To Our Shareholders

The Board of Directors of Oversea-Chinese Banking Corporation Limited ("OCBC") reports the following:

Financial Results for the Financial Year Ended 31 December 2023

Details of the financial results are in the accompanying Condensed Financial Statements.

Ordinary Dividend

A final tax-exempt dividend of 42 cents (2022: final dividend of 40 cents) per share has been recommended for the financial year 2023 ("FY23"). Including the interim tax-exempt dividend of 40 cents (2022: interim dividend of 28 cents) per share paid in August 2023, total dividends for FY23 would amount to 82 cents (2022: 68 cents) per share. The total dividend payout will amount to an estimated S$3.69 billion (2022: S$3.06 billion) or approximately 53% of the Group's net profit after tax of S$7.02 billion for FY23.

Closure of Books

The record date is 9 May 2024. Please refer to the separate announcement titled "Notice of Books Closure and Payment of Final One-Tier Tax Exempt Dividend on Ordinary Shares for the Financial Year Ended 31 December 2023" released by the Bank today.

Scrip Dividend Scheme

The Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme, which was approved by the Shareholders of the Bank at the Extraordinary General Meeting on 8 June 1996, will not be applicable to the final dividend.

Peter Yeoh
Secretary

Singapore, 28 February 2024

More details on the results are available on the Bank's website at www.ocbc.com

Oversea-Chinese Banking Corporation Limited and its Subsidiaries

Condensed Financial Statements

For the Half Year and Full Year ended 31 December 2023

Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Condensed Financial Statements

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2023

S$ million	Note	GROUP 2H 2023 [(1)]	2H 2022 [(1)] (Restated)	2023	2022 (Restated)
Interest income		**11,021**	7,426	**20,867**	11,590
Interest expense		**(6,103)**	(2,941)	**(11,222)**	(3,902)
Net interest income	3	**4,918**	4,485	**9,645**	7,688
Insurance service results from life insurance [(2)]		**69**	61	**427**	683
Net investment income/(expenses) from life insurance		**2,965**	527	**5,590**	(4,966)
Net insurance financial result from life insurance		**(2,742)**	(227)	**(5,239)**	5,085
Insurance service results from general insurance		**16**	(12)	**30**	1
Fees and commissions (net)	4	**921**	852	**1,804**	1,851
Net trading income		**438**	397	**1,004**	929
Other income	5	**117**	(20)	**246**	15
Non-interest income		**1,784**	1,578	**3,862**	3,598
Total income		**6,702**	6,063	**13,507**	11,286
Staff costs		**(1,748)**	(1,620)	**(3,501)**	(3,233)
Other operating expenses	6	**(902)**	(760)	**(1,722)**	(1,605)
Total operating expenses		**(2,650)**	(2,380)	**(5,223)**	(4,838)
Operating profit before allowances and amortisation		**4,052**	3,683	**8,284**	6,448
Amortisation of intangible assets		**(52)**	(52)	**(103)**	(104)
Allowances for loans and other assets	7	**(371)**	(468)	**(733)**	(584)
Operating profit after allowances and amortisation		**3,629**	3,163	**7,448**	5,760
Share of results of associates, net of tax		**443**	411	**953**	910
Profit before income tax		**4,072**	3,574	**8,401**	6,670
Income tax expense		**(574)**	(577)	**(1,236)**	(1,031)
Profit for the period/year		**3,498**	2,997	**7,165**	5,639
Attributable to:					
Equity holders of the Bank		**3,432**	2,934	**7,021**	5,526
Non-controlling interests		**66**	63	**144**	113
		3,498	2,997	**7,165**	5,639
Earnings per share (S$)					
Basic		**0.76**	0.65	**1.55**	1.22
Diluted		**0.76**	0.64	**1.55**	1.22

(1) Unaudited and unreviewed.

(2) Includes insurance revenue of S$5,717 million and S$2,993 million for 2023 and 2H2023 respectively (2022: S$5,508 million and 2H2022: S$2,899 million) and insurance service expense of S$4,758 million and S$2,404 million for 2023 and 2H2023 respectively (2022: S$4,696 million and 2H2022: S$2,651 million).

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	GROUP			
S$ million	**2H 2023** [1]	**2H 2022** [1] **(Restated)**	**2023**	**2022 (Restated)**
Profit for the period/year	**3,498**	2,997	**7,165**	5,639
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Financial assets, at FVOCI [2]				
Fair value gains/(losses) for the period/year	**608**	(295)	**839**	(2,420)
Reclassification of (gains)/losses to income statement				
– on disposal	**23**	138	**1**	264
– on impairment	**(5)**	(5)	**3**	(#)
Tax on net movements	**(65)**	142	**(116)**	289
Cash flow and other hedges	**127**	2	**105**	(2)
Currency translation on foreign operations	**(370)**	(793)	**(480)**	(834)
Other comprehensive losses of associates	**(44)**	(490)	**(145)**	(605)
Net insurance financial result	**263**	(242)	**37**	310
Items that will not be reclassified subsequently to income statement:				
Currency translation on foreign operations attributable to non-controlling interests	**(48)**	(39)	**(12)**	(49)
Equity instruments, at FVOCI,[2] net change in fair value	**(101)**	(4)	**(65)**	(207)
Defined benefit plans remeasurements	**(3)**	1	**(1)**	2
Own credit	**(1)**	#	**(1)**	1
Total other comprehensive income, net of tax	**384**	(1,585)	**165**	(3,251)
Total comprehensive income for the period/year, net of tax	**3,882**	1,412	**7,330**	2,388
Total comprehensive income attributable to:				
Equity holders of the Bank	**3,814**	1,440	**7,145**	2,443
Non-controlling interests	**68**	(28)	**185**	(55)
	3,882	1,412	**7,330**	2,388

(1) Unaudited and unreviewed.

(2) Fair value through other comprehensive income.

(3) # represents amounts less than S$0.5 million.

BALANCE SHEETS

As at 31 December 2023

		GROUP			BANK	
S$ million	**Note**	**31 Dec 2023**	**31 Dec 2022**	**1 Jan 2022**	**31 Dec 2023**	**31 Dec 2022**
			(Restated)	**(Restated)**		
EQUITY						
Attributable to equity holders of the Bank						
Share capital	9	**18,045**	18,048	18,040	**18,045**	18,048
Other equity instruments		**1,248**	1,696	1,198	**1,248**	1,696
Capital reserves		**815**	792	782	**544**	560
Fair value reserves		**(439)**	(1,140)	852	**(435)**	(674)
Revenue reserves		**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	10	**363,770**	350,081	342,395	**236,151**	223,310
Deposits and balances of banks	10	**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		**13,720**	16,048	9,070	**12,083**	14,300
Other liabilities		**9,156**	8,385	7,031	**3,565**	2,844
Current tax payables		**1,037**	995	905	**721**	566
Deferred tax liabilities		**636**	349	606	**106**	125
Debt issued	11	**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		**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		**34,286**	34,966	27,919	**28,450**	27,812
Singapore government treasury bills and securities		**19,165**	17,096	11,112	**17,832**	15,889
Other government treasury bills and securities		**26,465**	22,271	26,159	**10,804**	8,165
Placements with and loans to banks		**38,051**	30,244	25,462	**28,773**	18,680
Loans to customers	12	**292,754**	291,467	286,281	**207,508**	201,110
Debt and equity securities		**36,591**	28,010	34,015	**22,432**	16,621
Derivative receivables		**12,976**	15,605	9,267	**11,417**	13,742
Other assets		**7,278**	6,578	6,227	**3,463**	2,538
Deferred tax assets		**586**	448	285	**133**	104
Associates		**7,003**	6,353	6,200	**2,241**	2,228
Subsidiaries		**–**	–	–	**27,701**	33,923
Property, plant and equipment		**3,528**	3,483	3,506	**882**	818
Investment property		**723**	763	801	**469**	480
Goodwill and other intangible assets		**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		**89,570**	83,445	86,806	**–**	–
Other assets for life insurance funds		**7,947**	11,552	10,671	**–**	–
Total assets		**581,424**	556,924	539,485	**363,972**	343,977
Net asset value per ordinary share – S$ (1)		**11.77**	10.99	11.03	**8.25**	7.83
OFF-BALANCE SHEET ITEMS						
Contingent liabilities		**18,484**	16,749	16,651	**14,366**	12,247
Commitments		**187,771**	184,013	171,641	**120,247**	109,405
Derivative financial instruments		**1,288,523**	1,106,931	1,044,314	**967,912**	879,077

(1) Unaudited and unreviewed.

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2023

S$ 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						
Balance 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)**
Balance 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 S$455 million at 1 January 2023 and 31 December 2023.
(2) # represents amounts less than S$0.5 million.

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

STATEMENT OF CHANGES IN EQUITY - GROUP
For the financial year ended 31 December 2023

S$ 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
Balance at 1 January 2022	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)
Balance 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)
Balance 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 S$444 million at 1 January 2022 and S$455 million at 31 December 2022.
(2) # represents amounts less than S$0.5 million.

STATEMENT OF CHANGES IN EQUITY - BANK

For the financial year ended 31 December 2023

S$ million	Share capital and other equity	Capital reserves (1)	Fair value reserves	Revenue reserves	Total equity
Balance 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	**–**	**–**	**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**
Balance at 31 December 2023	**19,293**	**544**	**(435)**	**18,935**	**38,337**
Balance 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	–	–	(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
Balance at 31 December 2022	19,744	560	(674)	17,286	36,916

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

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2023

S$ 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, FVTPL[1] 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)
FVTPL 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 [2]	**(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	**4,752**	1,897
Net proceeds from perpetual capital securities issued	**550**	498
Repayments of lease liabilities	**(77)**	(89)
Proceeds from subordinated debt issued	**–**	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	**28,870**	29,984

(1) Fair value through profit or loss.

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

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

These notes form an integral part of the condensed financial statements.

The condensed financial statements were authorised by the Board of Directors 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 condensed 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. Basis of preparation

2.1 Statement of compliance

The condensed financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting, and do not include all of the information required for full annual financial statements. These condensed financial statements are to be read in conjunction with the financial statements as at and for the year ended 31 December 2022.

2.2 Basis of presentation

The condensed financial statements are presented in Singapore Dollar, rounded to the nearest million unless otherwise stated. # represents amounts less than S$0.5 million. The condensed financial statements have been prepared under the historical cost convention, except as disclosed in the financial statements as at and for the year ended 31 December 2022.

2.3 Use of estimates and judgements

The preparation of condensed 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.

In preparing these condensed financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied in the financial statements as at and for the year ended 31 December 2022, except for the following additions.

The significant accounting estimates include impairment of financial assets and impairment of goodwill and other intangible assets, as discussed below:

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.

2. Basis of preparation *(continued)*

2.3 Use of estimates and judgements *(continued)*

Impairment of financial assets *(continued)*

Allowances for non-credit-impaired loans to customers
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 - 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.

As of 31 December 2023, the Group has assessed that the post-model adjustments made as of 31 December 2022 remains applicable but updated for the latest relevant information.

Sensitivity of ECL
ECL is estimated to increase by S$1,473 million (2022: S$1,310 million) should all the exposures in Stage 1 (12-month ECL) move to Stage 2 (lifetime ECL).

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 12.

Impairment of goodwill and other intangible assets
The recoverable amount of goodwill and other intangible assets are determined based on the present value of estimated future cash flows expected to arise from the cash generating units' continuing operations. 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. Basis of preparation *(continued)*

2.4 Changes in accounting policies

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 accounting policies applied by the Group in the condensed financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2022, except for the new/revised financial reporting standards and interpretations as set out above. The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group's condensed 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 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

<u>Changes to classification and measurement</u>

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;
- Recognises and measures groups of insurance contracts at:
  - 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
  - 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.

2. Basis of preparation *(continued)*

2.4 Changes in accounting policies *(continued)*

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.

Insurance revenue
As GEH Group provides insurance contract services under the insurance contracts, it reduces the liability for remaining coverage 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, and mainly includes the following:

- Amounts relating to the changes in the liability for remaining coverage:
  - Expected claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period;
  - Changes in the risk adjustment for non-financial risk;
  - Amounts of the CSM recognised for the services provided in the period;
  - Experience adjustments – arising from premiums received in the period other than those that relate to future service; and
  - 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.

Insurance service expenses
Insurance service expenses mainly include the following:
- Incurred claims and benefits;
- 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 fulfilment cash flows relating to the liability for incurred claims;
- Changes that relate to future service – changes in the fulfilment cash flows that results in onerous contract losses or reversals of those losses; and
- Insurance acquisition cash flows assets impairment.

2. Basis of preparation *(continued)*

2.4 Changes in accounting policies *(continued)*

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. 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.

In the Group financial statements, insurance revenue from life insurance, insurance service expenses from life insurance and income or expenses from reinsurance contracts held for life insurance are aggregated and presented under "Insurance service results from life insurance".

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:
- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

GEH Group includes all insurance finance income or expenses for the period in profit or loss, except for certain portfolios measured using the General Measurement Model (GMM) where the other comprehensive income option is applied.

In the Group financial statements, insurance finance income or expenses for life insurance are presented under "Net insurance financial result from life insurance".

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. Basis of preparation *(continued)*

2.4 Changes in accounting policies *(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 85^{th} percentile under SFRS(I) 17 as compared to the provision for adverse deviation used under SFRS(I) 4 which was measured at the 75^{th} 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 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 have a coverage period of one year or less, or meets the eligibility criteria.

Besides the impact to 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.

2. Basis of preparation *(continued)*

2.4 Changes in accounting policies *(continued)*

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, S$2,094 million of debt instruments which were previously designated at FVTPL was reclassified to FVOCI.

There are a number of new/revised financial reporting standards in issue but not yet effective. They are not expected to have a significant impact on the Group's financial statements when adopted.

2.5 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 S$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 S$30 million as at 1 January 2022.

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

	GROUP					
	2H 2022 [1]			2022		
S$ million	As reclassified [2]	As previously reported	Increase/ (Decrease)	As reclassified [2]	As previously reported	Increase/ (Decrease)
Income statement						
Dividends	–	68	(68)	–	125	(125)
Net trading income	397	342	55	929	834	95
Other income	(17)	(30)	13	18	(12)	30

3. Net interest income

	GROUP			
S$ million	2H 2023 [1]	2H 2022 [1]	2023	2022
Interest income				
Loans to customers	**7,889**	5,590	**15,006**	8,852
Placements with and loans to banks	**1,693**	999	**3,296**	1,314
Other interest-earning assets	**1,439**	837	**2,565**	1,424
	11,021	7,426	**20,867**	11,590
Interest expense				
Deposits of non-bank customers	**(5,283)**	(2,433)	**(9,798)**	(3,223)
Deposits and balances of banks	**(274)**	(141)	**(470)**	(195)
Other borrowings	**(546)**	(367)	**(954)**	(484)
	(6,103)	(2,941)	**(11,222)**	(3,902)
Net interest income	**4,918**	4,485	**9,645**	7,688

(1) Unaudited and unreviewed.
(2) Excluding effects of SFRS(I) 17 adjustment to the financial period/year ended 31 December 2022.

4. Fees and commissions (net)

	GROUP			
S$ million	**2H 2023 (1)**	**2H 2022 (1)**	**2023**	**2022**
Gross fee and commission income				
Brokerage	**36**	44	**75**	103
Credit card	**195**	179	**369**	337
Fund management	**52**	57	**107**	119
Guarantees	**7**	6	**14**	14
Investment banking	**37**	49	**90**	100
Loan-related	**109**	94	**207**	180
Service charges	**53**	47	**99**	87
Trade-related and remittances	**140**	150	**275**	298
Wealth management (2)	**458**	382	**896**	919
Others	**29**	25	**55**	50
	1,116	1,033	**2,187**	2,207
Fee and commission expense	**(195)**	(181)	**(383)**	(356)
Fees and commissions (net)	**921**	852	**1,804**	1,851

5. Other income

	GROUP			
S$ million	**2H 2023 (1)**	**2H 2022 (1)**	**2023**	**2022**
		(Restated)		**(Restated)**
Disposal of investment securities	**9**	(128)	**47**	(206)
Disposal of property, plant and equipment	**52**	50	**71**	99
Rental and property-related income	**44**	42	**87**	78
Dividends from FVOCI securities	**14**	13	**30**	30
Others	**(2)**	3	**11**	14
Other income	**117**	(20)	**246**	15

6. Other operating expenses

	GROUP			
S$ million	**2H 2023 (1)**	**2H 2022 (1)**	**2023**	**2022**
		(Restated)		**(Restated)**
Property and equipment				
Depreciation	**228**	220	**440**	426
Maintenance and rental	**84**	89	**162**	163
Others	**202**	170	**364**	330
	514	479	**966**	919
Other operating expenses	**388**	281	**756**	686
Total other operating expenses	**902**	760	**1,722**	1,605

7. Allowances for loans and other assets

	GROUP			
S$ million	**2H 2023 (1)**	**2H 2022 (1)**	**2023**	**2022**
Allowances/(write-back):				
Impaired loans	**176**	104	**269**	136
Impaired other assets	**49**	75	**64**	80
Non-impaired loans	**138**	292	**394**	369
Non-impaired other assets	**8**	(3)	**6**	(1)
Allowances for loans and other assets	**371**	468	**733**	584

(1) Unaudited and unreviewed.
(2) Includes trust and custodian fees.

8. Dividends/distributions

S$ million	GROUP 2023	GROUP 2022
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
Interim tax-exempt dividend of 40 cents paid for the current financial year (2022: tax-exempt dividend of 28 cents)	**1,798**	1,260
Distributions for other equity instruments:		
4.0% perpetual capital securities	**40**	40
3.0% perpetual capital securities	**6**	6
3.9% perpetual capital securities	**20**	10
Total distributions and dividends	**3,664**	2,576

9. Share capital

	GROUP AND BANK			
	Half year ended 31 Dec (1)		Financial year ended 31 Dec	
Shares (million)	**2023**	**2022**	**2023**	**2022**
Issued ordinary shares				
At beginning of period/year	**4,515**	4,515	**4,515**	4,515
Shares issued to non-executive directors	**–**	–	**#**	#
At end of period/year	**4,515**	4,515	**4,515**	4,515
Treasury shares				
At beginning of period/year	**(20)**	(20)	**(20)**	(23)
Share buyback	**(7)**	(8)	**(16)**	(21)
Share Option Scheme	**1**	2	**4**	6
Share Purchase Plan	**5**	6	**6**	10
Treasury shares transferred to DSP Trust	**–**	–	**5**	8
At end of period/year	**(21)**	(20)	**(21)**	(20)
Total issued ordinary shares excluding treasury shares	**4,494**	4,495	**4,494**	4,495
Issued share capital (S$ million)	**18,045**	18,048	**18,045**	18,048

(1) Unaudited and unreviewed.
(2) # represents less than 500,000 shares.

Pursuant to the share purchase mandate approved at the Annual General Meeting held on 25 April 2023, the Bank purchased a total of 7 million ordinary shares in the half year ended 31 December 2023. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$12.44 to S$12.94 per share and the total consideration paid was S$90 million (including transaction costs).

As at 31 December 2023, the number of options outstanding under the OCBC Share Option Scheme 2001 was 14 million (31 December 2022: 18 million) and the number of acquisition rights outstanding under the OCBC Employee Share Purchase Plan was 15 million (31 December 2022: 15 million).

10. Deposits and balances of non-bank customers and banks

S$ million	GROUP 31 Dec 2023	GROUP 31 Dec 2022
Deposits of non-bank customers		
Fixed deposits	**149,994**	133,415
Savings deposits	**72,527**	69,036
Current accounts	**104,465**	112,245
Others	**36,784**	35,385
	363,770	350,081
Deposits and balances of banks	**10,884**	10,046
Total deposits	**374,654**	360,127

11. Debt issued

S$ million	GROUP 31 Dec 2023	GROUP 31 Dec 2022
Subordinated debt	**3,499**	3,484
Fixed and floating rate notes	**4,191**	3,202
Commercial papers	**14,418**	10,759
Structured notes	**3,747**	2,713
Covered bonds	**698**	1,780
Total debt issued	**26,553**	21,938

12. Loans to customers

S$ million	GROUP 31 Dec 2023	GROUP 31 Dec 2022
Gross loans	**296,653**	294,980
Allowances		
Impaired loans	**(1,328)**	(1,308)
Non-impaired loans	**(2,571)**	(2,205)
Net loans	**292,754**	291,467

13. Segment information

The Group provides operating segment information primarily by business and additional segment information by geography.

13.1 Business segments

S$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Markets	Insurance	Others	Group
Half year ended 31 December 2023 [1]						
Net interest income	**1,795**	**2,628**	**69**	**79**	**347**	**4,918**
Non-interest income	**822**	**463**	**91**	**365**	**43**	**1,784**
Total income	**2,617**	**3,091**	**160**	**444**	**390**	**6,702**
Operating profit before allowances and amortisation	**1,130**	**2,194**	**4**	**392**	**332**	**4,052**
Amortisation of intangible assets	**(8)**	**–**	**–**	**(23)**	**(21)**	**(52)**
Allowances for loans and other assets	**(40)**	**(457)**	**(3)**	**(2)**	**131**	**(371)**
Operating profit after allowances and amortisation	**1,082**	**1,737**	**1**	**367**	**442**	**3,629**
Share of results of associates, net of tax	**–**	**–**	**–**	**–**	**443**	**443**
Profit before income tax	**1,082**	**1,737**	**1**	**367**	**885**	**4,072**
Other information:						
Capital expenditure	**49**	**3**	**1**	**56**	**250**	**359**
Depreciation	**46**	**6**	**1**	**4**	**171**	**228**
Half year ended 31 December 2022 (Restated) [1]						
Net interest income	1,346	2,249	254	60	576	4,485
Non-interest income	675	339	92	388	84	1,578
Total income	2,021	2,588	346	448	660	6,063
Operating profit before allowances and amortisation	685	1,810	184	449	555	3,683
Amortisation of intangible assets	(8)	–	–	(23)	(21)	(52)
Allowances for loans and other assets	(5)	(236)	1	1	(229)	(468)
Operating profit after allowances and amortisation	672	1,574	185	427	305	3,163
Share of results of associates, net of tax	–	–	–	–	411	411
Profit before income tax	672	1,574	185	427	716	3,574
Other information:						
Capital expenditure	48	7	#	38	227	320
Depreciation	46	6	1	5	162	220

[1] Unaudited and unreviewed.

13. Segment information

13.1 Business segments *(continued)*

S$ 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**
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

13. Segment information

13.1 Business segments *(continued)*

S$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Markets	Insurance	Others	Group
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**
Non-performing assets	**740**	**2,159**	**–**	**2**	**–**	**2,901**
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
Non-performing assets	886	2,598	–	2	–	3,486

13. Segment information *(continued)*

13.1 Business segments *(continued)*

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.

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 Great Eastern Holdings Limited 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.

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

13. Segment information *(continued)*

13.2 Geographical segments

S$ million	2H 2023 [(1)]	2H 2022 [(1)]	2023	2022
		(Restated)		(Restated)
Total income				
Singapore	**4,161**	3,664	**8,360**	6,571
Malaysia	**710**	685	**1,524**	1,434
Indonesia	**517**	555	**1,035**	1,028
Greater China	**899**	803	**1,774**	1,558
Other Asia Pacific	**145**	132	**294**	251
Rest of the World	**270**	224	**520**	444
	6,702	6,063	**13,507**	11,286
Operating profit before allowances and amortisation				
Singapore	**2,585**	2,176	**5,201**	3,625
Malaysia	**479**	553	**1,046**	1,039
Indonesia	**298**	342	**583**	588
Greater China	**432**	371	**904**	721
Other Asia Pacific	**102**	94	**212**	176
Rest of the World	**156**	147	**338**	299
	4,052	3,683	**8,284**	6,448
Profit before income tax				
Singapore	**2,475**	1,965	**4,872**	3,421
Malaysia	**419**	611	**1,009**	1,144
Indonesia	**251**	192	**458**	366
Greater China	**753**	544	**1,756**	1,285
Other Asia Pacific	**82**	160	**218**	239
Rest of the World	**92**	102	**88**	215
	4,072	3,574	**8,401**	6,670

(1) Unaudited and unreviewed.

	31 Dec 2023	31 Dec 2022
	S$ million	S$ million
		(Restated)
Total assets		
Singapore	**343,009**	321,516
Malaysia	**60,369**	63,996
Indonesia	**22,231**	21,193
Greater China	**95,364**	93,307
Other Asia Pacific	**22,461**	20,287
Rest of the World	**37,990**	36,625
	581,424	556,924

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.

14. Fair values of financial instruments

14.1 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 Group Risk Management Division (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 Group Chief Executive Officer (CEO) and Board Risk Management Committee (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.

14. Fair values of financial instruments *(continued)*

14.2 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.

14.3 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.

14. Fair values of financial instruments *(continued)*

14.3 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:

GROUP	31 Dec 2023				31 Dec 2022			
S$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
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

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.

14. Fair values of financial instruments *(continued)*

14.3 Fair value hierarchy *(continued)*

Valuation techniques and unobservable inputs for Level 3 instruments

GROUP S$ million	Fair value at 31 Dec 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 S$ million	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 2023	**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 2023	**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.

14. Fair values of financial instruments *(continued)*

14.3 Fair value hierarchy *(continued)*

Movements in Level 3 financial assets and liabilities *(continued)*

GROUP S$ million	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 2022	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 2022	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

[1] Relates to transfers from Levels 1 and 2 to Level 3 due to use of inputs not based on market observable data.

GROUP S$ million	2023 Derivative payables	2023 Total	2022 Derivative payables	2022 Total
Financial liabilities measured at fair value				
At 1 January	**283**	**283**	640	640
Issues	**60**	**60**	59	59
Settlements/disposals	**(59)**	**(59)**	(143)	(143)
Transfer in [1]	**–**	**–**	39	39
Losses/(gains) recognised in				
- profit or loss	**337**	**337**	(314)	(314)
- other comprehensive income	**(5)**	**(5)**	2	2
At 31 December	**616**	**616**	283	283
Unrealised losses included in profit or loss for liabilities held at the end of the year	**(714)**	**(714)**	(351)	(351)

[1] Relates to transfers from Level 2 to Level 3 due to use of inputs not based on market observable data.

14. Fair values of financial instruments *(continued)*

14.3 Fair value hierarchy *(continued)*

Movements in Level 3 non-financial assets

GROUP S$ million	2023 Investment properties and asset held for sale for life insurance funds (1)	2023 Associates (2)	2023 Total	2022 Investment properties and asset held for sale for life insurance funds (1)	2022 Associates (2)	2022 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.

Other Information Required by Listing Rule Appendix 7.2

OTHER INFORMATION

1. Audit or review

The consolidated income statement and consolidated statement of comprehensive income of Oversea-Chinese Banking Corporation Limited (the Bank) and its subsidiaries (the Group) for the six-month period ended 31 December 2023 and certain explanatory notes as presented in this announcement have not been audited or reviewed.

The Group has prepared a separate set of financial statements for the year ended 31 December 2023 in accordance with Singapore Financial Reporting Standards (International), on which a separate auditor's report dated 27 February 2024 has been issued. A copy of this auditor's report is attached to this announcement.

2. Review of the performance of the Group for the financial year ended 31 December 2023

Please refer to the "Media Release" section.

3. Dividend information

Please refer to "Letter to Shareholders".

4. Interested person transactions

The Bank has not obtained a general mandate from shareholders for Interested Person Transactions pursuant to Rule 920(1) of the Listing Manual.

5. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, for the financial year ended 31 December 2023, there was no person occupying managerial position in the Bank or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Bank.

6. Undertaking from directors and executive officers

The Bank has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual pursuant to Rule 720(1) of the Listing Manual.

The auditor's report dated 27 February 2024, as extracted from the financial statements of Oversea-Chinese Banking Corporation Limited and its subsidiaries for the year ended 31 December 2023, which have been prepared in accordance with Singapore Financial Reporting Standards (International), is as follows:

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERSEA-CHINESE BANKING CORPORATION LIMITED (continued)

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERSEA-CHINESE BANKING CORPORATION LIMITED (continued)

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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
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.
</td><td>
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.
</td></tr>
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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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERSEA-CHINESE BANKING CORPORATION LIMITED (continued)

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERSEA-CHINESE BANKING CORPORATION LIMITED (continued)

- 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