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 2021

For the financial year ended 31 December 2021, the Group reported net profit after tax was S$4.86 billion. Details of the financial results are in the accompanying Condensed Interim Financial Statements.

Ordinary Dividend

A final tax exempt dividend of 28 cents per share has been recommended for the financial year 2021 ("FY21"). Including the interim net dividend of 25 cents per share paid in August 2021, total dividends for FY21 would amount to 53 cents per share, back to FY19's pre-pandemic level. The total dividend payout will amount to an estimated S$2.39 billion (2020: S$1.41 billion) or approximately 49% of the Group's net profit after tax of S$4.86 billion for FY21.

Closure of Books

The record date is 9 May 2022. 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 2021" 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, 23 February 2022

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 Interim Financial Statements
For the Half Year and Full Year ended 31 December 2021

Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Condensed Interim Financial Statements

Consolidated Income Statement	2
Consolidated Statement of Comprehensive Income	3
Balance Sheets	4
Statement of Changes in Equity – Group	5
Statement of Changes in Equity – Bank	7
Consolidated Cash Flow Statement	8
Notes to the Condensed Interim Financial Statements	9

Other Information Required by Listing Rule Appendix 7.2 27

Attachment: Independent Auditor's Report

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

		GROUP			
S$ million	**Note**	**2H 2021** [1]	**2H 2020** [1]	**2021**	**2020**
Interest income		**3,714**	3,915	**7,425**	9,143
Interest expense		**(761)**	(1,058)	**(1,570)**	(3,177)
Net interest income	3	**2,953**	2,857	**5,855**	5,966
Profit from life insurance [2]	4	**510**	359	**1,137**	698
Premium income from general insurance		**100**	100	**197**	201
Fees and commissions (net)	5	**1,097**	1,018	**2,245**	2,003
Dividends		**65**	49	**113**	78
Net trading income		**235**	519	**763**	863
Other income	6	**150**	122	**286**	330
Non-interest income		**2,157**	2,167	**4,741**	4,173
Total income		**5,110**	5,024	**10,596**	10,139
Staff costs		**(1,542)**	(1,345)	**(3,028)**	(2,748)
Other operating expenses	7	**(935)**	(878)	**(1,736)**	(1,691)
Total operating expenses		**(2,477)**	(2,223)	**(4,764)**	(4,439)
Operating profit before allowances and amortisation		**2,633**	2,801	**5,832**	5,700
Amortisation of intangible assets		**(52)**	(51)	**(103)**	(104)
Allowances for loans and other assets	8	**(480)**	(636)	**(873)**	(2,043)
Operating profit after allowances and amortisation		**2,101**	2,114	**4,856**	3,553
Share of results of associates, net of tax		**402**	284	**824**	612
Profit before income tax		**2,503**	2,398	**5,680**	4,165
Income tax expense		**(235)**	(156)	**(648)**	(437)
Profit for the period/year		**2,268**	2,242	**5,032**	3,728
Attributable to:					
Equity holders of the Bank		**2,197**	2,158	**4,858**	3,586
Non-controlling interests		**71**	84	**174**	142
		2,268	2,242	**5,032**	3,728
Earnings per share (S$)					
Basic		**0.48**	0.48	**1.07**	0.80
Diluted		**0.48**	0.48	**1.07**	0.80

(1) Unaudited and unreviewed.

(2) Comprised premium and investment income of S$19,506 million and S$9,963 million for 2021 and 2H2021 respectively (2020: S$20,890 million and 2H2020: S$13,434 million) and insurance claims, commission and other expenses of S$18,285 million and S$9,409 million for 2021 and 2H2021 respectively (2020: S$20,203 million and 2H2020: S$13,088 million) for the Group. Refer to Note 4.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	GROUP			
S$ million	**2H 2021 [1]**	**2H 2020 [1]**	**2021**	**2020**
Profit for the period/year	**2,268**	2,242	**5,032**	3,728
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Financial assets, at FVOCI [2]				
Fair value (losses)/gains for the period/year	**(312)**	290	**(694)**	877
Reclassification of (gains)/losses to income statement				
– on disposal	**(33)**	(107)	**(131)**	(506)
– on impairment	**(3)**	(5)	**3**	5
Tax on net movements	**34**	(30)	**98**	(37)
Cash flow hedges	**#**	(2)	**(#)**	#
Currency translation on foreign operations	**65**	(392)	**110**	42
Other comprehensive income of associates	**179**	36	**339**	129
Items that will not be reclassified subsequently to income statement:				
Currency translation on foreign operations	**9**	(15)	**(1)**	(12)
Equity instruments, at FVOCI [2], net change in fair value	**55**	309	**134**	116
Defined benefit plans remeasurements	**(1)**	(#)	**(1)**	#
Own credit	**#**	#	**1**	1
Total other comprehensive income, net of tax	**(7)**	84	**(142)**	615
Total comprehensive income for the period/year, net of tax	**2,261**	2,326	**4,890**	4,343
Total comprehensive income attributable to:				
Equity holders of the Bank	**2,190**	2,225	**4,735**	4,200
Non-controlling interests	**71**	101	**155**	143
	2,261	2,326	**4,890**	4,343

(1) Unaudited and unreviewed.

(2) Fair value through other comprehensive income.

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

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

BALANCE SHEETS
As at 31 December 2021

		GROUP		BANK	
S$ million	**Note**	**31 Dec 2021**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2020**
EQUITY					
Attributable to equity holders of the Bank					
Share capital	10	**18,040**	17,833	**18,040**	17,833
Other equity instruments		**1,198**	1,198	**1,198**	1,198
Capital reserves		**782**	1,229	**559**	994
Fair value reserves		**848**	1,358	**(25)**	300
Revenue reserves		**31,795**	28,004	**15,825**	14,560
		52,663	49,622	**35,597**	34,885
Non-controlling interests		**1,675**	1,554	**–**	–
Total equity		**54,338**	51,176	**35,597**	34,885
LIABILITIES					
Deposits of non-bank customers	11	**342,395**	314,907	**221,213**	197,745
Deposits and balances of banks	11	**8,239**	9,586	**6,708**	7,408
Due to subsidiaries		**–**	–	**28,250**	25,793
Due to associates		**431**	406	**230**	200
Trading portfolio liabilities		**393**	339	**393**	339
Derivative payables		**9,070**	15,516	**7,656**	13,768
Other liabilities		**7,163**	8,093	**1,906**	1,886
Current tax payables		**905**	745	**458**	366
Deferred tax liabilities		**2,832**	1,818	**154**	223
Debt issued	12	**20,115**	24,355	**19,657**	23,397
		391,543	375,765	**286,625**	271,125
Life insurance fund liabilities		**96,306**	94,454	**–**	–
Total liabilities		**487,849**	470,219	**286,625**	271,125
Total equity and liabilities		**542,187**	521,395	**322,222**	306,010
ASSETS					
Cash and placements with central banks		**27,919**	26,525	**22,863**	20,969
Singapore government treasury bills and securities		**11,112**	10,628	**10,106**	9,294
Other government treasury bills and securities		**26,159**	22,663	**9,710**	9,411
Placements with and loans to banks		**25,462**	32,816	**17,516**	24,083
Loans to customers	13	**286,281**	263,538	**189,401**	170,651
Debt and equity securities		**34,015**	33,143	**20,031**	17,844
Assets held for sale		**11**	2	**1**	–
Derivative receivables		**9,267**	15,223	**7,812**	13,518
Other assets		**6,334**	5,806	**2,339**	3,135
Deferred tax assets		**280**	133	**88**	41
Associates		**6,170**	4,633	**2,262**	1,749
Subsidiaries		**–**	–	**37,018**	32,272
Property, plant and equipment		**3,506**	3,567	**735**	698
Investment property		**801**	813	**473**	478
Goodwill and other intangible assets		**4,774**	4,837	**1,867**	1,867
		442,091	424,327	**322,222**	306,010
Life insurance fund investment securities and other assets		**100,096**	97,068	**–**	–
Total assets		**542,187**	521,395	**322,222**	306,010
Net asset value per ordinary share – S$ (1)		**11.46**	10.82	**7.66**	7.53
OFF-BALANCE SHEET ITEMS					
Contingent liabilities		**16,651**	13,292	**12,299**	9,671
Commitments		**171,641**	164,031	**98,563**	96,768
Derivative financial instruments		**1,044,314**	996,152	**820,026**	786,174

(1) Unaudited and unreviewed.

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

STATEMENT OF CHANGES IN EQUITY - GROUP
For the financial year ended 31 December 2021

	Attributable to equity holders of the Bank						
S$ million	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 S$874 million at 1 January 2021 and S$444 million at 31 December 2021.
(2) # represents amounts less than S$0.5 million.

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2021

	Attributable to equity holders of the Bank						
S$ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2020	18,758	1,253	919	26,232	47,162	1,441	48,603
Total comprehensive income for the year							
Profit for the year	–	–	–	3,586	3,586	142	3,728
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value gains for the year	–	–	819	–	819	58	877
Reclassification of (gains)/losses to income statement							
- on disposal	–	–	(461)	–	(461)	(45)	(506)
- on impairment	–	–	5	–	5	#	5
Tax on net movements	–	–	(34)	–	(34)	(3)	(37)
Cash flow hedges	–	–	–	#	#	–	#
Currency translation on foreign operations	–	–	–	42	42	–	42
Other comprehensive income of associates	–	–	(44)	173	129	–	129
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations	–	–	–	–	–	(12)	(12)
Equity instruments, at FVOCI, net change in fair value	–	–	154	(41)	113	3	116
Defined benefit plans remeasurements	–	–	–	#	#	#	#
Own credit	–	–	–	1	1	–	1
Total other comprehensive income, net of tax	–	–	439	175	614	1	615
Total comprehensive income for the year	–	–	439	3,761	4,200	143	4,343
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	3	2	–	(5)	–	–	–
Buy-back of shares for holding as treasury shares	(63)	–	–	–	(63)	–	(63)
Dividends and distributions [2]	–	–	–	(1,993)	(1,993)	(34)	(2,027)
Shares issued in lieu of ordinary dividends [2]	526	–	–	–	526	–	526
DSP reserve from dividends on unvested shares	–	–	–	10	10	–	10
Perpetual capital securities issued	200	–	–	–	200	–	200
Perpetual capital securities redeemed	(499)	–	–	(1)	(500)	–	(500)
Share-based payments for staff costs	–	11	–	–	11	–	11
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares transferred to DSP Trust	–	(10)	–	–	(10)	–	(10)
Shares vested under DSP Scheme	–	62	–	–	62	–	62
Treasury shares transferred/sold	105	(89)	–	–	16	–	16
Total contributions by and distributions to owners	273	(24)	–	(1,989)	(1,740)	(34)	(1,774)
Changes in interests in subsidiaries that do not result in loss of control	–	–	–	(#)	(#)	4	4
Total changes in interests in subsidiaries	–	–	–	(#)	(#)	4	4
Balance at 31 December 2020	19,031	1,229	1,358	28,004	49,622	1,554	51,176
Included in the balances:							
Share of reserves of associates	–	–	47	2,217	2,264	–	2,264

(1) Included regulatory loss allowance reserve of S$876 million at 1 January 2020 and S$874 million at 31 December 2020.
(2) Comparatives have been reclassified to conform to current year's presentation.
(3) # represents amounts less than S$0.5 million.

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

STATEMENT OF CHANGES IN EQUITY - BANK

For the financial year ended 31 December 2021

S$ million	Share capital and other equity	Capital reserves (1)	Fair value reserves	Revenue reserves	Total equity
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	**–**	**–**	**(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**
Balance at 1 January 2020	18,758	986	114	14,142	34,000
Profit for the year	–	–	–	2,346	2,346
Other comprehensive income	–	–	186	56	242
Total comprehensive income for the year	–	–	186	2,402	2,588
Transfers	3	(3)	–	–	–
Buy-back of shares for holding as treasury shares	(63)	–	–	–	(63)
Dividends and distributions (2)	–	–	–	(1,993)	(1,993)
Shares issued in lieu of ordinary dividends (2)	526	–	–	–	526
DSP reserve from dividends on unvested shares	–	–	–	10	10
Perpetual capital securities issued	200	–	–	–	200
Perpetual capital securities redeemed	(499)	–	–	(1)	(500)
Share-based payments for staff costs	–	11	–	–	11
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	105	–	–	–	105
Balance at 31 December 2020	19,031	994	300	14,560	34,885

(1) Included regulatory loss allowance reserve of S$874 million at 1 January 2021 (1 January 2020: S$874 million) and S$444 million at 31 December 2021 (31 December 2020: S$874 million).

(2) Comparatives have been reclassified to conform to current year's presentation.

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

S$ million	2021	2020
Cash flows from operating activities		
Profit before income tax	**5,680**	4,165
Adjustments for non-cash items:		
Allowances for loans and other assets	**873**	2,043
Amortisation of intangible assets	**103**	104
Change in hedging transactions, fair value through profit or loss securities and debt issued	**104**	26
Depreciation of property and equipment and interest expense on lease liabilities	**416**	424
Net gain on disposal of government, debt and equity securities	**(92)**	(208)
Net gain on disposal of property and equipment	**(107)**	(44)
Net gain on disposal of interest in a subsidiary	**–**	(9)
Share-based costs	**73**	76
Share of results of associates, net of tax	**(824)**	(612)
Items relating to life insurance fund		
Surplus before income tax	**1,221**	687
Surplus transferred from life insurance fund	**(1,137)**	(698)
Operating profit before change in operating assets and liabilities	**6,310**	5,954
Change in operating assets and liabilities:		
Deposits of non-bank customers	**27,510**	12,115
Deposits and balances of banks	**(1,347)**	1,336
Derivative payables and other liabilities	**(6,908)**	9,161
Trading portfolio liabilities	**55**	247
Restricted balances with central banks	**(764)**	695
Government securities and treasury bills	**1,614**	(4,039)
Fair value through profit or loss securities	**(7,059)**	(698)
Placements with and loans to banks	**7,354**	3,048
Loans to customers	**(23,685)**	(3,101)
Derivative receivables and other assets	**4,087**	(9,919)
Net change in other assets and liabilities of life insurance fund	**8,029**	1,660
Cash provided by operating activities	**15,196**	16,459
Income tax paid [(1)]	**(913)**	(822)
Net cash provided by operating activities	**14,283**	15,637
Cash flows from investing activities		
Dividends from associates	**138**	201
Investment in associates	**(514)**	(418)
Purchases of debt and equity securities	**(12,475)**	(14,882)
Purchases of life insurance fund investment securities	**(41,636)**	(37,978)
Purchases of property and equipment	**(443)**	(384)
Proceeds from disposal of debt and equity securities	**12,642**	12,133
Proceeds from disposal of interest in a subsidiary	**–**	32
Proceeds from disposal of life insurance fund investment securities	**34,345**	36,871
Proceeds from disposal of property and equipment	**152**	86
Net cash used in investing activities	**(7,791)**	(4,339)
Cash flows from financing activities		
Changes in non-controlling interests	**(1)**	4
Buy-back of shares for holding as treasury shares	**(406)**	(63)
Dividends and distributions paid	**(1,544)**	(1,501)
Net redemption of other debt issued	**(3,840)**	(6,961)
Net proceeds from perpetual capital securities issued	**–**	200
Repayments of lease liabilities	**(91)**	(93)
Proceeds from subordinated debt issued	**–**	1,365
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**140**	16
Redemption of perpetual capital securities issued	**–**	(500)
Redemption of subordinated debt issued	**(400)**	–
Net cash used in financing activities	**(6,142)**	(7,533)
Net change in cash and cash equivalents	**350**	3,765
Net currency translation adjustments	**282**	253
Cash and cash equivalents at 1 January	**22,078**	18,060
Cash and cash equivalents at 31 December	**22,710**	22,078

(1) In 2021, the Group paid income tax of S$913 million (2020: S$822 million), of which S$280 million (2020: S$230 million) was paid in Singapore and S$633 million (2020: S$592 million) in other jurisdictions.

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

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

The condensed interim financial statements were authorised by the Board of Directors on 22 February 2022.

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 interim 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 interim 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 interim financial statements are to be read in conjunction with the financial statements as at and for the year ended 31 December 2020.

2.2 Basis of presentation

The condensed interim 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 interim 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 2020.

2.3 Use of estimates and judgements

The preparation of condensed interim 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 interim 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 2020, 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 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 2021, the forward-looking scenarios used in the ECL model have been updated from those as of 31 December 2020. They reflect the latest available macroeconomic view which shows a gradual recovery. However, additional post-model adjustments have been made during the year to reflect the risks arising from certain segments of the portfolio that continue to be affected by the current COVID-19 situation as well as the continued macroeconomic uncertainty. These post-model adjustments were reviewed and approved in accordance with the Group's ECL framework.

A key element in determining ECL is the assessment of whether a significant increase in credit risk (SICR) has occurred and hence whether a lifetime, rather than 12-month, ECL is required. In 2021, the Group continued to offer various loan reliefs, such as payment holidays and moratoriums, to customers as part of a broader set of COVID-19 support measures. Such loan reliefs, payment holidays and moratoriums have the effect of delaying customer defaults even though customers who took up such relief packages may be of higher risk. Therefore, where appropriate, post-model adjustments were made to reflect higher risk of default of such customers.

While the latest macroeconomic forecasts have shown signs of recovery for the overall economy, they cannot adequately reflect the continued weaknesses of certain industries and segments due to either travel restrictions or geopolitical events. Therefore, post-model adjustments were also made to more accurately reflect the credit risk for such sectors that are not captured by the macroeconomic forecasts.

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 added 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.

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 potential impact of COVID-19.

The Group's allowances for credit-impaired loans to customers are disclosed in Note 13.

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 Significant accounting policies

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2021:

SFRS(I)	Title
SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 (Amendments)	*Interest Rate Benchmark Reform – Phase 2*
SFRS(I) 16 (Amendments)	*COVID-19-Related Rent Concessions beyond 30 June 2021*

The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group's financial statements, except for the amendments to SFRS(I) 9, SFRS (I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 (Amendments) *Interest Rate Benchmark Reform – Phase 2*.

Adoption of SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 (Amendments)
Interest Rate Benchmark Reform – Phase 2

The Group adopted the amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 on 1 January 2021. The amendments address issues that might affect the Group as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an existing interest rate benchmark with an alternative benchmark.

(i) Change in basis for determining cash flows
The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability which is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. As a result, no immediate gain or loss is recognised. This applies only when the change is necessary as a direct consequence of the reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

(ii) Hedge accounting
The amendments provide exceptions to the hedge accounting requirements that will assist the Group to maintain its existing hedging relationships post transition to the alternative benchmark rate. The Group will continue to record any ongoing hedge ineffectiveness in profit or loss.

(iii) Disclosure
The amendments will require the Group to disclose additional information about the Group's exposure to risks arising from interest rate benchmark reform and related risk management activities.

These amendments will impact the Group's financial statements when financial instruments referencing interest rate benchmarks that are impacted by the interest rate benchmark reform are modified.

The accounting policies applied by the Group in the condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2020, except for the new/revised financial reporting standards and interpretations as set out above.

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 except for SFRS(I) 17 *Insurance Contracts*. SFRS(I) 17 is effective from 1 January 2023.

3. Net interest income

	GROUP			
S$ million	**2H 2021 (1)**	**2H 2020 (1)**	**2021**	**2020**
Interest income				
Loans to customers	**2,907**	3,013	**5,786**	6,992
Placements with and loans to banks	**200**	292	**448**	839
Other interest-earning assets	**607**	610	**1,191**	1,312
	3,714	3,915	**7,425**	9,143
Interest expense				
Deposits of non-bank customers	**(626)**	(892)	**(1,300)**	(2,699)
Deposits and balances of banks	**(37)**	(33)	**(68)**	(92)
Other borrowings	**(98)**	(133)	**(202)**	(386)
	(761)	(1,058)	**(1,570)**	(3,177)
Net interest income	**2,953**	2,857	**5,855**	5,966

4. Profit from life insurance

	GROUP			
S$ million	**2H 2021 (1)**	**2H 2020 (1)**	**2021**	**2020**
Premium income (net)	**9,348**	8,515	**17,987**	14,592
Investment income (net)	**615**	4,919	**1,519**	6,298
Net claims, surrenders and annuities	**(6,813)**	(6,157)	**(10,772)**	(9,574)
Net change in life insurance contract liabilities	**(459)**	(5,813)	**(4,196)**	(9,009)
Commission and others	**(2,181)**	(1,105)	**(3,401)**	(1,609)
Profit from life insurance	**510**	359	**1,137**	698

5. Fees and commissions (net)

	GROUP			
S$ million	**2H 2021 (1)**	**2H 2020 (1)**	**2021**	**2020**
Gross fee and commission income				
Brokerage	**62**	70	**141**	140
Credit card	**146**	143	**287**	274
Fund management	**70**	63	**133**	122
Guarantees	**7**	7	**14**	14
Investment banking	**49**	41	**106**	87
Loan-related	**94**	84	**179**	165
Service charges	**39**	41	**79**	84
Trade-related and remittances	**152**	129	**286**	252
Wealth management (2)	**620**	575	**1,310**	1,130
Others	**24**	22	**46**	45
	1,263	1,175	**2,581**	2,313
Fee and commission expense	**(166)**	(157)	**(336)**	(310)
Fees and commissions (net)	**1,097**	1,018	**2,245**	2,003

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

6. Other income

	GROUP			
S$ million	**2H 2021** [1]	**2H 2020** [1]	**2021**	**2020**
Disposal of investment securities	**32**	49	**92**	208
Disposal of a subsidiary	**–**	9	**–**	9
Disposal of plant and equipment	**(#)**	(1)	**(1)**	(1)
Disposal of properties	**71**	31	**108**	45
Rental and property-related income	**33**	32	**66**	63
Others	**14**	2	**21**	6
Other income	**150**	122	**286**	330

7. Other operating expenses

	GROUP			
S$ million	**2H 2021** [1]	**2H 2020** [1]	**2021**	**2020**
Property and equipment				
Depreciation	**207**	208	**412**	419
Maintenance	**77**	75	**145**	141
Rental expenses	**4**	3	**7**	9
Others	**161**	152	**304**	293
	449	438	**868**	862
Other operating expenses	**486**	440	**868**	829
Total other operating expenses	**935**	878	**1,736**	1,691

8. Allowances for loans and other assets

	GROUP			
S$ million	**2H 2021** [1]	**2H 2020** [1]	**2021**	**2020**
Allowances/(write-back):				
Impaired loans	**569**	383	**852**	1,149
Impaired other assets	**3**	3	**3**	30
Non-impaired loans	**(89)**	253	**15**	860
Non-impaired other assets	**(3)**	(3)	**3**	4
Allowances for loans and other assets	**480**	636	**873**	2,043

[1] Unaudited and unreviewed.

9. Dividends/distributions

S$ million	GROUP 2021	GROUP 2020
Ordinary dividends:		
Final tax-exempt dividend of 15.9 cents paid for the previous financial year (2020: tax-exempt dividend of 28 cents)	**712**	1,233
Interim tax-exempt dividend of 25 cents paid for the current financial year (2020: tax-exempt dividend of 15.9 cents)	**1,128**	701
Distributions for other equity instruments:		
3.8% perpetual capital securities	**–**	19
4.0% perpetual capital securities	**40**	40
3.0% perpetual capital securities	**6**	–
Total distributions and dividends	**1,886**	1,993

10. Share capital

	GROUP AND BANK			
	Half year ended 31 Dec [1]		Financial year ended 31 Dec	
Shares (million)	**2021**	**2020**	**2021**	**2020**
Issued ordinary shares				
At beginning of period/year	**4,515**	4,409	**4,476**	4,409
Shares issued in lieu of ordinary dividends	**–**	67	**32**	67
Shares issued to non-executive directors	**–**	–	**#**	#
Deferred Share Plan	**–**	–	**7**	–
Share Option Scheme	**–**	–	**#**	–
At end of period/year	**4,515**	4,476	**4,515**	4,476
Treasury shares				
At beginning of period/year	**(10)**	(3)	**(2)**	(8)
Share buyback	**(19)**	–	**(34)**	(7)
Share Option Scheme	**2**	1	**7**	2
Share Purchase Plan	**4**	#	**6**	#
Treasury shares transferred to DSP Trust	**–**	–	**–**	11
At end of period/year	**(23)**	(2)	**(23)**	(2)
Total ordinary shares and treasury shares	**4,492**	4,474	**4,492**	4,474
Issued share capital (S$ million)	**18,040**	17,833	**18,040**	17,833

(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 29 April 2021, the Bank purchased a total of 19 million ordinary shares in the half year ended 31 December 2021. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$11.24 to S$12.01 per share and the total consideration paid was S$216 million (including transaction costs).

As at 31 December 2021, the number of options outstanding under the OCBC Share Option Scheme 2001 was 25 million (31 December 2020: 33 million) and the number of acquisition rights outstanding under the OCBC Employee Share Purchase Plan was 18 million (31 December 2020: 18 million).

32 million ordinary shares were issued on 29 June 2021 pursuant to the OCBC Scrip Dividend Scheme in lieu of cash for the final one-tier tax exempt dividend of 15.9 cents per ordinary share in the capital of OCBC Bank for the financial year ended 31 December 2020.

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

	GROUP	
S$ million	**31 Dec 2021**	**31 Dec 2020**
Deposits of non-bank customers		
Fixed deposits	**91,338**	95,291
Savings deposits	**78,566**	71,097
Current accounts	**138,077**	118,751
Others	**34,414**	29,768
	342,395	314,907
Deposits and balances of banks	**8,239**	9,586
Total deposits	**350,634**	324,493

12. Debt issued

	GROUP	
S$ million	**31 Dec 2021**	**31 Dec 2020**
Unsecured		
Subordinated debt	**2,730**	3,145
Fixed and floating rate notes	**2,771**	3,551
Commercial papers	**8,668**	12,057
Structured notes	**2,425**	1,869
Secured		
Covered bonds	**3,521**	3,733
	20,115	24,355
Debt issued by maturity		
Within one year	**12,586**	15,287
Over one year	**7,529**	9,068
	20,115	24,355

13. Loans to customers

	GROUP	
S$ million	**31 Dec 2021**	**31 Dec 2020**
Gross loans	**289,716**	267,240
Allowances		
Impaired loans	**(1,535)**	(1,812)
Non-impaired loans	**(1,900)**	(1,890)
Net loans	**286,281**	263,538

14. Segment information

14.1 Business segments

S$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Treasury and Markets	Insurance	Others	Group
Half year ended 31 December 2021 [1]						
Net interest income	**817**	**1,412**	**483**	**49**	**192**	**2,953**
Non-interest income	**964**	**458**	**86**	**618**	**31**	**2,157**
Total income	**1,781**	**1,870**	**569**	**667**	**223**	**5,110**
Operating profit before allowances and amortisation	**470**	**1,164**	**392**	**493**	**114**	**2,633**
Amortisation of intangible assets	**(8)**	**–**	**–**	**(23)**	**(21)**	**(52)**
Allowances for loans and other assets	**(69)**	**(432)**	**(5)**	**3**	**23**	**(480)**
Operating profit after allowances and amortisation	**393**	**732**	**387**	**473**	**116**	**2,101**
Share of results of associates, net of tax	**–**	**–**	**–**	**–**	**402**	**402**
Profit before income tax	**393**	**732**	**387**	**473**	**518**	**2,503**
Other information:						
Capital expenditure	**44**	**6**	**#**	**40**	**182**	**272**
Depreciation	**42**	**5**	**1**	**4**	**155**	**207**
Half year ended 31 December 2020 [1]						
Net interest income	871	1,277	494	48	167	2,857
Non-interest income	950	420	123	676	(2)	2,167
Total income	1,821	1,697	617	724	165	5,024
Operating profit before allowances and amortisation	677	1,026	466	545	87	2,801
Amortisation of intangible assets	(7)	–	–	(23)	(21)	(51)
Allowances for loans and other assets	(107)	(456)	3	2	(78)	(636)
Operating profit after allowances and amortisation	563	570	469	524	(12)	2,114
Share of results of associates, net of tax	–	–	–	–	284	284
Profit before income tax	563	570	469	524	272	2,398
Other information:						
Capital expenditure	30	6	2	61	144	243
Depreciation	47	6	1	4	150	208

(1) Unaudited and unreviewed.

14. Segment information *(continued)*

14.1 Business segments *(continued)*

S$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Treasury and Markets	Insurance	Others	Group
Year ended 31 December 2021						
Net interest income	**1,654**	**2,753**	**973**	**98**	**377**	**5,855**
Non-interest income	**2,031**	**931**	**237**	**1,496**	**46**	**4,741**
Total income	**3,685**	**3,684**	**1,210**	**1,594**	**423**	**10,596**
Operating profit before allowances and amortisation	**1,192**	**2,285**	**877**	**1,270**	**208**	**5,832**
Amortisation of intangible assets	**(15)**	**–**	**–**	**(47)**	**(41)**	**(103)**
Allowances for loans and other assets	**(56)**	**(579)**	**(4)**	**1**	**(235)**	**(873)**
Operating profit after allowances and amortisation	**1,121**	**1,706**	**873**	**1,224**	**(68)**	**4,856**
Share of results of associates, net of tax	**–**	**–**	**–**	**–**	**824**	**824**
Profit before income tax	**1,121**	**1,706**	**873**	**1,224**	**756**	**5,680**
Other information:						
Capital expenditure	**72**	**14**	**1**	**105**	**292**	**484**
Depreciation	**85**	**11**	**2**	**8**	**306**	**412**
Year ended 31 December 2020						
Net interest income	1,912	2,690	899	106	359	5,966
Non-interest income	1,837	812	316	1,169	39	4,173
Total income	3,749	3,502	1,215	1,275	398	10,139
Operating profit before allowances and amortisation	1,401	2,131	905	968	295	5,700
Amortisation of intangible assets	(15)	–	–	(47)	(42)	(104)
Allowances for loans and other assets	(181)	(1,489)	(1)	(2)	(370)	(2,043)
Operating profit after allowances and amortisation	1,205	642	904	919	(117)	3,553
Share of results of associates, net of tax	–	–	–	–	612	612
Profit before income tax	1,205	642	904	919	495	4,165
Other information:						
Capital expenditure	58	21	2	103	250	434
Depreciation	97	11	2	8	301	419

14. Segment information *(continued)*

14.1 Business segments *(continued)*

S$ million	Global Consumer/ Private Banking	Global Wholesale Banking	Global Treasury and Markets	Insurance	Others	Group
At 31 December 2021						
Segment assets	**131,082**	**184,395**	**99,082**	**110,950**	**35,726**	**561,235**
Unallocated assets						**280**
Elimination						**(19,328)**
Total assets						**542,187**
Segment liabilities	**167,412**	**151,651**	**59,905**	**97,356**	**27,116**	**503,440**
Unallocated liabilities						**3,737**
Elimination						**(19,328)**
Total liabilities						**487,849**
Other information:						
Gross non-bank loans	**109,953**	**177,673**	**1,274**	**3**	**813**	**289,716**
NPAs	**1,184**	**3,143**	**–**	**4**	**7**	**4,338**
At 31 December 2020						
Segment assets	127,746	169,710	105,718	107,526	34,794	545,494
Unallocated assets						133
Elimination						(24,232)
Total assets						521,395
Segment liabilities	162,999	138,170	62,908	95,731	32,080	491,888
Unallocated liabilities						2,563
Elimination						(24,232)
Total liabilities						470,219
Other information:						
Gross non-bank loans	103,356	162,327	759	3	795	267,240
NPAs	574	3,417	–	5	9	4,005

14. Segment information *(continued)*

14.1 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 Treasury and 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 Treasury and Markets

Global Treasury and 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 of other business segments, such as 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.

14. Segment information *(continued)*

14.2 Geographical segments

S$ million	2H 2021 [(1)]	2H 2020 [(1)]	2021	2020
Total income				
Singapore	**2,825**	2,748	**5,955**	5,459
Malaysia	**785**	778	**1,619**	1,616
Indonesia	**469**	456	**940**	913
Greater China	**709**	753	**1,453**	1,603
Other Asia Pacific	**130**	126	**262**	242
Rest of the World	**192**	163	**367**	306
	5,110	5,024	**10,596**	10,139
Operating profit before allowances and amortisation				
Singapore	**1,343**	1,453	**3,118**	2,895
Malaysia	**512**	520	**1,088**	1,093
Indonesia	**260**	247	**517**	495
Greater China	**302**	388	**680**	857
Other Asia Pacific	**97**	91	**197**	177
Rest of the World	**119**	102	**232**	183
	2,633	2,801	**5,832**	5,700
Profit before income tax				
Singapore	**1,484**	1,237	**3,039**	1,505
Malaysia	**347**	391	**860**	850
Indonesia	**140**	59	**325**	225
Greater China	**493**	553	**1,243**	1,285
Other Asia Pacific	**47**	47	**102**	123
Rest of the World	**(8)**	111	**111**	177
	2,503	2,398	**5,680**	4,165

(1) Unaudited and unreviewed.

	31 Dec 2021 S$ million	31 Dec 2020 S$ million
Total assets		
Singapore	**317,491**	307,328
Malaysia	**66,997**	67,005
Indonesia	**20,954**	19,845
Greater China	**88,031**	85,326
Other Asia Pacific	**18,631**	18,558
Rest of the World	**30,083**	23,333
	542,187	521,395

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.

15. Fair values of financial instruments

15.1 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.

<u>Bid Offer Adjustments</u>
When the position is marked at mid-price, bid offer adjustment is applied to account for close out cost.

<u>Model Adjustments</u>
Model adjustments are applied when there are inherent limitations in the valuation models used by the Bank.

<u>Day 1 Profit or Loss Adjustments</u>
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.

<u>Credit Valuation Adjustments</u>
Credit valuation adjustments are applied to account for the expected losses due to counterparty default on derivative positions.

<u>Collateral Valuation Adjustments</u>
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.

<u>Parameter Uncertainty Adjustments</u>
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.

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

15.2 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.

15.3 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.

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

15.3 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 2021				31 Dec 2020			
S$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Recurring fair value measurements								
Financial assets measured at fair value								
Placements with and loans to banks	**2,194**	**5,673**	**–**	**7,867**	3,088	10,012	–	13,100
Debt and equity securities	**24,813**	**7,699**	**1,172**	**33,684**	25,204	6,338	1,214	32,756
Loans to customers	**–**	**2**	**47**	**49**	–	–	89	89
Derivative receivables	**42**	**8,413**	**812**	**9,267**	73	15,048	102	15,223
Government treasury bills and securities	**30,834**	**6,090**	**–**	**36,924**	27,234	5,679	–	32,913
Life insurance fund investment securities and other assets	**60,879**	**23,489**	**2,552**	**86,920**	56,272	22,797	1,967	81,036
Total	**118,762**	**51,366**	**4,583**	**174,711**	111,871	59,874	3,372	175,117
Non-financial assets measured at fair value								
Life insurance fund investment properties	**–**	**–**	**1,884**	**1,884**	–	–	1,767	1,767
Associates	**–**	**–**	**95**	**95**	–	97	–	97
Total	**–**	**–**	**1,979**	**1,979**	–	97	1,767	1,864
Financial liabilities measured at fair value								
Derivative payables	**168**	**8,262**	**640**	**9,070**	117	15,330	69	15,516
Trading portfolio liabilities	**393**	**–**	**–**	**393**	339	–	–	339
Debt issued	**–**	**1,092**	**–**	**1,092**	–	1,006	–	1,006
Life insurance fund financial liabilities	**3**	**106**	**–**	**109**	2	262	–	264
Total	**564**	**9,460**	**640**	**10,664**	458	16,598	69	17,125

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.

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

15.3 Fair value hierarchy *(continued)*

Valuation techniques and unobservable inputs for Level 3 instruments

GROUP S$ million	Fair value at 31 Dec 2021	Classification	Valuation techniques	Unobservable inputs
Financial assets				
Equity securities	**1,172**	FVTPL/FVOCI	Net asset value/ Multiples/Discounted cash flows	Value of net asset/ Earnings and multiples/Cash flows and discount rate
Loans to customers	**47**	FVTPL	Discounted cash flows	Cash flows and discount rate
Derivative receivables	**812**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Long dated rate
Life insurance fund investment securities and other assets	**2,552**	FVTPL/FVOCI	Net asset value	Value of net asset
Total	**4,583**			
Financial liabilities				
Derivative payables	**640**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Long dated rate
Total	**640**			

Movements in Level 3 financial assets and liabilities

GROUP S$ million	Debt and equity securities	Loans to customers	Derivative receivables	Life insurance fund investment securities and other assets	Total
Financial assets measured at fair value					
At 1 January 2021	**1,214**	**89**	**102**	**1,967**	**3,372**
Purchases	**11**	**–**	**42**	**541**	**594**
Settlements/disposals	**(14)**	**(26)**	**(8)**	**(243)**	**(291)**
Transfers in to Level 3	**20** [(1)]	**–**	**226** [(1)]	**–**	**246**
Gains/(losses) recognised in					
- profit or loss	**(68)**	**(16)**	**449**	**288**	**653**
- other comprehensive income	**9**	**(#)**	**1**	**(1)**	**9**
At 31 December 2021	**1,172**	**47**	**812**	**2,552**	**4,583**
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	**(68)**	**(16)**	**738**	**274**	**928**

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

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

15.3 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	Life insurance fund investment securities and other assets	Total
Financial assets measured at fair value					
At 1 January 2020	1,025	180	61	1,764	3,030
Purchases	94	1	10	284	389
Settlements/disposals	(86)	(90)	(#)	(99)	(275)
Transfers in to/(out of) Level 3	23 [1]	–	(7) [2]	–	16
Gains/(losses) recognised in					
- profit or loss	53	(2)	38	20	109
- other comprehensive income	105	(#)	#	(2)	103
At 31 December 2020	1,214	89	102	1,967	3,372
Unrealised gains/(losses) included in profit or loss for assets held at the end of the year	53	(3)	66	51	167

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

GROUP S$ million	2021 Derivative payables	2021 Total	2020 Derivative payables	2020 Total
Financial liabilities measured at fair value				
At 1 January	**69**	**69**	43	43
Issues	**144**	**144**	82	82
Settlements/disposals	**(80)**	**(80)**	(16)	(16)
Transfers in to/(out of) Level 3	**226** [1]	**226**	(7) [2]	(7)
Losses/(gains) recognised in				
- profit or loss	**281**	**281**	(33)	(33)
- other comprehensive income	**(#)**	**(#)**	#	#
At 31 December	**640**	**640**	69	69
Unrealised (losses)/gains included in profit or loss for liabilities held at the end of the year	**(542)**	**(542)**	9	9

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

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

15.3 Fair value hierarchy *(continued)*

Movements in Level 3 non-financial assets

GROUP S$ million	2021 Life insurance fund investment properties	2021 Associates	2021 Total	2020 Life insurance fund investment properties	2020 Total
Non-financial assets measured at fair value					
At 1 January	**1,767**	**–**	**1,767**	1,786	1,786
Purchases/net transfer from property, plant and equipment	**39**	**–**	**39**	#	#
Transfers in to Level 3	**–**	**97** [1]	**97**	–	–
Gains/(losses) recognised in					
- profit or loss	**84**	**(2)**	**82**	(19)	(19)
- other comprehensive income	**(6)**	**–**	**(6)**	#	#
At 31 December	**1,884**	**95**	**1,979**	1,767	1,767

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

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 2021 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 2021 in accordance with Singapore Financial Reporting Standards (International), on which a separate auditor's report dated 22 February 2022 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 2021

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 2021, 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 22 February 2022, as extracted from the financial statements of Oversea-Chinese Banking Corporation Limited and its subsidiaries for the year ended 31 December 2021, 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 2021 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 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 year ended 31 December 2021;
- the statements of comprehensive income of the Group and of the Bank for the year then ended;
- the balance sheets of the Group and of the Bank as at 31 December 2021;
- the statement of changes in equity of the Group for the year then ended;
- the statement of changes in equity of the Bank for the year then ended;
- the consolidated cash flow statement of the Group for the 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.

INDEPENDENT AUDITOR'S REPORT (continued)
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 year ended 31 December 2021. 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 2.25, 26, 28 and 30 to the financial statements)* The Group's allowances on non-impaired loans and impaired loans are S$1,900 million and S$1,535 million respectively as at 31 December 2021. 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 prolonged COVID-19 pandemic has increased the uncertainty of these estimates and degree of judgement required to be exercised in estimating the ECL.	*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.

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 2021, 58% (S$892 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 Notices 612 and 612A. 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, and the COVID-19 pandemic) 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* 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 Notices 612 and 612A. 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 Notices 612 and 612A. 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 2021, the Group had financial assets of S$51 billion and financial liabilities of S$9 billion measured at fair value which were classified as Level 2. These represent 29% of the financial assets and 89% 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$5 billion and financial liabilities of S$640 million measured at fair value which were classified as Level 3. These represent 3% of the financial assets and 6% 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 (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.	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. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
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 2021, the carrying amount of goodwill on the Group's balance sheet amounted to S$4,467 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* 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.

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

Valuation of 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.

</td><td>

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 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.

</td></tr>
</table>

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 those charged with governance 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, 22 February 2022