cash flows	**808**	**–**	**–**	**808**	4,991	–	–	4,991
Other movements	**112**	**–**	**(13)**	**99**	249	–	–	249
Net insurance contract liabilities/(assets) at 31 December	**86,229**	**4,278**	**6,867**	**97,374**	82,784	4,043	6,975	93,802
Insurance contract liabilities at 31 December	**86,476**	**4,154**	**6,756**	**97,386**	83,364	3,925	6,868	94,157
Insurance contract assets at 31 December	**(247)**	**124**	**111**	**(12)**	(580)	118	107	(355)
Net insurance contract liabilities/(assets) at 31 December	**86,229**	**4,278**	**6,867**	**97,374**	82,784	4,043	6,975	93,802

22. Assets and Liabilities for Life Insurance Funds (continued)

22.3 Impact of Life Insurance Contracts Recognised During the Year

	Contracts issued					
	2023			2022 (Restated)		
$ million	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
Claims and other directly attributable expenses	**8,047**	**5,268**	**13,315**	13,996	1,274	15,270
Insurance acquisition cash flows	**1,241**	**334**	**1,575**	1,456	157	1,613
Estimates of present value of future cash outflows	**9,288**	**5,602**	**14,890**	15,452	1,431	16,883
Estimates of present value of future cash inflows	**(10,177)**	**(5,575)**	**(15,752)**	(16,473)	(1,459)	(17,932)
Risk adjustment	**471**	**188**	**659**	312	188	500
CSM	**418**	**–**	**418**	709	–	709
Amount included in insurance contract liabilities for the year	**–**	**215**	**215**	–	160	160

22.4 Amounts Determined on Transition to SFRS(I) 17

	2023				2022 (Restated)			
$ 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	**2,740**	**3,046**	**1,189**	**6,975**	3,382	3,974	633	7,989
Changes that relate to current services								
CSM recognised for services provided	**(247)**	**(290)**	**(236)**	**(773)**	(279)	(452)	(127)	(858)
Changes that relate to future services								
Contracts initially recognised in the period	**–**	**–**	**418**	**418**	–	–	709	709
Changes in estimates that adjust the CSM	**(79)**	**53**	**270**	**244**	(210)	(429)	23	(616)
Insurance service result	**(326)**	**(237)**	**452**	**(111)**	(489)	(881)	605	(765)
Insurance finance expenses/(income)	**123**	**73**	**13**	**209**	13	(23)	(37)	(47)
Effect of movements in exchange rates	**(149)**	**(20)**	**(24)**	**(193)**	(166)	(24)	(12)	(202)
Total changes in the statement of profit or loss or OCI	**(352)**	**(184)**	**441**	**(95)**	(642)	(928)	556	(1,014)
Other movements	**(8)**	**(2)**	**(3)**	**(13)**	–	–	–	–
CSM at 31 December	**2,380**	**2,860**	**1,627**	**6,867**	2,740	3,046	1,189	6,975

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
2023							
Life insurance contracts issued	**602**	**489**	**449**	**418**	**388**	**4,521**	**6,867**
	602	**489**	**449**	**418**	**388**	**4,521**	**6,867**

$ 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
2022 (Restated)							
Life insurance contracts issued	622	500	452	421	391	4,589	6,975
	622	500	452	421	391	4,589	6,975

23. Cash and Placements with Central Banks

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Cash on hand	**648**	778	**347**	422
Non-restricted balances with central banks	**28,222**	29,206	**24,234**	23,868
Cash and cash equivalents	**28,870**	29,984	**24,581**	24,290
Restricted balances with central banks – mandatory reserve deposits	**5,420**	4,983	**3,873**	3,523
Gross cash and placements with central banks	**34,290**	34,967	**28,454**	27,813
Allowances for non-impaired placements with central banks	**(4)**	(1)	**(4)**	(1)
Net cash and placements with central banks	**34,286**	34,966	**28,450**	27,812

24. Government Treasury Bills and Securities

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Singapore government treasury bills and securities	**19,165**	17,096	**17,832**	15,889
Other government treasury bills and securities	**26,465**	22,271	**10,804**	8,165
Total government treasury bills and securities	**45,630**	39,367	**28,636**	24,054

25. Placements with and Loans to Banks

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Certificates of deposit held	**19,211**	13,202	**14,772**	7,402
Placements with and loans to banks	**13,158**	12,551	**10,588**	9,062
Market bills purchased	**1,292**	1,223	**1,292**	1,223
Reverse repos	**2,124**	1,137	**2,124**	997
Balances with banks	**35,785**	28,113	**28,776**	18,684
Bank balances for life insurance funds	**2,271**	2,136	**–**	–
Gross placements with and loans to banks	**38,056**	30,249	**28,776**	18,684
Allowances for non-impaired placements with and loans to banks	**(5)**	(5)	**(3)**	(4)
Net placements with and loans to banks	**38,051**	30,244	**28,773**	18,680

26. Loans to Customers

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Gross loans	**296,653**	294,980	**209,801**	203,092
Allowances				
Impaired loans (Note 28)	**(1,328)**	(1,308)	**(620)**	(583)
Non-impaired loans (Note 30)	**(2,571)**	(2,205)	**(1,673)**	(1,399)
Net loans	**292,754**	291,467	**207,508**	201,110

26.1 Analysed by Product

Overdrafts	**5,246**	5,200	**367**	364
Short-term and revolving loans	**58,798**	63,162	**35,122**	34,345
Syndicated and term loans	**133,722**	127,867	**108,954**	103,346
Housing and commercial property loans	**70,987**	69,152	**49,195**	46,079
Car, credit card and share margin loans	**4,822**	4,551	**3,431**	3,159
Bills receivable	**3,875**	4,849	**2,670**	3,437
Others	**19,203**	20,199	**10,062**	12,362
	296,653	294,980	**209,801**	203,092

26.2 Analysed by Industry

Agriculture, mining and quarrying	**6,808**	8,193	**4,615**	5,835
Manufacturing	**14,186**	15,052	**6,815**	7,548
Building and construction	**93,165**	89,299	**77,228**	73,765
Housing loans	**63,833**	62,015	**47,080**	44,065
General commerce	**27,411**	29,209	**20,513**	22,162
Transport, storage and communication	**16,113**	13,017	**13,952**	10,993
Financial institutions, investment and holding companies	**24,093**	24,387	**7,871**	7,144
Professionals and individuals	**31,708**	34,752	**16,725**	16,381
Others	**19,336**	19,056	**15,002**	15,199
	296,653	294,980	**209,801**	203,092

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				
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**
2022				
Classified loans	1,543	1,282	558	3,383
Classified debt securities	–	–	–	–
Classified contingents	39	60	4	103
Total classified assets	1,582	1,342	562	3,486
Allowances for impaired assets	(218)	(863)	(229)	(1,310)
Net classified assets	1,364	479	333	2,176
BANK				
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**
2022				
Classified loans	337	749	83	1,169
Classified debt securities	–	–	–	–
Classified contingents	12	51	–	63
Total classified assets	349	800	83	1,232
Allowances for impaired assets	(38)	(540)	(5)	(583)
Net classified assets	311	260	78	649

27. Non-Performing Assets (continued)

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
27.1 Analysed by Period Overdue				
Over 180 days	**953**	968	**250**	364
Over 90 days to 180 days	**368**	396	**209**	106
30 days to 90 days	**253**	296	**52**	52
Less than 30 days	**274**	383	**86**	20
No overdue	**1,053**	1,443	**684**	690
	2,901	3,486	**1,281**	1,232
27.2 Analysed by Collateral Type				
Property	**1,252**	1,628	**213**	171
Fixed deposit	**20**	16	**11**	11
Stock and shares	**3**	4	**2**	2
Motor vehicles	**6**	13	**#**	#
Secured – Others	**367**	598	**242**	410
Unsecured – Corporate and other guarantees	**366**	286	**337**	280
Unsecured – Clean	**887**	941	**476**	358
	2,901	3,486	**1,281**	1,232
27.3 Analysed by Industry				
Agriculture, mining and quarrying	**38**	56	**32**	36
Manufacturing	**423**	614	**48**	72
Building and construction	**613**	615	**218**	55
Housing loans	**503**	579	**168**	137
General commerce	**306**	434	**76**	86
Transport, storage and communication	**231**	403	**217**	377
Financial institutions, investment and holding companies	**152**	138	**–**	–
Professionals and individuals	**105**	128	**33**	31
Others	**530**	519	**489**	438
	2,901	3,486	**1,281**	1,232

27. Non-Performing Assets (continued)

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 19.1% (2022: 26.0%) and 14.8% (2022: 22.4%) for the Group and the Bank respectively.

	2023		2022	
	Amount $ million	Allowance $ million	Amount $ million	Allowance $ million
GROUP				
Substandard	**156**	**76**	389	150
Doubtful	**289**	**249**	350	211
Loss	**91**	**67**	140	98
	536	**392**	879	459
BANK				
Substandard	**43**	**12**	121	49
Doubtful	**133**	**108**	140	119
Loss	**3**	**#**	1	#
	179	**120**	262	168

28. Allowances for Impaired Loans to Customers

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
At 1 January	**1,308**	1,535	**583**	722
Currency translation	**(5)**	(63)	**(4)**	(30)
Net write-offs [1]	**(229)**	(282)	**(138)**	(144)
Net allowances (Note 10)	**269**	136	**182**	40
Interest recognition on impaired loans	**(15)**	(18)	**(3)**	(5)
At 31 December (Note 26)	**1,328**	1,308	**620**	583

(1) Comprise mainly bad debts written off for the Group and the Bank of $298 million and $177 million (2022: $406 million and $201 million) respectively, and bad debts recovered for the Group and Bank of $54 million and $41 million (2022: $91 million and $58 million) respectively.

28. Allowances for Impaired Loans to Customers (continued)

Analysed by Industry

	Cumulative allowances for impaired loans		Net allowances for impaired loans charged/(write-back) to income statements	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
GROUP				
Agriculture, mining and quarrying	**31**	33	**7**	(17)
Manufacturing	**279**	277	**32**	59
Building and construction	**279**	104	**200**	56
Housing loans	**77**	95	**7**	(32)
General commerce	**137**	156	**6**	(9)
Transport, storage and communication	**160**	228	**58**	10
Financial institutions, investment and holding companies	**90**	104	**3**	73
Professionals and individuals	**43**	48	**(6)**	(13)
Others	**232**	263	**(38)**	9
	1,328	1,308	**269**	136
BANK				
Agriculture, mining and quarrying	**28**	30	**(1)**	(18)
Manufacturing	**10**	18	**(6)**	(18)
Building and construction	**135**	9	**137**	32
Housing loans	**19**	1	**18**	(5)
General commerce	**48**	57	**#**	(2)
Transport, storage and communication	**152**	214	**62**	15
Financial institutions, investment and holding companies	**–**	–	**(#)**	–
Professionals and individuals	**23**	21	**13**	(4)
Others	**205**	233	**(41)**	40
	620	583	**182**	40

29. Debt and Equity Securities

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Debt securities	**30,800**	22,956	**19,269**	13,635
Equity securities and investment funds	**5,791**	5,054	**3,163**	2,986
Total securities	**36,591**	28,010	**22,432**	16,621
Allowances for non-impaired debt securities	**(#)**	(#)	**(#)**	(#)
	36,591	28,010	**22,432**	16,621

Debt Securities Analysis:

29.1 By Credit Ratings

Investment grade (AAA to BBB)	**21,289**	15,640	**14,023**	10,306
Non-investment grade (BB to C)	**85**	28	**85**	28
Non-rated	**9,426**	7,288	**5,161**	3,301
	30,800	22,956	**19,269**	13,635

29.2 By Credit Quality

Pass	**30,799**	22,954	**19,269**	13,635
Special mention	**1**	2	**–**	–
Substandard	**–**	–	**–**	–
Doubtful	**–**	–	**–**	–
Loss	**–**	–	**–**	–
	30,800	22,956	**19,269**	13,635

Debt and Equity Securities Analysis:

29.3 By Industry

Agriculture, mining and quarrying	**410**	309	**186**	219
Manufacturing	**1,938**	1,413	**1,493**	1,170
Building and construction	**2,710**	1,966	**1,576**	1,256
General commerce	**886**	658	**415**	327
Transport, storage and communication	**1,712**	1,665	**1,114**	1,047
Financial institutions, investment and holding companies	**25,198**	18,873	**15,322**	10,811
Others	**3,737**	3,126	**2,326**	1,791
	36,591	28,010	**22,432**	16,621

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 2022	894	1,029	1,537	3,460
Transfer to Stage 1	584	(561)	(23)	–
Transfer to Stage 2	(520)	582	(62)	–
Transfer to Stage 3	(1)	(113)	114	–
Remeasurement [(1)]	(408)	538	89	219
New financial assets originated or purchased	1,079	–	–	1,079
Financial assets that have been derecognised	(510)	(340)	–	(850)
Changes in models [(2)]	(1)	4	–	3
Write-offs	–	–	(282)	(282)
Foreign exchange and other movements	(10)	(20)	(63)	(93)
At 31 December 2022/1 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	**1,280**	**1,317**	**1,330**	**3,927**
BANK				
At 1 January 2022	705	555	722	1,982
Transfer to Stage 1	378	(363)	(15)	–
Transfer to Stage 2	(279)	307	(28)	–
Transfer to Stage 3	(1)	(22)	23	–
Remeasurement [(1)]	(284)	267	55	38
New financial assets originated or purchased	640	–	–	640
Financial assets that have been derecognised	(267)	(208)	–	(475)
Changes in models [(2)]	–	–	–	–
Write-offs	–	–	(144)	(144)
Foreign exchange and other movements	(5)	(10)	(30)	(45)
At 31 December 2022/1 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	**1,016**	**677**	**620**	**2,313**

(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 2022	881	1,019	1,535	3,435
Transfer to Stage 1	582	(559)	(23)	–
Transfer to Stage 2	(519)	581	(62)	–
Transfer to Stage 3	(1)	(113)	114	–
Remeasurement [2]	(407)	537	89	219
New financial assets originated or purchased	1,063	–	–	1,063
Financial assets that have been derecognised	(495)	(337)	–	(832)
Changes in models [3]	(1)	4	–	3
Write-offs	–	–	(282)	(282)
Foreign exchange and other movements	(10)	(20)	(63)	(93)
At 31 December 2022/1 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	**1,263**	**1,308**	**1,328**	**3,899**
BANK				
At 1 January 2022	696	551	722	1,969
Transfer to Stage 1	377	(362)	(15)	–
Transfer to Stage 2	(278)	306	(28)	–
Transfer to Stage 3	(1)	(22)	23	–
Remeasurement [2]	(281)	264	55	38
New financial assets originated or purchased	625	–	–	625
Financial assets that have been derecognised	(256)	(206)	–	(462)
Changes in models [3]	–	–	–	–
Write-offs	–	–	(144)	(144)
Foreign exchange and other movements	(4)	(10)	(30)	(44)
At 31 December 2022/1 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	**1,004**	**669**	**620**	**2,293**

(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.

	2023				2022			
$ 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	**33,592**	**50**	**–**	**33,642**	34,143	46	–	34,189
Loss allowances	**(#)**	**(4)**	**–**	**(4)**	(#)	(1)	–	(1)
Carrying amount	**33,592**	**46**	**–**	**33,638**	34,143	45	–	34,188
Government treasury bills and securities – Amortised cost (Note 39)								
Pass/Carrying amount	**7,246**	**549**	**–**	**7,795**	705	251	–	956
Government treasury bills and securities – FVOCI (1) (Note 39)								
Pass	**31,816**	**917**	**–**	**32,733**	34,826	188	–	35,014
Loss allowances	**(#)**	**(#)**	**–**	**(#)**	(#)	(#)	–	(#)
Placements with and loans to banks – Amortised cost (Note 39)								
Pass	**17,328**	**1,517**	**–**	**18,845**	16,927	120	–	17,047
Special mention	**–**	**–**	**–**	**–**	–	–	–	–
	17,328	**1,517**	**–**	**18,845**	16,927	120	–	17,047
Loss allowances	**(4)**	**(1)**	**–**	**(5)**	(5)	(#)	–	(5)
Carrying amount	**17,324**	**1,516**	**–**	**18,840**	16,922	120	–	17,042
Placements with and loans to banks – FVOCI (1) (Note 39)								
Pass	**17,227**	**163**	**–**	**17,390**	11,722	603	–	12,325
Loss allowances	**(2)**	**(#)**	**–**	**(2)**	(2)	(#)	–	(2)
Loans to customers – Amortised cost (Note 39)								
Pass	**255,404**	**35,263**	**–**	**290,667**	255,421	33,948	–	289,369
Special mention	**–**	**3,170**	**–**	**3,170**	–	2,205	–	2,205
Substandard	**–**	**–**	**928**	**928**	–	–	1,543	1,543
Doubtful	**–**	**–**	**1,342**	**1,342**	–	–	1,282	1,282
Loss	**–**	**–**	**535**	**535**	–	–	558	558
	255,404	**38,433**	**2,805**	**296,642**	255,421	36,153	3,383	294,957
Loss allowances	**(967)**	**(999)**	**(1,270)**	**(3,236)**	(896)	(803)	(1,252)	(2,951)
Carrying amount	**254,437**	**37,434**	**1,535**	**293,406**	254,525	35,350	2,131	292,006
Loans to customers – FVOCI (1) (Note 39)								
Pass	**#**	**–**	**–**	**–**	–	–	–	–
Loss allowances	**(#)**	**–**	**–**	**–**	–	–	–	–
Debt securities – Amortised cost (Note 39)								
Pass	**822**	**–**	**–**	**822**	307	–	–	307
Loss allowances	**(#)**	**–**	**–**	**(#)**	(#)	–	–	(#)
Carrying amount	**822**	**–**	**–**	**822**	307	–	–	307
Debt securities – FVOCI (1) (Note 39)								
Pass	**24,569**	**780**	**–**	**25,349**	19,020	908	–	19,928
Special mention	**–**	**–**	**–**	**–**	–	–	–	–
Substandard	**–**	**–**	**–**	**–**	–	–	–	–
Doubtful	**–**	**–**	**2**	**2**	–	–	–	–
	24,569	**780**	**2**	**25,351**	19,020	908	–	19,928
Loss allowances	**(11)**	**(4)**	**(2)**	**(17)**	(7)	(6)	(2)	(15)

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

	2023				2022			
$ million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loan commitments and contingent liabilities								
Pass	**142,115**	**11,371**	**9**	**153,495**	129,666	14,205	–	143,871
Special mention	**–**	**1,387**	**–**	**1,387**	–	388	–	388
Substandard	**–**	**–**	**556**	**556**	–	–	605	605
Doubtful	**–**	**–**	**453**	**453**	–	–	530	530
Loss	**–**	**–**	**193**	**193**	–	–	184	184
	142,115	**12,758**	**1,211**	**156,084**	129,666	14,593	1,319	145,578
Allowances for contingent liabilities and credit commitments (Note 39)	**(296)**	**(309)**	**(58)**	**(663)**	(197)	(309)	(56)	(562)

(1) In accordance with SFRS(I) 9, for financial asset measured at FVOCI, any impairment is recognised in profit or loss 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	2023 Stage 1	2023 Stage 2	2023 Stage 3	2023 Total	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Total
BANK								
Cash and placements with central banks (Note 23)								
Pass	28,057	50	–	28,107	27,345	46	–	27,391
Loss allowances	(#)	(4)	–	(4)	(#)	(1)	–	(1)
Carrying amount	28,057	46	–	28,103	27,345	45	–	27,390
Government treasury bills and securities – Amortised cost (Note 39)								
Pass/Carrying amount	6,185	457	–	6,642	705	251	–	956
Government treasury bills and securities – FVOCI [(1)] (Note 39)								
Pass	18,299	443	–	18,742	20,259	187	–	20,446
Loss allowances	(#)	(#)	–	(#)	(#)	(#)	–	(#)
Placements with and loans to banks – Amortised cost (Note 39)								
Pass	12,502	1,502	–	14,004	11,171	111	–	11,282
Loss allowances	(3)	(#)	–	(3)	(4)	(#)	–	(4)
Carrying amount	12,499	1,502	–	14,001	11,167	111	–	11,278
Placements with and loans to banks – FVOCI [(1)] (Note 39)								
Pass	12,820	131	–	12,951	6,020	526	–	6,546
Loss allowances	(3)	(#)	–	(3)	(2)	(#)	–	(2)
Loans to customers – Amortised cost (Note 39)								
Pass	184,107	22,543	–	206,650	178,340	22,384	–	200,724
Special mention	–	1,932	–	1,932	–	1,176	–	1,176
Substandard	–	–	446	446	–	–	337	337
Doubtful	–	–	665	665	–	–	749	749
Loss	–	–	98	98	–	–	83	83
	184,107	24,475	1,209	209,791	178,340	23,560	1,169	203,069
Loss allowances	(802)	(502)	(575)	(1,879)	(753)	(365)	(540)	(1,658)
Carrying amount	183,305	23,973	634	207,912	177,587	23,195	629	201,411
Debt securities – Amortised cost (Note 39)								
Pass	822	–	–	822	307	–	–	307
Loss allowances	(#)	–	–	(#)	(#)	–	–	(#)
Carrying amount	822	–	–	822	307	–	–	307
Debt securities – FVOCI [(1)] (Note 39)								
Pass	13,968	562	–	14,530	10,868	566	–	11,434
Loss allowances	(6)	(4)	–	(10)	(3)	(4)	–	(7)

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

$ million	2023 Stage 1	2023 Stage 2	2023 Stage 3	2023 Total	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Total
Loan commitments and contingent liabilities								
Pass	110,747	6,812	9	117,568	97,201	9,149	–	106,350
Special mention	–	487	–	487	–	1,421	–	1,421
Substandard	–	–	526	526	–	–	562	562
Doubtful	–	–	416	416	–	–	488	488
Loss	–	–	155	155	–	–	161	161
	110,747	7,299	1,106	119,152	97,201	10,570	1,211	108,982
Allowances for contingent liabilities and credit commitments (Note 39)	(202)	(167)	(45)	(414)	(125)	(156)	(43)	(324)

(1) In accordance with SFRS(I) 9, for financial asset measured at FVOCI, any impairment is recognised in profit or loss together with a credit to fair value reserves within equity (without adjusting the carrying amount of the financial asset).

31. Other Assets

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
Interest receivable	**2,215**	1,514	**1,679**	1,070
Sundry debtors (net)	**1,150**	1,077	**133**	22
Deposits and prepayments	**1,543**	1,424	**1,036**	967
Others	**2,370**	2,563	**615**	479
	7,278	6,578	**3,463**	2,538

At 31 December 2023, non-life reinsurance assets included in "Others" amounted to $356 million (2022: $397 million) for the Group.

32. Associates

	GROUP		BANK	
	2023 $ million	2022 $ million (Restated)	2023 $ million	2022 $ million
Quoted equity security, at cost	**2,601**	2,601	**2,163**	2,157
Unquoted equity securities, at cost	**143**	144	**65**	65
	2,744	2,745	**2,228**	2,222
Share of post-acquisition reserves	**4,151**	3,479	**–**	–
Unquoted equity security, at fair value	**95**	122	**–**	–
Net carrying amount	**6,990**	6,346	**2,228**	2,222
Amounts due from associates (unsecured)	**13**	7	**13**	6
Allowances for non-impaired amounts due from associates	**(#)**	(#)	**(#)**	(#)
	13	7	**13**	6
Investments in and amounts due from associates	**7,003**	6,353	**2,241**	2,228

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] 2023	2022
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 PricewaterhouseCoopers network firm outside Singapore.
(2) Audited by PricewaterhouseCoopers LLP.
(3) Rounded to the nearest percentage.

As at 31 December 2023, the fair value (Level 1 of the fair value hierarchy) of the investments in Bank of Ningbo was $4.94 billion (2022: $8.28 billion). The carrying amount of the Group's interests was $6.56 billion (2022: $5.89 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.

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	2023	2022
Selected income statement information		
Revenue	**11,649**	11,827
Net profit attributable to ordinary shareholders	**4,842**	4,734
Selected balance sheet information		
Total assets	**503,946**	451,307
Equity attributable to shareholders	**37,587**	32,459
Equity attributable to ordinary shareholders	**32,789**	29,426
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	**5,890**	5,704
Group's share of:		
– shareholders' equity in current year	**795**	320
Dividends	**(122)**	(134)
Carrying amount of interest in investee at end of the year	**6,563**	5,890
Dividends received during the year	**122**	134

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	2023	2022 (Restated)
At 31 December:		
Aggregate carrying amount of individually immaterial associates	**332**	333
For the year ended:		
Aggregate amounts of the Group's share of:		
Net profit from continuing operations	**19**	(5)
Other comprehensive income	**(6)**	(10)
Total comprehensive income	**13**	(15)
Dividends received/receivable during the year	**13**	11

The Group's share of contingent liabilities in respect of all its associates is as follows:

$ million	2023	2022
At 31 December:		
Share of contingent liabilities incurred jointly with other investors of associates	**16,766**	16,748

33. Subsidiaries

	BANK	
	2023 $ million	2022 $ million
Investments in subsidiaries, at cost		
Quoted securities	**2,014**	1,970
Unquoted securities	**13,013**	13,142
Allowance for impairment	**(45)**	(33)
Net carrying amount	**14,982**	15,079
Amount due from subsidiaries		
Term to maturity of one year or less	**5,167**	8,951
Term to maturity of more than one year	**7,552**	9,893
	12,719	18,844
Investments in and amount due from subsidiaries	**27,701**	33,923

At 31 December 2023, the fair values (Level 1 of the fair value hierarchy) of the Group's interests in the quoted securities in its subsidiaries, Great Eastern Holdings Limited and PT Bank OCBC NISP Tbk, were $7.37 billion (2022: $7.70 billion) and $1.97 billion (2022: $1.25 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 (%)	
		2023 (1)	2022 (1)	2023 (1)	2022 (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 (HK) Limited	Hong Kong SAR	**100**	100	**–**	–
PT Bank OCBC NISP Tbk	Indonesia	**85**	85	**15**	15
Insurance					
Great Eastern General Insurance Limited	Singapore	**88**	88	**12**	12
Great Eastern General Insurance (Malaysia) Berhad	Malaysia	**88**	88	**12**	12
Great Eastern Life Assurance (Malaysia) Berhad	Malaysia	**88**	88	**12**	12
The Great Eastern Life Assurance Company Limited	Singapore	**88**	88	**12**	12
Asset management and investment holding					
Lion Global Investors Limited	Singapore	**92**	92	**8**	8
Great Eastern Holdings Limited	Singapore	**88**	88	**12**	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.

$ million	PT Bank OCBC NISP Tbk 2023	PT Bank OCBC NISP Tbk 2022	Great Eastern Holdings Limited 2023	Great Eastern Holdings Limited 2022 (Restated)
Net assets attributable to NCI	**452**	418	**924**	841
Total comprehensive income attributable to NCI	**51**	(14)	**133**	(37)
Dividends paid to NCI during the year	**18**	7	**51**	37
Summarised financial information				
Total assets	**20,953**	20,097	**109,034**	104,856
Total liabilities	**(17,924)**	(17,294)	**(101,045)**	(97,581)
Total net assets	**3,029**	2,803	**7,989**	7,275
Revenue	**1,001**	978	**1,202**	929
Profit	**344**	259	**789**	613
Other comprehensive income	**26**	(84)	**360**	(937)
Total comprehensive income	**370**	175	**1,149**	(324)
Cash flows (used in)/provided by operating activities	**68**	(1,001)	**(1,023)**	3,871
Cash flows (used in)/provided by investing activities	**(111)**	1,239	**(1,833)**	(3,050)
Cash flows (used in)/provided by financing activities	**(286)**	(44)	**(449)**	(331)
Effect of currency translation reserve adjustment	**(3)**	28	**–**	–
Net changes in cash and cash equivalents	**(332)**	222	**(3,305)**	490

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.

34. Property, Plant and Equipment

GROUP ($ million)	2023 Property-related	2023 Computer-related [1]	2023 Others	2023 Total	2022 Property-related	2022 Computer-related [1]	2022 Others	2022 Total
Cost								
At 1 January	**3,715**	**3,293**	**687**	**7,695**	3,739	3,039	670	7,448
Currency translation	**(49)**	**(43)**	**(12)**	**(104)**	(53)	(48)	(10)	(111)
Additions/modifications	**102**	**461**	**53**	**616**	100	399	52	551
Disposals/terminations and other transfers	**(68)**	**(96)**	**(34)**	**(198)**	(87)	(97)	(24)	(208)
Net transfer from/(to):								
Assets held for sale	**–**	**–**	**(#)**	**(#)**	–	–	(#)	(#)
Investment property (Note 35)	**–**	**–**	**–**	**–**	16	–	(1)	15
At 31 December	**3,700**	**3,615**	**694**	**8,009**	3,715	3,293	687	7,695
Accumulated depreciation								
At 1 January	**(1,234)**	**(2,350)**	**(518)**	**(4,102)**	(1,155)	(2,211)	(513)	(3,879)
Currency translation	**16**	**36**	**10**	**62**	22	43	8	73
Disposals/terminations and other transfers	**51**	**98**	**35**	**184**	72	92	32	196
Depreciation expense	**(129)**	**(257)**	**(35)**	**(421)**	(141)	(229)	(36)	(406)
Depreciation expense of life insurance funds	**(24)**	**(48)**	**(8)**	**(80)**	(24)	(45)	(9)	(78)
Net transfer (from)/to:								
Assets held for sale	**–**	**–**	**#**	**#**	–	–	#	#
Investment property (Note 35)	**–**	**–**	**–**	**–**	(8)	–	–	(8)
At 31 December	**(1,320)**	**(2,521)**	**(516)**	**(4,357)**	(1,234)	(2,350)	(518)	(4,102)
Accumulated impairment losses								
At 1 January	**(109)**	**(#)**	**(1)**	**(110)**	(62)	(#)	(1)	(63)
Currency translation	**2**	**–**	**#**	**2**	2	–	#	2
Impairment loss charged to income statement	**(16)**	**–**	**–**	**(16)**	(49)	–	–	(49)
At 31 December	**(123)**	**(#)**	**(1)**	**(124)**	(109)	(#)	(1)	(110)
Net carrying amount, at 31 December [2]	**2,257**	**1,094**	**177**	**3,528**	2,372	943	168	3,483
Freehold property	**347**				350			
Leasehold property	**1,702**				1,820			
Net carrying amount	**2,049**				2,170			

(1) Includes computer software of $819 million (2022: $703 million). The cost and accumulated depreciation are $2,586 million (2022: $2,312 million) and $1,767 million (2022: $1,609 million) respectively.

(2) Includes ROU assets comprising property-related of $208 million (2022: $202 million), computer-related of $10 million (2022: $13 million) and others of $1 million (2022: $2 million).

34. Property, Plant and Equipment (continued)

BANK ($ million)	2023 Property-related	2023 Computer-related [(1)]	2023 Others	2023 Total	2022 Property-related	2022 Computer-related [(1)]	2022 Others	2022 Total
Cost								
At 1 January	**407**	**1,817**	**214**	**2,438**	422	1,607	197	2,226
Currency translation	**(#)**	**(#)**	**(#)**	**(#)**	(2)	(#)	(1)	(3)
Additions	**21**	**247**	**15**	**283**	44	220	29	293
Disposals/terminations and other transfers	**(29)**	**(71)**	**(17)**	**(117)**	(35)	(10)	(11)	(56)
Net transfer to investment property (Note 35)	**–**	**–**	**–**	**–**	(22)	–	–	(22)
At 31 December	**399**	**1,993**	**212**	**2,604**	407	1,817	214	2,438
Accumulated depreciation								
At 1 January	**(160)**	**(1,316)**	**(144)**	**(1,620)**	(165)	(1,183)	(142)	(1,490)
Currency translation	**#**	**#**	**#**	**#**	1	#	1	2
Disposals/terminations and other transfers	**28**	**71**	**17**	**116**	35	10	10	55
Depreciation expense	**(37)**	**(164)**	**(17)**	**(218)**	(37)	(143)	(13)	(193)
Net transfer to investment property (Note 35)	**–**	**–**	**–**	**–**	6	–	–	6
At 31 December	**(169)**	**(1,409)**	**(144)**	**(1,722)**	(160)	(1,316)	(144)	(1,620)
Accumulated impairment losses								
At 1 January	**–**	**–**	**–**	**–**	(1)	–	–	(1)
Write-back to income statement	**–**	**–**	**–**	**–**	1	–	–	1
At 31 December	**–**	**–**	**–**	**–**	–	–	–	–
Net carrying amount, at 31 December [(2)]	**230**	**584**	**68**	**882**	247	501	70	818
Freehold property	**30**				31			
Leasehold property	**148**				155			
Net carrying amount	**178**				186			

(1) Includes computer software of $508 million (2022: $429 million). The cost and accumulated depreciation are $1,622 million (2022: $1,437 million) and $1,114 million (2022: $1,008 million) respectively.

(2) Includes ROU assets comprising property-related of $51 million (2022: $60 million), computer-related of $8 million (2022: $10 million) and others of $1 million (2022: $1 million).

35. Investment Property

$ million	GROUP 2023	GROUP 2022	BANK 2023	BANK 2022
Cost				
At 1 January	**1,018**	1,053	**622**	602
Currency translation	**(4)**	(7)	**–**	–
Additions	**#**	1	**–**	–
Disposals and other transfers	**(23)**	(13)	**(3)**	(2)
Net transfer (to)/from:				
Property, plant and equipment (Note 34)	**–**	(15)	**–**	22
Assets held for sale	**(2)**	(1)	**(2)**	–
At 31 December	**989**	1,018	**617**	622
Accumulated depreciation				
At 1 January	**(255)**	(251)	**(142)**	(128)
Currency translation	**1**	2	**–**	–
Disposals and other transfers	**6**	5	**2**	(#)
Depreciation expense	**(19)**	(20)	**(9)**	(8)
Net transfer to/(from):				
Property, plant and equipment (Note 34)	**#**	8	**–**	(6)
Assets held for sale	**1**	1	**1**	–
At 31 December	**(266)**	(255)	**(148)**	(142)
Accumulated impairment losses				
At 1 January	**–**	(1)	**–**	(1)
Currency translation	**#**	–	**–**	–
(Impairment charge)/write-back to income statement	**(6)**	1	**–**	1
Disposals	**6**	–	**–**	–
At 31 December	**–**	–	**–**	–
Net carrying amount				
Freehold property	**521**	540	**162**	167
Leasehold property	**202**	223	**307**	313
At 31 December	**723**	763	**469**	480
Fair value hierarchy				
Level 2	**917**	906	**333**	310
Level 3	**1,830**	1,862	**1,106**	1,099
Market value	**2,747**	2,768	**1,439**	1,409

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	2023	2022	2023	2022
Goodwill				
At 1 January	**4,440**	4,467	**1,867**	1,867
Currency translation	**(37)**	(27)	**–**	–
At 31 December	**4,403**	4,440	**1,867**	1,867
Intangible assets				
At 1 January	**203**	307		
Amortisation charged to income statement:				
– Core deposit relationships [1]	**(41)**	(42)		
– Customer relationships [2]	**(15)**	(15)		
– Distribution platform	**(#)**	(#)		
– Life insurance business [3]	**(47)**	(47)		
Currency translation	**(2)**	#		
At 31 December	**98**	203		
Total goodwill and other intangible assets	**4,501**	4,643	**1,867**	1,867
Analysed as follows:				
Goodwill from acquisition of subsidiaries/business	**4,403**	4,440	**1,867**	1,867
Intangible assets, at cost	**1,555**	1,568	**–**	–
Accumulated amortisation for intangible assets	**(1,457)**	(1,365)	**–**	–
	4,501	4,643	**1,867**	1,867

(1) Core deposit relationships, arising from the acquisition of OCBC Bank (HK) Limited, are determined to have an estimated useful life of 10 years. At 31 December 2023, these have a remaining useful life of 0.5 years (2022: 1.5 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 2023, these have a remaining useful life of up to 3 years (2022: 4 years).
(3) The value of in-force insurance business of the Group is amortised over a useful life of 20 years. At 31 December 2023, the intangible asset has a remaining useful life of 1 year (2022: 2 years).

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 2023	2022
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	**794**	809
Lion Global Investors Limited	Value-in-use	**30**	30
OCBC Bank (HK) Limited	Value-in-use	**1,045**	1,066
PT Bank OCBC NISP Tbk	Value-in-use	**159**	160
Others	Value-in-use	**10**	10
		4,403	4,440

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 (HK) Limited		PT Bank OCBC NISP Tbk	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	**10.1%**	7.1%	**10.8%**	8.3%	**8.2%**	8.7%	**17.1%**	14.7%
Terminal growth rate	**2.0%**	2.0%	**2.0%**	2.0%	**2.6%**	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 6.25% (2022: 6.00%) and 8.00% (2022: 7.75%) 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 2023						
Net interest income	3,493	5,251	118	145	638	9,645
Non-interest income	1,619	940	242	981	80	3,862
Total income	5,112	6,191	360	1,126	718	13,507
Operating profit before allowances and amortisation	2,294	4,482	42	954	512	8,284
Amortisation of intangible assets	(15)	–	–	(47)	(41)	(103)
Allowances for loans and other assets	(50)	(600)	(3)	(16)	(64)	(733)
Operating profit after allowances and amortisation	2,229	3,882	39	891	407	7,448
Share of results of associates, net of tax	–	–	–	–	953	953
Profit before income tax	2,229	3,882	39	891	1,360	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

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 2022 (Restated)						
Net interest income	2,321	3,863	704	112	688	7,688
Non-interest income	1,593	819	288	787	111	3,598
Total income	3,914	4,682	992	899	799	11,286
Operating profit before allowances and amortisation	1,331	3,158	654	732	573	6,448
Amortisation of intangible assets	(15)	–	–	(47)	(42)	(104)
Allowances for loans and other assets	36	(323)	(1)	(4)	(292)	(584)
Operating profit after allowances and amortisation	1,352	2,835	653	681	239	5,760
Share of results of associates, net of tax	–	–	–	–	910	910
Profit before income tax	1,352	2,835	653	681	1,149	6,670
Other information:						
Capital expenditure	116	10	1	70	355	552
Depreciation	88	12	2	9	315	426
At 31 December 2022 (Restated)						
Segment assets	138,516	190,380	111,171	105,326	39,693	585,086
Unallocated assets						448
Elimination						(28,610)
Total assets						556,924
Segment liabilities	178,248	152,574	76,865	97,245	26,832	531,764
Unallocated liabilities						1,345
Elimination						(28,610)
Total liabilities						504,499
Other information:						
Gross non-bank loans	106,768	186,307	1,737	3	165	294,980
NPAs	886	2,598	–	2	–	3,486

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
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**
2022 (Restated)						
Singapore	6,571	3,421	435	381	321,516	328,364
Malaysia	1,434	1,144	324	49	63,996	52,263
Indonesia	1,028	366	68	76	21,193	18,111
Greater China	1,558	1,285	73	39	93,307	62,713
Other Asia Pacific	251	239	75	4	20,287	10,456
Rest of the World	444	215	56	3	36,625	32,592
	11,286	6,670	1,031	552	556,924	504,499

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 integrated risk management approach that covers all types of risks, underpinned by a strong corporate culture. This approach is embodied in our risk management framework, which incorporates our risk appetite and governance and covers the key principles, policies and practices we use to manage both financial and non-financial risk.

A robust risk governance structure ensures effective oversight and accountability of risk. This enables smooth reporting and escalation of risks to the Board of Directors (Board) who 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 overseeing 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, legal, regulatory, strategic, 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 ensures that the overall risk management organisation is in place and effective. The BRMC provides quantitative and qualitative guidance to major business units and risk functions to guide risk-taking. Senior management, functional risk committees and the BRMC regularly review the Group's risk drivers, risk profiles, risk management frameworks and policies, and compliance matters.

Dedicated functional risk committees to manage the principal risk types have been established to facilitate the BRMC's 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 also the 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. It recommends mitigating actions to the senior management, risk committees, the BRMC and 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.

	2023				2022			
$ million	End of the period	Average	Minimum	Maximum	End of the period	Average	Minimum	Maximum
Interest rate VaR	**4.2**	**7.6**	**4.2**	**12.6**	4.9	5.3	1.4	8.0
Foreign exchange VaR	**2.5**	**3.1**	**1.1**	**9.3**	3.6	1.7	0.4	6.8
Equity VaR	**1.0**	**1.9**	**0.8**	**3.0**	1.0	2.0	0.6	4.9
Credit spread VaR	**2.2**	**5.7**	**1.9**	**12.0**	5.8	3.6	1.9	6.8
Diversification effect [2]	**(4.4)**	**(9.1)**	**NM** [3]	**NM** [3]	(6.9)	(5.8)	NM [3]	NM [3]
Aggregate VaR [4]	**5.5**	**9.2**	**5.0**	**16.0**	8.4	6.8	2.8	11.1

(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.
(4) Aggregate VaR includes Carbon trading exposure that is not material.

38. Risk Management (continued)

38.2 Credit Risk

Credit risk is the risk of losing principal and/or income from the failure of an obligor or counterparty to meet its financial or contractual obligations or due to an adverse change in the credit profile of an obligor or counterparty. 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		Average	
$ million	2023	2022	2023	2022
Credit risk exposure of on-balance sheet assets:				
Loans to customers	**292,754**	291,467	**290,322**	289,708
Placements with and loans to banks	**38,051**	30,244	**34,664**	24,611
Government treasury bills and securities	**45,630**	39,367	**43,705**	36,893
Debt securities	**30,800**	22,956	**27,168**	25,207
Amounts due from associates	**13**	7	**7**	5
Derivative receivables	**12,976**	15,605	**27,851**	21,048
Other assets, comprising interest receivables and sundry debtors	**3,365**	2,591	**3,681**	2,936
	423,589	402,237	**427,398**	400,408
Credit risk exposure of off-balance sheet items:				
Contingent liabilities	**18,484**	16,749	**17,398**	17,090
Credit commitments	**187,170**	183,704	**186,751**	177,664
	205,654	200,453	**204,149**	194,754
Total maximum credit risk exposure	**629,243**	602,690	**631,547**	595,162

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							
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**
2022							
Singapore	1,421	17,096	753	119,925	437	131	2,263
Malaysia	370	4,550	5,841	25,077	981	292	1,676
Indonesia	82	3,994	565	18,600	778	389	1,113
Greater China	2,424	3,702	12,867	72,756	901	246	8,982
Other Asia Pacific	861	5,248	3,114	21,734	96	29	5,892
Rest of the World	10,447	4,777	4,973	36,888	293	223	3,030
	15,605	39,367	28,113	294,980	3,486	1,310	22,956
BANK							
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**
2022							
Singapore	1,796	15,889	410	111,626	437	129	1,061
Malaysia	69	147	2,791	3,574	24	18	157
Indonesia	14	243	189	5,611	74	61	711
Greater China	989	1,362	9,355	33,784	419	202	4,337
Other Asia Pacific	726	5,122	2,987	18,879	86	27	5,140
Rest of the World	10,148	1,291	2,952	29,618	192	146	2,229
	13,742	24,054	18,684	203,092	1,232	583	13,635

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	2023	2022	2023	2022
Neither past due nor impaired	**35,785**	28,113	**293,063**	291,059
Non-impaired	**–**	–	**1,467**	1,527
Impaired	**–**	–	**1,459**	1,505
Past due loans	**–**	–	**2,926**	3,032
Impaired but not past due	**–**	–	**664**	889
Gross loans	**35,785**	28,113	**296,653**	294,980
Allowances				
Impaired loans	**–**	–	**(1,328)**	(1,308)
Non-impaired loans	**(5)**	(5)	**(2,571)**	(2,205)
Net loans	**35,780**	28,108	**292,754**	291,467

Past Due Loans

Analysis of past due loans by industry and geography are as follows:

	Bank loans		Non-bank loans	
$ million	2023	2022	2023	2022
By industry				
Agriculture, mining and quarrying	**–**	–	**47**	96
Manufacturing	**–**	–	**415**	548
Building and construction	**–**	–	**505**	391
General commerce	**–**	–	**300**	401
Transport, storage and communication	**–**	–	**179**	246
Financial institutions, investment and holding companies	**–**	–	**201**	136
Professionals and individuals (include housing loans)	**–**	–	**1,196**	1,094
Others	**–**	–	**83**	120
	–	–	**2,926**	3,032
By geography				
Singapore	**–**	–	**751**	653
Malaysia	**–**	–	**611**	729
Indonesia	**–**	–	**771**	1,039
Greater China	**–**	–	**406**	472
Rest of the World	**–**	–	**387**	139
	–	–	**2,926**	3,032

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	2023	2022
Past due		
Less than 30 days	**875**	884
30 to 90 days	**333**	310
Over 90 days	**259**	333
Past due but not impaired	**1,467**	1,527

Collateral and Other Credit Enhancements Obtained

Assets amounting to $145 million (2022: $111 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, United States and People's Republic of China (2022: Hong Kong SAR, People's Republic of China and Malaysia).

38.3 Market Risk and Asset Liability Management

Market risk is the risk of income and/or market value loss due to fluctuations in factors such as interest rates, foreign exchange rates, credit spreads, equity and commodity prices or their volatilities and correlations arising from both trading and/or banking activities. Market risks arise primarily from the Group's trading, client servicing and balance sheet management activities. Given the high interest rates and volatile geopolitical environment, it is paramount that the management of market risk is robust and timely. This is achieved with the Group's market risk management framework, identification, and measures for monitoring, reporting and control.

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 established within the Group's risk appetite and in line 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's asset liability management framework focuses on managing the balance sheet exposures that give rise to liquidity risk, Interest Rate Risk in the Banking Book (IRRBB) and structural foreign exchange risk. The asset liability framework consists of key elements that facilitate the asset liability management risk process, including comprehensive risk measures and actively monitored risk limits, all supported by strong data capabilities and risk systems.

38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

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. The primary goal of IRRBB management is to ensure that interest rate risk exposures are consistent with the Group's risk appetite and maintained within the defined risk tolerances.

The Group assesses IRRBB impact from the perspective of both capital and earnings. Economic value of equity (EVE) sensitivity evaluates the potential impact on the net present value of banking book positions, and net interest income (NII) sensitivity estimates the potential change in earnings over a one-year horizon under various interest rate shock scenarios.

As at December 2023, the Group's EVE had the maximum simulated reduction of $795 million under the supervisory prescribed Parallel Up[1] interest rate scenario. This was primarily driven by the impact from loans and bond holdings which would have a lower economic value under a rising interest rate environment, partially offset by the impact from deposits. For the Group's NII, the scenario with the most adverse impact on net interest income was the Parallel Down[1] scenario, with a simulated decrease by $1,907 million. The lower NII was due to reduced interest income from loans under a downward interest rate shock scenario, partially offset by lower interest expense from deposits.

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						
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**
2022						
Loans to customers	106,119	70,231	17,926	36,120	61,071	291,467
Deposits of non-bank customers	130,205	119,527	21,278	26,210	52,861	350,081

(1) Parallel Up/(Down) scenario assumes the yield curves to move parallel upward (downward) with different shocks for different currencies based on supervisory prescriptions (e.g. 150bps for SGD and 200bps for USD).

Structural Foreign Exchange Risk

Structural foreign exchange exposure arises from the Group's non-SGD investment 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.

	2023			2022		
$ 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	**6,774**	**1,942**	**4,832**	7,011	–	7,011
Chinese Renminbi	**8,636**	**1,794**	**6,842**	8,357	–	8,357
US Dollar	**4,150**	**3,675**	**475**	3,931	3,434	497
Malaysian Ringgit	**3,081**	**–**	**3,081**	3,157	–	3,157
Indonesia Rupiah	**2,741**	**–**	**2,741**	2,554	–	2,554
Others	**2,291**	**–**	**2,291**	2,035	–	2,035
Total	**27,673**	**7,411**	**20,262**	27,045	3,434	23,611

38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Liquidity Risk

Liquidity risk refers to the risk of being unable to meet our contractual and regulatory financial obligations. The objective of liquidity risk management is to ensure that the Group continue to fulfil our financial obligations and to undertake new transactions, through the management of liquidity and funding risks within our risk appetite.

Liquidity risk positions are monitored and reported against approved liquidity risk limits and triggers. Limits are established in alignment with our risk appetite, taking into account our funding capacity, business requirements and the liquidity environment we operate in. There is also an established review, oversight and escalation process to facilitate prompt escalation and remediation of any limit exceptions. To facilitate the risk monitoring and reporting processes, we continually invest in the development of risk and management information systems and analyses to support the liquidity risk framework.

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
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.

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
2022 (Restated)								
Cash and placements with central banks	16,187	5,208	8,585	3	–	–	4,983	34,966
Placements with and loans to banks	5,257	3,959	8,928	8,833	546	585	–	28,108
Loans to customers	21,925	36,231	21,047	33,916	54,199	124,149	–	291,467
Securities [(1)]	505	4,535	7,277	15,350	20,731	13,925	5,054	67,377
Derivative receivables	15,199	6	52	35	162	151	–	15,605
Other assets [(2)]	2,719	2,007	555	64	145	707	2,098	8,295
Associates	#	–	6	–	–	1	6,346	6,353
Property, plant and equipment and investment property [(3)]	–	1	–	–	–	–	3,592	3,593
Goodwill and other intangible assets	–	–	–	–	–	–	4,643	4,643
Total	61,792	51,947	46,450	58,201	75,783	139,518	26,716	460,407
Total life insurance fund assets								96,517
Total assets								556,924
Deposits of non-bank customers	201,584	38,932	46,777	56,773	4,242	1,773	–	350,081
Deposits and balances of banks	6,089	2,050	1,755	123	–	29	–	10,046
Trading portfolio liabilities	–	–	201	–	–	–	11	212
Derivative payables	15,248	3	116	85	442	154	–	16,048
Other liabilities [(4)]	2,687	2,074	979	2,400	316	95	1,106	9,657
Debt issued	739	1,148	7,567	4,709	6,400	1,375	–	21,938
Total	226,347	44,207	57,395	64,090	11,400	3,426	1,117	407,982
Total life insurance fund liabilities								96,517
Total liabilities								504,499
Net liquidity gap	(164,555)	7,740	(10,945)	(5,889)	64,383	136,092		

(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.

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 44. 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.

38. Risk Management (continued)

38.3 Market Risk and Asset Liability Management (continued)

Contractual Maturity for Financial Liabilities (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	Total
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**
2022 (Restated)							
Deposits of non-bank customers [1]	201,639	39,190	47,267	58,418	4,532	1,841	352,887
Deposits and balances of banks [1]	6,094	2,063	1,772	125	–	29	10,083
Trading portfolio liabilities	–	–	212	–	–	–	212
Other liabilities [2]	2,650	1,852	673	1,061	251	87	6,574
Debt issued	740	1,158	7,598	4,924	7,203	1,491	23,114
Derivatives							
Trading	15,460	–	–	–	–	–	15,460
Hedging – Net settled	#	5	46	88	174	26	339
Hedging – Gross settled							
Outflow	39	35	873	778	2,116	–	3,841
Inflow	(38)	(32)	(760)	(792)	(1,981)	–	(3,603)
	226,584	44,271	57,681	64,602	12,295	3,474	408,907

(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 risk is the risk of compromising confidentiality, integrity and/or availability of information (in physical or digital form).

Digital risk includes cyber and technology risks. Cyber risk is the risk arising from malicious acts perpetrated by threat actors. Technology risk is the risk of disruption, failure or irregularity in essential financial services due to the use of information and communication technologies.

Operational Risk

Operational risk is the risk of loss caused by failures in internal processes, systems, poor management, human error or external events. This risk is inherent in all banking products, activities, processes and systems. It covers various non-financial risks, including fraud risk, money laundering, terrorism financing and sanctions risk, third-party risk, physical and people security risk, conduct risk, business continuity risk, unauthorised trading risk and regulatory, 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.

	2023			2022		
GROUP ($ million)	Principal notional amount	Derivative receivables	Derivative payables	Principal notional amount	Derivative receivables	Derivative payables
Included items designated for hedges:						
Fair value/cash flow hedge – FED	**3,415**	**39**	**96**	2,735	80	73
Fair value/cash flow hedge – IRD	**24,638**	**197**	**210**	15,596	203	277
Hedge of net investments – FED	**4,530**	**70**	**95**	1,430	–	238
	32,583	**306**	**401**	19,761	283	588

	2023			2022		
BANK ($ million)	Principal notional amount	Derivative receivables	Derivative payables	Principal notional amount	Derivative receivables	Derivative payables
Included items designated for hedges:						
Fair value/cash flow hedge – FED	**6,753**	**98**	**150**	3,254	64	257
Fair value/cash flow hedge – IRD	**17,349**	**129**	**199**	9,874	107	251
Hedge of net investments – FED	**88**	**–**	**11**	174	–	29
	24,190	**227**	**360**	13,302	171	537

For the fair value hedges, the carrying amount at 31 December 2023 relating to the assets and liabilities designated as hedged items were $10,474 million and $8,097 million (2022: $9,563 million and $8,601 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 2023 relating to the assets and liabilities designated as hedged items were $9,160 million (2022: $ nil). 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.

		Carrying amount	
$ million	Nominal amount	Assets	Liabilities
2023			
Foreign exchange derivatives	**4,530**	**70**	**95**
Subordinated debt	**2,859**	**–**	**2,746**
2022			
Foreign exchange derivatives	1,430	–	238
Subordinated debt	1,775	–	1,658

The total change in fair value of the hedging instruments during the year was a gain of $130 million (2022: gain of $30 million), of which a gain of $131 million (2022: gain of $30 million) was recognised in OCI, while hedge ineffectiveness of $1 million (2022: nil) was recognised immediately in profit or loss 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. As stated in the Enterprise Risk Management (ERM) Framework, 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 is responsible for overseeing GEH Group's risk exposure and management matters. 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: Group Management Committee (GMC), Group Investment Committee (Group IC), Group Asset-Liability Committee (Group ALC), Group Technology Strategy Committee (Group TSC) and Group Product Management and Approval Committee (Group PMAC).

GMC is responsible for providing leadership, direction and functional oversight on all matters including sustainability performance of GEH Group. In addition to complying with regulatory requirements, the GMC is also responsible for ensuring compliance and alignment with Group standards and guidelines. The GMC is supported by the Group IC, Group ALC, Group PMAC, Group TSC, Local Senior Management Team (SMT), Local ALC, Local Product Development Committee (PDC) and Local IT Steering Committee (ITSC).

Group IC is responsible for overseeing all investment management activities of GEH Group and ensuring that the interests and rights of policyholders are not compromised.

Group ALC is responsible for balance sheet management. Specifically, Group ALC reviews and formulates frameworks, policies, processes and methodologies relating to balance sheet management. Group ALC is supported by the Local ALC.

Group TSC is responsible for assisting GMC in providing the overall strategic direction and approval of all IT related issues and initiatives, including the digitalisation and transformation programs to support GEH Group's strategic growth into the future. Group TSC is supported by Local ITSC.

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, including requirements governing its investment activities. The responsibility for the formulation, establishment and approval of the policy for the investment of the funds rests with the respective Board of Directors (GE Board). GE Board exercises oversight on investments to safeguard the interests of policyholders and shareholders.

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 and make strategic investments for business growth.

GEH Group had no significant changes in the policies and processes relating to its capital structure during the year.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

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 remained well 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 aims to maintain an adequate level of capital to meet regulatory requirements, including any additional amounts required by the regulators of GEH Group and its insurance subsidiaries. This involves managing asset liability decisions and the associated risks in a coordinated way by assessing and monitoring the available and required capital (by each regulated entity) on a regular basis and, where appropriate, taking appropriate actions to adjust the asset liability position of GEH Group and/or its subsidiaries in light of changes in economic conditions and risk characteristics.

The primary sources of capital of GEH Group are its shareholders' equity. 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.

Dividend

GEH Group's dividend policy aims to provide shareholders with a predictable and sustainable dividend return, payable on a half-yearly basis.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

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.

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, investment saving protection 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 insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes into account current health conditions and family medical history, regular review of actual claims experience, as well as detailed claims handling procedures. Underwriting limits are also established to enforce appropriate risk selection 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. While insurance risks may not vary significantly across the geographical locations in which GEH Group currently operates, 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 RMC and GEH Group ALC. 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 given 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, lapses and surrenders, and 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 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			
2023			
Whole life	**59,278**	**(10)**	**59,268**
Endowment	**35,798**	**(64)**	**35,734**
Term	**1,832**	**(273)**	**1,559**
Annuity	**385**	**–**	**385**
Others	**78**	**–**	**78**
Total	**97,371**	**(347)**	**97,024**
2022 (Restated)			
Whole life	55,723	(37)	55,686
Endowment	35,925	(60)	35,865
Term	1,746	(270)	1,476
Annuity	400	–	400
Others	6	1	7
Total	93,800	(366)	93,434
(b) By country			
2023			
Singapore	**70,521**	**(337)**	**70,184**
Malaysia	**25,604**	**(9)**	**25,595**
Others	**1,246**	**(1)**	**1,245**
Total	**97,371**	**(347)**	**97,024**
2022 (Restated)			
Singapore	66,770	(317)	66,453
Malaysia	25,965	(45)	25,920
Others	1,065	(4)	1,061
Total	93,800	(366)	93,434

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 Major Illness	+ 25% for all future years
(b) Scenario 2 – Mortality and Major Illness	– 25% for all future years
(c) Scenario 3 – Health and Disability	+ 25% for all future years
(d) Scenario 4 – Health and Disability	– 25% for all future years
(e) Scenario 5 – Lapse and Surrender Rates	+ 25% for all future years
(f) Scenario 6 – Lapse and Surrender Rates	– 25% for all future years
(g) Scenario 7 – Expenses	+ 30% 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
2023						
Scenario 1	**(652)**	**315**	**(337)**	**(596)**	**290**	**(306)**
Scenario 2	**156**	**(81)**	**75**	**82**	**(49)**	**33**
Scenario 3	**(114)**	**8**	**(106)**	**(139)**	**27**	**(112)**
Scenario 4	**82**	**(1)**	**81**	**107**	**(20)**	**87**
Scenario 5	**(41)**	**(28)**	**(69)**	**(21)**	**(26)**	**(47)**
Scenario 6	**(25)**	**62**	**37**	**(50)**	**59**	**9**
Scenario 7	**(177)**	**17**	**(160)**	**(178)**	**17**	**(161)**
2022 (Restated)						
Scenario 1	(467)	202	(265)	(393)	160	(233)
Scenario 2	94	(21)	73	6	33	39
Scenario 3	(79)	2	(77)	(118)	27	(91)
Scenario 4	58	(#)	58	97	(25)	72
Scenario 5	(54)	(8)	(62)	(38)	(5)	(43)
Scenario 6	47	13	60	32	10	42
Scenario 7	(112)	6	(106)	(113)	6	(107)

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
2023						
Scenario 1	**(187)**	**38**	**(149)**	**(215)**	**48**	**(167)**
Scenario 2	**33**	**(8)**	**25**	**58**	**(17)**	**41**
Scenario 3	**(231)**	**11**	**(220)**	**(312)**	**12**	**(300)**
Scenario 4	**19**	**(2)**	**17**	**118**	**(3)**	**115**
Scenario 5	**(55)**	**5**	**(50)**	**(75)**	**3**	**(72)**
Scenario 6	**(7)**	**(1)**	**(8)**	**22**	**1**	**23**
Scenario 7	**(50)**	**3**	**(47)**	**(93)**	**3**	**(90)**
2022 (Restated)						
Scenario 1	(213)	43	(170)	(239)	49	(190)
Scenario 2	34	(8)	26	62	(15)	47
Scenario 3	(235)	16	(219)	(304)	18	(286)
Scenario 4	18	(3)	15	101	(5)	96
Scenario 5	(67)	6	(61)	(89)	5	(84)
Scenario 6	(8)	(1)	(9)	22	1	23
Scenario 7	(55)	4	(51)	(91)	4	(87)

The tables above demonstrate the sensitivity of GEH Group's profit or loss after tax and equity to a reasonably possible change in actuarial valuation assumptions on an individual basis, with all other variables held constant.

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 as at year end.

	2023			2022 (Restated)		
Non-life insurance contracts $ million	Gross	Reinsurance	Net	Gross	Reinsurance	Net
(a) By class of business						
Fire	**118**	**(83)**	**35**	118	(74)	44
Motor	**94**	**(2)**	**92**	90	(3)	87
Marine and aviation	**22**	**(4)**	**18**	26	(11)	15
Workmen's compensation	**37**	**(11)**	**26**	41	(13)	28
Personal accident and health	**61**	**(8)**	**53**	48	(6)	42
Miscellaneous	**259**	**(194)**	**65**	310	(254)	56
Total	**591**	**(302)**	**289**	633	(361)	272
(b) By country						
Singapore	**262**	**(121)**	**141**	263	(121)	142
Malaysia	**284**	**(164)**	**120**	309	(207)	102
Indonesia	**45**	**(17)**	**28**	61	(33)	28
Total	**591**	**(302)**	**289**	633	(361)	272

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.

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
2023							
Risk adjustment	**+20%**	**(11)**	**7**	**(4)**	**(11)**	**7**	**(4)**
Loss ratio [1]	**+20%**	**(55)**	**20**	**(35)**	**(55)**	**20**	**(35)**
2022 (Restated)							
Risk adjustment	+20%	(15)	10	(5)	(16)	10	(6)
Loss ratio [1]	+20%	(40)	10	(30)	(60)	21	(39)

[1] Best estimate reserves and current accident year payments.

The above tables demonstrate the sensitivity of the Group's profit and loss after tax and equity to a change in actuarial valuation assumptions on an individual basis with all other variables held constant.

Cumulative Claims Estimates and Cumulative Payments To-Date

The tables below show the cumulative claims estimates, at each reporting date, together with cumulative to date.

(i) Gross non-life liabilities for incurred claims as at 31 December 2023

$ million	2016	2017	2018	2019	2020	2021	2022	2023	Total
(a) Estimate of cumulative claims									
Accident Year	188	204	174	206	255	234	242	233	
One year later	203	202	154	215	229	210	206	–	
Two years later	201	182	147	218	259	202	–	–	
Three years later	195	187	230	221	179	–	–	–	
Four years later	194	188	230	195	–	–	–	–	
Five years later	194	185	222	–	–	–	–	–	
Six years later	190	168	–	–	–	–	–	–	
Seven years later	155	–	–	–	–	–	–	–	
Current estimate of cumulative claims	**155**	**168**	**222**	**195**	**179**	**202**	**206**	**233**	
(b) Cumulative payments	**153**	**159**	**131**	**170**	**138**	**160**	**139**	**85**	
(c) Non-life gross claim liabilities	**2**	**9**	**91**	**25**	**41**	**42**	**67**	**148**	**425**
Gross claim liabilities – prior years									7
Effect of discounting									(13)
Effect of the risk adjustment margin for non-financial risk									48
Non-life insurance contract liabilities, gross									**467**

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 2023

$ million	2016	2017	2018	2019	2020	2021	2022	2023	Total
(a) Estimate of cumulative claims									
Accident Year	100	117	113	114	102	96	124	138	
One year later	102	118	107	110	98	91	116	–	
Two years later	100	115	105	113	94	87	–	–	
Three years later	97	114	107	113	88	–	–	–	
Four years later	96	113	106	108	–	–	–	–	
Five years later	96	111	102	–	–	–	–	–	
Six years later	93	107	–	–	–	–	–	–	
Seven years later	91	–	–	–	–	–	–	–	
Current estimate of cumulative claims	**91**	**107**	**102**	**108**	**88**	**87**	**116**	**138**	
(b) Cumulative payments	**91**	**105**	**97**	**99**	**78**	**74**	**85**	**57**	
(c) Non-life net claim liabilities	**#**	**2**	**5**	**9**	**10**	**13**	**31**	**81**	**151**
Net claim liabilities – prior years									5
Non-performing risk									5
Effect of discounting									(4)
Effect of the risk adjustment margin for non-financial risk									11
Others									11
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, 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)

GEH Group is exposed to interest rate risk through (i) investments in fixed income instruments and (ii) 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 that perfectly matches the duration of the policy liabilities. This results in interest rate risk and asset liability mismatch risk, and these risks are managed and monitored by GEH Group ALC and the Local ALCs.

Where the liabilities of the portfolios are predominantly measured using the VFA and the backing assets are measured using the 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 elect to disaggregate the insurance finance income and expenses between Profit or Loss and Other Comprehensive Income, the backing assets would also elect a similar option. 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
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	**766**	**380**	**549**	**86**	**1,781**
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	**65,099**	**26,609**	**1,945**	**6,826**	**100,479**
2022 (Restated)					
Financial assets at FVOCI					
Equity securities	232	250	203	977	1,662
Debt securities	4,312	1,935	3,750	589	10,586
Financial assets at FVTPL					
Equity securities	879	6,608	668	3,336	11,491
Debt securities	20,253	14,140	11,253	3,346	48,992
Other investments	6,500	204	5,989	1,534	14,227
Financial assets at amortised cost					
Debt securities	804	–	995	3	1,802
Derivative financial assets	18,685	#	(15,907)	(2,016)	762
Loans	222	144	–	114	480
Other debtors	357	199	161	43	760
Cash and cash equivalents	6,819	1,510	886	393	9,608
Insurance contract assets	2	357	3	11	373
Reinsurance contract assets	473	666	51	19	1,209
Financial and insurance-related assets	59,538	26,013	8,052	8,349	101,952
Other creditors	739	342	89	53	1,223
Derivative financial liabilities	(979)	5	(1,502)	2,768	292
Provision for agents' retirement benefits	1	295	–	–	296
Insurance contract liabilities	63,694	26,630	3,866	616	94,806
Reinsurance contract liabilities	67	415	#	#	482
Financial and insurance-related liabilities	63,522	27,687	2,453	3,437	97,099

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 and insurance-related assets and maturity profile of GEH Group's financial and insurance-related 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
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**
Financial and insurance-related assets	**105,379**	**18,071**	**22,299**	**54,517**	**33,422**	**128,309**
Other creditors	**1,780**	**1,739**	**5**	**#**	**36**	**1,780**
Derivative financial liabilities	**180**	**142**	**34**	**4**	**–**	**180**
Provision for agents' retirement benefits	**298**	**152**	**56**	**90**	**–**	**298**
Financial and insurance-related liabilities	**2,258**	**2,033**	**95**	**94**	**36**	**2,258**
2022 (Restated)						
Financial assets at FVOCI						
Equity securities	1,662	–	–	–	1,662	1,662
Debt securities	10,586	958	5,165	9,503	–	15,626
Financial assets at FVTPL						
Equity securities	11,491	–	–	–	11,491	11,491
Debt securities	48,992	4,967	19,283	39,202	1,185	64,637
Other investments	14,227	–	–	–	14,227	14,227
Financial assets at amortised cost						
Debt securities	1,802	788	846	641	–	2,275
Derivative financial assets	762	641	80	41	–	762
Loans	480	114	395	14	–	523
Other debtors	760	756	2	2	#	760
Cash and cash equivalents	9,608	9,608	–	–	–	9,608
Financial and insurance-related assets	100,370	17,832	25,771	49,403	28,565	121,571
Other creditors	1,223	1,183	5	#	35	1,223
Derivative financial liabilities	292	221	12	59	–	292
Provision for agents' retirement benefits	296	140	57	99	–	296
Financial and insurance-related liabilities	1,811	1,544	74	158	35	1,811

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)

(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
2023							
Insurance contract liabilities	**15,645**	**5,091**	**2,267**	**2,197**	**3,013**	**58,826**	**87,039**
Reinsurance contract liabilities held	**57**	**8**	**10**	**12**	**12**	**173**	**272**
Total	**15,702**	**5,099**	**2,277**	**2,209**	**3,025**	**58,999**	**87,311**
2022 (Restated)							
Insurance contract liabilities	11,079	8,022	3,502	1,986	2,044	57,316	83,949
Reinsurance contract liabilities held	343	15	23	13	12	113	519
Total	11,422	8,037	3,525	1,999	2,056	57,429	84,468

Amounts Payable on Demand

Term life contracts issued and reinsurance contracts held have zero amounts payable on demand.

	2023		2022	
$ million	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
Universal life contracts	**3,493**	**3,693**	3,223	3,418
Investment-linked contracts	**8,440**	**8,966**	7,909	8,225
Participating contracts	**54,293**	**65,640**	54,545	63,782
Total	**66,226**	**78,299**	65,677	75,425

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*	Non-current	Total
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	**160**	**709**	**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	**27,895**	**81,139**	**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	**62**	**158**	**220**
Insurance contract liabilities	**17,216**	**80,785**	**98,001**
Liabilities	**19,430**	**81,615**	**101,045**
2022 (Restated)			
Cash and cash equivalents	9,608	–	9,608
Other debtors	757	64	821
Asset held for sale	73	–	73
Loans	103	377	480
Derivative financial assets	641	121	762
Investments	18,801	69,959	88,760
Deferred tax assets	21	32	53
Reinsurance contract assets	712	497	1,209
Insurance contract assets	190	182	372
Investment in associates	–	123	123
Intangible assets	43	161	204
Investment properties	–	1,881	1,881
Property, plant and equipment	45	464	509
Assets	30,994	73,861	104,855
Other creditors	1,264	97	1,361
Income tax payable	238	–	238
Derivative financial liabilities	221	71	292
Provision for agents' retirement benefits	20	276	296
Deferred tax liabilities	–	106	106
Reinsurance contract liabilities	351	130	481
Insurance contract liabilities	12,678	82,128	94,806
Liabilities	14,772	82,808	97,580

(1) * represents expected recovery or settlement within 12 months from the reporting date.

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:

		2023		2022	
$ million	Type of collateral	Carrying amount	Fair value	Carrying amount	Fair value
Secured loans	Properties	**372**	**882**	292	546
Secured loans	Others	**1**	**1**	#	#
Derivatives	Cash	**257**	**257**	186	186
		630	**1,140**	478	732

There were no securities lending arrangements as at 31 December 2023 (2022: nil).

As at the reporting date, no investments (2022: 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
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**
2022 (Restated)				
Loans at amortised cost				
Investment grade* (BBB to AAA)	373	112	–	485
Not rated	2	–	37	39
	375	112	37	524
Loss allowance	(#)	(6)	(37)	(43)
Carrying amount	375	106	–	481
Debt securities at amortised cost				
Investment grade* (BBB to AAA)	1,803	–	–	1,803
	1,803	–	–	1,803
Loss allowance	(1)	–	–	(1)
Carrying amount	1,802	–	–	1,802
Debt securities at FVOCI				
Investment grade* (BBB to AAA)	10,405	79	–	10,484
Non investment grade* (C to BB)	–	5	–	5
Not rated	97	–	–	97
	10,502	84	–	10,586

(1) * Based on internal ratings grades which are equivalent to grades of external rating agencies.

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 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
2023					
Financial assets at FVOCI					
Equity securities	**–**	**–**	**–**	**1,906**	**1,906**
Financial assets at FVTPL					
Equity securities	**–**	**–**	**–**	**11,531**	**11,531**
Debt securities	**40,852**	**3,090**	**4,698**	**–**	**48,640**
Other investments	**–**	**–**	**–**	**19,245**	**19,245**
Derivative financial assets	**964**	**–**	**–**	**–**	**964**
Other debtors	**3**	**12**	**1,050**	**–**	**1,065**
Cash and cash equivalents	**5,673**	**–**	**630**	**–**	**6,303**
Reinsurance contract assets	**869**	**–**	**–**	**–**	**869**
	48,361	**3,102**	**6,378**	**32,682**	**90,523**
2022 (Restated)					
Financial assets at FVOCI					
Equity securities	–	–	–	1,662	1,662
Financial assets at FVTPL					
Equity securities	–	–	–	11,491	11,491
Debt securities	42,303	2,362	4,327	–	48,992
Other investments	–	–	–	14,227	14,227
Derivative financial assets	738	–	24	–	762
Other debtors	2	1	756	–	759
Cash and cash equivalents	8,024	–	1,584	–	9,608
Reinsurance contract assets	1,209	–	–	–	1,209
	52,276	2,363	6,691	27,380	88,710

(1) * Based on internal ratings grades which are equivalent to grades of external rating agencies.

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 by 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.

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 2023, 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 2023.

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 2022	1	10	2	13
Net remeasurement of loss allowance	–	–	34	34
New financial assets purchased	1	4	–	5
Financial assets that have been derecognised	(1)	(4)	–	(5)
Changes in models/risk parameters	(#)	(3)	–	(3)
Foreign exchange and other movements	–	(1)	–	(1)
At 31 December 2022/1 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**	**8**	**47**	**56**
Debt securities at amortised cost				
At 1 January 2022	2	–	–	2
Net remeasurement of loss allowance	#	–	–	#
New financial assets purchased	1	–	–	1
Financial assets that have been derecognised	(1)	–	–	(1)
Changes in models/risk parameters	#	–	–	#
Foreign exchange and other movements	(#)	–	–	(#)
At 31 December 2022/1 January 2023	**2**	**–**	**–**	**2**
Net remeasurement of loss allowance	**#**	**–**	**–**	**#**
New financial assets purchased	**#**	**–**	**–**	**#**
Changes in models/risk parameters	**(#)**	**–**	**–**	**(#)**
At 31 December 2023	**2**	**–**	**–**	**2**
Debt securities at FVOCI				
At 1 January 2022	7	4	3	14
Adoption of SFRS(I) 17	1	10	–	11
At 1 January 2022 (restated)	8	14	3	25
Net remeasurement of loss allowance	#	(#)	–	–
New financial assets purchased	4	2	–	6
Financial assets that have been derecognised	(3)	(4)	–	(7)
Changes in models/risk parameters	(1)	(1)	–	(2)
Foreign exchange and other movements	–	(#)	–	(#)
At 31 December 2022/1 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	**11**	**10**	**3**	**24**
Increase/(decrease) in provision for impairment of financial assets for the year				
31 December 2022	–	(7)	34	27
31 December 2023	**3**	**1**	**11**	**15**

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.

Market Risk Sensitivity Analysis

	Impact on profit after tax					
$ million	2023			2022 (Restated)		
	Financial assets	Insurance & reinsurance contracts	Total	Financial assets	Insurance & reinsurance contracts	Total
Change in variables:						
(a) Interest rate						
+100 basis points	**(2,798)**	**2,740**	**(58)**	(2,226)	2,205	(21)
–100 basis points	**3,239**	**(3,211)**	**28**	2,526	(2,530)	(4)
(b) Foreign currency						
5% increase in market value of USD denominated assets	**109**	**(146)**	**(37)**	120	(123)	(3)
5% decrease in market value of USD denominated assets	**(109)**	**141**	**32**	(120)	123	3
(c) Equity						
20% increase in market indices						
STI	**334**	**(318)**	**16**	272	(260)	12
KLCI	**948**	**(952)**	**(4)**	681	(681)	(#)
20% decrease in market indices						
STI	**(335)**	**318**	**(17)**	(272)	260	(12)
KLCI	**(948)**	**927**	**(21)**	(681)	656	(25)
(d) Credit						
Spread +100 basis points	**(1,237)**	**1,193**	**(44)**	(1,073)	1,066	(7)
Spread –100 basis points	**1,417**	**(1,372)**	**45**	1,191	(1,178)	13
(e) Alternative investments [1]						
10% increase in market value of all alternative investments	**592**	**(520)**	**72**	426	(354)	72
10% decrease in market value of all alternative investments	**(592)**	**520**	**(72)**	(426)	354	(72)

(1) Alternative investments comprise investments in real estate, private equity, 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)

$ million	Impact on Equity 2023 Financial assets	2023 Insurance & reinsurance contracts	2023 Total	2022 (Restated) Financial assets	2022 (Restated) Insurance & reinsurance contracts	2022 (Restated) Total
Change in variables:						
(a) Interest rate						
+100 basis points	**(3,374)**	**3,054**	**(320)**	(2,729)	2,461	(268)
–100 basis points	**3,889**	**(3,644)**	**245**	3,098	(2,882)	216
(b) Foreign currency						
5% increase in market value of USD denominated assets	**109**	**(145)**	**(36)**	120	(132)	(12)
5% decrease in market value of USD denominated assets	**(109)**	**139**	**30**	(120)	134	14
(c) Equity						
20% increase in market indices						
STI	**358**	**(328)**	**30**	309	(270)	39
KLCI	**982**	**(984)**	**(2)**	716	(715)	1
20% decrease in market indices						
STI	**(358)**	**328**	**(30)**	(309)	270	(39)
KLCI	**(982)**	**960**	**(22)**	(716)	690	(26)
(d) Credit						
Spread +100 basis points	**(1,587)**	**1,277**	**(310)**	(1,383)	1,150	(233)
Spread –100 basis points	**1,807**	**(1,478)**	**329**	1,541	(1,281)	260
(e) Alternative investments [1]						
10% increase in market value of all alternative investments	**610**	**(537)**	**73**	449	(377)	72
10% decrease in market value of all alternative investments	**(610)**	**537**	**(73)**	(449)	377	(72)

[1] Alternative investments comprise investments in real estate, private equity, infrastructure and hedge funds.

The method for deriving sensitivity information and significant variables is enhanced from previous year to more accurately estimate the change in liabilities due to change in variables. Comparative figures have been revised using the new computation method.

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, 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.

38. Risk Management (continued)

38.4 Insurance-Related Risk Management (continued)

Operational and Compliance Risk (continued)

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 GEH Group Internal Audit on the adequacy and effectiveness of the technology risk controls.

Sustainability Risk

Sustainability risk is defined as any environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and enterprise value. GEH Group has integrated ESG considerations into the investment, underwriting and its own operational activities.

At present, GEH Group manages social and governance-related risk through existing frameworks and policies. In order to build resilience as the world transits to a low-carbon economy, GEH Group has formalised the Group Environmental Risk Management Policy which sets forth guiding principles and minimum standards in managing environmental risk within GEH Group. Environmental risk arises from the potential adverse impact of changes in the environment on economic activities and human well-being. Environmental issues that are of concern include climate change, loss of biodiversity, pollution and changes in land use. Environmental risk can manifest in three dimensions of risk as follows:

- Physical risk – impact of weather events and long-term or widespread environmental changes. It arises from acute (event-driven) and chronic (long term shift) climate-related events that damage property, reduce productivity and disrupt trade.
- Transition risk – arises from the process of adjustment to an environmentally sustainable economy, including change in public policies, disruptive technological developments, and shifts in consumer and investor preferences.
- Liability risk – arises from legal risk and claims on damages and losses incurred from inaction or lack of action that results in the effects of physical and transition risks.

GEH Group's risk assessment considers the financial and non-financial impacts from physical and transition risks arising from climate change. With this, GEH Group organisation has put in place processes, methodology, and both qualitative and quantitative tools to identify and assess environmental risk for investment and underwriting portfolios.

For underwriting portfolio, risk transfer tool such as reinsurance is used to assist in managing environmental risk. For investment portfolio, the objective is to build resilient investment portfolios whilst striking a balance between ESG considerations, impact and financial returns.

GEH Group has made its first disclosures on climate-related risks aligned to the Task Force on Climate-related Financial Disclosures (TCFD) in May 2021 as part of GEH Sustainability Report 2021. The report provides some insights into the Group's governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

39. Financial Assets and Financial Liabilities Classification

$ million	GROUP 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)

	GROUP					
$ million	Mandatorily measured at FVTPL	Designated as FVTPL	Amortised cost	FVOCI	Insurance contracts	Total
2022 (Restated)						
Cash and placements with central banks	–	–	34,966	–	–	34,966
Singapore government treasury bills and securities	2,193	–	537	14,366	–	17,096
Other government treasury bills and securities	1,194	10	419	20,648	–	22,271
Placements with and loans to banks	877	–	17,042	12,325	–	30,244
Loans to customers	23	–	291,444	–	–	291,467
Debt securities	2,697	24	307	19,928	–	22,956
Equity securities and investment funds	3,924	–	–	1,130	–	5,054
Debt and equity securities	6,621	24	307	21,058	–	28,010
Derivative receivables	15,605	–	–	–	–	15,605
Other assets	–	–	5,428	–	415	5,843
Amounts due from associates	–	–	7	–	–	7
Financial assets	26,513	34	350,150	68,397	415	445,509
Non-financial assets						16,417
						461,926
Financial assets for life insurance funds	32,444	38,845	11,719	8,869	1,166	93,043
Non-financial assets for life insurance funds						1,955
Total assets						556,924
Deposits of non-bank customers	–	–	350,081	–	–	350,081
Deposits and balances of banks	–	–	10,046	–	–	10,046
Trading portfolio liabilities	212	–	–	–	–	212
Derivative payables	16,048	–	–	–	–	16,048
Other liabilities [(1)]	–	–	7,076	–	687	7,763
Debt issued	–	1,040	20,898	–	–	21,938
Financial liabilities	16,260	1,040	388,101	–	687	406,088
Non-financial liabilities						2,203
						408,291
Financial liabilities for life insurance funds	275	–	1,261	–	94,602	96,138
Non-financial liabilities for life insurance funds						70
Total liabilities						504,499

(1) Other liabilities include amounts due to associates.

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.

39. Financial Assets and Financial Liabilities Classification (continued)

	BANK				
$ million	Mandatorily measured at FVTPL	Designated as FVTPL	Amortised cost	FVOCI	Total
2022					
Cash and placements with central banks	–	–	27,812	–	27,812
Singapore government treasury bills and securities	1,836	–	537	13,516	15,889
Other government treasury bills and securities	816	–	419	6,930	8,165
Placements with and loans to banks	856	–	11,278	6,546	18,680
Loans to customers	23	–	201,087	–	201,110
Debt securities	1,894	–	307	11,434	13,635
Equity securities and investment funds	2,896	–	–	90	2,986
Debt and equity securities	4,790	–	307	11,524	16,621
Placements with and advances to subsidiaries	–	–	18,844	–	18,844
Derivative receivables	13,742	–	–	–	13,742
Other assets	–	–	2,177	–	2,177
Amounts due from associates	–	–	6	–	6
Financial assets	22,063	–	262,467	38,516	323,046
Non-financial assets					20,931
Total assets					343,977
Deposits of non-bank customers	–	–	223,310	–	223,310
Deposits and balances of banks	–	–	7,691	–	7,691
Deposits and balances of subsidiaries	–	–	36,522	–	36,522
Trading portfolio liabilities	212	–	–	–	212
Derivative payables	14,300	–	–	–	14,300
Other liabilities [1]	–	–	2,556	–	2,556
Debt issued	–	1,040	20,254	–	21,294
Financial liabilities	14,512	1,040	290,333	–	305,885
Non-financial liabilities					1,176
Total liabilities					307,061

(1) Other liabilities include amounts due to associates.

40. Interest Rate Benchmark Reform (IBOR Reform)

The London Interbank Offered Rate (LIBOR), formerly a key benchmark in international financial markets, has been phased out and replaced by Risk Free Rates (RFRs). All British pound, Euro, Swiss franc and Japanese yen LIBORs, as well as the 1-week and 2-month US dollar LIBOR were discontinued on 31 December 2021. All remaining US dollar LIBORs were discontinued on 30 June 2023.

The discontinuation of LIBOR had a direct impact on the viability of the Singapore Dollar Swap Offer Rate (SOR), which relied on US dollar LIBOR in its computation. Additionally, like LIBOR, the Singapore Interbank Offered Rate (SIBOR), a key benchmark widely used in retail loans, is subject to expert judgement due to a lack of underlying transactions. The Singapore Overnight Rate Average (SORA) was identified as the alternative benchmark to SOR and SIBOR. MAS established an industry-led Steering Committee for SOR & SIBOR Transition to SORA (SC-STS) to oversee the coordination and implementation of the transition efforts.

To ensure a smooth transition from LIBOR to RFRs and SOR and SIBOR to SORA, the Group also established an internal Steering Committee to coordinate efforts across various business, control and support functions. The Group made the necessary system upgrades and modifications to ensure the readiness of our infrastructure and processes in a timely manner.

We have also assessed the adequacy of provisions relating to the discontinuation of benchmarks in the Group's documentation for loans, derivatives, debt instruments and other relevant transactions, and remediated the necessary documentation. With the cessation of USD LIBOR and SOR on 30 June 2023, all retail and corporate loans and derivatives referencing SOR have successfully transitioned to SORA, fixed rates or other industry standard replacement rates. Appropriate adjustments were made as recommended by the industry to reflect the differences between SOR and SORA. As of 31 December 2023, loans and derivatives referencing USD LIBOR have also successfully transitioned to the Secured Overnight Financing Rate (SOFR), fixed rates or other industry standard replacement rates as agreed between contracting parties. There was no significant impact from the cessation of USD LIBOR and SOR.

For SIBOR, the transition will be completed in 2024 in line with the roadmap established by the industry. No significant impact is expected from the transition of SIBOR to SORA.

41. Fair Values of Financial Instruments

41.1 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.

41. Fair Values of Financial Instruments (continued)

41.2 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.

41.3 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.

41. Fair Values of Financial Instruments (continued)

41.3 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:

	2023				2022			
$ 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	**3,023**	**16,188**	**–**	**19,211**	2,222	10,980	–	13,202
Debt and equity securities	**25,235**	**7,604**	**2,930**	**35,769**	18,453	5,869	3,381	27,703
Loans to customers	**1**	**–**	**10**	**11**	–	–	23	23
Derivative receivables	**57**	**12,422**	**497**	**12,976**	117	15,141	347	15,605
Government treasury bills and securities	**32,973**	**4,862**	**–**	**37,835**	34,096	4,315	–	38,411
Investment securities for life insurance funds	**48,481**	**38,024**	**2,793**	**89,298**	51,460	25,442	3,256	80,158
Total	**109,770**	**79,100**	**6,230**	**195,100**	106,348	61,747	7,007	175,102
Non-financial assets measured at fair value								
Investment properties and asset held for sale for life insurance funds	**–**	**–**	**1,881**	**1,881**	–	–	1,954	1,954
Associates	**–**	**–**	**95**	**95**	–	–	122	122
Total	**–**	**–**	**1,976**	**1,976**	–	–	2,076	2,076
Financial liabilities measured at fair value								
Derivative payables	**76**	**13,028**	**616**	**13,720**	103	15,662	283	16,048
Trading portfolio liabilities	**194**	**–**	**–**	**194**	212	–	–	212
Debt issued	**–**	**1,900**	**–**	**1,900**	–	1,040	–	1,040
Insurance contract liabilities and other liabilities for life insurance funds	**7**	**164**	**–**	**171**	22	253	–	275
Total	**277**	**15,092**	**616**	**15,985**	337	16,955	283	17,575
BANK								
Financial assets measured at fair value								
Placements with and loans to banks	**2,580**	**12,192**	**–**	**14,772**	1,532	5,870	–	7,402
Debt and equity securities	**14,859**	**4,381**	**2,370**	**21,610**	10,106	3,593	2,615	16,314
Loans to customers	**–**	**–**	**10**	**10**	–	–	23	23
Derivative receivables	**17**	**10,932**	**468**	**11,417**	22	13,388	332	13,742
Government treasury bills and securities	**18,398**	**3,596**	**–**	**21,994**	19,703	3,395	–	23,098
Total	**35,854**	**31,101**	**2,848**	**69,803**	31,363	26,246	2,970	60,579
Financial liabilities measured at fair value								
Derivative payables	**41**	**11,428**	**614**	**12,083**	32	13,992	276	14,300
Trading portfolio liabilities	**194**	**–**	**–**	**194**	212	–	–	212
Debt issued	**–**	**1,900**	**–**	**1,900**	–	1,040	–	1,040
Total	**235**	**13,328**	**614**	**14,177**	244	15,032	276	15,552

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.

41. Fair Values of Financial Instruments (continued)

41.3 Fair Value Hierarchy (continued)

Valuation Techniques and Unobservable Inputs for Level 3 Instruments

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**			

Movements in Level 3 Financial Assets and Liabilities

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**
Purchases	**183**	**–**	**17**	**901**	**1,101**
Settlements/disposals	**(383)**	**(49)**	**(42)**	**(1,229)**	**(1,703)**
Transfer out [1]	**(48)**	**–**	**–**	**–**	**(48)**
Gains/(losses) 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**

(1) Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

41. Fair Values of Financial Instruments (continued)

41.3 Fair Value Hierarchy (continued)

Movements in Level 3 Financial Assets and Liabilities (continued)

GROUP $ million	2022 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	1,172	47	812	2,552	4,583
Purchases	519	46	43	600	1,208
Settlements/disposals	(14)	(27)	(41)	(335)	(417)
Transfer in [(1)]	1,729	–	51	549	2,329
Gains/(losses) recognised in					
– profit or loss	(24)	(43)	(520)	(106)	(693)
– other comprehensive income	(1)	#	2	(4)	(3)
At 31 December	3,381	23	347	3,256	7,007
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	(24)	(22)	152	(47)	59

Gains/(losses) included in profit or loss are presented in the income statement as follows:

	2023			2022		
	Trading income	Other income	Total	Trading income	Other income	Total
Total gains/(losses) included in profit or loss for the year ended	**165**	**(135)**	**30**	(588)	(105)	(693)
Unrealised gains/(losses) included in profit or loss for assets held at the end of the year	**578**	**(138)**	**440**	106	(47)	59

(1) Relates to transfers from Levels 1 and 2 to Level 3 due to use of inputs not based on market observable data.

41. Fair Values of Financial Instruments (continued)

41.3 Fair Value Hierarchy (continued)

Movements in Level 3 Financial Assets and Liabilities (continued)

BANK $ million	2023 Debt and equity securities	2023 Loans to customers	2023 Derivative receivables	2023 Total	2022 Debt and equity securities	2022 Loans to customers	2022 Derivative receivables	2022 Total
Financial assets measured at fair value								
At 1 January	**2,615**	**23**	**332**	**2,970**	496	47	636	1,179
Purchases	**173**	**–**	**17**	**190**	508	46	43	597
Settlements/disposals	**(307)**	**(49)**	**(43)**	**(399)**	(14)	(27)	(41)	(82)
Transfer (out)[(1)]/in[(2)]	**(48)**	**–**	**–**	**(48)**	1,655	–	15	1,670
Gains/(losses) recognised in								
– profit or loss	**(40)**	**36**	**162**	**158**	(26)	(43)	(321)	(390)
– other comprehensive income	**(23)**	**–**	**–**	**(23)**	(4)	#	–	(4)
At 31 December	**2,370**	**10**	**468**	**2,848**	2,615	23	332	2,970
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	**(41)**	**67**	**459**	**485**	(25)	(22)	114	67

Gains/(losses) included in profit or loss are presented in the income statement as follows:

	2023 Trading income	2023 Total	2022 Trading income	2022 Total
Total gains/(losses) included in profit or loss for the year ended	**158**	**158**	(390)	(390)
Unrealised gains included in profit or loss for assets held at the end of the year	**485**	**485**	67	67

(1) Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.
(2) Relates to transfers from Level 2 to Level 3 due to use of inputs not based on market observable data.

41. Fair Values of Financial Instruments (continued)

41.3 Fair Value Hierarchy (continued)

Movements in Level 3 Financial Assets and Liabilities (continued)

	GROUP				BANK			
	2023		2022		2023		2022	
$ million	Derivative payables	Total	Derivative payables	Total	Derivative payables	Total	Derivative payables	Total
Financial liabilities measured at fair value								
At 1 January	**283**	**283**	640	640	**276**	**276**	448	448
Issues	**60**	**60**	59	59	**59**	**59**	59	59
Settlements/disposals	**(59)**	**(59)**	(143)	(143)	**(59)**	**(59)**	(142)	(142)
Transfer in [1]	**–**	**–**	39	39	**–**	**–**	3	3
Losses/(gains) recognised in								
– profit or loss	**337**	**337**	(314)	(314)	**338**	**338**	(92)	(92)
– other comprehensive income	**(5)**	**(5)**	2	2	**–**	**–**	–	–
At 31 December	**616**	**616**	283	283	**614**	**614**	276	276
Unrealised losses included in profit or loss for liabilities held at the end of the year	**(714)**	**(714)**	(351)	(351)	**(637)**	**(637)**	(359)	(359)

(1) Relates to transfers from Level 2 to Level 3 due to use of inputs not based on market observable data.

Gains/(losses) included in profit or loss are presented in the income statements as follows:

	GROUP				BANK			
	2023		2022		2023		2022	
$ 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	**(337)**	**(337)**	314	314	**(338)**	**(338)**	92	92
Unrealised losses included in profit or loss for liabilities held at the end of the year	**(714)**	**(714)**	(351)	(351)	**(637)**	**(637)**	(359)	(359)

Movements in Level 3 Non-Financial Assets

	GROUP					
	2023			2022		
$ million	Investment properties and asset held for sale 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	**1,954**	**122**	**2,076**	1,884	95	1,979
(Sales)/purchases	**(71)**	**8**	**(63)**	1	–	1
Gains/(losses) recognised in						
– profit or loss	**16**	**(27)**	**(11)**	91	24	115
– other comprehensive income	**(18)**	**(8)**	**(26)**	(22)	3	(19)
At 31 December	**1,881**	**95**	**1,976**	1,954	122	2,076

(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/market approach under Level 3 fair value measurements.

42. 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)
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**
2022						
Financial assets						
Derivative receivables	15,605	2,410	13,195	8,126	677	4,392
Reverse repurchase agreements	7,057 (1)	3,853	3,204	3,198	–	6
Securities borrowings	10 (2)	9	1	1	–	–
Total	22,672	6,272	16,400	11,325	677	4,398
Financial liabilities						
Derivative payables	16,048	2,259	13,789	8,126	1,365	4,298
Repurchase agreements	3,144 (3)	1,369	1,775	1,745	–	30
Securities lendings	2 (4)	–	2	1	–	1
Total	19,194	3,628	15,566	9,872	1,365	4,329

(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.
(4) Cash collateral placed under securities lendings are presented under other liabilities, and are measured at amortised cost.

42. Offsetting Financial Assets and Financial Liabilities (continued)

BANK				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)
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**
2022						
Financial assets						
Derivative receivables	13,742	1,762	11,980	7,959	874	3,147
Reverse repurchase agreements	4,375 [(1)]	1,171	3,204	3,198	–	6
Securities borrowings	9 [(2)]	9	–	–	–	–
Total	18,126	2,942	15,184	11,157	874	3,153
Financial liabilities						
Derivative payables	14,300	1,992	12,308	7,959	974	3,375
Repurchase agreements	1,775 [(3)]	–	1,775	1,745	–	30
Total	16,075	1,992	14,083	9,704	974	3,405

(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.

43. 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	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Guarantees and standby letters of credit:				
Term to maturity of one year or less	**7,222**	6,352	**5,770**	4,756
Term to maturity of more than one year	**4,186**	2,984	**3,441**	2,220
	11,408	9,336	**9,211**	6,976
Acceptances and endorsements	**506**	950	**281**	564
Documentary credits and other short term trade-related transactions	**6,570**	6,463	**4,874**	4,707
	18,484	16,749	**14,366**	12,247

43.1 Analysed by Industry

Agriculture, mining and quarrying	**62**	153	**12**	58
Manufacturing	**1,991**	1,480	**1,187**	472
Building and construction	**2,213**	2,247	**1,555**	1,388
General commerce	**10,441**	9,238	**8,659**	7,554
Transport, storage and communication	**468**	561	**358**	408
Financial institutions, investment and holding companies	**1,709**	1,614	**1,309**	1,169
Professionals and individuals	**218**	158	**35**	37
Others	**1,382**	1,298	**1,251**	1,161
	18,484	16,749	**14,366**	12,247

43.2 Analysed by Geography

Singapore	**12,488**	10,905	**12,294**	10,719
Malaysia	**1,060**	1,226	**7**	7
Indonesia	**1,000**	1,094	**–**	–
Greater China	**2,637**	2,683	**749**	667
Other Asia Pacific	**224**	339	**241**	352
Rest of the World	**1,075**	502	**1,075**	502
	18,484	16,749	**14,366**	12,247

Contingent liabilities analysed by geography is based on the country where the transactions are recorded.

44. 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	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
44.1 Credit Commitments				
Undrawn credit facilities:				
Term to maturity of one year or less	**152,568**	150,236	**75,198**	67,418
Term to maturity of more than one year	**34,602**	33,468	**44,357**	41,039
	187,170	183,704	**119,555**	108,457
44.2 Other Commitments				
Capital commitment authorised and contracted	**467**	226	**477**	232
Forward deposits and assets purchase	**134**	83	**215**	716
	601	309	**692**	948
44.3 Total Commitments	**187,771**	184,013	**120,247**	109,405
44.4 Credit Commitments Analysed by Industry				
Agriculture, mining and quarrying	**2,853**	1,977	**2,305**	1,272
Manufacturing	**13,867**	11,297	**7,254**	5,220
Building and construction	**27,233**	26,766	**23,569**	22,607
General commerce	**31,761**	29,892	**26,221**	24,213
Transport, storage and communication	**7,644**	6,362	**6,140**	5,435
Financial institutions, investment and holding companies	**39,354**	41,278	**28,347**	24,912
Professionals and individuals	**54,479**	57,689	**17,268**	17,394
Others	**9,979**	8,443	**8,451**	7,404
	187,170	183,704	**119,555**	108,457
44.5 Credit Commitments Analysed by Geography				
Singapore	**139,022**	138,861	**99,925**	92,698
Malaysia	**10,123**	9,190	**1,307**	936
Indonesia	**6,550**	6,103	**–**	–
Greater China	**19,589**	20,432	**6,408**	5,679
Other Asia Pacific	**3,311**	3,424	**3,337**	3,447
Rest of the World	**8,575**	5,694	**8,578**	5,697
	187,170	183,704	**119,555**	108,457

Credit commitments analysed by geography is based on the country where the transactions are recorded.

45. 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
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**
2022				
FVOCI investments	73	–	#	73
FVTPL investments	2	95	2	99
Other assets	–	9	–	9
Total assets	75	104	2	181
Other liabilities	–	–	–	–
Total liabilities	–	–	–	–
Other commitments				
Loan and capital commitments authorised and contracted [1]	37	–	–	37
Income earned from sponsored structured entities [2]	#	51	32	83
Assets of structured entities	652	6,728	403	7,783

(1) These were also included in the Group's capital commitments authorised and contracted in Note 44.
(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 2023 and 2022 were not significant.

46. Financial Assets Transferred

46.1 Assets Pledged

	GROUP		BANK	
	2023 $ million	2022 $ million	2023 $ million	2022 $ million
Government treasury bills and securities				
– Singapore	**425**	584	**525**	909
– Others	**3,117**	650	**1,780**	634
Placements with and loans to banks	**10**	16	**–**	–
Loans to customers	**538**	1,537	**451**	1,422
Debt securities	**2,761**	1,811	**1,853**	1,358
	6,851	4,598	**4,609**	4,323
Obligations to repurchase assets pledged	**4,231**	2,083	**2,174**	1,657

(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 $6.55 billion (2022: $6.77 billion), of which $0.07 billion (2022: $0.05 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 $5.67 billion (2022: $3.99 billion), of which $0.07 billion (2022: $0.05 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).

46.2 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 2023, the carrying amounts of the covered bonds in issue was $698 million (2022: $1.78 billion), while the carrying amounts of assets assigned was $7.07 billion (2022: $9.23 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.

47. 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.

47.1 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 2023	7	618	18,844	6	67
Net change	7	129	(6,125)	7	87
At 31 December 2023	**14**	**747**	**12,719**	**13**	**154**
(b) Deposits, borrowings and other payables					
At 1 January 2023	235	950	36,522	197	575
Net change	41	(13)	2,306	(11)	60
At 31 December 2023	**276**	**937**	**38,828**	**186**	**635**
(c) Off-balance sheet credit facilities [(1)]					
At 1 January 2023	–	4	14,294	–	4
Net change	–	(#)	1,681	–	(#)
At 31 December 2023	**–**	**4**	**15,975**	**–**	**4**
(d) Income statement transactions					
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**
Year ended 31 December 2022					
Interest income	#	9	286	#	#
Interest expense	2	8	566	2	2
Rental income	–	2	30	–	#
Fee and commission and other income	–	305	94	–	244
Rental and other expenses	20	33	574	20	#

(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.

47. Related Party Transactions (continued)

47.2 Key Management Personnel Compensation

	BANK	
	2023 $ million	2022 $ million
Key management personnel compensation is as follows:		
Short-term employee benefits	**39**	41
Share-based benefits	**15**	14
	54	55

Certain performance-related payments to key management personnel of the Bank in relation to the performance year 2023 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 2022 by the Remuneration Committee.

48. 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.

49. 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) 1-1 (Amendments)	*Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 16 (Amendments)	*Lease Liability in a Sale and Leaseback*	1 January 2024
Various	*Amendments to SFRS(I) 1-1 Non-current Liabilities with Covenants*	1 January 2024
SFRS(I) 1-7 (Amendments), SFRS(I) 7 (Amendments)	*Supplier Finance Arrangements*	1 January 2024
SFRS(I) 1-10 (Amendments), SFRS(I) 1-28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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.

Shareholding Statistics
As at 8 March 2024

Class of Shares
Ordinary Shares

Voting Rights
One vote per share (other than treasury shares and subsidiary holdings, which are treated as having no voting rights)

Distribution of Shareholders

Size of Holdings	Number of Shareholders	%	Number of Shares Held	%
1 – 99	12,595	10.01	452,276	0.01
100 – 1,000	34,673	27.56	19,050,951	0.42
1,001 – 10,000	60,892	48.40	214,717,751	4.76
10,001 – 1,000,000	17,537	13.94	776,191,389	17.19
1,000,001 and above	121	0.09	3,504,478,454	77.62
Total	**125,818**	**100.00**	**4,514,890,821**	**100.00**

Number of issued shares (including treasury shares): 4,514,890,821
Number of treasury shares held: 19,913,569
Number of subsidiary holdings held: Nil
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares: 0.44%

Note:
"Subsidiary holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (**SGX-ST**) to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

Twenty Largest Shareholders

Shareholders	Number of Shares Held	%*
1. Citibank Nominees Singapore Pte Ltd	753,170,312	16.76
2. Selat (Pte) Limited	467,604,264	10.40
3. Raffles Nominees (Pte.) Limited	302,157,864	6.72
4. HSBC (Singapore) Nominees Pte Ltd	293,397,481	6.53
5. DBSN Services Pte. Ltd.	286,933,481	6.38
6. Lee Foundation	200,851,953	4.47
7. Herald Investment Pte Ltd	181,721,294	4.04
8. DBS Nominees (Private) Limited	173,454,566	3.86
9. Singapore Investments Pte Ltd	157,007,526	3.49
10. Lee Rubber Company Pte Ltd	141,656,364	3.15
11. United Overseas Bank Nominees (Private) Limited	51,120,795	1.14
12. Kallang Development (Pte) Limited	44,007,742	0.98
13. Lee Pineapple Company (Pte) Limited	30,595,980	0.68
14. DB Nominees (Singapore) Pte Ltd	28,839,716	0.64
15. Kew Estate Limited	28,430,489	0.63
16. BPSS Nominees Singapore (Pte.) Ltd.	27,144,220	0.60
17. Phillip Securities Pte Ltd	22,431,324	0.50
18. OCBC Nominees Singapore Private Limited	21,054,152	0.47
19. OCBC Securities Private Limited	18,689,797	0.42
20. UOB Kay Hian Private Limited	12,231,585	0.27
Total	**3,242,500,905**	**72.13**

* Percentage is calculated based on the total number of issued shares (excluding treasury shares) as at 8 March 2024.

Approximately 72.3% of the issued shares (excluding treasury shares) are held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

Substantial Shareholders

(As shown in the Register of Substantial Shareholders)

Substantial shareholders	Direct interest No. of Shares	Deemed interest No. of Shares	Total No. of Shares	%*
Lee Foundation	189,310,098 (1)	31,835,411 (2)	221,145,509	5.13
Selat (Pte) Limited	467,604,264	181,721,294 (3)	649,325,558	14.44

* Percentage is calculated based on the total number of issued shares (excluding treasury shares) as at the date of the latest notification given by the relevant substantial shareholder under the Securities and Futures Act 2001 (**SFA**).

(1) Does not include shares acquired pursuant to OCBC's Scrip Dividend Scheme in October 2019, October 2020 and June 2021. As the acquisitions did not result in any overall percentage level changes in Lee Foundation's total interest in OCBC, no notification of the changes was required to be given under the SFA.

(2) Represents Lee Foundation's deemed interest in (a) the 29,222,140 shares held by Lee Pineapple Company (Pte) Limited, and (b) the 2,613,271 shares held by Peninsula Plantations Sendirian Berhad (**Peninsula Plantations**). Lee Foundation has, however, informed the Bank in writing that it has ceased to have a deemed interest in the shares held by Peninsula Plantations following a corporate restructuring exercise but that, as the cessation did not result in an overall percentage level change in Lee Foundation's total interest in OCBC, no notification of the change was required to be given under the SFA.

(3) Represents Selat (Pte) Limited's deemed interest in the 181,721,294 shares held by Herald Investment Pte Ltd.

Five-Year Ordinary Share Capital History
(OCBC Group – As at 31 December 2023)

		Number of ordinary shares (million)		
Year	Particulars	Issued	Held in treasury	In circulation
2019	Shares issued to non-executive directors	#		
	Shares issued in lieu of dividend	152		
	Share buyback		(17)	
	Issue of shares pursuant to Share Option Scheme		3	
	Issue of shares pursuant to Employee Share Purchase Plan		6	
	Issue of shares pursuant to Deferred Share Plan		7	
	Year end balance	4,409	(8)	4,401
2020	Shares issued to non-executive directors	#		
	Shares issued in lieu of dividend	67		
	Share buyback		(7)	
	Issue of shares pursuant to Share Option Scheme		2	
	Issue of shares pursuant to Employee Share Purchase Plan		#	
	Issue of shares pursuant to Deferred Share Plan		11	
	Year end balance	4,476	(2)	4,474
2021	Shares issued to non-executive directors	#		
	Shares issued in lieu of dividend	32		
	Issue of shares pursuant to Deferred Share Plan	7		
	Issue of shares pursuant to Share Option Scheme	#	7	
	Share buyback		(34)	
	Issue of shares pursuant to Employee Share Purchase Plan		6	
	Year end balance	4,515	(23)	4,492
2022	Shares issued to non-executive directors	#		
	Share buyback		(21)	
	Issue of shares pursuant to Share Option Scheme		6	
	Issue of shares pursuant to Employee Share Purchase Plan		10	
	Issue of shares pursuant to Deferred Share Plan		8	
	Year end balance	4,515	(20)	4,495
2023	Shares issued to non-executive directors	#		
	Share buyback		(16)	
	Issue of shares pursuant to Share Option Scheme		4	
	Issue of shares pursuant to Employee Share Purchase Plan		6	
	Issue of shares pursuant to Deferred Share Plan		5	
	Year end balance	4,515	(21)	4,494

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

Further Information on Board of Directors

Mr Andrew Lee (71)

Chairman, Non-Executive and Independent Director

Appointed as Director: 18 February 2022
Last Re-elected as a Director: 22 April 2022
Appointed as Chairman: 1 February 2023

Mr Lee is a veteran banker with more than 30 years of financial services experience in Standard Chartered Bank, OCBC Bank, Great Eastern Life Assurance and BCS Information Systems as its Executive Chairman.

Other Directorships and Principal Commitments/Appointments

- Bank of Singapore Ltd, Board Chairman
- Great Eastern Holdings Ltd*, Board Director
- Nordic Group Ltd*, Board Director
- OCBC Management Services Pte Ltd, Board Director

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years

- Lakeworks Ltd, Board Director
- OCBC Al-Amin Bank Berhad, Board Director

Academic and Professional Qualifications

- Bachelor of Arts, University of Singapore
- Bachelor of Social Science (Honours in Economics), University of Singapore
- Stanford Executive Programme, Stanford University Graduate School of Business

OCBC Board Committees Served On

Chairman, Risk Management Committee
Member, Board Sustainability Committee
Member, Ethics and Conduct Committee
Member, Executive Committee
Member, Nominating Committee
Member, Remuneration Committee

Length of Service as a Director

2 years 2 months

Country of Principal Residence

Singapore

Ms Chong Chuan Neo (61)

Non-Executive and Independent Director

Appointed as Director: 18 February 2022
Last Re-elected as a Director: 22 April 2022

Ms Chong spent over 29 years at Accenture where she held senior leadership roles covering various industries and countries in Asia Pacific. She was the Chairman and CEO of Accenture Greater China from 2015 to 2018 and a member of the Global Leadership Council. In the past four years, she has been actively involved in sustainability and innovation initiatives at a private equity portfolio company in China.

Other Directorships and Principal Commitments/Appointments

- iShine Cloud Ltd, Board Director
- Lion Global Investors Ltd, Board Director
- MODA Solutions (BCR Shanghai), Board Director
- OCBC Bank (Hong Kong) Ltd, Board Director
- Raffles Medical Group Ltd*, Board Director
- SIA Engineering Company Ltd*, Board Director
- Partners Group, Operating Director

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years

- Aimazing Pte Ltd, Board Director
- Boost Holdings Sdn Bhd, Board Director
- Graduate Investment Pte Ltd, Board Director
- vKirirom Pte Ltd, Board Director
- National Volunteer and Philanthropy Center, Adviser of Digital Task Force
- NUS Innovation & Enterprise, Executive Council Member

Academic and Professional Qualifications

- Bachelor of Science (Computer Science and Mathematics), National University of Singapore
- Management and Executive Programs in Business and Leadership, IMD Lausanne, Switzerland

OCBC Board Committees Served On

Chairman, Board Sustainability Committee
Member, Audit Committee
Member, Ethics and Conduct Committee

Length of Service as a Director

2 years 2 months

Country of Principal Residence

Singapore

Mr Chua Kim Chiu (69)

Non-Executive and Independent Director

Appointed as Director: 20 September 2017
Last Re-elected as a Director: 25 April 2023

Mr Chua is Professor (Practice) in Accounting, NUS Business School, National University of Singapore since 2016, after retiring as a partner from PricewaterhouseCoopers where he had a long and distinguished career of over 35 years.

Other Directorships and Principal Commitments/Appointments
- Department of Accounting, NUS Business School, National University of Singapore, Professor (Practice)
- MPACT Management Ltd (Manager of Mapletree Pan Asia Commercial Trust*), Board Director
- Institute of Valuers and Appraisers, Singapore – Singapore Intellectual Property Strategy 2030 (SIPS 2030) Task Force, Member
- National University Health System Pte Ltd, Audit and Risk Committee, Member

* *Listed real estate investment trust (REIT)*

Directorships and Principal Commitments/Appointments for the past 5 years
- Greenland (Singapore) Trust Management Pte. Ltd., Board Director
- Mapletree North Asia Commercial Trust Management Ltd, Board Director
- ACRA Financial Reporting Technical Advisory Panel, Member
- NUS Business School, Executive Education Advisory Board, Member

Academic and Professional Qualifications
- Bachelor of Commerce and Administration (Honours), Victoria University of Wellington, New Zealand
- Bachelor of Commerce, Nanyang Technological University (formerly Nanyang University), Singapore
- Fellow Chartered Accountant of Singapore
- Fellow of Chartered Accountants Australia and New Zealand
- Fellow Chartered Certified Accountant, United Kingdom

OCBC Board Committees Served On
Chairman, Audit Committee
Member, Risk Management Committee

Length of Service as a Director
6 years 7 months

Country of Principal Residence
Singapore

Dr Andrew Khoo (61)

Non-Executive and Independent Director

Appointed as Director: 8 March 2021
Last Re-elected as a Director: 29 April 2021

Dr Khoo spent 22 years in the Monetary Authority of Singapore holding several key positions. He retired as its Deputy Managing Director (Corporate Development).

Other Directorships and Principal Commitments/Appointments
- OCBC Bank (Hong Kong) Ltd, Board Chairman
- Bank of Ningbo Co., Ltd*, Board Director
- National Environment Agency, Board Member
- Stroke Support Station, Director

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years
- Competition and Consumer Commission of Singapore, Commissioner

Academic and Professional Qualifications
- Doctor of Philosophy, University of Melbourne
- Bachelor of Economics (Honours), Monash University
- Member, CPA Australia

OCBC Board Committees Served On
Chairman, Nominating Committee
Member, Executive Committee
Member, Remuneration Committee

Length of Service as a Director
3 years 1 month

Country of Principal Residence
Singapore

Dr Lee Tih Shih (60)

Non-Executive and Non-Independent Director

Appointed as Director: 4 April 2003
Last Re-elected as a Director: 25 April 2023

Dr Lee, an Associate Professor at the Duke-NUS Medical School Singapore, has held senior roles in OCBC Bank and the Monetary Authority of Singapore.

Other Directorships and Principal Commitments/Appointments
- Duke-NUS Medical School (Singapore), Associate Professor
- Lee Foundation, Singapore, Board Director
- Selat (Pte) Ltd, Board Director
- Singapore Investments (Pte) Ltd, Board Director

Directorships and Principal Commitments/Appointments for the past 5 years
- Neuropsychiatry Associates Pte. Ltd., Board Director

Academic and Professional Qualifications
- MBA with Distinction, Imperial College, London
- MD and PhD, Yale University, New Haven
- Fellow, Royal College of Physicians of Edinburgh

OCBC Board Committee Served On
Chairman, Executive Committee

Length of Service as a Director
21 years

Country of Principal Residence
Singapore

Ms Christina Ong (72)

Non-Executive and Independent Director

Appointed as Director: 15 February 2016
Last Re-elected as a Director: 22 April 2022

Ms Ong is presently the Chairman and Senior Partner of Allen & Gledhill LLP as well as the Co-Head of its Financial Services Department. She is a lawyer and has been in Allen & Gledhill since 1987. She provides corporate and corporate regulatory and compliance advice, particularly to listed companies. Her areas of practice include banking, securities offerings, securities regulations, investment funds, capital markets, and corporate finance.

Other Directorships and Principal Commitments/Appointments
- Allen & Gledhill LLP, Chairman and Senior Partner
- Allen & Gledhill Regulatory & Compliance Pte Ltd, Board Director
- Eastern Development Pte Ltd, Board Director
- Eastern Development Holdings Pte Ltd, Board Director
- Epimetheus Ltd, Board Director
- Hongkong Land Holdings Ltd*, Board Director
- OCBC Management Services Pte Ltd, Board Director
- Singapore Telecommunications Ltd*, Board Director
- Philanthropy Asia Alliance Ltd, Board Director
- ABF Singapore Bond Index Fund, Supervisory Committee, Chairman
- Civil Aviation Authority of Singapore, Member
- MAS Corporate Governance Advisory Committee, Member
- SGX Catalist Advisory Panel, Member
- The Stephen A Schwarzman Scholars Trust, Trustee

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years
- SIA Engineering Company Ltd, Board Director
- Trailblazer Foundation Ltd, Board Director

Academic and Professional Qualifications
- Bachelor of Laws (Second Upper Class Honours), University of Singapore
- Member, Law Society of Singapore
- Member, International Bar Association

OCBC Board Committees Served On
Chairman, Ethics and Conduct Committee
Chairman, Remuneration Committee
Member, Nominating Committee

Length of Service as a Director
8 years 2 months

Country of Principal Residence
Singapore

Mr Seck Wai Kwong (68)

Non-Executive and Independent Director

Appointed as Director: 4 September 2023

Mr Seck retired as the CEO of Eastspring Investments Group, the Asian investment management arm of Prudential plc in August 2023. Prior to Eastspring, he was CEO, Asia-Pacific of State Street Bank and Trust Company from 2011 to 2019 and has held senior positions in the Singapore Exchange, Monetary Authority of Singapore, GIC, Lehman Brothers and DBS Bank. Mr Seck was conferred the Public Service Medal in 2017 and the Public Service Star in 2023. He was appointed as a member of the Public Service Commission in February 2024.

Other Directorships and Principal Commitments/Appointments
- Public Service Commission, Member
- GIC Private Limited, Board Director
- International Alliance for Christian Education, USA, Board of Reference, Member
- Ministry of Home Affairs, Uniformed Services INVEST Fund Board of Trustees, Home Affairs Uniformed Services Invest (HUS) Fund, Investment Committee, Trustee and Chairman
- Singapore Baptist Theological Seminary, Board Member
- The Hong Kong University of Science and Technology School of Business and Management (HKUST Business School), Advisory Board, Member
- Wealth Management Institute, Future Leaders Council, Chairman

Directorships and Principal Commitments/Appointments for the past 5 years
- Eastspring Investments (Singapore) Limited, Board Chairman
- Eastspring Investments Group Pte. Ltd., Board Director
- Eastspring Investments Limited, Board Director
- Eastspring Investments (Luxembourg) S.A., Board Chairman
- Eastspring Investment Management (Shanghai) Company Limited, Board Director
- Eastspring Overseas Investment Fund Management (Shanghai) Company Limited, Board Director
- BOCI-Prudential Asset Management Limited, Board Director
- CITIC-Prudential Fund Management Company Limited, Deputy Chairman
- ICICI Prudential Asset Management Company Limited, Board Director
- Prudential Corporation Asia Limited, Board Director
- Second Timothy One Twelve Co Ltd, Board Director
- State Street Technology (Zhejiang) Co Ltd, Board Director
- TMB Asset Management Company Limited, Thailand, Board Director
- Gordon College, Wenham, Adjunct Professor
- Gordon College, Wenham, Global Advisory Board, Member
- Monash University, Vice Chancellor Professorial Fellow
- Monash University, Philanthropic Campaign Council, Member
- Monetary Authority of Singapore, Financial Center Advisory Panel, Member
- Singapore International School, Hong Kong, Governor
- Singapore International School, Hong Kong, Finance Committee, Member
- The Chinese University of Hong Kong, Advisory Committee, Quantitative Finance Programme, Member
- Trinity International University, Deerfield, Illinois, Investment and Advancement Committee, Chairman
- Trinity International University, Deerfield, Illinois, Board of Regents, Member
- National University of Singapore Business School, Adjunct Professor
- The Hong Kong University of Science and Technology School of Business and Management (HKUST Business School), Adjunct Professor

Academic and Professional Qualifications
- Master of Business Administration (with Distinction), Wharton School, University of Pennsylvania
- Bachelor of Economics (First Class Honours), Monash University, Australia

OCBC Board Committees Served On

Member, Audit Committee

Member, Risk Management Committee

Length of Service as a Director

7 months

Country of Principal Residence

Singapore

Mr Pramukti Surjaudaja (61)

Non-Executive and Non-Independent Director

Appointed as Director: 1 June 2005
Last Re-elected as a Director: 29 April 2021

Mr Pramukti has held key positions at OCBC Indonesia, for 36 years, including President Director, and is presently its Board President Commissioner.

Other Directorships and Principal Commitments/Appointments

- PT Bank OCBC NISP Tbk*, Board President Commissioner
- IOA Association, Board of Supervisors, Deputy Chairman
- British School Jakarta, Circle of Trustees, Member
- Karya Salemba Empat Foundation, Board of Trustees, Member
- Parahyangan Catholic University, Board of Advisors, Member
- San Francisco State University, Lam Family College of Business, Dean's Development Council, Member

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years

- PT Biolaborindo Makmur Sejahtera, Commissioner
- INSEAD, Southeast Asia Council, Member

Academic and Professional Qualifications

- Master of Business Administration (Banking), Golden Gate University, San Francisco
- Bachelor of Science (Finance & Banking), San Francisco State University
- Participant in Special Programs in International Relations, International University of Japan

OCBC Board Committees Served On

Member, Nominating Committee
Member, Remuneration Committee

Length of Service as a Director

18 years 10 months

Country of Principal Residence

Indonesia

Ms Tan Yen Yen (58)

Non-Executive and Independent Director

Appointed as Director: 1 January 2020
Last Re-elected as a Director: 25 April 2023

Ms Tan is a highly regarded IT practitioner for many years with vast experiences from SAS Institute, Oracle Corporation, Hewlett-Packard Singapore and Vodafone Enterprise Singapore. She now focuses on non-executive roles on boards and corporate advisory roles.

Other Directorships and Principal Commitments/Appointments

- ams OSRAM AG*, Board Director
- Barry Callebaut AG*, Board Director
- EdgeConnex Inc, Board Director
- Jardine Cycle & Carriage Ltd*, Board Director
- The Y Journey Pte Ltd, Board Director
- Ministry of Culture, Community and Youth (High Performance Sports), SpexBusiness Network Advisory Board, Chairman

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years

- Cap Vista Pte Ltd, Board Director
- Galboss Asia Pte Ltd, Board Director
- Gemalto NV, Board Director
- InCorp Global Pte Ltd, Board Director
- Singapore Press Holdings Ltd, Board Director
- XY Maxwell Pte Ltd, Board Director
- Vodafone group of companies in Asia Pacific, Board Director
- Vodafone Enterprise Singapore Pte Ltd, President
- Singapore Science Centre, Chairman
- National University of Singapore (School of Computing), Board of Advisors, Member
- TNF Ventures Pte Ltd, Advisor Mentor

Academic and Professional Qualifications

- Executive MBA, Helsinki School of Economics Executive Education
- Bachelor of Science (Computer Science), National University of Singapore

OCBC Board Committees Served On

Member, Audit Committee
Member, Nominating Committee
Member, Risk Management Committee

Length of Service as a Director

4 years 3 months

Country of Principal Residence

Singapore

Ms Helen Wong (62)

Group Chief Executive Officer,
Executive and Non-Independent Director

Appointed as Director: 7 February 2023
Last Re-elected as a Director: 25 April 2023
Appointed as Group Chief Executive Officer: 15 April 2021

Ms Wong has over 40 years of banking experience with deep knowledge of Greater China. She spent 27 years at HSBC where her last held role was the Chief Executive for Greater China.

Other Directorships and Principal Commitments/Appointments

- OCBC Bank Ltd (OCBC China), Board Chairman
- Bank of Singapore Ltd, Board Director
- Dr Goh Keng Swee Scholarship Fund, Board Director
- Enterprise Singapore, Board Director
- Great Eastern Holdings Ltd*, Board Director
- OCBC Bank (Malaysia) Berhad, Board Director
- OCBC Overseas Investments Pte Ltd, Board Director
- OCBC Bank (Hong Kong) Ltd, Board Director
- PT Bank OCBC NISP Tbk*, Board Commissioner
- Institute of Banking & Finance Singapore, Council Member
- The Association of Banks in Singapore, Council Member
- The Institute of International Finance (IIF), Board Member
- Advisory Board of the Asian Financial Leaders Programme, Member
- CNBC ESG Council, Member
- MAS Payments Council, Member
- MAS Financial Centre Advisory Panel (FCAP), Member
- MAS Financial Sector Tripartite Committee (FSTC), Member

* *Listed company*

Directorships and Principal Commitments/Appointments for the past 5 years

- HSBC Bank (Taiwan) Ltd, Chairman
- HSBC Global Asset Management (Hong Kong) Ltd, Chairman
- HSBC Bank (China) Company Ltd, Deputy Chairman
- HSBC Qianhai Securities Ltd, Vice Chairman
- Bank of Communications Company Ltd, Non-executive Director
- The Shanghai Committee of the Chinese People's Political Consultative Conference, Member

Academic and Professional Qualification

- Bachelor of Social Sciences, University of Hong Kong

OCBC Board Committees Served On

Member, Board Sustainability Committee
Member, Risk Management Committee

Length of Service as a Director

1 year 2 months

Country of Principal Residence

Singapore

Further Information on Management Committee

Ms Helen Wong

Group Chief Executive Officer

Ms Helen Wong was appointed Group Chief Executive Officer of OCBC on 15 April 2021 and Executive Director on 7 February 2023. She is also Chairman of OCBC China, a Board Commissioner of OCBC Indonesia and a Director of Bank of Singapore, Great Eastern Holdings, OCBC Malaysia, OCBC Hong Kong and the Dr Goh Keng Swee Scholarship Fund. Ms Wong is currently a council member of the Association of Banks in Singapore (ABS) and the Institute of Banking and Finance Singapore (IBF). She also serves as a Board member at Enterprise Singapore (ESG) and the Institute of International Finance, and as a member of the Monetary Authority of Singapore (MAS) Financial Centre Advisory Panel, MAS Payments Council and MAS Financial Sector Tripartite Committee.

Ms Wong joined OCBC on 3 February 2020 as Deputy President and Head of Global Wholesale Banking. She has 40 years of banking experience, having started out as a Management Trainee in OCBC and was its first China Desk Manager, based at the Hong Kong Branch. She has vast experience in Greater China, covering a wide range of roles in capital markets, syndicated finance and corporate banking. Before returning to OCBC, Ms Wong spent 27 years at HSBC, where her last role was as its Chief Executive for Greater China, which she was appointed to in 2015. She became the President and CEO of HSBC China based in Shanghai in 2010, and was promoted to be Group General Manager in 2011 to recognise her responsibility for the business operations and strategic expansion in China. She also held non-executive directorships at Baoshan Iron & Steel from 2012 to 2015, and at Bank of Communications from 2016 to 2019. Ms Wong holds a Bachelor of Social Sciences from the University of Hong Kong.

Ms Goh Chin Yee

Group Chief Financial Officer

Ms Goh Chin Yee was appointed Group Chief Financial Officer in November 2022, with global responsibility over financial, regulatory and management accounting, treasury financial control and advisory, corporate planning and development, corporate treasury, capital management and investor relations.

Prior to this appointment, Ms Goh was the Head of Group Audit since March 2013, overseeing the full spectrum of internal audit activities in OCBC Group. She has also worked in diverse functions in the Group, covering strategic management, investment research, fund management, finance, risk management and treasury business management.

Ms Goh graduated with First Class Honours in Bachelor of Engineering from the National University of Singapore and holds the professional qualifications of Chartered Financial Analyst, Certification in Risk Management Assurance and Certified Internal Auditor.

Mr Noel Gerald DCruz

Group Chief Risk Officer

Mr Noel Gerald DCruz was appointed Group Chief Risk Officer (GCRO) on 1 January 2023. As GCRO, he has overall responsibility for the management of risk, including Credit, Market, Liquidity, Operational, and Environmental Social Governance (ESG) for OCBC's businesses in Singapore, Malaysia and other overseas markets. In addition, he was concurrently appointed as Group Chief Information Security Officer responsible for Cyber & Information Security. He reports jointly to both Group CEO and the Board Risk Committee of OCBC.

Mr DCruz joined the Bank in 1989 after a stint in the Monetary Authority of Singapore and rose through the ranks to head both the Group Risk Portfolio Management department as well as the Group Data Management Office. He has been closely involved in the re-organisation and reinforcement of the Bank's credit risk management function with dedicated policy, underwriting, analytics, remediation and data units, and the establishment of the Credit Risk Management Committee.

Mr DCruz led the OCBC Group Basel programme to develop internal ratings based approaches for credit management and capital adequacy assessments and later the modelling approaches for Expected Credit Loss portfolio allowances. In 2017, he also established the Group Data Management Office to drive implementation of a Group-wide data governance and management framework.

Mr DCruz holds a degree in Economics from the London School of Economics and Political Science.

Mr Lim Khiang Tong

Group Chief Operating Officer

Mr Lim Khiang Tong was appointed Group Chief Operating Officer (GCOO) in June 2021. As GCOO, he develops and drives transformation efforts in modernising the Bank's technology architecture, streamlining processes and instituting a data-driven and customer-centric culture across OCBC Group. He has oversight over operations and technology, technology architecture, operational excellence, customer experience, data and analytics, transformation and property management functions. Mr Lim joined the Bank's IT Management team in 2000 and was appointed Head of IT Management in January 2002. He was promoted to Group Managing Director and Head of Group Information Technology in December 2007. In May 2010, he assumed the role of Head of Group Operations and Technology. Mr Lim has over 30 years of management experience in strategic technology development, information technology, process-reengineering, project management and banking operations.

In 2020, Mr Lim was named Digital Transformation Leader in Singapore by the International Data Corporation, a global market intelligence firm in information technology, in recognition of his role in accelerating the Bank's digital transformation efforts. Currently, Mr Lim is a member of IBM Services Client Advisory Board (Asia Pacific), Huawei Financial Industry Advisory

Board, Ministry of Finance – The Info-comm Technology Projects Advisory Panel and Asian Institute of Digital Finance Steering Committee (NUS). He holds a Bachelor of Science in Computer Science and Economics from the National University of Singapore and is an IBF Distinguished Fellow (Technology).

Mr Kenneth Lai

Global Markets

Mr Kenneth Lai was appointed Head of Global Markets in October 2020. He has global responsibility for OCBC's financial market businesses and asset liability management in Singapore, Malaysia, Indonesia, Hong Kong, China and seven other overseas centres.

Mr Lai joined OCBC in February 2012 as Head of Global Markets International. Since 2015, he has also been responsible for the Bank's Asset and Liability Management (ALM) globally. He was appointed Group Managing Director in May 2019. Mr Lai has over 34 years of experience in different functions across trading, sales and asset liability management and across different countries in Asia. Currently, he serves on the Boards of OCBC Securities, Clearing and Payment Services Pte Ltd (CAPS) and Asia Securities Industry and Financial Markets Association (ASIFMA). Mr Lai also serves on Great Eastern Group's Asset/Liability Committee and Investment Committee. He is a member of the Singapore Foreign Exchange Market Committee (SFEMC), Chairman of the SFEMC Manpower Development Sub-Committee, member of the Institute of Banking and Finance Singapore (IBF) Standards Committee, Chairman of the IBF's Capital and Financial Markets Workgroup, Chairman of IBF Financial Markets Regulations & Practices Examination Board, and member of the ABS Standing Committee on Financial Market and Benchmark Co Oversight Committee.

Before joining OCBC, he was the Head of Financial Markets at Ta Chong Bank in Taiwan and has held several key appointments with ABN AMRO Bank. He started his career at Bankers Trust Company. Mr Lai holds a Bachelor of Science in Finance and is an IBF Fellow.

Mr Tan Teck Long

Global Wholesale Banking

Mr Tan Teck Long was appointed Group Managing Director and Head of Global Wholesale Banking on 15 March 2022. As the Head of Global Wholesale Banking, he has global responsibility for all banking relationships with small and medium-sized enterprises, large corporates and financial institutions, global transaction banking as well as the investment banking business.

Mr Tan has more than 30 years of banking experience overseeing Corporate Banking, Investment Banking and Risk Management. He joined OCBC from DBS Bank, where his last appointment was Group Chief Risk Officer. During his tenure at DBS Bank, he had served in a number of senior roles including Group Head of DBS' corporate banking business, Head of Institutional Banking Group (China), Group Head of Special Assets Management and Group Head of Corporate Real Estate Strategy and Administration. Mr Tan is a Chartered Financial Analyst charter holder and a Fellow Chartered Accountant of Singapore. He holds a Master of Business Administration from the University of Manchester and a Bachelor of Accountancy with First Class Honours from the National University of Singapore.

Mr Sunny Quek

Global Consumer Financial Services

Mr Sunny Quek was appointed Head of Global Consumer Financial Services in October 2022 and has been the Head of Consumer Financial Services Singapore since November 2019. He joined OCBC in December 2012 as Head of Branch and Premier Banking. In the six years, Mr Quek was responsible for formulating and executing the sales and distribution strategy for the consumer banking branch network in Singapore, and supporting the OCBC Premier Banking network in the region. He made significant contributions to the transformation and growth of the retail banking business and led the OCBC Premier Banking business to become a leader in the affluent segment space. In 2018, he spearheaded the transformation of the OCBC Premier Private Client segment to launch an Accredited Investor (AI) platform that offers bespoke wealth solutions to high net worth individuals in Singapore and the region. Mr Quek started his banking career at Tokai Bank in 1997 before joining Citibank Singapore in 2000. He has more than 26 years of experience spanning branch management, treasury sales and trading. Mr Quek currently serves as a board member of OCBC Securities Private Limited and Network for Electronic Transfers (Singapore). He graduated with a Bachelor of Science in Economics from the National University of Singapore.

Mr Wang Ke

Greater China
CEO Hong Kong

Mr Wang Ke was appointed Head of Greater China on 1 November 2023 and CEO of OCBC Hong Kong on 15 December 2023. He joined OCBC as Chief Information Officer and Head of IT in China in 2012 and assumed the expanded role as Head of Operations and Technology afterwards.

Prior to his current role, Mr Wang was the CEO of OCBC Wing Hang China (now known as OCBC China) since December 2019. He has also served as Regional General Manager of the Pearl River Delta region and was appointed as the Deputy President of OCBC Wing Hang Bank China in March 2015. Mr Wang is conversant with foreign companies' business models in China and has intimate knowledge of the local market and regulations. As an indispensable member of the Bank's top management, he participated in the strategy formulation, led the implementation of many strategic projects and achieved fruitful results. He has over 20 years of international banking working experience spanning a wide spectrum of fields in China, the United States and Singapore.

Before joining OCBC, Mr Wang held several senior positions in JPMorgan Chase & Co., McKinsey & Company and United Overseas Bank (China) Limited, where he oversaw the operations, technology and risk management and accumulated rich and comprehensive experience in the international financial business management and people engagement. Mr Wang holds a Master of Business Administration degree from Kellogg School of Management at Northwestern University and a bachelor's degree in Computer Science from Peking University.

Mr Tan Chor Sen

CEO Malaysia

Mr Tan Chor Sen was appointed CEO of OCBC Malaysia on 1 January 2023.

His banking experience began in commercial banking with postings in consumer banking and later several positions in corporate and offshore banking.

Mr Tan joined OCBC in Singapore in 2005 as Head of Emerging Business and led the formation of the unit. During this time, he redefined the Bank's coverage of small businesses, positioning OCBC as a leading SME bank in Singapore. He was instrumental in expanding the SME business regionally in Malaysia, Indonesia and Hong Kong, introducing new business models, digital solutions and service innovations for SMEs.

In 2012, Mr Tan was appointed Head of International, Global Commercial Banking. In addition to overseeing the growth of the emerging business segment in OCBC's core markets, he was also responsible for developing cross-border capabilities and business within the region. In the decade under his leadership, he progressively led the Bank's strategic thrust in capturing the cross-border trade and investment flows within ASEAN countries and with Greater China.

He holds a Bachelor of Business Administration from the National University of Singapore and is an IBF Fellow (Corporate Banking). He is a Council Member of the Association of Banks in Malaysia and the Asian Institute of Chartered Bankers.

Ms Parwati Surjaudaja

CEO Indonesia

Ms Parwati Surjaudaja was appointed as President Director and CEO of OCBC Indonesia (previously Bank OCBC NISP) in December 2008 and was last re-elected as President Director in 2020. Prior to this appointment, she joined Bank NISP as a Director in 1990 and served as a Deputy President Director from 1997. Ms Surjaudaja, who has more than 30 years of experience in the banking industry, has led OCBC Indonesia to be among the 10 biggest banks in Indonesia with the highest credit rating.

She is a pioneer in ESG initiatives in the region through the deployment of green and gender financing. For her strong commitment, she was elected as one of G20 EMPOWER Advocates for gender equality, and spoke in various international forums such as the World Bank Annual Meeting on Gender Equality, Washington DC and Bloomberg Sustainability Business Summit, London. She was named Fortune Indonesia's Businessperson of the Year in 2021.

Under her leadership, OCBC Indonesia has received prestigious awards including the Bank of the Year Country Award for six consecutive years since 2018 from The Banker, London, Honourable Mention by the UN Women-WEPs Awards 2020 on the Gender Inclusive Workplace and Gender-Responsive Marketplace in 2021, and Top 5 Workplace – Linkedin Top Companies Indonesia in 2022.

Ms Surjaudaja had previous corporate experience with SGV Utomo-Arthur Andersen and holds a Master of Business Administration (Accounting) and a Bachelor of Science Cum Laude (Accounting and Finance) from San Francisco State University.

Mr Ang Eng Siong

CEO China

Mr Ang Eng Siong was appointed CEO of OCBC Wing Hang China (now known as OCBC China) on 1 November 2023. Prior to this appointment, he was the Deputy President and Head of Corporate Banking of OCBC Wing Hang China. In February 2024, Mr Ang was approved to expand his role as the Director of OCBC China.

Mr Ang joined OCBC in July 2009 as a Management Associate. He has more than 17 years of banking experience in Corporate Banking, Risk Management and Corporate Treasury, including his role as an Economist at the Monetary Authority of Singapore prior to joining OCBC.

Since joining OCBC, Mr Ang has had exposure to different functions of the Bank. He began his career in the Bank in the Market Risk and Asset Liability Management function, covering liquidity risk management. He was the Executive Assistant to the Group Chairman, where he gained first-hand exposure to senior level decision making. Mr Ang helped to set up the Bank's Corporate Treasury function and covered balance sheet management before moving to OCBC Wing Hang China in 2015 where he was responsible for Network Customers in Corporate Banking and headed up the Risk Management function as the Chief Risk Officer before assuming the role of Head of Corporate Banking.

Mr Ang graduated with First Class Honours in Bachelor of Social Sciences (Economics) from the National University of Singapore and holds the professional qualifications of Chartered Financial Analyst, amongst others. He also holds a Master of Science (Financial Engineering) from Nanyang Technological University.

Mr Jason Moo

CEO Bank of Singapore

Mr Jason Moo was appointed CEO of Bank of Singapore in March 2023. He joined Bank of Singapore from Julius Baer, where he was Head Private Banking Southeast Asia and Branch Manager Singapore.

Prior to joining Julius Baer in 2020, Mr Moo worked at Goldman Sachs for more than two decades and has held several senior roles, including CEO of Goldman Sachs Singapore and Head of Southeast Asia and Australia for Private Wealth Management (PWM). Before relocating back to Singapore, he was based in Hong Kong as Head of Market Solutions Group and Head of Alternative Capital Markets Asia Pacific. Prior to that, he worked in the Equities Merchandising Group in New York. He joined Goldman Sachs as a financial analyst in PWM in Singapore upon graduation.

Mr Moo earned a BA in Economics and East Asia Studies, with a focus on Japan, from Brown University, USA. He serves on the Board of Governors of Raffles Institution.

Mr Linus Goh

Global Commercial Banking

Mr Linus Goh was appointed Head of Global Commercial Banking in April 2012. He presently has global responsibility for OCBC's commercial and institutional banking businesses, serving start-ups, SMEs, mid-cap corporates and financial institutions globally. He joined OCBC in April 2004 as Group Managing Director and Head of International, and in August 2008, assumed responsibility for Global Enterprise Banking and Financial Institutions. Mr Goh has over 30 years of banking experience, including 17 years at Citibank, N.A. Singapore, where he held several senior management positions overseeing corporate banking, financial institutions, e-business and transaction banking.

Mr Goh is a member of the Pro-Enterprise Panel under the Ministry of Trade and Industry, and actively supports the development of start-ups and SMEs in Singapore having served in Seeds Capital Private Limited and the SME Committee of the Singapore Business Federation. Mr Goh holds a Bachelor of Arts (Philosophy) with Honours from the National University of Singapore and is an IBF Distinguished Fellow.

Ms Elaine Lam

Global Corporate Banking

Ms Elaine Lam was appointed Group Managing Director and Head of Global Corporate Banking in April 2016. She has global responsibility for OCBC's corporate banking business which spans industry groups including real estate, infrastructure, energy, utilities, transportation, technology, conglomerates, industrials, the public sector, regional coverage groups and Greater China Business Office as well as OCBC's corporate banking business in the overseas branches and subsidiaries. She is also responsible for driving the Structured/Project Finance and Partnership & Innovation groups within Global Corporate Banking.

With more than 27 years of experience in corporate banking, Ms Lam is presently a member of the Institute of Banking and Finance Singapore (IBF) Sustainable Finance Workgroup and serves as Singapore's APEC Business Advisory Council (ABAC) member in championing Singapore's business interests at the ABAC.

She also served in the IBF Corporate Banking Workgroup, the Financial Industry Competency Standards' Corporate Banking Working Group, as well as in the steering committee of the Monetary Authority of Singapore's Finance Centre Advisory Panel Green Finance Taskforce. Ms Lam holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University and is an IBF Fellow (Corporate Banking).

Mr Gan Kok Kim

Global Investment Banking

Mr Gan Kok Kim was appointed Group Managing Director and Head of Global Investment Banking in February 2012. As the Head of Global Investment Banking, he oversees OCBC's loans syndication, debt capital markets, corporate finance, merger and acquisition and mezzanine/private equity investment businesses. Mr Gan joined OCBC in 2004 as the Head of Treasury at OCBC Malaysia. In February 2011, he was also appointed Head of International Treasury.

In August 2011, he was given the additional role of Head of Asset Liability Management in Singapore and gave up his Malaysian role. Mr Gan has more than 34 years of treasury and markets, investment banking, and management experience and has held various positions in a global bank. He holds a Bachelor of Science in Economics from the Massachusetts Institute of Technology.

Mr Melvyn Low

Global Transaction Banking

As Group Managing Director and Head of Global Transaction Banking, Mr Melvyn Low has responsibility for OCBC's transaction banking business serving SMEs, large corporations, financial institutions and government entities across the Bank's core markets of Singapore, Malaysia, China, Hong Kong and Indonesia.

He is an industry veteran with more than 30 years of experience and has held senior positions in cash management, trade, and securities services in regional and global banks. Mr Low also served as Director of the Singapore Clearing House Association from 2010 to 2013, where he was a key contributor to the launch of Fast and Secure Transfers, or FAST, platform. As the Chair of the PayNow Steering Committee of the Association of Banks in Singapore (ABS) from 2019 to 2021, he co-led Singapore banks in the launch of PromptPay-PayNow, the world's first cross-border faster payment system.

Mr Low is currently the Payment Co-Chair of the Digital Standing Commitee for ABS and the Corporate Banking Workgroup Chair for the Institute of Banking and Finance Singapore (IBF). He also serves as a board member of Network for Electronic Transfers (Singapore) and the Singapore Trade Data Exchange (SGTraDex). Mr Low is an IBF Distinguished Fellow and holds a Master of Business Administration from the University of British Columbia, Canada.

Ms Lee Hwee Boon

Group Human Resources

Ms Lee Hwee Boon was appointed Head of Group Human Resources in June 2022. As the Head of Group Human Resources, she is committed to driving people strategy in alignment with OCBC Group's overall objectives and to fostering a culture of learning and development, collaboration and employee engagement. She is also dedicated to shaping the Group's talent management strategies and ensuring OCBC remains a preferred employer in the banking industry.

Prior to this appointment, Ms Lee worked in diverse functions in OCBC Group covering strategy, risk management as well as corporate and commercial banking. She holds a Bachelor of Business with Honours from Nanyang Technological University and is an IBF Fellow.

Mr Praveen Raina

Group Operations and Technology

Mr Praveen Raina was appointed Head of Group Operations and Technology in June 2021. He has more than 20 years of experience and was instrumental in driving the development of bank-wide technology solutions, leading the Bank's innovation and transformation efforts in the technology sphere.

Mr Raina joined OCBC in August 2008 and has held various senior management positions in Group Operations and Technology. He was appointed Group Managing Director in May 2019 and assumed the role of Global Head of Operations and Technology at OCBC's private banking subsidiary, Bank of Singapore, in December the same year. Mr Raina has a Master of Business Administration from the University of Windsor and a Bachelor of Applied Science in Computer Science from the Memorial University of Newfoundland.

Ms Loretta Yuen

Group Legal and Compliance

Ms Loretta Yuen was appointed General Counsel and Head of Group Legal and Compliance in September 2010 and Group Managing Director in June 2015. She oversees the full spectrum of legal and regulatory risks, including anti-money laundering, across OCBC Group, and provides advice on regulatory risks and legal issues involved in decisions to management, so that management can make informed strategic choices within an acceptable legal and regulatory risk profile.

Ms Yuen has over 20 years of legal and regulatory experience in banking and finance. She graduated with Second Class Honours in Law from the National University of Singapore and is an IBF Distinguished Fellow. In 2017, Ms Yuen was conferred the Outstanding Singapore Chief Legal Officer Award by the Singapore Corporate Counsel Association.

Mr Harry Lim

Group Audit

Mr Harry Lim was appointed Head of Group Audit in May 2023. He oversees the full spectrum of internal audit activities across OCBC Group. He reports directly to the Audit Committee and administratively to the Group CEO.

Mr Lim joined OCBC in May 2012 as Head of Internal Audit of OCBC China (based in Shanghai), where he oversaw the smooth integration of the audit teams in OCBC China and Wing Hang China in 2016. He was then appointed as Head of Greater China Audit in 2017 (based in Hong Kong), where he managed the Mainland China, Hong Kong and Macau audit teams, and expedited the full adoption of Group Audit's methodology and standards by the Hong Kong and Macau audit teams. Under his stewardship, he had restructured and transformed the audit teams to conduct more focused and risk-based audits, and leveraged data analytics to elevate the effectiveness and efficiency of audit activities.

Prior to joining OCBC, Mr Lim spent seven years in the Singapore and Hong Kong offices of JP Morgan Chase covering internal audit for various trading business units including commodities, equities and emerging markets. He also spent five years in Credit Suisse First Boston in a regional oversight and governance role and in market risk reporting and analysis. Mr Lim graduated with a Bachelor of Business Administration in Finance from the National University of Singapore and completed the Executive Development Programme at Northwestern University – Kellogg School of Management and INSEAD. He holds the professional qualifications of Chartered Financial Analyst and Certification in Risk Management Assurance.

Ms Koh Ching Ching

Group Brand and Communications

As the Head of Group Brand and Communications, Ms Koh Ching Ching oversees OCBC's branding and communications initiatives with the media, employees, customers, shareholders and the general public across its core markets. She has been heading the division since November 2004 and was appointed Group Managing Director in March 2012.

Prior to her current role, she led OCBC's franchise expansion efforts in trade finance in Malaysia. Ms Koh has 16 years of corporate and retail banking experience, having held various senior customer and product positions in local and foreign financial institutions. She graduated with First Class Honours in Business Administration from the National University of Singapore.

International Network

Southeast Asia

Singapore

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Great Eastern Holdings Limited

The Great Eastern Life Assurance Company Limited

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Malaysia

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31 branches in Malaysia.

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Tel: 1300 88 0255 (Corporate)

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7 branches in Malaysia.

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21 branch offices in Malaysia.

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Vietnam

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Unit 708-709, Level 7
Saigon Tower
29 Le Duan Street
Ben Nghe Ward, District 1
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Vietnam
Tel: (84) 28 3823 2627
Fax: (84) 28 3823 2611

East Asia

Japan

OCBC Bank Limited
Tokyo Branch
Sanno Park Tower
5th Floor 11-1
Nagata-cho 2 chome
Chiyoda-ku
Tokyo 100-6105
Japan
Tel: (81) 3 5510 7660
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South Korea

OCBC Bank Limited
Seoul Branch
25th Floor
Seoul Finance Center
(Taepyung-ro 1-ka)
136 Sejong-daero
Jung-gu
Seoul 04520
Republic of Korea
Tel: (82) 2 2021 3900
Fax: (82) 2 2021 3908

Greater China

China

OCBC Bank Limited
Head Office
OCBC Centre
No. 1155 Yuanshen Road
Pudong New District
Shanghai 200135
People's Republic of China
Tel: (86) 21 5820 0200
www.ocbc.com.cn

16 branches and sub-branches, including its head office, across 14 cities in Mainland China covering Shanghai, Suzhou, Shaoxing, Shenzhen, Guangzhou, Foshan, Xiamen, Zhuhai, Chongqing, Chengdu, Wuhan, Beijing, Tianjin and Qingdao as at end December 2023.

The Great Eastern Life Assurance Company Limited
(Beijing Representative Office)
Room 901
China Garments Mansion
No. 99 Jianguo Rd
Beijing 100020
People's Republic of China
Tel: (86) 10 6581 5501
Fax: (86) 10 6583 8727

Bank of Ningbo Co., Ltd
Head Office
No. 345, Ning Dong Road
Ningbo Zhejiang 315042
People's Republic of China
Tel: (86) 574 8705 0028
Fax: (86) 574 8705 0027
www.nbcb.com.cn

Bank of Ningbo is OCBC's strategic partner in China.

489 branches, sub-branches and offices across 17 cities in Mainland China covering Ningbo, Shanghai, Hangzhou, Nanjing, Shenzhen, Suzhou, Wenzhou, Beijing, Wuxi, Jinhua, Shaoxing, Taizhou, Jiaxing, Lishui, Huzhou, Quzhou and Zhoushan as at end December 2023.

Hong Kong SAR

Bank of Singapore Limited
Hong Kong Branch
1 Harbour View Street
34th Floor
One International Finance Centre
Central
Hong Kong SAR
Tel: (852) 2846 3980

OCBC Bank (Hong Kong) Limited
Head Office
161 Queen's Road Central
Hong Kong SAR
Tel: (852) 2852 5111
Fax: (852) 2851 7127
www.ocbc.com.hk

28 branches in Hong Kong SAR.

OCBC Credit (Hong Kong) Limited
Head Office
14/F Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong SAR
Tel: (852) 2201 7712
Fax: (852) 2191 5144
www.ocbccr.com.hk

9 offices in Hong Kong SAR.

Macau SAR

OCBC Bank (Macau) Limited
Head Office
241 Avenida de Almeida Ribeiro
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Tel: (853) 2833 5678
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www.ocbc.com.mo

11 branches in Macau SAR.

Taiwan

OCBC Bank Limited
Taipei Branch
41 Floor, No. 68, Sec. 5
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Taipei City 11065
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North America

United States of America

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Fax: (1) 213 624 1386

OCBC Bank Limited
New York Agency
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NY 10019
United States of America
Tel: (1) 212 586 6222
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Oceania

Australia

OCBC Bank Limited
Sydney Branch
Level 2
75 Castlereagh Street
Sydney NSW 2000
Australia
Tel: (61) 2 9235 2022

Europe

United Kingdom

OCBC Bank Limited
London Branch
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62 Queen Street
London EC4R 1EB
United Kingdom
Tel: (44) 20 7653 0900

Bank of Singapore is the trading name of Oversea-Chinese Banking Corporation Limited's private banking business in London.

BOS Wealth Management Europe S.A.
UK Branch
The Rex Building, 3rd Floor
62 Queen Street
London EC4R 1EB
United Kingdom
Tel: (44) 20 7029 5850

Luxembourg

BOS Wealth Management Europe S.A.
33, Rue Sainte Zithe
L-2763 Luxembourg
Tel: (352) 28 57 32 2000

BOS Wealth Management Europe is a wholly owned subsidiary of Bank of Singapore, dedicated to providing wealth management services to European clients.

Middle East

United Arab Emirates

Bank of Singapore Limited
Dubai International Financial Centre Branch
Office 30-34, Level 28
Central Park Towers
Dubai International Financial Centre
P.O. Box 4296
Dubai U.A.E
Tel: (971) 4427 7100

Regulated by the Dubai Financial Services Authority.

Financial Calendar

February	
28 February 2024	Announcement of full year results for 2023

April	
30 April 2024	Annual General Meeting

May	
May 2024	Announcement of first quarter results for 2024
On or about 21 May 2024*	Payment of 2023 final dividend on ordinary shares (subject to shareholders' approval at Annual General Meeting)

August	
August 2024	Announcement of first half results for 2024
August 2024*	Payment of 2024 interim dividend on ordinary shares (subject to approval by the Board)

November	
November 2024	Announcement of third quarter results for 2024

* *The dividend payment dates are indicative and subject to change. Please refer to OCBC website, www.ocbc.com for latest updates.*

Notice of Annual General Meeting

Oversea-Chinese Banking Corporation Limited
(Incorporated in Singapore)
Company Registration Number: 193200032W

Notice is hereby given that the Eighty-Seventh Annual General Meeting of Oversea-Chinese Banking Corporation Limited (the **Bank**) will be held at Sands Expo & Convention Centre, Level 4, Roselle and Simpor Ballrooms, 10 Bayfront Avenue, Singapore 018956, on Tuesday, 30 April 2024 at 2.00 p.m. to transact the following business:

As Routine Business

1 To receive and consider the Directors' statement and audited financial statements for the financial year ended 31 December 2023 and the report of the Auditor thereon.

2 To re-elect the following Directors retiring by rotation:

(a) Mr Andrew Lee Kok Keng

(b) Dr Andrew Khoo Cheng Hoe

(c) Mr Pramukti Surjaudaja

3 To re-elect Mr Seck Wai Kwong, a Director retiring under Article 104 of the Bank's Constitution.

4 To approve a final one-tier tax exempt dividend of 42 cents per ordinary share, in respect of the financial year ended 31 December 2023.

5 To approve the remuneration of the non-executive Directors of the Bank for the financial year ended 31 December 2023 comprising the following:

(a) Directors' remuneration of $4,062,964 (2022: $4,325,913).

(b) 6,000 ordinary shares of the Bank for each non-executive Director of the Bank who has served for the entire financial year ended 31 December 2023 (2022: 6,000 ordinary shares), pro-rated for each non-executive Director of the Bank who has served for less than the entire financial year ended 31 December 2023, based on the length of his/her service during that financial year, and for this purpose to pass the following Resolution with or without amendments as an Ordinary Resolution:

That:

(i) pursuant to Article 143 of the Constitution of the Bank, the Directors of the Bank be and are hereby authorised to allot and issue an aggregate of 51,008 ordinary shares of the Bank (the **Remuneration Shares**) as bonus shares for which no consideration is payable, to The Central Depository (Pte) Limited for the account of:

(1) Mr Andrew Lee Kok Keng (or for the account of such depository agent as he may direct) in respect of 6,000 Remuneration Shares;

(2) Mr Ooi Sang Kuang (or for the account of such depository agent as he may direct) in respect of 510 Remuneration Shares;

(3) Ms Chong Chuan Neo (or for the account of such depository agent as she may direct) in respect of 6,000 Remuneration Shares;

(4) Mr Chua Kim Chiu (or for the account of such depository agent as he may direct) in respect of 6,000 Remuneration Shares;

(5) Dr Andrew Khoo Cheng Hoe (or for the account of such depository agent as he may direct) in respect of 6,000 Remuneration Shares;

(6) Mr Koh Beng Seng (or for the account of such depository agent as he may direct) in respect of 542 Remuneration Shares;

(7) Dr Lee Tih Shih (or for the account of such depository agent as he may direct) in respect of 6,000 Remuneration Shares;

(8) Ms Christina Hon Kwee Fong (Christina Ong) (or for the account of such depository agent as she may direct) in respect of 6,000 Remuneration Shares;

(9) Mr Seck Wai Kwong (or for the account of such depository agent as he may direct) in respect of 1,956 Remuneration Shares;

(10) Mr Pramukti Surjaudaja (or for the account of such depository agent as he may direct) in respect of 6,000 Remuneration Shares; and

(11) Ms Tan Yen Yen (or for the account of such depository agent as she may direct) in respect of 6,000 Remuneration Shares,

as payment in part of their respective non-executive Directors' remuneration for the financial year ended 31 December 2023, the Remuneration Shares to rank in all respects *pari passu* with the existing ordinary shares; and

(ii) any Director of the Bank or the Secretary be authorised to do all things necessary or desirable to give effect to the above.

6 To re-appoint PricewaterhouseCoopers LLP as Auditor of the Bank and to authorise the Directors to fix its remuneration.

As Special Business

To consider and, if thought fit, to pass the following Resolutions which will be proposed as Ordinary Resolutions:

7 That authority be and is hereby given to the Directors of the Bank to:

(I) (i) issue ordinary shares of the Bank (**ordinary shares**) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, **Instruments**) that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into ordinary shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(II) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue ordinary shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of ordinary shares to be issued pursuant to this Resolution (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below), of which the aggregate number of ordinary shares to be issued other than on a *pro rata* basis to shareholders of the Bank (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 10 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the Singapore Exchange Securities Trading Limited (the **SGX-ST**)) for the purpose of determining the aggregate number of ordinary shares that may be issued under paragraph (1) above, the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings shall be based on the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:

(a) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of ordinary shares,

and, in paragraph (1) above and this paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Bank shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Bank; and

(4) (unless revoked or varied by the Bank in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Bank or the date by which the next Annual General Meeting of the Bank is required by law to be held, whichever is the earlier.

8 That authority be and is hereby given to the Directors of the Bank to:

(I) allot and issue from time to time such number of ordinary shares of the Bank as may be required to be issued pursuant to the exercise of options under the OCBC Share Option Scheme 2001 (the **2001 Scheme**);

(II) grant rights to acquire ordinary shares in accordance with the provisions of the OCBC Employee Share Purchase Plan (the **ESPP**), and allot and issue from time to time such number of ordinary shares of the Bank as may be required to be issued pursuant to the exercise of rights to acquire ordinary shares under the ESPP; and/or

(III) grant awards in accordance with the provisions of the OCBC Deferred Share Plan 2021 (the **DSP 2021**), and allot and issue from time to time such number of fully paid ordinary shares of the Bank as may be required to be issued pursuant to the DSP 2021,

provided that the aggregate number of new ordinary shares to be issued pursuant to the 2001 Scheme, the ESPP and the DSP 2021 shall not exceed 5 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) from time to time.

9 That authority be and is hereby given to the Directors of the Bank to allot and issue from time to time such number of ordinary shares of the Bank as may be required to be allotted and issued pursuant to the Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme.

10 That:

(I) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the **Companies Act**), the exercise by the Directors of the Bank of all the powers of the Bank to purchase or otherwise acquire issued ordinary shares of the Bank (**Ordinary Shares**) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the **SGX-ST**) and/or any other stock exchange on which the Ordinary Shares may for the time being be listed and quoted (**Other Exchange**); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **Share Purchase Mandate**);

(II) unless varied or revoked by the Bank in General Meeting, the authority conferred on the Directors of the Bank pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Bank is held;

(ii) the date by which the next Annual General Meeting of the Bank is required by law to be held; and

(iii) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(III) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of an Ordinary Share for the five consecutive market days on which the Ordinary Shares are transacted on the SGX-ST or, as the case may be, Other Exchange immediately preceding the date of the market purchase by the Bank or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the market purchase by the Bank or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"**date of the making of the offer**" means the date on which the Bank announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of Ordinary Shares representing 5 per cent. of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105 per cent. of the Average Closing Price of the Ordinary Shares; and

(IV) the Directors of the Bank and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

Peter Yeoh
Secretary

Singapore
5 April 2024

Notes:

Format of Meeting

1. The Annual General Meeting will be held, in a wholly physical format, at Sands Expo & Convention Centre, Level 4, Roselle and Simpor Ballrooms, 10 Bayfront Avenue, Singapore 018956, on Tuesday, 30 April 2024 at 2.00 p.m.. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. **There will be no option for shareholders to participate virtually**.

   Printed copies of this Notice, the accompanying proxy form and the request form will be sent by post to members. These documents will also be published on the Bank's website at the URL https://www.ocbc.com/group/investors/annual-report-and-agm.page and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Presentation by Management

2. A presentation by Management on the Group's financial performance will commence at 1.00 p.m. and end at 1.45 p.m. on Tuesday, 30 April 2024, prior to the commencement of the Annual General Meeting.

Appointment of Proxy(ies)

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

4. A proxy need not be a member of the Bank. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

5. The instrument appointing a proxy(ies) must be submitted to the Bank in the following manner:

   (a) if submitted personally or by post, be lodged with the Bank's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Bank's Share Registrar at OCBCAGM2024@boardroomlimited.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.

6. CPF and SRS investors:

   (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2024.

Submission of Questions

7. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting:

   (a) via email to the Bank at OCBCAGM2024@ocbc.com; or

   (b) by post to the Bank at OCBC Bank, Group Secretariat, 65 Chulia Street, #08-00 OCBC Centre, Singapore 049513.

   When submitting questions via email or by post, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Bank (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions submitted in advance must be received by 5.00 p.m. on 18 April 2024.

8. The Bank will address all substantial and relevant questions received from shareholders by the 18 April 2024 deadline by publishing its responses to such questions on the Bank's website at the URL https://www.ocbc.com/group/investors/annual-report-and-agm.page and the SGX website at the URL https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Bank will respond to questions or follow-up questions received after the 18 April 2024 deadline either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Bank will consolidate such questions and consequently not all questions may be individually addressed.

9. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.

Access to Documents

10. The Annual Report for the financial year ended 31 December 2023 (the **2023 Annual Report**) and the Letter to Shareholders dated 5 April 2024 (in relation to the proposed renewal of the share purchase mandate) may be accessed at the Bank's website as follows:

    (a) the 2023 Annual Report may be accessed at the URL https://www.ocbc.com/group/investors/annual-report-and-agm.page by clicking on the links for "2023 Annual Report – English" or "2023 Annual Report – Chinese" (as appropriate); and

    (b) the Letter to Shareholders dated 5 April 2024 may be accessed at the URL https://www.ocbc.com/group/investors/annual-report-and-agm.page by clicking on the link for "Letter to shareholders dated 5 April 2024".

    The above documents may also be accessed at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

    A member who wishes to request for a printed copy of the 2023 Annual Report and the Letter to Shareholders dated 5 April 2024 may do so by completing and submitting the request form sent to them by post together with printed copies of this Notice and the accompanying proxy form, or otherwise made available on the Bank's website at the URL https://www.ocbc.com/group/investors/annual-report-and-agm.page and the SGX website at the URL https://www.sgx.com/securities/company-announcements, by 18 April 2024.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Bank (i) consents to the collection, use and disclosure of the member's personal data by the Bank (or its agents or service providers) for the purpose of the processing, administration and analysis by the Bank (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Bank (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Bank (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Bank (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Bank in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes on Routine and Special Business

Ordinary Resolutions 2(a), (b) and (c)

Resolutions 2(a), (b) and (c) are to re-elect Directors who are retiring by rotation.

For more information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the **SGX-ST**)), please refer to the "Board of Directors" section on pages 266, 267 and 270, the "Board Composition and Guidance" section in the Corporate Governance Report on pages 53 and 54, and the "Additional Information on Directors Seeking Re-Election" section on pages 68 to 71 of the 2023 Annual Report.

Ordinary Resolution 3

Resolution 3 is to re-elect a Director who is retiring under Article 104 of the Bank's Constitution.

For more information on this Director (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST), please refer to the "Board of Directors" section on page 269, the "Board Composition and Guidance" section in the Corporate Governance Report on pages 53 and 54, and the "Additional Information on Directors Seeking Re-Election" section on pages 68 to 71 of the 2023 Annual Report.

Ordinary Resolution 5(a)

Resolution 5(a) is to authorise the payment of $4,062,964 as Directors' remuneration to the non-executive Directors of the Bank for the financial year ended 31 December 2023 (**FY 2023**). This is lower than the amount of $4,325,913 paid for the financial year ended 31 December 2022 (**FY 2022**) mainly due to the smaller number of non-executive Directors in FY 2023 compared to FY 2022. The decrease was partially offset by the revision in the fee structure for the Chairman of the Board to reflect his increased responsibilities, increase in fees from more meetings held in FY 2023 compared to FY 2022, and the establishment of the new Board Sustainability Committee in FY 2023.

Details of the revised Directors' fee structure and the breakdown of the Directors' remuneration for FY 2023 can be found on pages 56 and 59 of the 2023 Annual Report.

Ordinary Resolution 5(b)

Resolution 5(b) is to authorise the Directors to issue ordinary shares of the Bank to the non-executive Directors as part of their remuneration for FY 2023.

A non-executive Director of the Bank will be eligible for an award of ordinary shares if he/she has served in FY 2023, with the number of ordinary shares to be issued to a non-executive Director of the Bank who has served for less than the entire FY 2023 to be pro-rated accordingly, based on the length of his/her service during FY 2023.

The non-executive Directors who are eligible for, and will receive, the award of ordinary shares as part of their remuneration for FY 2023 are Mr Andrew Lee Kok Keng, Mr Ooi Sang Kuang, Ms Chong Chuan Neo, Mr Chua Kim Chiu, Dr Andrew Khoo Cheng Hoe, Mr Koh Beng Seng, Dr Lee Tih Shih, Ms Christina Hon Kwee Fong (Christina Ong), Mr Seck Wai Kwong, Mr Pramukti Surjaudaja and Ms Tan Yen Yen.

It is proposed that, for FY 2023, 6,000 ordinary shares be issued to each non-executive Director named above (FY 2022: 6,000 ordinary shares), save that 1,956 ordinary shares are proposed to be issued to Mr Seck Wai Kwong (who was appointed as a non-executive Director of the Bank on 4 September 2023) and 510 and 542 ordinary shares are proposed to be issued to Mr Ooi Sang Kuang and Mr Koh Beng Seng (who stepped down as non-executive Directors of the Bank on 31 January 2023 and 3 February 2023 respectively). The proposed award of ordinary shares is in addition to the Directors' remuneration in cash to be proposed under Resolution 5(a).

The issue of ordinary shares under Resolution 5(b) will be made pursuant to Article 143 of the Constitution of the Bank by way of the issue of bonus shares for which no consideration is payable. Such ordinary shares will, upon issue, rank *pari passu* with the existing ordinary shares of the Bank. The SGX-ST has given in-principle approval for the listing and quotation of such new ordinary shares. Such approval is subject to (a) compliance with the SGX-ST's listing requirements and guidelines, and (b) shareholders' approval for the proposed allotment of such new ordinary shares in compliance with Listing Rule 804. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of such new ordinary shares, the Bank and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made in this explanatory note to Resolution 5(b).

The non-executive Directors who will each, subject to shareholders' approval, be awarded ordinary shares as part of their remuneration for FY 2023, will abstain from voting in respect of, and will procure their associates to abstain from voting in respect of, Resolution 5(b). The Bank will disregard any votes cast by such persons in respect of their shareholdings on Resolution 5(b).

Ordinary Resolution 7

Resolution 7 is to authorise the Directors from the date of the forthcoming Annual General Meeting until the next Annual General Meeting to issue ordinary shares of the Bank and/or to make or grant instruments (such as warrants or debentures) convertible into ordinary shares (**Instruments**), and to issue ordinary shares in pursuance of such Instruments, up to a number not exceeding 50 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings, with a sub-limit of 10 per cent. for issues other than on a *pro rata* basis to shareholders of the Bank.

For the purpose of determining the aggregate number of ordinary shares that may be issued, the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings shall be based on the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for (1) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed, and (2) any subsequent bonus issue, consolidation or subdivision of ordinary shares. For the avoidance of doubt, any consolidation or subdivision of ordinary shares of the Bank will require shareholders' approval. As at 8 March 2024 (the **Latest Practicable Date**), the Bank had 19,913,569 treasury shares and no subsidiary holdings.

The Directors will only issue ordinary shares and/or Instruments under this Resolution if they consider it necessary and in the interests of the Bank.

Ordinary Resolution 8

Resolution 8 is to authorise the Directors to (i) allot and issue ordinary shares in accordance with the provisions of the OCBC Share Option Scheme 2001 (the **2001 Scheme**), (ii) grant rights to acquire, and allot and issue, ordinary shares in accordance with the provisions of the OCBC Employee Share Purchase Plan (the **ESPP**), and/or (iii) grant awards, and allot and issue ordinary shares, in accordance with the provisions of the OCBC Deferred Share Plan 2021 (the **DSP 2021**). 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. The options which had previously been granted and accepted pursuant to the 2001 Scheme have fully vested.

Although (i) the Rules of the 2001 Scheme provide that the aggregate number of new ordinary shares which may be issued pursuant to the 2001 Scheme shall not exceed 10 per cent. of the total number of issued ordinary shares of the Bank from time to time, (ii) the Rules of the ESPP provide that the aggregate number of new ordinary shares which may be issued pursuant to the ESPP, when aggregated with the aggregate number of new ordinary shares which may be issued pursuant to the 2001 Scheme and the DSP 2021, shall not exceed 10 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings from time to time, and (iii) the Rules of the DSP 2021 provide that the aggregate number of new ordinary shares which may be issued pursuant to the DSP 2021, when aggregated with the aggregate number of new ordinary shares which may be issued pursuant to the 2001 Scheme and the ESPP, shall not exceed 10 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings from time to time, Resolution 8 provides for a lower limit of 5 per cent. of the total number of issued ordinary shares of the Bank excluding treasury shares and subsidiary holdings from time to time, as the Bank does not anticipate that it will require a higher limit before the next Annual General Meeting.

The 2001 Scheme and the DSP 2021 are performance-based equity compensation/incentive plans (as opposed to the ESPP, which is a savings-based share ownership plan to help employees own ordinary shares in the Bank via deductions from payroll and/or (where applicable) Central Provident Fund (CPF) funds). Options and awards granted under these performance-based plans will lapse immediately upon termination of employment or appointment, except in certain events such as ill health, injury or disability, retirement at or after the applicable retirement age, redundancy or other events approved by the Remuneration Committee (the **Committee**), in which case the Committee may allow all or any part of such options or awards to be preserved such that they can be exercisable or vest within the relevant exercise or vesting periods, or such periods as may be determined by the Committee. The 2001 Scheme and the DSP 2021 also contain provisions which allow for the cancellation and clawback of grants if it is determined, amongst other things, that they were made on the basis of materially inaccurate financial statements and/or that the grantee had engaged in conduct that resulted in financial loss, reputational harm, restatement of financial results or financial statements, adverse changes to the Bank's and/or the Group's risk profile or rating and/or is otherwise detrimental to the Bank and/or the Group and/or the business conducted by any member of the Group.

Currently, share awards under the DSP 2021 are granted annually to eligible executives who are paid variable performance bonuses exceeding $100,000 for the previous year. The intention is that these share awards will form 20 to 40 per cent. of such eligible executives' total variable performance bonus for the relevant year, with 50 per cent. vesting after two years and the remaining 50 per cent. vesting after three years, in accordance with the guidelines established under the DSP 2021. Given that the share awards are part of the variable performance bonuses already earned for the prior year (e.g., where the delivery of key performance indicator targets have already been completed), there are no further performance conditions imposed prior to the vesting of the share awards other than those described above and on pages 57 and 58 of the 2023 Annual Report relating to the conditions for cancellation and clawback of these share awards.

Ordinary Resolution 9

Resolution 9 is to authorise the Directors to issue ordinary shares pursuant to the Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Ordinary Resolution 10

Resolution 10 is to renew the mandate to allow the Bank to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in this Resolution.

The Bank intends to use its internal sources of funds to finance its purchase or acquisition of ordinary shares. The amount of financing required for the Bank to purchase or acquire its ordinary shares, and the impact on the Bank's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the ordinary shares are purchased or acquired out of capital or profits of the Bank, the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued ordinary shares of the Bank as at the Latest Practicable Date, the purchase by the Bank of 5 per cent. of its issued ordinary shares (disregarding the ordinary shares held in treasury) will result in the purchase or acquisition of 224,748,862 ordinary shares.

In the case of both market purchases and off-market purchases by the Bank and assuming that the Bank purchases or acquires the 224,748,862 ordinary shares at the Maximum Price of $13.70 for one ordinary share (being the price equivalent to 5 per cent. above the Average Closing Price of the ordinary shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 224,748,862 ordinary shares is approximately $3,079.06 million.

The financial effects of the purchase or acquisition of such ordinary shares by the Bank pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Bank for FY 2023 based on these assumptions are set out in paragraph 2.7 of the Bank's Letter to Shareholders dated 5 April 2024 (the **Letter**).

Please refer to the Letter for more details.

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Proxy Form

Oversea-Chinese Banking Corporation Limited
(Incorporated in Singapore)
Company Registration Number: 193200032W

IMPORTANT:

Arrangements for Annual General Meeting

1. The Annual General Meeting will be held, in a wholly physical format, at Sands Expo & Convention Centre, Level 4, Roselle and Simpor Ballrooms, 10 Bayfront Avenue, Singapore 018956, on Tuesday, 30 April 2024 at 2.00 p.m.. **There will be no option for shareholders to participate virtually**.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).

CPF and SRS Investors

3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors.
4. CPF and SRS investors:
   (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2024.

Personal Data

5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2024.

Presentation by Management

6. A presentation by Management on the Group's financial performance will commence at 1.00 p.m. and end at 1.45 p.m. on Tuesday, 30 April 2024, prior to the commencement of the Annual General Meeting.

*I/We (Name) ______________________________ (*NRIC/Passport/Co. Reg. No.) ____________________

of (Address) ____

being a *shareholder/shareholders of Oversea-Chinese Banking Corporation Limited (the **Bank**), hereby appoint:

Name	**Address**	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**
*and/or			

as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Eighty-Seventh Annual General Meeting of the Bank to be held at Sands Expo & Convention Centre, Level 4, Roselle and Simpor Ballrooms, 10 Bayfront Avenue, Singapore 018956, on Tuesday, 30 April 2024 at 2.00 p.m. and at any adjournment thereof.

*I/We have indicated with an "X" in the appropriate box against each item below how *I/we wish *my/our proxy/proxies to vote, or to abstain from voting.

No.	**Ordinary Resolutions**	**For**	**Against**	**Abstain**
	Routine Business			
1	Adoption of Directors' statement and audited financial statements for the financial year ended 31 December 2023 and Auditor's report			
2(a)	Re-election of Mr Andrew Lee Kok Keng			
2(b)	Re-election of Dr Andrew Khoo Cheng Hoe			
2(c)	Re-election of Mr Pramukti Surjaudaja			
3	Re-election of Mr Seck Wai Kwong			
4	Approval of final one-tier tax exempt dividend			
5(a)	Approval of amount proposed as Directors' remuneration			
5(b)	Approval of allotment and issue of ordinary shares to the non-executive Directors			
6	Re-appointment of Auditor and authorisation for Directors to fix its remuneration			
	Special Business			
7	Authority to issue ordinary shares, and make or grant instruments convertible into ordinary shares			
8	Authority to (I) allot and issue ordinary shares under the OCBC Share Option Scheme 2001; (II) grant rights to acquire and allot and issue ordinary shares under the OCBC Employee Share Purchase Plan; and/or (III) grant awards and allot and issue ordinary shares under the OCBC Deferred Share Plan 2021			
9	Authority to allot and issue ordinary shares pursuant to the OCBC Scrip Dividend Scheme			
10	Approval of renewal of the Share Purchase Mandate			

Note: Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that your proxy/proxies is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.

Dated this ____________ day of ____________ 2024

Total Number of Ordinary Shares Held

____

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

**delete as appropriate*

NOTES:

1. Please insert the total number of ordinary shares (**Shares**) held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Bank), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this instrument of proxy shall be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
3. A proxy need not be a member of the Bank. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Bank in the following manner:

   (a) if submitted personally or by post, be lodged with the Bank's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Bank's Share Registrar at OCBCAGM2024@boardroomlimited.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. Completion and submission of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the Annual General Meeting if he/she so wishes. The appointment of the proxy(ies) for the Annual General Meeting will be deemed to be revoked if the member attends the Annual General Meeting in person and in such event, the Bank reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Annual General Meeting.
6. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Bank), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act 1967.
8. The Bank shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of a member whose Shares are entered in the Depository Register, the Bank may reject any instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Bank.

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Oversea-Chinese Banking Corporation Limited
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

3rd fold along this line and glue overleaf. Do not staple. Glue all sides firmly.

Corporate Profile

OCBC is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is one of the world's most highly-rated banks, with Aa1 by Moody's and AA- by both Fitch and S&P. Recognised for its financial strength and stability, OCBC is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC is the second largest financial services group in Southeast Asia by assets. The Group offers a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals. Its insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the leading asset management companies in Southeast Asia.

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

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

Corporate Information

Board of Directors
Mr Andrew Lee
Chairman

Ms Chong Chuan Neo
Mr Chua Kim Chiu
Dr Andrew Khoo
Dr Lee Tih Shih
Ms Christina Ong
Mr Seck Wai Kwong
Mr Pramukti Surjaudaja
Ms Tan Yen Yen
Ms Helen Wong

Secretaries
Mr Peter Yeoh
Ms Sherri Liew

Registered Office
63 Chulia Street
#10-00 OCBC Centre East
Singapore 049514
Tel: (65) 6363 3333
(Personal Banking)
(65) 6538 1111
(Business Banking)
Website: www.ocbc.com

Share Registration Office
Boardroom Corporate &
Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355

Auditor
PricewaterhouseCoopers LLP
7 Straits View
Marina One East Tower Level 12
Singapore 018936
Tel: (65) 6236 3388

Partner in charge of the Audit
Mr Ho Hean Chan
(Year of Appointment: 2023)

Investor Relations
Email: Investor-Relations@ocbc.com

Oversea-Chinese Banking Corporation Limited
(Incorporated in Singapore)

Company Registration Number: 193200032W

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