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 2022

For the financial year ended 31 December 2022, the Group reported net profit after tax was S$5.75 billion. Details of the financial results are in the accompanying Condensed Financial Statements.

Ordinary Dividend

A final tax-exempt dividend of 40 cents per share has been recommended for the financial year 2022 ("FY22"). Including the interim net dividend of 28 cents per share paid in August 2022, total dividends for FY22 would amount to 68 cents per share. The total dividend payout will amount to an estimated S$3.06 billion (2021: S$2.39 billion) or approximately 53% of the Group's net profit after tax of S$5.75 billion for FY22.

Closure of Books

The record date is 9 May 2023. 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 2022" 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, 24 February 2023

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

Oversea-Chinese Banking Corporation Limited
and its Subsidiaries

Condensed Financial Statements
For the Half Year and Full Year ended 31 December 2022

OCBC Bank

Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Condensed Financial Statements

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2022

		GROUP			
S$ million	**Note**	**2H 2022 [1]**	**2H 2021 [1]**	**2022**	**2021**
Interest income		**7,426**	3,714	**11,590**	7,425
Interest expense		**(2,941)**	(761)	**(3,902)**	(1,570)
Net interest income	3	**4,485**	2,953	**7,688**	5,855
Profit from life insurance [2]	4	**322**	510	**971**	1,137
Premium income from general insurance		**114**	100	**218**	197
Fees and commissions (net)	5	**852**	1,097	**1,851**	2,245
Dividends		**68**	65	**125**	113
Net trading income		**342**	235	**834**	763
Other income	6	**(30)**	150	**(12)**	286
Non-interest income		**1,668**	2,157	**3,987**	4,741
Total income		**6,153**	5,110	**11,675**	10,596
Staff costs		**(1,620)**	(1,542)	**(3,233)**	(3,028)
Other operating expenses	7	**(948)**	(935)	**(1,793)**	(1,736)
Total operating expenses		**(2,568)**	(2,477)	**(5,026)**	(4,764)
Operating profit before allowances and amortisation		**3,585**	2,633	**6,649**	5,832
Amortisation of intangible assets		**(52)**	(52)	**(104)**	(103)
Allowances for loans and other assets	8	**(468)**	(480)	**(584)**	(873)
Operating profit after allowances and amortisation		**3,065**	2,101	**5,961**	4,856
Share of results of associates, net of tax		**479**	402	**978**	824
Profit before income tax		**3,544**	2,503	**6,939**	5,680
Income tax expense		**(582)**	(235)	**(1,057)**	(648)
Profit for the period/year		**2,962**	2,268	**5,882**	5,032
Attributable to:					
Equity holders of the Bank		**2,911**	2,197	**5,748**	4,858
Non-controlling interests		**51**	71	**134**	174
		2,962	2,268	**5,882**	5,032
Earnings per share (S$)					
Basic		**0.64**	0.48	**1.27**	1.07
Diluted		**0.64**	0.48	**1.27**	1.07

(1) Unaudited and unreviewed.

(2) Comprised premium and investment income of S$12,245 million and S$7,687 million for 2022 and 2H2022 respectively (2021: S$19,506 million and 2H2021: S$9,963 million) and insurance claims, commission and other expenses of S$11,246 million and S$7,378 million for 2022 and 2H2022 respectively (2021: S$18,285 million and 2H2021: S$9,409 million) for the Group. Refer to Note 4.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	GROUP			
S$ million	**2H 2022 [1]**	**2H 2021 [1]**	**2022**	**2021**
Profit for the period/year	**2,962**	2,268	**5,882**	5,032
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Financial assets, at FVOCI [2]				
Fair value losses for the period/year	**(157)**	(312)	**(2,164)**	(694)
Reclassification of (gains)/losses to income statement				
– on disposal	**138**	(33)	**264**	(131)
– on impairment	**(3)**	(3)	**(#)**	3
Tax on net movements	**18**	34	**247**	98
Cash flow hedges	**2**	#	**(2)**	(#)
Currency translation on foreign operations	**(814)**	65	**(873)**	110
Other comprehensive income of associates	**(541)**	179	**(656)**	339
Items that will not be reclassified subsequently to income statement:				
Currency translation on foreign operations	**(42)**	9	**(54)**	(1)
Equity instruments, at FVOCI [2], net change in fair value	**(4)**	55	**(207)**	134
Defined benefit plans remeasurements	**1**	(1)	**2**	(1)
Own credit	**#**	#	**1**	1
Total other comprehensive income, net of tax	**(1,402)**	(7)	**(3,442)**	(142)
Total comprehensive income for the period/year, net of tax	**1,560**	2,261	**2,440**	4,890
Total comprehensive income attributable to:				
Equity holders of the Bank	**1,572**	2,190	**2,490**	4,735
Non-controlling interests	**(12)**	71	**(50)**	155
	1,560	2,261	**2,440**	4,890

(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 financial statements.

BALANCE SHEETS
As at 31 December 2022

		GROUP		BANK	
S$ million	**Note**	**31 Dec 2022**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2021**
EQUITY					
Attributable to equity holders of the Bank					
Share capital	10	**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	11	**350,081**	342,395	**223,310**	221,213
Deposits and balances of banks	11	**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	12	**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	13	**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
Net asset value per ordinary share – S$ [(1)]		**11.43**	11.46	**7.83**	7.66
OFF-BALANCE SHEET ITEMS					
Contingent liabilities		**16,749**	16,651	**12,247**	12,299
Commitments		**184,013**	171,641	**109,405**	98,563
Derivative financial instruments		**1,106,931**	1,044,314	**879,077**	820,026

(1) Unaudited and unreviewed.

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2022

S$ million	Share capital and other equity	Capital reserves [1]	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
Balance at 1 January 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 S$444 million at 1 January 2022 and S$455 million at 31 December 2022.
(2) # represents amounts less than S$0.5 million.

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

STATEMENT OF CHANGES IN EQUITY - GROUP

For the financial year ended 31 December 2022

S$ million	Share capital and other equity	Capital reserves (1)	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
Balance at 1 January 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 financial statements.

STATEMENT OF CHANGES IN EQUITY - BANK

For the financial year ended 31 December 2022

S$ 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	**–**	**–**	**(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	–	–	(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 S$444 million at 1 January 2022 (1 January 2021: S$874 million) and S$444 million at 31 December 2022 (31 December 2021: S$444 million).

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2022

S$ 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 S$1,167 million (2021: S$913 million), of which S$576 million (2021: S$280 million) was paid in Singapore and S$591 million (2021: S$633 million) in other jurisdictions.

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

The condensed financial statements were authorised by the Board of Directors on 23 February 2023.

1. General

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

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

2. Basis of preparation

2.1 Statement of compliance

The condensed financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting, and do not include all of the information required for full annual financial statements. These condensed financial statements are to be read in conjunction with the financial statements as at and for the year ended 31 December 2021.

2.2 Basis of presentation

The condensed financial statements are presented in Singapore Dollar, rounded to the nearest million unless otherwise stated. # represents amounts less than S$0.5 million. The condensed financial statements have been prepared under the historical cost convention, except as disclosed in the financial statements as at and for the year ended 31 December 2021.

2.3 Use of estimates and judgements

The preparation of condensed financial statements in conformity with SFRS(I) requires management to exercise its judgement, use estimates and make assumptions in the application of accounting policies on the reported amounts of assets, liabilities, revenues and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

In preparing these condensed financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied in the financial statements as at and for the year ended 31 December 2021, 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 2022, the forward-looking scenarios used in the ECL model have been updated from those as of 31 December 2021, which reflects the latest macroeconomic view. Additionally, post-model adjustments were made to address events that are not incorporated in the baseline ECL. These post-model adjustments were reviewed and approved in accordance with the Group's ECL framework, and include:

- Post-model adjustments were made to more accurately reflect the continued weakness of certain industries and segments due to either travel restrictions or geopolitical events.

- 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.

Sensitivity of ECL
ECL is estimated to increase by S$1,310 million (2021: S$1,286 million) should all the exposures in Stage 1 (12-month ECL) move to Stage 2 (lifetime ECL).

Allowances for credit-impaired loans to customers
In respect of credit-impaired exposures, management judgement and estimation are applied in, amongst others, identifying impaired exposures, estimating the related recoverable cash flows and where applicable, determining collateral values and timing of realisation. Judgements and assumptions in respect of these matters have been updated to reflect the relevant information as of 31 December 2022.

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 2022:

SFRS(I)	Title
Various	*Annual Improvements to SFRS(I)s 2018-2020*
SFRS(I) 3 (Amendments)	*Reference to the Conceptual Framework*
SFRS(I) 1-16 (Amendments)	*Property, Plant and Equipment – Proceeds before Intended Use*
SFRS(I) 1-37 (Amendments)	*Onerous Contracts – Cost of Fulfilling a Contract*

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.

The accounting policies applied by the Group in the condensed financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2021, 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 2022 (1)**	**2H 2021 (1)**	**2022**	**2021**
Interest income				
Loans to customers	**5,590**	2,907	**8,852**	5,786
Placements with and loans to banks	**999**	200	**1,314**	448
Other interest-earning assets	**837**	607	**1,424**	1,191
	7,426	3,714	**11,590**	7,425
Interest expense				
Deposits of non-bank customers	**(2,433)**	(626)	**(3,223)**	(1,300)
Deposits and balances of banks	**(141)**	(37)	**(195)**	(68)
Other borrowings	**(367)**	(98)	**(484)**	(202)
	(2,941)	(761)	**(3,902)**	(1,570)
Net interest income	**4,485**	2,953	**7,688**	5,855

4. Profit from life insurance

	GROUP			
S$ million	**2H 2022 (1)**	**2H 2021 (1)**	**2022**	**2021**
Premium income (net)	**7,156**	9,348	**17,477**	17,987
Investment income (net)	**531**	615	**(5,232)**	1,519
Net claims, surrenders and annuities	**(5,046)**	(6,813)	**(10,398)**	(10,772)
Net change in life insurance contract liabilities	**(1,311)**	(459)	**832**	(4,196)
Commission and others	**(1,008)**	(2,181)	**(1,708)**	(3,401)
Profit from life insurance	**322**	510	**971**	1,137

(1) Unaudited and unreviewed.

5. Fees and commissions (net)

	GROUP			
S$ million	**2H 2022 (1)**	**2H 2021 (1)**	**2022**	**2021**
Gross fee and commission income				
Brokerage	**44**	62	**103**	141
Credit card	**179**	146	**337**	287
Fund management	**57**	70	**119**	133
Guarantees	**6**	7	**14**	14
Investment banking	**49**	49	**100**	106
Loan-related	**94**	94	**180**	179
Service charges	**47**	39	**87**	79
Trade-related and remittances	**150**	152	**298**	286
Wealth management (2)	**382**	620	**919**	1,310
Others	**25**	24	**50**	46
	1,033	1,263	**2,207**	2,581
Fee and commission expense	**(181)**	(166)	**(356)**	(336)
Fees and commissions (net)	**852**	1,097	**1,851**	2,245

6. Other income

	GROUP			
S$ million	**2H 2022 (1)**	**2H 2021 (1)**	**2022**	**2021**
Disposal of investment securities	**(128)**	32	**(206)**	92
Disposal of plant and equipment	**(1)**	(#)	**(1)**	(1)
Disposal of properties	**51**	71	**100**	108
Rental and property-related income	**42**	33	**78**	66
Others	**6**	14	**17**	21
Other income	**(30)**	150	**(12)**	286

7. Other operating expenses

	GROUP			
S$ million	**2H 2022 (1)**	**2H 2021 (1)**	**2022**	**2021**
Property and equipment				
Depreciation	**220**	207	**426**	412
Maintenance	**85**	77	**156**	145
Rental expenses	**4**	4	**7**	7
Others	**170**	161	**330**	304
	479	449	**919**	868
Other operating expenses	**469**	486	**874**	868
Total other operating expenses	**948**	935	**1,793**	1,736

8. Allowances for loans and other assets

	GROUP			
S$ million	**2H 2022 (1)**	**2H 2021 (1)**	**2022**	**2021**
Allowances/(write-back):				
Impaired loans	**104**	569	**136**	852
Impaired other assets	**75**	3	**80**	3
Non-impaired loans	**292**	(89)	**369**	15
Non-impaired other assets	**(3)**	(3)	**(1)**	3
Allowances for loans and other assets	**468**	480	**584**	873

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

9. Dividends/distributions

S$ million	GROUP 2022	GROUP 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**	–
Total dividends and distributions	**2,576**	1,886

10. Share capital

	GROUP AND BANK			
	Half year ended 31 Dec [1]		Financial year ended 31 Dec	
Shares (million)	**2022**	**2021**	**2022**	**2021**
Issued ordinary shares				
At beginning of period/year	**4,515**	4,515	**4,515**	4,476
Shares issued in lieu of ordinary dividends	**–**	–	**–**	32
Shares issued to non-executive directors	**–**	–	**#**	#
Deferred Share Plan	**–**	–	**–**	7
Share Option Scheme	**–**	–	**–**	#
At end of period/year	**4,515**	4,515	**4,515**	4,515
Treasury shares				
At beginning of period/year	**(20)**	(10)	**(23)**	(2)
Share buyback	**(8)**	(19)	**(21)**	(34)
Share Option Scheme	**2**	2	**6**	7
Share Purchase Plan	**6**	4	**10**	6
Treasury shares transferred to DSP Trust	**–**	–	**8**	–
At end of period/year	**(20)**	(23)	**(20)**	(23)
Total ordinary shares and treasury shares	**4,495**	4,492	**4,495**	4,492
Issued share capital (S$ million)	**18,048**	18,040	**18,048**	18,040

(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 22 April 2022, the Bank purchased a total of 8 million ordinary shares in the half year ended 31 December 2022. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$11.70 to S$12.45 per share and the total consideration paid was S$97 million (including transaction costs).

As at 31 December 2022, the number of options outstanding under the OCBC Share Option Scheme 2001 was 18 million (31 December 2021: 25 million) and the number of acquisition rights outstanding under the OCBC Employee Share Purchase Plan was 15 million (31 December 2021: 18 million).

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

	GROUP	
S$ million	**31 Dec 2022**	**31 Dec 2021**
Deposits of non-bank customers		
Fixed deposits	**133,415**	91,338
Savings deposits	**69,036**	78,566
Current accounts	**112,245**	138,077
Others	**35,385**	34,414
	350,081	342,395
Deposits and balances of banks	**10,046**	8,239
Total deposits	**360,127**	350,634

12. Debt issued

	GROUP	
S$ million	**31 Dec 2022**	**31 Dec 2021**
Unsecured		
Subordinated debt	**3,484**	2,730
Fixed and floating rate notes	**3,202**	2,771
Commercial paper	**10,759**	8,668
Structured notes	**2,713**	2,425
Secured		
Covered bonds	**1,780**	3,521
	21,938	20,115
Debt issued by maturity		
Within one year	**14,163**	12,586
Over one year	**7,775**	7,529
	21,938	20,115

13. Loans to customers

	GROUP	
S$ million	**31 Dec 2022**	**31 Dec 2021**
Gross loans	**294,980**	289,716
Allowances		
Impaired loans	**(1,308)**	(1,535)
Non-impaired loans	**(2,205)**	(1,900)
Net loans	**291,467**	286,281

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 2022 [1]						
Net interest income	**1,548**	**2,398**	**253**	**60**	**226**	**4,485**
Non-interest income	**673**	**341**	**93**	**477**	**84**	**1,668**
Total income	**2,221**	**2,739**	**346**	**537**	**310**	**6,153**
Operating profit before allowances and amortisation	**881**	**1,972**	**183**	**349**	**200**	**3,585**
Amortisation of intangible assets	**(8)**	**–**	**–**	**(23)**	**(21)**	**(52)**
Allowances for loans and other assets	**(5)**	**(232)**	**1**	**1**	**(233)**	**(468)**
Operating profit after allowances and amortisation	**868**	**1,740**	**184**	**327**	**(54)**	**3,065**
Share of results of associates, net of tax	**–**	**–**	**–**	**–**	**479**	**479**
Profit before income tax	**868**	**1,740**	**184**	**327**	**425**	**3,544**
Other information:						
Capital expenditure	**48**	**7**	**#**	**39**	**226**	**320**
Depreciation	**46**	**6**	**1**	**5**	**162**	**220**
Half year ended 31 December 2021 [1]						
Net interest income	824	1,404	482	49	194	2,953
Non-interest income	974	448	85	618	32	2,157
Total income	1,798	1,852	567	667	226	5,110
Operating profit before allowances and amortisation	479	1,146	387	493	128	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	402	714	382	473	130	2,101
Share of results of associates, net of tax	–	–	–	–	402	402
Profit before income tax	402	714	382	473	532	2,503
Other information:						
Capital expenditure	46	6	#	40	180	272
Depreciation	42	5	1	4	155	207

[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 2022						
Net interest income	**2,522**	**4,002**	**702**	**112**	**350**	**7,688**
Non-interest income	**1,588**	**823**	**288**	**1,176**	**112**	**3,987**
Total income	**4,110**	**4,825**	**990**	**1,288**	**462**	**11,675**
Operating profit before allowances and amortisation	**1,516**	**3,325**	**650**	**932**	**226**	**6,649**
Amortisation of intangible assets	**(15)**	**–**	**–**	**(47)**	**(42)**	**(104)**
Allowances for loans and other assets	**36**	**(323)**	**(1)**	**(4)**	**(292)**	**(584)**
Operating profit after allowances and amortisation	**1,537**	**3,002**	**649**	**881**	**(108)**	**5,961**
Share of results of associates, net of tax	**–**	**–**	**–**	**–**	**978**	**978**
Profit before income tax	**1,537**	**3,002**	**649**	**881**	**870**	**6,939**
Other information:						
Capital expenditure	**116**	**10**	**1**	**70**	**355**	**552**
Depreciation	**88**	**12**	**2**	**9**	**315**	**426**
Year ended 31 December 2021						
Net interest income	1,663	2,736	972	98	386	5,855
Non-interest income	2,055	907	237	1,496	46	4,741
Total income	3,718	3,643	1,209	1,594	432	10,596
Operating profit before allowances and amortisation	1,181	2,267	868	1,270	246	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	1,110	1,688	864	1,224	(30)	4,856
Share of results of associates, net of tax	–	–	–	–	824	824
Profit before income tax	1,110	1,688	864	1,224	794	5,680
Other information:						
Capital expenditure	74	14	1	105	290	484
Depreciation	85	11	2	8	306	412

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 2022						
Segment assets	**138,515**	**189,710**	**110,471**	**108,370**	**41,319**	**588,385**
Unallocated assets						**437**
Elimination						**(28,866)**
Total assets						**559,956**
Segment liabilities	**178,231**	**152,108**	**76,610**	**96,123**	**27,826**	**530,898**
Unallocated liabilities						**3,256**
Elimination						**(28,866)**
Total liabilities						**505,288**
Other information:						
Gross non-bank loans	**106,769**	**185,629**	**1,728**	**3**	**851**	**294,980**
NPAs	**886**	**2,591**	**–**	**2**	**7**	**3,486**
At 31 December 2021						
Segment assets	131,443	184,050	94,832	110,950	39,960	561,235
Unallocated assets						280
Elimination						(19,328)
Total assets						542,187
Segment liabilities	167,679	151,384	59,917	97,356	27,104	503,440
Unallocated liabilities						3,737
Elimination						(19,328)
Total liabilities						487,849
Other information:						
Gross non-bank loans	109,972	177,670	1,274	3	797	289,716
NPAs	1,184	3,143	–	4	7	4,338

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 in Global Consumer/Private Banking and Global Wholesale Banking, is reflected in the respective business segments.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by the Bank's subsidiary Great Eastern Holdings Limited and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Others

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

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

14. Segment information *(continued)*

14.2 Geographical segments

	GROUP			
S$ million	**2H 2022** [1]	**2H 2021** [1]	**2022**	**2021**
Total income				
Singapore	**3,617**	2,825	**6,738**	5,955
Malaysia	**848**	785	**1,668**	1,619
Indonesia	**529**	469	**1,016**	940
Greater China	**803**	709	**1,558**	1,453
Other Asia Pacific	**132**	130	**251**	262
Rest of the World	**224**	192	**444**	367
	6,153	5,110	**11,675**	10,596
Operating profit before allowances and amortisation				
Singapore	**2,107**	1,343	**3,771**	3,118
Malaysia	**572**	512	**1,135**	1,088
Indonesia	**294**	260	**547**	517
Greater China	**371**	302	**721**	680
Other Asia Pacific	**94**	97	**176**	197
Rest of the World	**147**	119	**299**	232
	3,585	2,633	**6,649**	5,832
Profit before income tax				
Singapore	**1,897**	1,484	**3,568**	3,039
Malaysia	**629**	347	**1,239**	860
Indonesia	**144**	140	**325**	325
Greater China	**612**	493	**1,353**	1,243
Other Asia Pacific	**160**	47	**239**	102
Rest of the World	**102**	(8)	**215**	111
	3,544	2,503	**6,939**	5,680

[1] Unaudited and unreviewed.

	GROUP	
S$ million	**31 Dec 2022**	**31 Dec 2021**
Total assets		
Singapore	**323,392**	317,491
Malaysia	**65,280**	66,997
Indonesia	**21,047**	20,954
Greater China	**93,291**	88,031
Other Asia Pacific	**20,321**	18,631
Rest of the World	**36,625**	30,083
	559,956	542,187

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 2022				31 Dec 2021			
S$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Placements with and loans to banks	**2,222**	**10,980**	**–**	**13,202**	2,194	5,673	–	7,867
Debt and equity securities	**18,453**	**5,869**	**3,381**	**27,703**	24,813	7,699	1,172	33,684
Loans to customers	**–**	**–**	**23**	**23**	–	2	47	49
Derivative receivables	**117**	**15,141**	**347**	**15,605**	42	8,413	812	9,267
Government treasury bills and securities	**34,096**	**4,315**	**–**	**38,411**	30,834	6,090	–	36,924
Life insurance fund investment securities and other assets	**51,460**	**25,442**	**3,256**	**80,158**	60,879	23,489	2,552	86,920
Total	**106,348**	**61,747**	**7,007**	**175,102**	118,762	51,366	4,583	174,711
Non-financial assets measured at fair value								
Life insurance fund investment properties and asset held for sale	**–**	**–**	**1,954**	**1,954**	–	–	1,884	1,884
Associates	**–**	**–**	**122**	**122**	–	–	95	95
Total	**–**	**–**	**2,076**	**2,076**	–	–	1,979	1,979
Financial liabilities measured at fair value								
Derivative payables	**103**	**15,662**	**283**	**16,048**	168	8,262	640	9,070
Trading portfolio liabilities	**212**	**–**	**–**	**212**	393	–	–	393
Debt issued	**–**	**1,040**	**–**	**1,040**	–	1,092	–	1,092
Life insurance fund financial liabilities	**22**	**253**	**–**	**275**	3	106	–	109
Total	**337**	**16,955**	**283**	**17,575**	564	9,460	640	10,664

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 2022	Classification	Valuation techniques	Unobservable inputs
Financial assets				
Debt securities	**222**	FVTPL/FVOCI	Discounted cash flows	Yield
Equity securities	**3,159**	FVTPL/FVOCI	Net asset value/ Multiples/Discounted cash flows	Value of net asset/ Earnings and multiples/Cash flows and discount rate
Loans to customers	**23**	FVTPL	Discounted cash flows	Cash flows and discount rate
Derivative receivables	**347**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Long dated rate
Life insurance fund investment securities and other assets	**3,256**	FVTPL/FVOCI	Discounted cash flows/Income approach/Net asset value	Yield/Risk adjusted discount rate/Value of net asset
Total	**7,007**			
Financial liabilities				
Derivative payables	**283**	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Long dated rate
Total	**283**			

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 2022	**1,172**	**47**	**812**	**2,552**	**4,583**
Purchases	**519**	**46**	**43**	**600**	**1,208**
Settlements/disposals	**(14)**	**(27)**	**(41)**	**(335)**	**(417)**
Transfers in [(1)]	**1,729**	**–**	**51**	**549**	**2,329**
Gains/(losses) recognised in					
- profit or loss	**(24)**	**(43)**	**(520)**	**(106)**	**(693)**
- other comprehensive income	**(1)**	**#**	**2**	**(4)**	**(3)**
At 31 December 2022	**3,381**	**23**	**347**	**3,256**	**7,007**
Unrealised (losses)/gains included in profit or loss for assets held at the end of the year	**(24)**	**(22)**	**152**	**(47)**	**59**

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

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 2021	1,214	89	102	1,967	3,372
Purchases	11	–	42	541	594
Settlements/disposals	(14)	(26)	(8)	(243)	(291)
Transfers in [(1)]	20	–	226	–	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.

GROUP S$ million	2022 Derivative payables	2022 Total	2021 Derivative payables	2021 Total
Financial liabilities measured at fair value				
At 1 January	**640**	**640**	69	69
Issues	**59**	**59**	144	144
Settlements/disposals	**(143)**	**(143)**	(80)	(80)
Transfers in [(1)]	**39**	**39**	226	226
Losses/(gains) recognised in				
- profit or loss	**(314)**	**(314)**	281	281
- other comprehensive income	**2**	**2**	(#)	(#)
At 31 December	**283**	**283**	640	640
Unrealised losses included in profit or loss for liabilities held at the end of the year	**(351)**	**(351)**	(542)	(542)

[(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

15.3 Fair value hierarchy *(continued)*

Movements in Level 3 non-financial assets

GROUP S$ million	2022 Life insurance fund investment properties and asset held for sale [1]	2022 Associates [2]	2022 Total	2021 Life insurance fund investment properties [1]	2021 Associates [2]	2021 Total
Non-financial assets measured at fair value						
At 1 January	**1,884**	**95**	**1,979**	1,767	–	1,767
Purchases/net transfer from property, plant and equipment	**1**	**–**	**1**	39	–	39
Transfers in [3]	**–**	**–**	**–**	–	97	97
Gains/(losses) recognised in						
- profit or loss	**91**	**24**	**115**	84	(2)	82
- other comprehensive income	**(22)**	**3**	**(19)**	(6)	–	(6)
At 31 December	**1,954**	**122**	**2,076**	1,884	95	1,979

[1] The fair value of investment properties and asset held for sale is determined based on a combination of income approach, comparison approach and capitalisation approach under Level 3 fair value measurements.
[2] The fair value of investment in associate is determined based on market approach under Level 3 fair value measurements.
[3] 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 2022 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 2022 in accordance with Singapore Financial Reporting Standards (International), on which a separate auditor's report dated 23 February 2023 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 2022

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 2022, 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 23 February 2023, as extracted from the financial statements of Oversea-Chinese Banking Corporation Limited and its subsidiaries for the year ended 31 December 2022, 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 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.

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$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 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 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. 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* We assessed the design effectiveness and tested the operating effectiveness of key controls over credit grading, credit monitoring and management's determination of the ECL allowances for loans to customers. These controls include: • oversight and review of credit risk by the Credit Risk Management Committee; • credit portfolio review and monitoring; • collateral monitoring and valuation; • monitoring of loan covenants and breaches; and • classification of loans to customers in accordance with MAS Notice 612. We determined that we could rely on these controls for the purposes of our audit. We selected a sample of credit exposures in the GWB loan portfolio and performed credit file reviews to assess the appropriateness of credit grading in accordance with the requirements of MAS Notice 612. In that process, we have also considered management's assessment on the impact of current significant events in the identification of credit-impaired exposures. Where there was objective evidence of impairment, we assessed whether the ECL allowances were recognised on a timely basis and evaluated the amount of such impairment. Our work includes: • considering the background facts and the latest circumstances in relation to the borrower; • examining and challenging management's key assumptions applied on expected future cash flows of the borrower, including amounts and timing of recoveries; • comparing the realisable value of collateral against externally derived evidence including independent valuation reports, where available; and • testing the calculation of impairment. For a sample of non-credit impaired loans to customers which had not been classified by management as credit-impaired, we challenged management's key assumptions on whether their classification was appropriate, based on our understanding of the customers, business environment and other external evidence where available. Based on the procedures performed, we have assessed that the ECL allowances for credit-impaired loans to customers were within an acceptable range of estimates.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
Valuation of financial instruments measured at fair value - Levels 2 and 3
(Refer to Notes 2.25 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 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.
</td><td>
We assessed the design and tested the operating effectiveness of key controls over the Group's financial instruments valuation processes, including the controls over:

management's testing and approval of 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.
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<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
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.
</td><td>
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.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP

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