OCBC Bank

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

(Incorporated in Singapore. Company Registration Number: 193200032W)

EXTRACT OF AUDITED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

IMPORTANT

The financial information as set out below is an extract of the audited financial statements of Oversea-Chinese Banking Corporation Limited (the Bank) and its subsidiaries (the Group) for the financial year ended 31 December 2022 (the financial statements). They do not contain sufficient information to allow for a full understanding of the results and the financial position of the Bank and the Group. For the full set of audited financial statements, please refer to the Bank's website at https://www.ocbc.com/group/investors/annual-report-and-agm.page.

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 2022 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 2022;
- 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 2022;
- 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 a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. 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.

<table>
<tr><th>Key Audit Matter</th><th>How Our Audit Addressed the Key Audit Matter</th></tr>
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Impairment of loans to customers
(Refer to Notes 2.25, 26, 28 and 30 to the financial statements)

The Group's allowances on non-impaired loans and impaired loans are S$2,205 million and S$1,308 million respectively as at 31 December 2022. 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, 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 to the ECL models.

Further, the current significant events (e.g. economic and geopolitical developments) have increased the uncertainty of these estimates and degree of judgement required to be exercised in estimating the ECL.

ECL on credit-impaired loans to customers
As at 31 December 2022, 56% (S$732 million) of the Group's ECL on credit-impaired loans to customers 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.

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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 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 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.

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.

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.

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Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Impairment of loans to customers (continued) *ECL on credit-impaired loans to customers* (continued) 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. Current significant events (e.g. economic and geopolitical developments) added complexity to the estimation of the ECL allowances. The outcome and corresponding impact of these events are uncertain.	*ECL on credit-impaired loans to customers* (continued) We selected a sample of credit exposures in the GWB loan portfolio and performed credit file reviews to assess the appropriateness of credit grading in accordance with the requirements of MAS Notice 612. In that process, we have also considered management's assessment on the impact of current significant events in the identification of credit-impaired exposures. Where there was objective evidence of impairment, we assessed whether the ECL allowances were recognised on a timely basis and evaluated the amount of such impairment. Our work includes: • considering the background facts and the latest circumstances in relation to the borrower; • examining and challenging management's key assumptions applied on expected future cash flows of the borrower, including amounts and timing of recoveries; • comparing the realisable value of collateral against externally derived evidence including independent valuation reports, where available; and • testing the calculation of impairment. For a sample of non-credit-impaired loans to customers which had not been classified by management as credit-impaired, we challenged management's key assumptions on whether their classification was appropriate, based on our understanding of the customers, business environment and other external evidence where available. Based on the procedures performed, we have assessed that the ECL allowances for credit-impaired loans to customers were within an acceptable range of estimates.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of financial instruments measured at fair value – Levels 2 and 3 *(Refer to Notes 2.25 and 41.3 to the financial statements)* As at 31 December 2022, the Group had financial assets of S$62 billion and financial liabilities of S$17 billion measured at fair value which were classified as Level 2. These represent 35% of the financial assets and 96% 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$7 billion and financial liabilities of S$283 million measured at fair value which were classified as Level 3. These represent 4% of the financial assets and 2% of the financial liabilities measured at fair value respectively.	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 valuation models; • the completeness and accuracy of the data feeds and other inputs into valuation models; • follow-up on collateral disputes, which takes into account counterparty valuations, to identify possible indicators of inappropriate valuations by the Group; 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. Together with our valuation specialists, we compared the Group's valuation of Level 2 financial instruments to our own estimates on a sampling basis. This involved sourcing inputs from market data providers or external sources and using our own valuation models, and investigating the root cause for material variances at the instrument level.

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Valuation of financial instruments measured at fair value – Levels 2 and 3 (continued)

We focused on the valuation of Level 3 financial assets and financial liabilities, as management makes significant judgements and assumptions (using valuation models) 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.

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For a sample of Level 3 financial instruments, with the assistance of our valuation specialists, we assessed the reasonableness of the methodologies used and the key assumptions made.

For all financial instruments at Levels 2 and 3, we also performed:

- procedures on collateral disputes, which takes into account counterparty valuations, to identify possible indicators of inappropriate valuations by the Group; and
- assessed the adequacy of the Group's financial statements disclosures in the context of the relevant accounting standards.

Overall, the valuation of Levels 2 and 3 financial instruments measured at fair value was within a reasonable range of outcomes.

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Impairment of goodwill
(Refer to Notes 2.25 and 36 to the financial statements)

The Group has a significant amount of goodwill arising from its business acquisitions. As at 31 December 2022, the carrying amount of goodwill on the Group's balance sheet amounted to S$4,440 million.

In performing the impairment assessment of the carrying amount of goodwill, significant judgement is made by management in estimating the recoverable amounts of the relevant cash generating units ("CGUs").

For the Banking CGUs, this involves the estimation of discounted cash flows, where the significant assumptions used in the assessment include:

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

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

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

Given the level of complexity and extent of judgement involved, we considered this to be a key audit matter.

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We assessed the appropriateness of management's identification of the Group's CGUs and methodology used in the estimation of recoverable amounts. We also evaluated the key assumptions used and applied sensitivity analysis to the key assumptions to determine whether any possible change in these key assumptions would result in an impairment.

Banking CGUs
Together with our valuation specialists, we evaluated:

- 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
Together with our actuarial specialists, we evaluated:

- 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.

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Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of life insurance contract liabilities *(Refer to Notes 2.25, 22 and 38.4 to the financial statements)* The Group's insurance operations are conducted through Great Eastern Holdings Limited and its subsidiaries ("GEH"). Management's valuation of life insurance contract liabilities uses complex actuarial methods and models. The valuation process involves significant judgement about the assumptions of uncertain future events, including: mortality, morbidity, expense, lapse, surrender and interest rates. In addition to historical experience, management judgement is involved in the application of these assumptions. Changes in these assumptions used could result in a material impact to the valuation of the life insurance contract liabilities and the related movements in the consolidated profit or loss statement of the Group.	We performed the following audit procedures to address this matter: • we understood the actuarial valuation process, including model changes and assumptions setting; • we tested the design and operating effectiveness of controls over the accuracy and completeness of the data used; • we understood the valuation methodologies used, identified changes in methodologies from the previous valuation and assessed the reasonableness and impact for material changes identified. We carried out these procedures by applying our industry knowledge and experience and assessed whether the methodologies and changes to those methodologies are consistent with recognised actuarial practices and expectations derived from market experience; • we performed an independent review of model inputs on a sample basis to assess that the methodologies and key assumptions have been applied appropriately; and • we assessed the reasonableness of the key assumptions used by management including: mortality, morbidity, expense, lapse, surrender and interest rates, by comparing against GEH's historical experiences and market observable data, where applicable. Based on the work performed and the evidence obtained, we found the methodologies and key assumptions used by management to be reasonable.

Other Information

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lian Wee Cheow.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 February 2023

Income Statements

For the financial year ended 31 December 2022

	GROUP		BANK	
	2022	2021	2022	2021
	$ million	$ million	$ million	$ million
Interest income	**11,590**	7,425	**7,421**	3,919
Interest expense	**(3,902)**	(1,570)	**(2,869)**	(708)
Net interest income	**7,688**	5,855	**4,552**	3,211
Profit from life insurance [1]	**971**	1,137	**–**	–
Premium income from general insurance	**218**	197	**–**	–
Fees and commissions (net)	**1,851**	2,245	**879**	969
Dividends	**125**	113	**1,481**	1,049
Net trading income	**834**	763	**336**	249
Other income	**(12)**	286	**2**	143
Non-interest income	**3,987**	4,741	**2,698**	2,410
Total income	**11,675**	10,596	**7,250**	5,621
Staff costs	**(3,233)**	(3,028)	**(1,154)**	(1,093)
Other operating expenses	**(1,793)**	(1,736)	**(1,238)**	(1,131)
Total operating expenses	**(5,026)**	(4,764)	**(2,392)**	(2,224)
Operating profit before allowances and amortisation	**6,649**	5,832	**4,858**	3,397
Amortisation of intangible assets	**(104)**	(103)	**–**	–
Allowances for loans and other assets	**(584)**	(873)	**(210)**	(442)
Operating profit after allowances and amortisation	**5,961**	4,856	**4,648**	2,955
Share of results of associates, net of tax	**978**	824	**–**	–
Profit before income tax	**6,939**	5,680	**4,648**	2,955
Income tax expense	**(1,057)**	(648)	**(503)**	(229)
Profit for the year	**5,882**	5,032	**4,145**	2,726
Attributable to:				
Equity holders of the Bank	**5,748**	4,858		
Non-controlling interests	**134**	174		
	5,882	5,032		
Earnings per share ($)				
Basic	**1.27**	1.07		
Diluted	**1.27**	1.07		

(1) Comprised premium and investment income of $12,245 million (2021: $19,506 million) and insurance claims, commission and other expenses of $11,246 million (2021: $18,285 million) for the Group.

Statements of Comprehensive Income

For the financial year ended 31 December 2022

	GROUP		BANK	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Profit for the year	**5,882**	5,032	**4,145**	2,726
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Financial assets, at FVOCI [1]				
Fair value losses for the year	**(2,164)**	(694)	**(807)**	(326)
Reclassification of (gains)/losses to income statement				
– on disposal	**264**	(131)	**149**	(34)
– on impairment	**(#)**	3	**2**	4
Tax on net movements	**247**	98	**28**	11
Cash flow hedges	**(2)**	(#)	**(22)**	(7)
Currency translation on foreign operations	**(873)**	110	**(109)**	(34)
Other comprehensive income of associates	**(656)**	339	**–**	–
Items that will not be reclassified subsequently to income statement:				
Currency translation on foreign operations	**(54)**	(1)	**–**	–
Equity instruments, at FVOCI [1], net change in fair value	**(207)**	134	**(12)**	44
Defined benefit plans remeasurements	**2**	(1)	**–**	–
Own credit	**1**	1	**1**	1
Total other comprehensive income, net of tax	**(3,442)**	(142)	**(770)**	(341)
Total comprehensive income for the year, net of tax	**2,440**	4,890	**3,375**	2,385
Total comprehensive income attributable to:				
Equity holders of the Bank	**2,490**	4,735		
Non-controlling interests	**(50)**	155		
	2,440	4,890		

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

Balance Sheets

As at 31 December 2022

	GROUP		BANK	
	2022	2021	2022	2021
	$ million	$ million	$ million	$ million
EQUITY				
Attributable to equity holders of the Bank				
Share capital	**18,048**	18,040	**18,048**	18,040
Other equity instruments	**1,696**	1,198	**1,696**	1,198
Capital reserves	**792**	782	**560**	559
Fair value reserves	**(1,006)**	848	**(674)**	(25)
Revenue reserves	**33,557**	31,795	**17,286**	15,825
	53,087	52,663	**36,916**	35,597
Non-controlling interests	**1,581**	1,675	**–**	–
Total equity	**54,668**	54,338	**36,916**	35,597
LIABILITIES				
Deposits of non-bank customers	**350,081**	342,395	**223,310**	221,213
Deposits and balances of banks	**10,046**	8,239	**7,691**	6,708
Due to subsidiaries	**–**	–	**36,522**	28,250
Due to associates	**236**	431	**197**	230
Trading portfolio liabilities	**212**	393	**212**	393
Derivative payables	**16,048**	9,070	**14,300**	7,656
Other liabilities	**8,525**	7,163	**2,844**	1,906
Current tax payables	**995**	905	**566**	458
Deferred tax liabilities	**2,261**	2,832	**125**	154
Debt issued	**21,938**	20,115	**21,294**	19,657
	410,342	391,543	**307,061**	286,625
Life insurance fund liabilities	**94,946**	96,306	**–**	–
Total liabilities	**505,288**	487,849	**307,061**	286,625
Total equity and liabilities	**559,956**	542,187	**343,977**	322,222
ASSETS				
Cash and placements with central banks	**34,966**	27,919	**27,812**	22,863
Singapore government treasury bills and securities	**17,096**	11,112	**15,889**	10,106
Other government treasury bills and securities	**22,271**	26,159	**8,165**	9,710
Placements with and loans to banks	**30,244**	25,462	**18,680**	17,516
Loans to customers	**291,467**	286,281	**201,110**	189,401
Debt and equity securities	**28,010**	34,015	**16,621**	20,031
Assets held for sale	**1**	11	**–**	1
Derivative receivables	**15,605**	9,267	**13,742**	7,812
Other assets	**6,635**	6,334	**2,538**	2,339
Deferred tax assets	**437**	280	**104**	88
Associates	**6,340**	6,170	**2,228**	2,262
Subsidiaries	**–**	–	**33,923**	37,018
Property, plant and equipment	**3,483**	3,506	**818**	735
Investment property	**763**	801	**480**	473
Goodwill and other intangible assets	**4,643**	4,774	**1,867**	1,867
	461,961	442,091	**343,977**	322,222
Life insurance fund investment securities and other assets	**97,995**	100,096	**–**	–
Total assets	**559,956**	542,187	**343,977**	322,222

Statement of Changes in Equity – Group

For the financial year ended 31 December 2022

In $ million	Share capital and other equity	Capital reserves (1)	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
Balance at 1 January 2022	**19,238**	**782**	**848**	**31,795**	**52,663**	**1,675**	**54,338**
Total comprehensive income for the year							
Profit for the year	**–**	**–**	**–**	**5,748**	**5,748**	**134**	**5,882**
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value losses for the year	**–**	**–**	**(2,027)**	**–**	**(2,027)**	**(137)**	**(2,164)**
Reclassification of (gains)/losses to income statement							
– on disposal	**–**	**–**	**254**	**–**	**254**	**10**	**264**
– on impairment	**–**	**–**	**#**	**–**	**#**	**(#)**	**(#)**
Tax on net movements	**–**	**–**	**224**	**–**	**224**	**23**	**247**
Cash flow hedges	**–**	**–**	**–**	**(2)**	**(2)**	**–**	**(2)**
Currency translation on foreign operations	**–**	**–**	**–**	**(873)**	**(873)**	**–**	**(873)**
Other comprehensive income of associates	**–**	**–**	**(87)**	**(569)**	**(656)**	**–**	**(656)**
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations	**–**	**–**	**–**	**–**	**–**	**(54)**	**(54)**
Equity instruments, at FVOCI, net change in fair value	**–**	**–**	**(218)**	**37**	**(181)**	**(26)**	**(207)**
Defined benefit plans remeasurements	**–**	**–**	**–**	**2**	**2**	**#**	**2**
Own credit	**–**	**–**	**–**	**1**	**1**	**–**	**1**
Total other comprehensive income, net of tax	**–**	**–**	**(1,854)**	**(1,404)**	**(3,258)**	**(184)**	**(3,442)**
Total comprehensive income for the year	**–**	**–**	**(1,854)**	**4,344**	**2,490**	**(50)**	**2,440**
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**	**(1,006)**	**33,557**	**53,087**	**1,581**	**54,668**
Included in the balances:							
Share of reserves of associates	**–**	**–**	**86**	**3,380**	**3,466**	**–**	**3,466**

(1) Included regulatory loss allowance reserve of $444 million at 1 January 2022 and $455 million at 31 December 2022.
(2) # represents amounts less than $0.5 million.

In $ million	Attributable to equity holders of the Bank Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2021	19,031	1,229	1,358	28,004	49,622	1,554	51,176
Total comprehensive income for the year							
Profit for the year	–	–	–	4,858	4,858	174	5,032
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value losses for the year	–	–	(664)	–	(664)	(30)	(694)
Reclassification of (gains)/losses to income statement							
– on disposal	–	–	(122)	–	(122)	(9)	(131)
– on impairment	–	–	3	–	3	(#)	3
Tax on net movements	–	–	91	–	91	7	98
Cash flow hedges	–	–	–	(#)	(#)	–	(#)
Currency translation on foreign operations	–	–	–	110	110	–	110
Other comprehensive income of associates	–	–	127	212	339	–	339
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations	–	–	–	–	–	(1)	(1)
Equity instruments, at FVOCI, net change in fair value	–	–	55	65	120	14	134
Defined benefit plans remeasurements	–	–	–	(1)	(1)	(#)	(1)
Own credit	–	–	–	1	1	–	1
Total other comprehensive income, net of tax	–	–	(510)	387	(123)	(19)	(142)
Total comprehensive income for the year	–	–	(510)	5,245	4,735	155	4,890
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	13	(436)	–	423	–	–	–
Buy-back of shares for holding as treasury shares	(406)	–	–	–	(406)	–	(406)
Dividends and distributions	–	–	–	(1,886)	(1,886)	(34)	(1,920)
Shares issued in lieu of ordinary dividends	376	–	–	–	376	–	376
DSP reserve from dividends on unvested shares	–	–	–	10	10	–	10
Share-based payments for staff costs	–	9	–	–	9	–	9
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares issued under Share Option Scheme	1	–	–	–	1	–	1
Shares transferred to DSP Trust	83	(93)	–	–	(10)	–	(10)
Shares vested under DSP Scheme	–	73	–	–	73	–	73
Treasury shares transferred/sold	139	–	–	–	139	–	139
Total contributions by and distributions to owners	207	(447)	–	(1,453)	(1,693)	(34)	(1,727)
Changes in interests in subsidiaries that do not result in loss of control	–	–	–	(1)	(1)	(#)	(1)
Total changes in interests in subsidiaries	–	–	–	(1)	(1)	(#)	(1)
Balance at 31 December 2021	19,238	782	848	31,795	52,663	1,675	54,338
Included in the balances:							
Share of reserves of associates	–	–	174	3,115	3,289	–	3,289

(1) Included regulatory loss allowance reserve of $874 million at 1 January 2021 and $444 million at 31 December 2021.

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

Statement of Changes in Equity – Bank

For the financial year ended 31 December 2022

In $ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total equity
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 [2]	**–**	**–**	**(649)**	**4,024**	**3,375**
Transfers	**7**	**(7)**	**–**	**–**	**–**
Buy-back of shares for holding as treasury shares	**(250)**	**–**	**–**	**–**	**(250)**
Dividends and distributions	**–**	**–**	**–**	**(2,576)**	**(2,576)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**13**	**13**
Perpetual capital securities issued	**498**	**–**	**–**	**–**	**498**
Share-based payments for staff costs	**–**	**8**	**–**	**–**	**8**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**
Treasury shares transferred/sold	**250**	**–**	**–**	**–**	**250**
Balance at 31 December 2022	**19,744**	**560**	**(674)**	**17,286**	**36,916**
Balance at 1 January 2021	19,031	994	300	14,560	34,885
Profit for the year	–	–	–	2,726	2,726
Other comprehensive income	–	–	(325)	(16)	(341)
Total comprehensive income for the year [2]	–	–	(325)	2,710	2,385
Transfers	13	(444)	–	431	–
Buy-back of shares for holding as treasury shares	(406)	–	–	–	(406)
Dividends and distributions	–	–	–	(1,886)	(1,886)
Shares issued in lieu of ordinary dividends	376	–	–	–	376
DSP reserve from dividends on unvested shares	–	–	–	10	10
Share-based payments for staff costs	–	9	–	–	9
Shares issued to non-executive directors	1	–	–	–	1
Shares issued under Share Option Scheme	1	–	–	–	1
Shares transferred to DSP Trust	83	–	–	–	83
Treasury shares transferred/sold	139	–	–	–	139
Balance at 31 December 2021	19,238	559	(25)	15,825	35,597

(1) Included regulatory loss allowance reserve of $444 million at 1 January 2022 (1 January 2021: $874 million) and $444 million at 31 December 2022 (31 December 2021: $444 million).
(2) Refer to Statements of Comprehensive Income for detailed breakdown.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2022

In $ million	2022	2021
Cash flows from operating activities		
Profit before income tax	**6,939**	5,680
Adjustments for non-cash items:		
Allowances for loans and other assets	**584**	873
Amortisation of intangible assets	**104**	103
Change in hedging transactions, fair value through profit or loss securities and debt issued	**130**	104
Depreciation of property and equipment and interest expense on lease liabilities	**429**	416
Net loss/(gain) on disposal of government, debt and equity securities	**206**	(92)
Net gain on disposal of property and equipment	**(99)**	(107)
Share-based costs	**80**	73
Share of results of associates, net of tax	**(978)**	(824)
Items relating to life insurance fund		
Surplus before income tax	**999**	1,221
Surplus transferred from life insurance fund	**(971)**	(1,137)
Operating profit before change in operating assets and liabilities	**7,423**	6,310
Change in operating assets and liabilities:		
Deposits of non-bank customers	**7,518**	27,510
Deposits and balances of banks	**1,807**	(1,347)
Derivative payables and other liabilities	**7,798**	(6,908)
Trading portfolio liabilities	**(181)**	55
Restricted balances with central banks	**229**	(764)
Government securities and treasury bills	**(2,913)**	1,614
Fair value through profit or loss securities	**1,931**	(7,059)
Placements with and loans to banks	**(4,782)**	7,354
Loans to customers	**(5,795)**	(23,685)
Derivative receivables and other assets	**(5,443)**	4,087
Net change in other assets and liabilities of life insurance fund	**2,507**	8,029
Cash provided by operating activities	**10,099**	15,196
Income tax paid [(1)]	**(1,167)**	(913)
Net cash provided by operating activities	**8,932**	14,283
Cash flows from investing activities		
Dividends from associates	**145**	138
Investment in associates	**–**	(514)
Purchases of debt and equity securities	**(11,622)**	(12,475)
Purchases of life insurance fund investment securities	**(37,237)**	(41,636)
Purchases of property and equipment	**(479)**	(443)
Proceeds from disposal of debt and equity securities	**13,582**	12,642
Proceeds from disposal of life insurance fund investment securities	**33,970**	34,345
Proceeds from disposal of property and equipment	**128**	152
Net cash used in investing activities	**(1,513)**	(7,791)
Cash flows from financing activities		
Changes in non-controlling interests	**–**	(1)
Buy-back of shares for holding as treasury shares	**(250)**	(406)
Dividends and distributions paid	**(2,620)**	(1,544)
Net issue/(redemption) of other debt issued	**1,897**	(3,840)
Net proceeds from perpetual capital securities issued	**498**	–
Repayments of lease liabilities	**(89)**	(91)
Proceeds from subordinated debt issued	**1,042**	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**150**	140
Redemption of subordinated debt issued	**–**	(400)
Net cash provided by/(used in) financing activities	**628**	(6,142)
Net change in cash and cash equivalents	**8,047**	350
Net currency translation adjustments	**(773)**	282
Cash and cash equivalents at 1 January	**22,710**	22,078
Cash and cash equivalents at 31 December	**29,984**	22,710

(1) In 2022, the Group paid income tax of $1,167 million (2021: $913 million), of which $576 million (2021: $280 million) was paid in Singapore and $591 million (2021: $633 million) in other jurisdictions.

Dividends/Distributions

$ million	2022	2021
Ordinary dividends:		
Final tax-exempt dividend of 28 cents paid for the previous financial year (2021: tax-exempt dividend of 15.9 cents)	**1,260**	712
Interim tax-exempt dividend of 28 cents paid for the current financial year (2021: tax-exempt dividend of 25 cents)	**1,260**	1,128
Distributions for other equity instruments:		
4.0% perpetual capital securities	**40**	40
3.0% perpetual capital securities	**6**	6
3.9% perpetual capital securities	**10**	–
	2,576	1,886

A final tax-exempt dividend of 40 cents per ordinary share in respect of the financial year ended 31 December 2022 was approved by shareholders at the annual general meeting of the Bank.

Group Capital Adequacy Ratios

The Group is subject to the Basel III capital adequacy standards, as prescribed in the MAS Notice 637.

$ million	2022	2021
Common Equity Tier 1 Capital	**35,179**	34,845
Additional Tier 1 capital	**1,730**	1,231
Tier 1 Capital	**36,909**	36,076
Tier 2 Capital	**4,028**	3,497
Total Eligible Capital	**40,937**	39,573
Risk Weighted Assets	**231,648**	224,866
Capital Adequacy Ratios		
Common Equity Tier 1	**15.2%**	15.5%
Tier 1	**15.9%**	16.0%
Total	**17.7%**	17.6%