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Pricing Supplement dated 11 August 2023

OVERSEA-CHINESE BANKING CORPORATION LIMITED

Issue of S\$550,000,000 4.50 per cent. Perpetual Capital Securities First Callable in 2029
under the Oversea-Chinese Banking Corporation Limited
U.S.\$30,000,000,000 Global Medium Term Note Program

This document constitutes the Pricing Supplement relating to the issue of Perpetual Capital Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Capital Securities (the “**Conditions**”) set forth in the Offering Memorandum dated April 6, 2022. This Pricing Supplement, together with the information set out in the Schedules to this Pricing Supplement, contains the final terms of the Perpetual Capital Securities and must be read in conjunction with such Offering Memorandum.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Capital Securities or coupons (if applicable) by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Perpetual Capital Securities or coupons (if applicable) using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Capital Securities or coupons (if applicable) is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

Pursuant to the Monetary Authority of Singapore Act 1970 of Singapore (the “**MAS Act**”) and the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 (the “**MAS Regulations**”), the Perpetual Capital Securities would be eligible instruments (as defined in the MAS Regulations). Accordingly, should a Bail-in Certificate (as defined in the MAS Act) be issued, Perpetual Capital Securities may be subject to cancellation, modification, conversion and/or change in form, as set out in such Bail-in Certificate.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Perpetual Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Perpetual Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Perpetual Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or

otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Perpetual Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Perpetual Capital Securities are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

1	Issuer:	Oversea-Chinese Banking Corporation Limited
2	(i) Series Number:	55
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Singapore Dollar (“ S\$ ”)
4	Aggregate Principal Amount:	
	(i) Series:	S\$550,000,000
	(ii) Tranche:	S\$550,000,000
5	Issue Price:	100.0 per cent. of the Aggregate Principal Amount
6	(i) Specified Denominations:	S\$250,000
	(ii) Calculation Amount:	S\$250,000
7	(i) Issue Date:	15 August 2023
	(ii) Distribution Commencement Date:	Issue Date
	(iii) Trade Date:	7 August 2023
8	Maturity Date:	Not Applicable

9	Distribution Basis:	<p>From (and including):</p> <ul style="list-style-type: none"> • the Distribution Commencement Date to (but excluding) the First Reset Date (as defined below), the Initial Distribution Rate; • the First Reset Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate. <p>(further particulars specified below)</p>
10	Redemption/Payment Basis:	Redemption at par, subject to paragraphs 18(ii), 20 and 21 below
11	Change of Distribution or Redemption/Payment Basis:	See paragraph 9 above
12	Call Options:	<p>Issuer Call</p> <p>(further particulars specified below)</p>
13	Listing:	SGX-ST
14	Status of Perpetual Capital Securities:	Subordinated
15	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO DISTRIBUTION (IF ANY) PAYABLE

16	Fixed Rate Perpetual Capital Security Provisions	Applicable
	(i) Rates of Distribution:	
	(a) Reset	Applicable
	(A) First Reset Date	15 February 2029
	(B) Reset Date(s)	The First Reset Date and each date falling every five years after the First Reset Date, not adjusted for non-Business Days

(C)	Relevant Rate	5-year SORA-OIS, where: “5-year SORA-OIS” means (a) the rate per annum which appears on the “OTC SGD OIS” page on Bloomberg under “BGN” appearing under the column headed “Ask” (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Calculation Agent)) for a 5-year period at the close of business on the second business day prior to the relevant Reset Date (the “ Reset Distribution Date ”), or (b) if a Benchmark Event has occurred in relation to the “5-year SORA OIS”, such rate as determined in accordance with Condition 4(l)(i).
	(D) Reset Period	5 years
	(E) Initial Spread	1.3348 per cent.
	(b) Initial Distribution Rate:	4.50 per cent. per annum payable semi-annually in arrear
(ii)	Distribution Period(s):	Each period from (and including) a Distribution Payment Date to (but excluding) the subsequent Distribution Payment Date, except that the first Distribution Period will commence on (and include) the Issue Date.
(iii)	Distribution Payment Date(s):	15 February and 15 August in each year (not adjusted for non-Business Days) commencing on the Distribution Payment Date falling on 15 February 2024
(iv)	Distribution Stopper:	Applicable
(v)	Fixed Distribution Amount[(s)]:	Not Applicable
(vi)	Broken Amount[(s)]:	Not Applicable
(vii)	Day Count Fraction (Condition 4(i)):	Actual/365 (Fixed)
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Perpetual Capital Securities:	Benchmark Discontinuation (General) (Condition 4(l)(i)) is applicable
17	Floating Rate Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

18	Call Option	Applicable
	(i) Optional Redemption Date(s):	First Reset Date and each Distribution Payment Date thereafter
	(ii) Optional Redemption Amount(s) of each Perpetual Capital Security and specified denomination method, if any, of calculation of such amount(s):	S\$250,000 per Perpetual Capital Security of S\$250,000 specified denomination
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period:	In accordance with Condition 6(d)
19	Variation instead of Redemption (Condition 6(f))	Applicable
20	Final Redemption Amount of each Perpetual Capital Security	S\$250,000 per Calculation Amount
21	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 6(c)) and/or the method of calculating the same (if required or if different than that set out in the Conditions):	S\$250,000 per Calculation Amount

PROVISIONS RELATING TO LOSS ABSORPTION

22	Loss Absorption Option: Write-off on a Trigger Event (Condition 7(b)):	Applicable
23	Loss Absorption Option: Conversion:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL CAPITAL SECURITIES

24	Form of Perpetual Capital Securities:	Regulation S Global Certificate (S\$550,000,000 nominal amount) registered in the name of The Central Depository (Pte) Limited
25	Financial Center(s) (Condition 8(f)) or other special provisions relating to Payment Dates:	Singapore
26	Other terms or special conditions:	Not Applicable

DISTRIBUTION

- | | | |
|----|--|---|
| 27 | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilization Manager (if any): | Not Applicable |
| 28 | If non-syndicated, name of Dealer: | Oversea-Chinese Banking Corporation Limited |
| 29 | Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable: | TEFRA not applicable |
| 30 | Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

- | | | |
|----|---|---|
| 31 | ISIN Code: | SGXF59890693 |
| 32 | Common Code: | 266722354 |
| 33 | CUSIP: | Not Applicable |
| 34 | CMU Instrument Number: | Not Applicable |
| 35 | Legal Entity Identifier (LEI) | 549300703QFXCPOGWK22 |
| 36 | Any clearing system(s) other than CDP, the CMU, Euroclear and Clearstream and/or DTC and the relevant identification number(s): | Not Applicable |
| 37 | Delivery: | Delivery free of payment |
| 38 | Additional Paying Agent(s) (if any): | Not Applicable |
| 39 | The Agents appointed in respect of the Perpetual Capital Securities are: | The Bank of New York Mellon, Singapore Branch |

GENERAL INFORMATION

- | | | |
|----|--|--------------------|
| 40 | The aggregate principal amount of Perpetual Capital Securities issued has been translated into U.S. dollars at the rate of U.S.\$0.7445: S\$1.00, producing a sum of Perpetual Capital Securities not denominated in U.S. dollars: | U.S.\$ 409,475,000 |
| 41 | Governing law of Perpetual Capital Securities: | Singapore |

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for the issue and admission to trading on the SGX-ST of the Perpetual Capital Securities described herein pursuant to the U.S.\$30,000,000,000 Global Medium Term Note Program of Oversea-Chinese Banking Corporation Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:



Name: Goh Chin Yee
Designation: Group Chief Financial Officer

Duly authorized

By:



Name: Koh Li-San
Designation: Head, Funding and Capital Management

Duly authorized

SCHEDULE 1

The Offering Memorandum is hereby supplemented with the following information, which shall be deemed to be incorporated in, and to form part of, the Offering Memorandum. Save as otherwise defined herein, terms defined in the Offering Memorandum have the same meaning when used in this Schedule.

PRESENTATION OF FINANCIAL INFORMATION

On August 4, 2023, Oversea-Chinese Banking Corporation Limited published its unaudited consolidated financial results for the half year ended 30 June 2023 (the “1H 2023 Financials”). The 1H 2023 Financials are included hereto as Schedule 2.

RECENT DEVELOPMENTS

On June 21, 2023, the MAS announced that it had imposed a composition penalty of S\$600,000 on us for breaches of MAS’ Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements relating to accounts maintained by one of our corporate customers. MAS held that we failed to inquire into the background and purpose of transactions even though they were not consistent with our knowledge of the customer and its business, or were unusually large and exhibited an unusual pattern that had no apparent economic purpose, and that we also failed to probe into the customer’s ownership and control structure when the customer’s declared beneficial owner was not a party named in the customer’s corporate registration documents. We have taken prompt remedial actions to address the deficiencies identified by MAS.

We would draw your attention to “Risk Factors – Risks Relating to our Business – Fraud or other misconduct by employees or third parties could expose us to losses and regulatory sanctions.” and “Risk Factors – Risks Relating to our Business – Damage to our reputation or brand names may have an adverse effect on our business.”

On July 3, 2023, we unveiled a unified brand across our core markets, solidifying our One Group approach, one of eight core pillars of the Corporate Strategy that was refreshed in 2022. This unified brand demonstrates our commitment to leveraging the combined strength of its comprehensive network, as well as its One Group capabilities in banking, wealth management and insurance, to support the increasingly cross-border aspirations and growth of businesses and individuals. With this One Group approach, our comprehensive ASEAN-Greater China franchise and twin hub proposition of Singapore and Hong Kong becomes even more compelling.

To unify the brand, legal name changes have been made for key subsidiaries. In Hong Kong SAR, OCBC Wing Hang Bank Limited is now OCBC Bank (Hong Kong) Limited and in Macau SAR, Banco OCBC Weng Hang, S.A. is now OCBC Bank (Macau) Limited. Pending regulatory approval, OCBC Wing Hang Bank (China) Limited will change its legal name to OCBC Bank Limited in mainland China in the fourth quarter of 2023. With these legal name changes in Greater China, OCBC Bank has launched a unified refreshed logo for its banking entities. OCBC NISP, OCBC Bank’s Indonesian subsidiary, will adopt the same logo in the fourth quarter of 2023. The logo for Bank of Singapore, OCBC’s dedicated private banking subsidiary, remains unchanged.

On July 7, 2023, we announced that we will, in accordance with the relevant conditions, be redeeming all of our S\$1,000,000,000 4.00% Additional Tier 1 Perpetual Capital Securities on August 24, 2023. The redemption is not expected to have a significant impact on our capital ratios. OCBC Bank remains well capitalised with strong capital buffers above the regulatory minimum requirements.

RISK FACTORS

The section “**RISK FACTORS**” beginning on page 28 of the Offering Memorandum shall be amended as follows:

- A. The risk factor “***Global and regional geopolitical economic and financial conditions could adversely affect our operations, asset quality and growth and cause our business to suffer.***” beginning on page 28 of the Offering Memorandum shall be deleted in its entirety (including the sub-header) and substituted therefor with the following:

“Global and regional geopolitical, social, macroeconomic and financial conditions could adversely affect our operations, asset quality and growth and cause our business to suffer.”

The OCBC Group has been, and in the future will continue to be, materially affected by geopolitical, economic and market conditions, including factors such as the U.S. and China tensions, the Russia-Ukraine conflict, the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodity prices, investor sentiment, inflation and the availability and cost of capital and credit.

There are several uncertainties ahead in the global markets. First, a number of geopolitical tensions continue to intensify which could lead to further economic fragmentation, with significant long-term implications. Notwithstanding recent dialogues, tensions between the U.S. and China remain elevated in the areas of data and technology security as well as Taiwan. A technology war has continued in the midst of the in-force U.S. stringent licensing for export of advanced chips and technology/tools for use in China military. A military conflict over Taiwan will likely disrupt trade and transportation routes as well as advanced chip supply to the world given Taiwan’s role as a key global chip supplier. Besides Taiwan, a material escalation in geopolitical risks such as the intensifying Russia-Ukraine conflict, tensions in the Indo-Pacific region as well as North and South Korea could aggravate ongoing global economic slowdown while increasing inflation, financial market volatilities and capital flight from emerging markets. The consequent higher nominal and real interest rates will impact debt servicing ability of highly leveraged corporates and lead to increased pace of defaults. Countries that struggle to obtain adequate external financing for their fiscal and current account payments against a backdrop of a sharp erosion of their international reserves could lean towards imposing severe restrictions to stem capital outflows and even announce a default on sovereign debt payments.

Although COVID-19 is now evolving into a more liveable endemic, there are a number of economic sectors which remain affected by the after-effects of COVID-19. For instance, the commercial real estate sector in developed markets has been affected by remote-work arrangements, which have increased vacancy rates and reduced money spent on food, entertainment and retail stores in commercial properties. The after-effects of COVID-19 have not only affected economic sectors but also entire countries. Although China is rebooting the economy, China’s economic recovery may remain soft if its recent policy support measures and easing of COVID-19-related restrictions alongside anticipated interest rate cuts in 2023 fail to improve the challenging conditions in the property market and boost household consumption.

The implications for the world and the OCBC Group are significant. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, international security issues and geopolitical developments could disrupt global supply chains

and adversely impact global trade and economic activity. Third, normalisation of monetary policies, such as the tapering of asset purchase and interest rate hikes, have also started in various parts of the world and if mis-calibrated, could have adverse implications to economic growth. Fourth, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on the OCBC Group's business, financial condition and results of operations.

To the extent uncertainty regarding the economic outlook continues to negatively impact consumer confidence and consumer credit factors globally, the OCBC Group's business and results of operations could be significantly and adversely affected. See further "Risk Factors – Risks relating to the Current Financial Environment – Terrorism, epidemics and other events could adversely affect the economies of countries where we operate and our business".

We offer banking and financial services to our customers globally and throughout the Asia Pacific region, particularly to those in Singapore, Greater China, Malaysia and Indonesia. As such, our financial performance, business growth and portfolio quality are substantially dependent on the health of the economies of Singapore, Greater China, Malaysia and Indonesia, which in turn are heavily dependent on international trade, investment and other global economic factors discussed above.

A further slowdown in the rate of growth or a contraction in the markets in which we operate could result in lower demand for credit and other financial products and services and higher defaults among corporate and retail borrowers, which could materially and adversely impact our business, financial condition, results of operations and prospects.

Our operations are exposed to the political and social environment of the countries in which we operate. Volatility in social and political conditions and geopolitical risks may interrupt, limit or otherwise affect our operations and in turn adversely affect our business, financial condition, results of operations and prospects. Additionally, the political instability in the Middle East is still ongoing. Geopolitical tensions in the Indo-pacific region may also continue to disrupt regional stability. The ongoing war between Russia and Ukraine has also caused disruptions to global supply chains, increased inflationary pressures from a rise in energy and commodities prices and increased volatility in global markets. The fast-growing refugee situation in Europe as a result of the Russia-Ukraine conflict may also negatively impact European economies. Such conflicts and geopolitical tensions, especially if protracted, could have a material impact on economic growth and global markets, including in the countries we operate in.

Following a period of the adoption of loose monetary policies to stimulate global economies in the wake of the COVID-19 pandemic, global central banks have started normalising monetary policies, such as the tapering and ending of asset purchase, interest rate hikes and reducing the central bank's balance sheet (also termed as Quantitative Tightening). If mis-calibrated, this could have adverse implications to economic growth and increase recessionary risks. On the other hand, if inflation is not managed properly by governments and central banks and there is a continued sharper-than-expected rise in inflation, this could also lead to more downside risks for global economies and impact economic growth, including in the countries we operate in."

- B. The risk factor "***The regulatory environment for financial institutions is facing unprecedented change in the post-financial crisis environment, and regulators are increasingly viewing us, as well as other financial institutions globally, as generally presenting a higher risk profile than in the past.***" beginning on page 30 of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

“We are subject to a wide variety of banking, insurance and financial services laws, regulations, regulatory policies and many regulatory and enforcement authorities in several jurisdictions. The global financial crisis in particular has led to significant and unprecedented changes in the laws, regulations and regulatory policies of Singapore and the other jurisdictions in which we operate. Such changes may include new, revised or more burdensome standards with respect to regulatory capital requirements, leverage or liquidity standards, cross-border capital flows, local lending obligations, management compensation, consumer protection and risk management, among other areas. We may also incur increased compliance costs associated with laws, regulations and standards enacted outside of our primary markets, such as the United States Foreign Account Tax Compliance Act and the Common Reporting Standard developed by the Organization for Economic Co-operation and Development.

On 26 May 2022, the MAS imposed an additional capital requirement of approximately S\$330 million following a wave of spoofed SMS phishing scams portrayed as being related to our entity in December 2021. As a result, we are required to apply a multiplier of 1.3 times to its risk-weighted assets for operational risk. Following the scams, we engaged an independent firm to review our systems and processes. Deficiencies were noted in our mitigation of identified risks, pre- and post-transaction controls, incident management and complaints handling, resulting in delays in containment measures and customer response time. The deficiencies identified were in line with MAS’ assessment and we are in the process of addressing them. The additional capital requirement will be reviewed when MAS is satisfied that we have addressed all deficiencies identified in the review.

The MAS and other regulators regularly review our operations and there can be no guarantee that any regulator will agree with our internal assessments of asset quality, provisions, risk management, capital adequacy, management functioning, other measures of the safety and soundness of our operations or compliance with applicable laws, regulations or regulatory policies. Our ability to predict future legal or regulatory changes is limited and we may face greatly enhanced legal or regulatory burdens without advanced notice. We cannot predict the timing or form of any current or future regulatory or law enforcement initiatives, which are increasingly common for international banks and financial institutions.

Any such changes to laws, regulations or regulatory policies, including their interpretation or application, may result in increased expenses or operational restrictions, revisions to our business operations, limitations on the products and services we offer, diminished asset values, increased cost of funds or limits on the collateral available for our loans, which may reduce our profitability or force us to forgo potentially profitable business opportunities. In addition, we may face adverse legal or regulatory actions and higher compliance costs from the increased review and scrutiny. Regulators may find that we are not in compliance with applicable laws, regulations or regulatory policies or with the regulators’ revised interpretations of such laws, regulations or regulatory policies, and may take formal or informal actions against us. If taken, such formal or informal actions might force us to make additional provision for our non-performing assets, divest our assets, adopt new compliance programs or policies, remove personnel or undertake other changes to our business operations. Any of these changes, if required, could reduce our profitability by restricting our operations, reducing our capitalization, imposing new costs or harming our reputation.”

- C. The risk factor “***We face increased competition which may result in decreased loan margins and reduce our market share.***” beginning on page 31 of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

“We face intense competition from other commercial banks, investment banks, insurance companies and non-bank finance companies. Our primary competitors consist of other Singapore banks, major foreign banks licensed in Singapore and other financial institutions in Southeast Asia, Greater China and other markets in which we operate.

In recent years, the governments in South East Asia, Greater China and other markets in which we operate have taken steps to liberalise their local banking industries, which has resulted in increased competition among domestic and foreign banks operating in these regions, leading to reduced margins for certain banking products. Further liberalisation of such financial sectors could lead to a greater presence or new entries of domestic and foreign banks offering a wider range of products and services, which could adversely impact our competitive environment.

There can be no assurance that we will be able to maintain our competitive position or compete successfully with other domestic and foreign financial institutions or that such increased competition will not have a material adverse effect on our business. If we are unable to provide competitive products and services or fail to attract new customers and/or retain existing customers, we may experience decreases on our interest, fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.”

D. The risk factor entitled “***We may face pressure on our capital and liquidity positions due to Basel III or other relevant regulatory requirements, which could constrain our operations.***” beginning on page 34 of the Offering Memorandum shall be amended by:

1. inserting the following as the new ninth paragraph of the risk factor:

“On June 8, 2023, the MAS announced that most of the final Basel III reforms in Singapore will come into effect from July 1, 2024. The requirements in the revised MAS Notice 637 will take effect as follows: (a) for all standards other than the revised market risk and credit valuation adjustment (“**CVA**”) standards, this will take effect from July 1, 2024; (b) for the revised market risk and CVA standards, this will take effect from July 1, 2024 for compliance with supervisory reporting requirements, and January 1, 2025 for compliance with capital adequacy and disclosure requirements; and (c) for the output floor transitional arrangement, this will commence from July 1, 2024 and reach full phase-in on January 1, 2029, with the phase-in timing being as follows:

- 50% with effect from July 1, 2024;
- 55% with effect from January 1, 2025;
- 60% with effect from January 1, 2026;
- 65% with effect from January 1, 2027;
- 70% with effect from January 1, 2028; and
- 72.5% with effect from January 1, 2029.”

2. deleting the existing tenth paragraph of the risk factor and substituting with the following:

“On November 28, 2014, the MAS issued MAS Notice 649 on Minimum Liquid Assets and Liquidity Coverage Ratio (“**MAS Notice 649**”). MAS Notice 649, which took effect on January 1, 2015 and applies to banks in Singapore, introduced a new liquidity requirement framework to implement the Basel III liquidity coverage ratio (“**LCR**”) rules. On June 24, 2022, MAS re-issued MAS Notice 649, which took effect on July 1, 2022.

Under MAS Notice 649, a bank in Singapore which is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore shall maintain at all times, a Singapore Dollar LCR (“**Singapore Dollar LCR requirement**”) and an all currency LCR (“**all currency LCR requirement**”) of at least 100%. Such a bank is also required to comply with the Singapore Dollar LCR requirement and all currency LCR requirement on a consolidated level, which consolidates the assets and liabilities of all its banking group entities, subject to certain exceptions. There is no assurance that the Group will not face increased pressure in the future to comply with the MAS’ capital adequacy or liquidity requirements, which may have a material adverse effect on the Group’s return on capital and profitability.”

- E. The risk factor “**Terrorism, epidemics and other events could adversely affect the economies of countries where we operate and our business.**” beginning on page 40 of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

“Terrorist attacks, natural calamities and outbreaks and resurgences of communicable diseases could lead to disruptions in the functioning of international financial markets and adversely affect Singapore and other economies in which we operate. For example, the outbreak of COVID-19 over the past three years resulted in, among other things, impacted supply chain, resulted in border and domestic movement controls and increased volatility in international capital markets.

Although COVID-19 is now evolving into a more liveable endemic, the emergence of new COVID-19 variants could lead to resurgence in infection rates and re-imposition of tight border control and disruptions and restrictions on movement and economic activities, posing further economic growth risk. The resurgence in infection rates and fatalities could lead to further restrictions which in turn could prolong production and supply-chain disruptions and delay the restoration of business and consumer confidence. These may result in a prolonged global economic crisis or recession, which may in turn adversely impact the OCBC Group’s business, financial condition and results of operations.

While the OCBC Group maintains capital buffers above the regulatory requirement, the market volatility arising from any resurgent COVID-19 outbreak may have a material impact on the OCBC Group’s capital position. In the event of a continued market downturn and/or sustained market volatility, there is no assurance that the OCBC Group’s business, financial condition and results of operations would not be materially affected.

In addition, our insurance business exposes us to claims arising out of such events and catastrophes affecting a large segment of the population as portions of our insurance business cover losses from unpredictable events such as hurricanes, windstorms, monsoons, earthquakes, fires, industrial explosions, floods, riots and other man-made or natural disasters, including acts of terrorism. In particular, our life insurance business is exposed to the risk of catastrophic mortality, such as an epidemic or other events that cause a large number of deaths. The incidence and severity of these catastrophes in any given period are inherently unpredictable. Our insurance business generally seeks to reduce its exposure through the purchase of reinsurance, through selective underwriting practices and by monitoring risk accumulation. Claims relating to catastrophes may result in unusually high levels of losses and may require additional capital to maintain solvency margins and could have a material adverse effect on our business, financial condition, results of operations and prospects.”

- F. The risk factor “**Compliance with solvency and risk-based capital requirements as well as other regulatory changes may impact our insurance subsidiaries.**” beginning on page 43

of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

“Insurance companies are generally required by applicable law to maintain their solvency at a level in excess of statutory minimum standards. Our subsidiaries in the insurance business are affected primarily by the solvency margins they are required to maintain, which is in turn affected by the volume and type of new insurance policies they sell, the composition of their in-force insurance policies and by regulations on the determination of statutory reserves. Their solvency is also affected by other factors, including the profit margin of their products, returns on their assets and investments, interest rates, underwriting and acquisition costs, and policyholder and shareholder dividends. The regulatory frameworks in Singapore, Malaysia and Indonesia currently utilise a risk-based capital regime.

Moreover, Great Eastern Holdings has been approved by the MAS as a financial holding company pursuant to Section 28 of the Monetary Authority of Singapore Act 1970 of Singapore (the “**MAS Act**”) and is subject to requirements imposed by the MAS. Great Eastern Holdings has also been designated as a designated financial holding company under Section 4 of the Financial Holding Companies Act 2013 of Singapore, specifically a Tier 1 designated financial holding company (“**DFHC**”) (Licensed Insurer) under the Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022, and is therefore subject to the requirements thereunder relating to DFHCs. The Financial Holding Companies Act 2013 contains provisions requiring designated financial holding companies to, amongst other things, maintain minimum paid-up capital amounts, adhere to capital adequacy requirements, and leverage ratios.

On 28 February 2020, the MAS issued a new MAS Notice 133 on Valuation and Capital Framework for Insurers (“**MAS Notice 133**”) following the review of and to give effect to the enhanced valuation and capital framework. MAS Notice 133 comprises both mandatory requirements and guidelines on the supervisory intervention levels, valuation of policy liabilities in respect of life business and general business, and the calculation of the total risk requirements and financial resources. These requirements may have an impact on the regulatory capital cost for our subsidiaries. The Notice came into effect on 31 March 2020, with the exception of section 6.4 and paragraph 10 in Appendix 5E, which took effect on 1 January 2022. MAS Notice 133 was last updated on December 19, 2022 to reflect the revision in illiquidity premium from 75 basis points to 65 basis points in Appendix 3G as part of MAS regular review performed on the illiquidity premium calibration and credit spread movements.

International Association of Insurance Supervisors (“**IAIS**”) is a voluntary membership organisation of insurance supervisors formed by more than 200 jurisdictions including Singapore. The IAIS announced its plans to develop a global Insurance Capital Standards (“**ICS**”) for Internationally Active Insurance Groups (“**IAIGs**”) on 9 October 2013. The ICS is a risk-based capital framework with the ultimate aim of establishing a single framework that will achieve comparable outcomes across various jurisdictions. The IAIS has begun a five-year ICS monitoring period starting from 2020. Great Eastern Holdings is deemed as an IAIG and the level of capital that it is required to maintain may be affected by the eventual implementation of the ICS.”

- G. The risk factor “***Changes in accounting principles relating to financial instruments may have an impact on the Group’s financials and regulatory capital ratios.***” beginning on page 45 of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

“The OCBC Group is subject to risk around changes in accounting standards that may change the basis upon which the OCBC Group reports its financial results, and there can be no assurance that any such changes will not have a material adverse impact on the OCBC Group’s financial statements in future periods.

SFRS(I) 17 was issued in March 2018 as replacement for SFRS(I) 4 Insurance Contracts. The Accounting Standards Council Singapore (ASC) has issued Amendments to SFRS(I) 17 on 27 November 2020 to defer the effective date to annual reporting periods beginning on or after 1 January 2023. It is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Great Eastern Holdings has adopted SFRS(I) 17 on the required effective date.”

- H. The risk factor “***We may not continue to enjoy tax concessions under Singapore tax laws.***” beginning on page 58 of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

“The Notes to be issued from time to time under the Program during the period from the date of this Offering Memorandum to December 31, 2028 are, pursuant to the Income Tax Act 1947 of Singapore (“**ITA**”) and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities (“**QDS**”) and Primary Dealer Schemes – Extension and Refinements” issued by the MAS on May 31, 2023, intended to be “qualifying debt securities” for the purposes of the ITA subject to the fulfillment of certain conditions more particularly described in the section “Taxation – Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.”

MANAGEMENT

The section “**MANAGEMENT**” beginning on page 322 of the Offering Memorandum shall be amended as follows:

- A. The first paragraph shall be deleted in its entirety and substituted therefor with the following:

“OCBC Bank is governed and supervised by its Board of Directors which, as of the date of this Pricing Supplement, consists of nine members. The full Board meets at least four times a year, but may meet more often depending on the circumstances. In addition, there are seven Board Committees – the Executive, Nominating, Audit, Remuneration, Risk Management, Ethics and Conduct and Board Sustainability Committees. Our Constitution provides for the retirement of Directors by rotation and all appointments and re-appointments of Directors are required to be approved by the MAS.”

- B. The sub-section “**Board of Directors**” shall be deleted in its entirety and substituted therefor with the following:

“The following table sets forth the members of the Board of Directors of OCBC Bank as of the date of this Offering Memorandum:

Name	Position
Mr. Andrew Lee Kok Keng.....	Director
Ms. Chong Chuan Neo.....	Director

Mr. Chua Kim Chiu	Director
Dr. Andrew Khoo Cheng Hoe	Director
Dr. Lee Tih Shih.....	Director
Ms. Christina Ong.....	Director
Mr. Pramukti Surjaudaja.....	Director
Ms. Tan Yen Yen.....	Director
Ms. Helen Wong.....	Director

Mr. Andrew Lee Kok Keng was appointed to the Board on 18 February 2022 and last re-elected as a Director on 22 April 2022. He assumed the role of Board Chairman on 1 February 2023. He is a veteran banker with more than 30 years of financial services experience in Standard Chartered Bank, OCBC Bank, Great Eastern Life Assurance and BCS Information as their Executive Chairman. Mr Lee currently serves on the board of OCBC Al-Amin Bank Berhad, OCBC Management Services Pte Ltd, Great Eastern Holdings Ltd and Nordic Group Ltd. He holds the Bachelor of Arts from University of Singapore and Bachelor of Social Science (Honours in Economic) from University of Singapore.

Ms. Chong Chuan Neo was appointed to the Board on 18 February 2022 and last re-elected as a Director on 22 April 2022. She spent over 29 years at Accenture where she held senior and practice leadership roles covering various industries and countries in Asia Pacific. She was the Chairman and CEO of Accenture Greater China from 2015 to 2018 and a member of the Global Leadership Council. In the past three years, she has been actively involved in sustainability and innovation initiatives at a private equity portfolio company in China. Ms Chong is a Board Director of OCBC Bank (Hong Kong) Ltd. She also serves on the board of iShine Cloud Ltd, Lion Global Investors Ltd, MODA Solutions (BCR Shanghai), Raffles Medical Group Ltd, SIA Engineering Company Ltd and is an Operating Director at Partners Group. She holds the Bachelor of Science (Computer Science and Mathematics) from National University of Singapore and attended the Management and Executive Programs in Business and Leadership in IMD Lausanne, Switzerland.

Mr. Chua Kim Chiu was appointed to the Board on 20 September 2017 and last re-elected as a Director on 25 April 2023. He is currently a Professor (Practice) in Accounting, National University of Singapore (“NUS”) Business School, NUS since 2016, after retiring as a partner from PricewaterhouseCoopers where he had a long and distinguished career of over 35 years. He is a member of the Audit and Risk Committee of National University Health System Pte Ltd and a member of the Singapore Intellectual Property Strategy 2030 (SIPS 2030) Task Force of the Institute of Valuers and Appraisers, Singapore, and serves as a Board Director of MPACT Management Ltd. Mr. Chua holds a Bachelor of Commerce and Administration with Honours from Victoria University of Wellington, New Zealand, and a Bachelor of Commerce from Nanyang Technological University (formerly Nanyang University), Singapore. He is also a Fellow Chartered Accountant of Singapore, a member of Chartered Accountants Australia and New Zealand and a Fellow Chartered Certified Accountant, United Kingdom.

Dr. Andrew Khoo Cheng Hoe was appointed to the Board on 8 March 2021 and last re-elected as a Director on 29 April 2021. He spent 22 years in the Monetary Authority of Singapore holding several key positions. He retired as its Deputy Managing Director (Corporate Development). He is currently the Board Chairman of OCBC Bank (Hong Kong) Ltd and Board Director of Bank of Ningbo Co., Ltd. He serves on the board of the National Environment Agency of Singapore

and Stroke Support Station. Dr Khoo holds a Doctor of Philosophy from the University of Melbourne and a Bachelor of Economics (Honours) from Monash University. He is also a member of CPA Australia.

Dr. Lee Tih Shih was first appointed to the Board on 4 April 2003 and last re-elected as a Director on 25 April 2023. Dr Lee, an Associate Professor at the Duke-NUS Medical School Singapore, has held senior roles in OCBC Bank and the Monetary Authority of Singapore. He is a Board Director of Lee Foundation, Selat (Pte) Ltd and Singapore Investments (Pte) Ltd. Dr. Lee graduated with M.D. and Ph.D. degrees from Yale University, New Haven. He also holds a Master of Business Administration with Distinction from Imperial College, London. Dr. Lee is a Fellow at the Royal College of Physicians of Edinburgh.

Ms. Christina Ong was first appointed to the Board on 15 February 2016 and last re-elected as a Director on 22 April 2022. She is a lawyer specialising in corporate and financial services and presently the Chairman and Senior Partner of Allen & Gledhill LLP as well as the Co-Head of its Financial Services Department. She serves as a Board Director of several companies, including Allen & Gledhill Regulatory & Compliance Pte Ltd, Eastern Development Pte Ltd, Eastern Development Holdings Pte Ltd, Epimetheus Ltd, Hongkong Land Holdings Ltd, OCBC Management Services Pte Ltd and Singapore Telecommunications Ltd. She is also a member of the Supervisory Committee of ABF Singapore Bond Index Fund, SGX Catalist Advisory Panel, Civil Aviation Authority of Singapore, MAS Corporate Governance Advisory Committee, and a trustee of The Stephen A Schwarzman Scholars Trust. Ms. Ong holds a Bachelor of Laws (Second Upper Class Honours) from the University of Singapore, and is a Member of the Law Society of Singapore and International Bar Association.

Mr. Pramukti Surjaudaja was first appointed to the Board on 1 June 2005 and last re-elected as a Director on 29 April 2021. He has been with OCBC NISP for 35 years, holding key positions, including President Director, and is presently Board President Commissioner of the bank. He also serves as the Deputy Chairman of the Board of Supervisors of the IOA Association, a Board Commissioner of PT Biolaborindo Makmur Sejahtera, a Member of the Parahyangan Catholic University's Board of Advisors, Karya Salemba Empat Foundation's Board of Trustees, and San Francisco State University, Lam Family College of Business, Dean's Development Council. Mr. Pramukti holds a Bachelor of Science (Finance and Banking) from San Francisco State University, a Master of Business Administration (Banking) from Golden Gate University and has participated in Special Programs in International Relations at the International University of Japan.

Ms. Tan Yen Yen was appointed to the Board on 1 January 2020 and last re-elected as a Director on 25 April 2023. She is a highly regarded IT practitioner for many years with vast experiences from SAS Institute, Oracle Corporation, Hewlett-Packard Singapore and Vodafone Enterprise Singapore. She now focuses on non-executive roles on boards and corporate advisory roles. Ms. Tan is presently a Board Director of ams OSRAM AG, Barry Callebaut AG, EdgeConnex Inc, In.Corp Global Pte Ltd, Jardine Cycle & Carriage Ltd, and The Y Journey Pte Ltd. She also serves as Chairman of the SpexBusiness Network Advisory Board of Ministry of Culture, Community and Youth (High Performance Sports) and Singapore Science Centre. Ms. Tan holds a Bachelor of Science (Computer Science) from the National University of Singapore and an Executive MBA from Helsinki School of Economics Executive Education.

Ms. Helen Wong was appointed to the Board on 7 February 2023 and last re-elected as a Director on 25 April 2023. She joined OCBC Bank in February 2020 and was appointed its Group Chief Executive Officer on 15 April 2021. She has 40 years of banking experience with deep knowledge of Greater China. She spent 27 years at HSBC, where her last role was its

Chief Executive for Greater China. Ms Wong is presently a Board Commissioner of OCBC NISP, the Board Chairman of OCBC Wing Hang Bank (China) Ltd, and a Board Director of other major OCBC Group companies, including Great Eastern Holdings Ltd, Bank of Singapore Ltd, OCBC Bank (Malaysia) Berhad, OCBC Bank (Hong Kong) Ltd, and OCBC Overseas Investments Pte Ltd. She is a Board Director of Dr. Goh Keng Swee Scholarship Fund and Enterprise Singapore, Council Member of the Institute of Banking & Finance Singapore and The Association of Banks in Singapore and is a Member of the Advisory Board of the Asian Financial Lenders Programme, MAS Financial Centre Advisory Panel, MAS Financial Sector Tripartite Committee, MAS Payments Council, and CNBC ESG Council. She also serves as Board Member of the Institute of International Finance. Ms. Wong holds a Bachelor of Social Sciences from the University of Hong Kong.”

- B. The sub-section “Board Committees” shall be deleted in its entirety and substituted therefor with the following:

“The composition of our Board Committees satisfies the independence requirements of the Banking (Corporate Governance) Regulations 2005, corporate governance guidelines issued by the MAS and the Code of Corporate Governance 2018 (the “**2018 Code**”) adopted by the SGX-ST.

Executive Committee

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

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

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

Nominating Committee

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

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

The Nominating Committee plays a vital role in reinforcing the principles of transparency, accountability and meritocracy at OCBC Bank. It plans for board succession and ensures that only the most competent individuals capable of contributing to the success of the organisation are appointed. This includes reviewing all nominations for the appointment or reappointment, election or re-election as well as resignation or retirement of our Directors and members of the Executive Committee, Remuneration Committee, Audit Committee, Risk Management Committee, Ethics and Conduct Committee and Board Sustainability Committee. The Nominating Committee also has oversight of the appointments of directors to boards of key subsidiaries to ensure governance standards are aligned with OCBC Bank’s. On an annual basis, the Nominating Committee is charged with determining whether or not a Director is

independent, capable of carrying out the relevant duties and qualified to remain in office. In addition, it reviews nominations for the appointment as well as dismissal, resignation or retirement of senior management, including the Chief Executive Officer (CEO), Chief Financial Officer, Chief Risk Officer and Chief Operating Officer. It makes recommendations to the Board on relevant appointments, including the compensation package for offer of employment, promotion and cessation of employment. The Nominating Committee reviews obligations arising in the event of the termination of the contracts of service of executive Directors and senior management, to ensure such contracts contain fair and reasonable termination clauses.

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

Audit Committee

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

The Audit Committee performs the functions specified in the Companies Act 1967 of Singapore, (the "**Companies Act**"), the 2018 Code, the Listing Manual of the SGX-ST and the corporate governance regulations and guidelines issued by the MAS.

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

The Audit Committee adopts, where appropriate, relevant best practices set out in the Guidebook for Audit Committees in Singapore.

In addition to the review of the Group Financial Statements, which includes reviewing the assurances provided by the CEO and Chief Financial Officer on the financial records and statements, the Audit Committee reviews and evaluates, with the external and internal auditors, the adequacy and effectiveness of the system of internal controls including financial, operational, compliance and information technology controls, and risk management policies and systems. It reviews the scope and results of the audits, the cost-effectiveness of the audits and the independence and objectivity of the external and internal auditors. When the external auditor provides non-audit services to the Bank, the Audit Committee keeps the nature, extent and costs of such services under review. This is to balance the objectivity of the external auditor against its ability to provide value-for-money services. The Audit Committee members keep

abreast of changes to accounting standards and development of related significant accounting policies which have a direct impact on financial statements and Group accounting policies through briefings provided by internal or external subject matter experts. The Audit Committee also reviews significant financial reporting issues and judgments to ensure the integrity of the financial statements. The Audit Committee reviews announcements relating to financial performance.

The Audit Committee is also responsible for the review of the Bank's whistleblowing policy as well as any concerns, including anonymous complaints, which staff may in confidence raise about possible improprieties in matters of financial reporting or other matters. The whistleblowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees.

The Audit Committee will ensure such concerns are independently investigated and followed up on. If the case escalated is found to be substantiated, appropriate action will be taken and the Audit Committee updated regularly on its status. The whistleblower's identity is kept confidential and his/her interests will be safeguarded at all times, including a right to appeal to the Audit Committee if reprisals are taken against him/her.

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

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

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

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

Group Audit adopts a risk-based approach where audit work is prioritised and scoped according to an assessment of current and emerging risks, including financial, operational, technology, cyber, compliance, sustainability and strategic risks. The work undertaken by Group Audit

involves the assessment of the adequacy and effectiveness of the OCBC Group's governance, risk management and internal control processes in meeting its strategic objectives and operating within the risk appetite established. In addition, Group Audit provides an independent assessment of the OCBC Group's credit portfolio quality and credit risk management process. Without assuming management responsibility, Group Audit may provide advisory services to line management on certain business initiatives as well as system developments and enhancements where the objective is to add value and improve governance, risk management and controls.

The Audit Committee is responsible for reviewing the independence, effectiveness and standing of the internal audit function and adequacy of resources needed to achieve the internal audit objectives. The Audit Committee reviews the processes that are in place to deal with recommendations raised in internal audit reports in a timely manner and to closely monitor outstanding exceptions or recommendations. The division is organised into departments that are aligned with the structure of the OCBC Group. The Audit Committee approves the appointment, resignation, dismissal, succession and remuneration of the Head of Group Audit and reviews the reasons for the resignation or dismissal of Head of Group Audit.

Remuneration Committee

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

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

The Remuneration Committee recommends to the Board a framework for determining the remuneration of executive officers, and reviews the remuneration practices to ensure that they are aligned with the approved framework. It is empowered to review the human resource management policies and the policies governing the compensation of executive officers of OCBC Bank and its subsidiaries, as well as the remuneration of senior executives and Directors. In addition, the Remuneration Committee administers the various employee share ownership schemes. In its deliberations, the Remuneration Committee takes into account remuneration principles, practices and standards that may be specified by MAS from time to time.

Risk Management Committee

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

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

The Risk Management Committee reviews the overall risk management philosophy in line with the overall corporate strategy as set and approved by the Board. It oversees the establishment

and operation of an independent risk management system for identifying, measuring, monitoring, controlling and reporting risk on an enterprise-wide basis. This includes ensuring the adequacy of risk management practices for material risks such as credit, market, liquidity, operational, information security and digital, conduct, money laundering and terrorism financing, legal, regulatory, reputational, strategic as well as ESG risks.

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

Ethics and Conduct Committee

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

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

The Ethics and Conduct Committee reviews and assesses the state, adequacy, effectiveness and relevancy of OCBC Bank's culture and conduct programmes and initiatives. Such review and assessment take into account regulatory policies, guidelines and expectations and desired outcomes. The Ethics and Conduct Committee also reviews communications to stakeholders on core values, desired behaviours, ethics, culture and conduct.

Board Sustainability Committee

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

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

The Committee provides strategic direction on sustainability issues, with a focus on climate and environmental matters. It approves and oversees the management and monitoring of ESG factors that are material to the business and considers the Bank's position on relevant emerging sustainability trends and issues. It also has oversight of the Bank's sustainability reporting including climate-related disclosures."

- C. The sub-section "**Senior Management**" shall be deleted in its entirety and substituted therefor with the following:

The following table sets forth the senior management of OCBC Bank as of the date of this Offering Memorandum:

Name	Position
Ms. Helen Wong	Group Chief Executive Officer
Ms. Goh Chin Yee.....	Group Chief Financial Officer
Mr. Noel Gerald DCruz	Group Chief Risk Officer
Mr. Lim Kiang Tong.....	Group Chief Operating Officer
Mr. Kenneth Lai	Head, Global Treasury
Mr. Tan Teck Long.....	Head, Global Wholesale Banking
Mr. Sunny Quek.....	Head, Global Consumer Financial Services
Mr. Tan Wing Ming.....	Head, Greater China
Mr. Tan Chor Sen.....	CEO, OCBC Malaysia
Ms. Parwati Surjaudaja.....	President Director and CEO, Bank OCBC NISP
Ms. Ivy Au-Yeung.....	CEO, OCBC Hong Kong
Mr. Wang Ke	CEO, OCBC Wing Hang Bank (China) Limited
Mr. Linus Goh	Head, Global Commercial Banking
Ms. Elaine Lam.....	Head, Global Corporate Banking
Mr. Jason Moo	CEO, Bank of Singapore
Mr. Gan Kok Kim	Head, Global Investment Banking
Mr. Melvyn Low.....	Head, Global Transaction Banking
Ms. Lee Hwee Boon	Head, Group Human Resources
Mr. Praveen Raina.....	Head, Group Operations and Technology
Ms. Loretta Yuen	Head, Group Legal and Compliance
Ms. Koh Ching Ching.....	Head, Group Brand and Communications
Mr. Harry Lim.....	Head, Group Audit
Ms. Sylvia Ng ¹	Head, Strategic Planning Office

Ms. Helen Wong was appointed Group Chief Executive Officer of OCBC Bank on 15 April 2021 and Executive Director on 7 February 2023. She is also Chairman of OCBC Wing Hang Bank (China), a Board Commissioner of PT Bank OCBC NISP Tbk and a Director of Bank of Singapore, Great Eastern Holdings Limited, OCBC Bank (Malaysia) Berhad, OCBC Wing Hang Bank Limited and the Dr. Goh Keng Swee Scholarship Fund. Ms. Wong is currently a council member of the ABS and IBF Singapore. She also serves as a board member at Enterprise Singapore, and as a member of the MAS Financial Centre Advisory Panel, MAS Payments Council and MAS Financial Sector Tripartite Committee. Ms. Wong joined OCBC Bank in February 2020 as Deputy President and Head of Global Wholesale Banking. She has 40 years of banking experience, having started out as a Management Trainee in OCBC Bank and was

¹ On 24 July 2023, OCBC Bank announced the appointment of Mr. Choong Wai Hong as the new Head of Strategic Planning Office, who will succeed Ms. Sylvia Ng from 19 August 2023.

its first China Desk Manager, based at the Hong Kong Branch. She has vast experience in Greater China, covering a wide range of roles in capital markets, syndicated finance and corporate banking. Before returning to OCBC Bank, Ms. Wong spent 27 years at HSBC, where her last role was as its Chief Executive for Greater China, which she was appointed to in 2015. She became the President and CEO of HSBC China based in Shanghai in 2010, and was promoted to be Group General Manager in 2011 to recognise her responsibility for the business operations and strategic expansion in China. She also held non-executive directorships at Baoshan Iron & Steel from 2012 to 2015, and at Bank of Communications from 2016 to 2019. Ms. Wong holds a Bachelor of Social Sciences from the University of Hong Kong.

Ms. Goh Chin Yee was appointed Group Chief Financial Officer in November 2022, with global responsibility over financial, regulatory and management accounting, treasury financial control and advisory, corporate planning and development, corporate treasury, capital management and investor relations. Prior to this appointment, Ms. Goh was the Head of Group Audit since March 2013, overseeing the full spectrum of internal audit activities in OCBC Group. She has also worked in diverse functions in the Group, covering strategic management, investment research, fund management, finance, risk management and treasury business management. Ms Goh graduated with First Class Honours in Bachelor of Engineering from the National University of Singapore and holds the professional qualifications of Chartered Financial Analyst, Certification in Risk Management Assurance and Certified Internal Auditor. She also serves as a Governor and Vice President of The Institute of Internal Auditors Singapore.

Mr. Noel Gerald DCruz was appointed Group Chief Risk Officer (“**GCRO**”) on 1 January 2023. As GCRO, he has overall responsibility for the management of risk, including Credit, Market, Liquidity, Operational, and Environmental Social Governance (ESG) for OCBC’s businesses in Singapore, Malaysia and other overseas markets. In addition, he was concurrently appointed as Group Chief Information Security Officer responsible for Cyber & Information Security. He reports jointly to both Group CEO and the Board Risk Committee of OCBC Bank. Mr. DCruz joined the Bank in 1989 after a stint in the Monetary Authority of Singapore and rose through the ranks to head both the Group Risk Portfolio Management department as well as the Group Data Management Office. He has been closely involved in the re-organisation and reinforcement of the Bank’s credit risk management function with dedicated policy, underwriting, analytics, remediation and data units, and the establishment of the Credit Risk Management Committee. Mr. DCruz led the OCBC Group Basel programme to develop internal ratings-based approaches for credit management and capital adequacy assessments and later the modelling approaches for Expected Credit Loss portfolio allowances. In 2017, he also established the Group Data Management Office to drive implementation of a Group-wide data governance and management framework. Mr. DCruz holds a degree in Economics from the London School of Economics and Political Science.

Mr. Lim Kiang Tong was appointed Group Chief Operating Officer (“**GCOO**”) in June 2021. As GCOO, he develops and drives transformation efforts in modernising the Bank’s technology architecture, streamlining processes and instituting a data-driven and customer-centric culture across the Group.. He has oversight over operations and technology, operational excellence, customer experience, data and analytics and property management functions. Mr. Lim joined the Bank’s IT Management team in 2000 and was appointed Head of IT management in January 2002. He was promoted to Executive Vice President and Head of Group Information Technology in December 2007. In May 2010, he assumed the role of Head of Group Operations and Technology. Mr. Lim has over 30 years of management experience in strategic technology development, information technology, process-reengineering, project management and banking operations. In 2020, Mr. Lim was also named Digital Transformation Leader in

Singapore by the International Data Corporation, a global market intelligence firm in information technology, in recognition of his role in accelerating the Bank's digital transformation efforts. Currently, Mr Lim is a member of IBM Services Client Advisory Board (Asia Pacific), Huawei Financial Industry Advisory Board and Ministry of Finance – The Info-comm Technology Projects Advisory Panel. He holds a Bachelor of Science in Computer Science and Economics from the National University of Singapore and is an IBF Distinguished Fellow (Technology).

Mr. Kenneth Lai was appointed Head of Global Treasury in October 2020. He has global responsibility for OCBC Bank's financial market businesses and asset liability management in Singapore, Malaysia, Indonesia, Hong Kong, China and seven other overseas centres. Mr. Lai joined OCBC Bank in February 2012 as Head of Global Treasury International. Since 2015, he has also been responsible for the Bank's Asset and Liability Management globally. He was appointed Executive Vice President in May 2019. Mr. Lai has over 31 years of experience in different functions across trading, sales and asset liability management and across different countries in Asia. Currently, he serves on the boards of Bank of Singapore, OCBC Securities, and Clearing and Payment Services Pte Ltd. Mr. Lai also serves on Great Eastern Group's Asset/Liability Committee and Investment Committee. He is a member of the Singapore Foreign Exchange Market Committee, and member of the IBF's Financial Markets Regulatory Practices Examination Board, Standards Committee and Chairman of the Capital and Financial Markets Workgroup. Mr. Lai also serves as a member on the ABS Standing Committee on Financial Market and Benchmark Co Oversight Committee. Before joining OCBC Bank, he was the Head of Financial Markets at Ta Chong Bank in Taiwan and has held several key appointments with ABN AMRO Bank. He started his career at Bankers Trust Company. Mr. Lai holds a Bachelor of Science in Finance from Virginia Polytechnic Institute and State University and is an IBF Fellow.

Mr. Tan Teck Long was appointed Executive Vice President and Head of Global Wholesale Banking on 15 March 2022. As the Head of Global Wholesale Banking, he has global responsibility for all banking relationships with small- and medium-sized enterprises, large corporates and financial institutions; two product groups – cash management and trade under the transaction banking business; as well as the investment banking business. Mr. Tan has more than 29 years of banking experience overseeing Corporate Banking, Investment Banking and Risk Management. He joined OCBC Bank from DBS Bank, where his last appointment was Chief Risk Officer. During his tenure at DBS Bank, he had served in a number of senior roles including Group Head of DBS' corporate banking business, Head of Institutional Banking Group (China), Group Head of Special Assets Management and Group Head of Corporate Real Estate Strategy and Administration. Mr. Tan is a Chartered Financial Analyst charter holder and a Fellow Chartered Accountant of Singapore. He holds a Master of Business Administration from University of Manchester and a Bachelor of Accountancy with First Class Honours from the National University of Singapore.

Mr. Sunny Quek was appointed Head of Global Consumer Financial Services in October 2022 and has been the Head of Consumer Financial Services Singapore since November 2019. He joined OCBC Bank in December 2012 as Head of Branch and Premier Banking. In the six years, Mr. Quek was responsible for formulating and executing the sales and distribution strategy for the consumer banking branch network in Singapore, and supporting the OCBC Premier Banking network in the region. He made significant contributions to the transformation and growth of the retail banking business and led the OCBC Premier Banking business to become a leader in the affluent segment space. In 2018, he spearheaded the transformation of the OCBC Premier Private Client segment to launch an Accredited Investor platform that offers bespoke wealth solutions to high net worth individuals in Singapore and the region. Mr. Quek

started his banking career at Tokai Bank in 1997 before joining Citibank Singapore in 2000. He has more than 25 years of experience spanning branch management, treasury sales and trading. Mr. Quek currently serves as a board member of OCBC Securities Private Limited and Network for Electronic Transfers (Singapore). He graduated with a Bachelor of Science in Economics from the National University of Singapore.

Mr. Tan Wing Ming was appointed acting Head of Greater China on 1 October 2021, overseeing OCBC Group's Greater China business, including the formulation and implementation of the Group's Greater China strategy. Mr. Tan was previously Regional General Manager of North East Asia and the Chief Executive of OCBC Hong Kong branch since September 2009. In this role, he assumed oversight of the bank's branches in Hong Kong, Japan, Korea and Taiwan. In November 2016, he was promoted to Executive Vice President. Mr. Tan joined OCBC Bank in January 2005 as Senior Vice President and Country Head of OCBC Bank's operations in China. Following the local incorporation of OCBC Bank in China in July 2007, he was appointed Director and President of OCBC Bank (China) Limited until his assignment to Hong Kong in 2009. Mr. Tan had worked for major American and European investment and commercial banks in Singapore for 10 years. He then started and managed his own private business in China for 11 years before joining OCBC Bank. Mr. Tan holds a Bachelor of Arts (Economics) with Honours from Georgetown University and a Master of Business Administration (Finance) from the University of Chicago.

Mr. Tan Chor Sen was appointed Chief Executive Officer of OCBC Malaysia on 1 January 2023. His over 35 years of banking experience began in commercial banking with postings in consumer banking and later several positions in corporate and offshore banking. Mr Tan joined OCBC Bank in Singapore in 2005 as Head of Emerging Business and led the formation of the unit. During this time, he redefined the Bank's coverage of small businesses, positioning OCBC Bank as a leading SME bank in Singapore serving one in every two SMEs. He was instrumental in expanding the SME business regionally in Malaysia, Indonesia and Hong Kong, introducing new business models, digital solutions and service innovations tailored for SMEs. For Malaysia, he oversaw the launch of the SME cash business and digital account opening for businesses. In 2012, Mr Tan was appointed Head of International, Global Commercial Banking. In addition to overseeing the growth of the emerging business segment in OCBC Bank's core markets, he became responsible for developing cross-border capabilities and business within the region, leveraging the OCBC network and partner banks in key markets. In the decade under his leadership, he progressively led the Bank's strategic thrust in capturing the cross-border trade and investment flows within ASEAN and with Greater China. He holds a Bachelor of Business Administration from the National University of Singapore and is an IBF Fellow (Corporate Banking).

Ms. Parwati Surjaudaja was appointed President Director and CEO of Bank OCBC NISP in December 2008 and was last re-elected as President Director in 2020. Prior to this appointment, she joined Bank OCBC NISP as a Director in 1990 and served as a Deputy President Director from 1997. Ms. Surjaudaja, who has more than 30 years of experience in the banking industry, has led the Bank to be among the 10 biggest banks in Indonesia with the highest credit rating. She is a pioneer in ESG initiatives in the region through the deployment of green and gender financing. For her strong commitment, she is elected as one of G20 EMPOWER Advocates for gender equality as well as spoke in various international forums such as the World Bank Annual Meeting on Gender Equality, Washington DC and Bloomberg Sustainability Business Summit, London. She was named Fortune Indonesia's Businessperson of the Year in 2021. Under her leadership, the Bank has received prestigious awards including the Bank of the Year Country Award for five consecutive years since 2018 from The Banker,

London, Honourable Mention by the UN Women-WEPs Awards 2020 on the Gender Inclusive Workplace and Gender-Responsive Marketplace in 2021, and Top 5 Workplace – LinkedIn Top Companies Indonesia in 2022. Ms. Surjandaja had previous corporate experience with SGV Utomo-Arthur Andersen and holds a Master of Business Administration (Accounting) and a Bachelor of Science Cum Laude (Accounting and Finance) from San Francisco State University.

Ms. Ivy Au-Yeung was appointed Chief Executive Officer of OCBC Hong Kong on 20 May 2021. She joined OCBC Hong Kong as Deputy Chief Executive in December 2019.

Ms Au-Yeung has had more than 30 years of various positions in global banks in corporate and commercial banking covering relationship management, product management as well as credit and sales. Prior to joining OCBC Hong Kong, she was the Chief Executive Officer of the Hong Kong Branch of an Australian bank. Ms Au-Yeung holds a Master of Business Administration degree from University of Sydney, Australia, a Bachelor of Social Science degree from University of Hong Kong, and is a Fellow of CPA Australia (FCPA).

Mr. Wang Ke was appointed CEO of OCBC Wing Hang Bank (China) on 9 December 2019 and was approved to expand his role as the Director of OCBC Wing Hang Bank (China) in February 2020. He joined OCBC Wing Hang Bank (China) (previously the OCBC Bank (China)) as Chief Information Officer and Head of IT Department in 2012, and assumed the expanded role as Head of Operations and Technology afterwards. Prior to his current role, Mr. Wang was the Regional General Manager of the Pearl River Delta region and was appointed as the Deputy President of OCBC Wing Hang Bank (China) in March 2015. Mr. Wang is conversant with foreign companies' business models in China and has intimate knowledge of the local market and regulations. As an indispensable member of bank's top management, he participated in the strategy formulating, led the implementation of many strategic projects and achieved fruitful results. He has over 20 years of international banking working experience spanning a wide spectrum of fields in China, United States and Singapore. Before joining OCBC Wing Hang Bank (China), Mr. Wang held several senior positions in JPMorgan Chase & Co., McKinsey & Company and United Overseas Bank (China) Limited, where he oversaw the operations, technology and Risk Management and accumulated rich and comprehensive experience in the international financial business management and people engagement. Mr. Wang holds a Master of Business Administration degree from Kellogg School of Management at Northwestern University and a bachelor's degree in Computer Science from Peking University.

Mr. Linus Goh was appointed Head of Global Commercial Banking in April 2012. In this capacity, he has global responsibility for OCBC Bank's commercial, institutional and transaction banking businesses, serving start-ups, SMEs, mid-cap corporates and financial institutions globally. He joined OCBC Bank in April 2004 as Executive Vice President and Head of International, and in August 2008, assumed responsibility for Global Enterprise Banking and Financial Institutions. Mr. Goh has over 30 years of banking experience, including 17 years at Citibank, N.A. Singapore, where he held several senior management positions overseeing corporate banking, financial institutions, e-business and transaction banking. Mr. Goh is a member of the Pro-Enterprise Panel under the Ministry of Trade and Industry, and actively supports the development of start-ups and SMEs in Singapore having served in Seeds Capital Private Limited and the SME Committee under the Singapore Business Federation. Mr. Goh holds a Bachelor of Arts (Philosophy) with Honours from the National University of Singapore and is an IBF Distinguished Fellow.

Ms. Elaine Lam was appointed Head of Global Corporate Banking in April 2016. She has global responsibility for OCBC Bank's corporate banking business which spans industry groups

including real estate, infrastructure, energy, utilities, transportation, technology, conglomerates, industrials, the public sector, regional coverage groups and Greater China Business Office as well as OCBC Bank's corporate banking business in the overseas branches and subsidiaries. She is also responsible for driving the Structured Finance, Sustainable Finance and Partnership & Innovation groups within Global Corporate Banking. With more than 26 years of experience in corporate banking, Ms. Lam is currently a steering committee member of the Monetary Authority of Singapore's Finance Centre Advisory Panel Green Finance Workgroup, and a member of the IBF Sustainable Finance Workgroup. She presently serves as Singapore's APEC Business Advisory Council (ABAC) member in championing Singapore's business interests at the ABAC. She also served in the IBF Corporate Banking Workgroup and the Financial Industry Competency Standards' Corporate Banking Working Group. Ms. Lam holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University and is an IBF Fellow (Corporate Banking).

Mr. Jason Moo was appointed Chief Executive Officer of Bank of Singapore in March 2023. He joined Bank of Singapore from Julius Baer, where he was Head Private Banking Southeast Asia and Branch Manager Singapore. Prior to joining Julius Baer in 2020, Jason worked at Goldman Sachs for more than two decades and has held several senior roles, including CEO of Goldman Sachs Singapore and Head of Southeast Asia and Australia for Private Wealth Management (PWM). Before relocating back to Singapore, he was based in Hong Kong as Head of Market Solutions Group and Head of Alternative Capital Markets Asia Pacific. Prior to that, he worked in the Equities Merchandising Group in New York. He joined Goldman Sachs as a financial analyst in PWM in Singapore upon graduation. Mr. Moo earned a BA in Economics and East Asia Studies, with a focus on Japan, from Brown University, USA. He serves on the Board of Governors of Raffles Institution.

Mr. Gan Kok Kim was appointed Executive Vice President and Head of Global Investment Banking in February 2012. As the Head of Global Investment Banking, he oversees OCBC Bank's loans syndication, debt capital markets, corporate finance, merger and acquisition and mezzanine/ private equity investment businesses. Mr. Gan joined OCBC Bank in 2004 as the Head of Treasury at OCBC Malaysia. In February 2011, he was also appointed Head of International Treasury. In August 2011, he was given the additional role of Head of Asset Liability Management in Singapore and gave up his Malaysian role. Mr. Gan has more than 33 years of trading, investment banking, and management experience and has held various positions in a global bank. He holds a Bachelor of Science in Economics from the Massachusetts Institute of Technology.

Mr. Melvyn Low has responsibility for OCBC Bank's transaction banking business serving SMEs, large corporations, financial institutions and government entities across the Bank's core markets of Singapore, Malaysia, China, Hong Kong and Indonesia. He is an industry veteran with more than 30 years of experience and has held senior positions in sales and product management, cash management, trade, and securities services in regional and global banks. Mr. Low also served as Director of the Singapore Clearing House Association from 2010 to 2013, where he was a key contributor to the launch of Fast and Secure Transfers, or FAST, platform. As the Chair of the PayNow Steering Committee of the Association of Banks in Singapore from 2019 to 2021, he co-led the Singapore banks in the launch of PromptPay-PayNow, the world's first cross-border faster payment system. Mr. Low is currently the Payment Co-Chair of the Digital Standing Committee for ABS and the Corporate Banking Workgroup Chair for IBF. He also serves as a board member of Network for Electronic Transfers (Singapore) and the Singapore Trade Data Exchange (SgTradex). Mr. Low is an IBF

Distinguished Fellow and holds a Master of Business Administration from the University of British Columbia, Canada.

Ms. Lee Hwee Boon was appointed Head of Group Human Resources in June 2022. She is responsible for the management, training and development of our human capital. Prior to this appointment, Ms. Lee has worked in diverse functions in the OCBC Group, covering strategy, risk management as well as corporate and commercial banking. She holds a Bachelor of Business with Honours from Nanyang Technological University and is an IBF Fellow.

Mr. Praveen Raina was appointed Head of Group Operations and Technology in June 2021. He has more than 20 years of experience and was instrumental in leading the Bank's innovation and transformation efforts in the technology sphere. Mr. Raina joined OCBC Bank in August 2008 and has held various senior management positions in Group Operations and Technology. He was appointed Executive Vice President in May 2019 and assumed the role of Global Head of Operations and Technology at OCBC Bank's private banking subsidiary, Bank of Singapore, in December the same year. Mr. Raina has a Master of Business Administration from the University of Windsor and a Bachelor of Applied Science in Computer Science from the Memorial University of Newfoundland.

Ms. Loretta Yuen was appointed General Counsel and Head of Group Legal and Compliance in September 2010 and Executive Vice President in June 2015. She oversees the full spectrum of legal and regulatory risks, including anti-money laundering, across OCBC Bank and its subsidiaries, and provides advice on regulatory risks and legal issues involved in decisions to management, so that management can make informed strategic choices within an acceptable legal and regulatory risk profile. Ms. Yuen has over 20 years of legal and regulatory experience in banking and finance. She graduated with Second Class Honours in Law from the National University of Singapore and is an IBF Distinguished Fellow. In 2017, Ms. Yuen was conferred the Outstanding Singapore Chief Legal Officer Award by the Singapore Corporate Counsel Association.

Ms. Koh Ching Ching oversees OCBC Bank's branding and communications initiatives with the media, employees, customers, shareholders and the general public across its core markets as the Head of Group Brand and Communications. She has been heading the division since November 2004 and was appointed Executive Vice President in March 2012. Prior to her current role, she led OCBC Bank's franchise expansion efforts in trade finance in Malaysia. Ms. Koh has 16 years of corporate and retail banking experience, having held various senior customer and product positions in local and foreign financial institutions. She graduated with First Class Honours in Business Administration from the National University of Singapore.

Mr. Harry Lim was appointed Head of Group Audit in May 2023. He oversees the full spectrum of internal audit activities for OCBC Bank and its subsidiaries. He reports directly to the Audit Committee and administratively to the Group CEO. Mr. Lim joined OCBC Bank in May 2012 as Head of Internal Audit of the former OCBC Bank (China) (based in Shanghai), where he oversaw the smooth integration of the audit teams in the former OCBC Bank (China) and OCBC Wing Hang Bank (China). He was then appointed as Head of Greater China Audit in 2017 (based in Hong Kong), where he managed the Mainland China, Hong Kong and Macau audit teams, and expedited the full adoption of Group Audit's methodology and standards by the Hong Kong and Macau audit teams. Prior to joining OCBC Bank, Mr. Lim spent seven years in the Singapore and Hong Kong offices of JP Morgan Chase covering internal audit for various trading business units including commodities, equities and emerging markets. He also spent five years in Credit Suisse First Boston in a regional oversight and governance role and in market risk reporting and analysis. He graduated with a Bachelor of Business Administration in

Finance from the National University of Singapore and holds the professional qualifications of Chartered Financial Analyst and Certification in Risk Management Assurance.

Ms. Sylvia Ng joined OCBC Bank in June 2021 as Head of Strategic Planning. In this role, she supports the Group CEO in the formulation and planning of the Group's strategy and monitoring of strategic and thematic business opportunities. Ms. Ng began her banking career with HSBC in 2002 as a graduate talent in investment banking, and has held various corporate planning and business development roles in HSBC's Hong Kong, China and United Kingdom offices. She has an established track record in leading strategic development and implementation, with her last held position at HSBC Hong Kong being its Head of Business Development for Greater China. Prior to joining OCBC Bank, she was the General Manager of Corporate Strategy for MTR Corporation in Hong Kong. Ms. Ng graduated with first class honours in Investment and Financial Risk Management from City University Business School, London, United Kingdom. She also holds an MBA from the Kellogg-HKUST Executive MBA Programme. On 24 July 2023, OCBC Bank announced the appointment of Mr. Choong Wai Hong as the new Head of Strategic Planning Office, who will succeed Ms. Sylvia Ng from 19 August 2023."

REGULATION AND SUPERVISION

The section "**SUPERVISION AND REGULATION**" beginning on page 341 of the Offering Memorandum shall be deleted in its entirety and substituted therefor with the following:

"Singapore Banking Industry

Introduction

Singapore licensed banks come within the ambit of the Banking Act and the MAS, as the administrator of the Banking Act, supervises and regulates the banks and their operations. In addition to provisions in the Banking Act and the subsidiary legislation issued thereunder, banks have to comply with notices, circulars, guidelines, practice notes and codes issued by the MAS from time to time, which may be issued to the banking industry generally or to a Singapore licensed bank specifically.

A licensed bank's operations may include the provision of capital markets services and financial advisory services. A bank licensed under the Banking Act is exempt from holding a capital markets services licence under the SFA and from holding a financial adviser's licence under the Financial Advisers Act 2001 of Singapore (the "**FAA**"). However, a licensed bank will nonetheless have to comply with the SFA and the FAA and the subsidiary legislation issued thereunder, as well as notices, circulars, guidelines, practice notes and codes issued by the MAS from time to time, as may be applicable to it in respect of these regulated activities, and its conduct of any other activities that fall within the ambit of the SFA and FAA.

The Monetary Authority of Singapore

The MAS is banker and financial agent to the Singapore Government and is the central bank of Singapore. Following its merger with the Board of Commissioners of Currency, Singapore on October 1, 2002, the MAS has also assumed the functions of currency issuance. The MAS' functions include: (a) to act as the central bank of Singapore, including the conduct of monetary policy, the issuance of currency, the oversight of payment systems and serving as banker to and financial agent of the Singapore Government; (b) to conduct integrated supervision of financial services and financial stability surveillance; (c) to manage the official foreign reserves of Singapore; and (d) to develop Singapore as an international financial centre.

The Regulatory Environment

Enhancing access to SGD and USD funding due to the COVID-19 pandemic

On September 3, 2020, the MAS announced measures to enhance the banking system's access to SGD and USD funding, which are intended to strengthen banking sector resilience, promote more stable SGD and USD funding conditions, and support credit intermediation amid continued economic headwinds from the COVID-19 pandemic.

A new MAS SGD Term Facility was launched in the week of September 28, 2020, to provide banks and finance companies an additional channel to borrow SGD funds at longer tenors and with more forms of collateral. The MAS SGD Term Facility will offer SGD funds in the 1-month and 3-month tenors, complementing the existing overnight MAS Standing Facility. In line with the MAS SGD Term Facility's objective to serve as a liquidity backstop, pricing will be set above prevailing market rates. A wider range of collateral comprising cash and marketable securities in SGD and major currencies will be accepted. In particular, D-SIBs that are incorporated in Singapore will be able to pledge eligible residential property loans as collateral at the MAS SGD Term Facility.

Likewise, the range of collateral that banks in Singapore can use to access USD liquidity from the MAS USD Facility will also be expanded. Presently, banks in Singapore can borrow USD by pledging eligible SGD-denominated collateral. From September 28, 2020, banks are able to obtain USD liquidity by pledging a wider pool of cash and marketable securities, in line with what is accepted at the MAS SGD Term Facility. It was announced on June 17, 2021 that the MAS USD Facility will also be extended to December 31, 2021. Based on the announcement by the MAS on December 24, 2021, the MAS USD Facility expired on December 31, 2021.

The MAS also indicated that it would raise the asset encumbrance limit imposed on locally-incorporated banks under the Banking Act. The asset encumbrance limit will be increased to 10% of a locally-incorporated bank's total assets, up from the current limit of 4%. This increase will give the locally-incorporated banks greater leeway to pledge residential property loans as collateral to access funding, so that they can support the financial needs of individuals and businesses that are affected by the COVID-19 pandemic.

The MAS announced on July 5, 2021 that it will extend the MAS SGD Facility for ESG Loans from October 1, 2021 to March 31, 2022. This Facility provides low-cost funding for banks and finance companies to grant loans under Enterprise Singapore's Enterprise Financing Scheme – SME Working Capital Loan and Temporary Bridging Loan Programme. On February 18, 2022, the MAS announced that it will further extend the MAS SGD Facility for ESG Loans from April 1, 2022 to September 30, 2022. A revised interest rate of 0.5% per annum will apply for funding provided from the May 2022 application window onwards to better reflect interest rates in Singapore.

Framework for Systemically Important Banks in Singapore

OCBC Bank was designated as a D-SIB in Singapore on April 30, 2015. The framework for D-SIBs is set out in MAS' Framework for Impact and Risk Assessment of Financial Institutions (revised in September 2015), which builds on the proposals set out in the MAS Consultation Paper on the Proposed Framework for Systemically Important Banks in Singapore dated June 25, 2014. Broadly, D-SIBs will be subject to more intensive supervision by the MAS than banks which are not so designated. In particular, locally-incorporated D-SIBs are subject to higher loss absorbency requirement, which may have an adverse effect on OCBC Bank's return on capital and profitability.

Capital Adequacy Ratios ("CAR")

In December 2010, the Basel Committee published Basel III which presents the details of global regulatory standards on bank capital adequacy and liquidity, aimed at strengthening global capital standards and promoting a more resilient banking sector.

Basel III sets out higher capital standards for banks, and introduced two global liquidity standards: the

“Liquidity Coverage Ratio”, intended to promote resilience to potential liquidity disruptions over a 30-day horizon and the “Net Stable Funding Ratio”, which requires a minimum amount of stable sources of funding at banks relative to the liquidity profiles of their assets and potential for contingent liquidity needs arising from off-balance sheet commitments over a one-year horizon. In January 2011, the Basel Committee has also published requirements for all classes of capital instruments issued on or after January 1, 2013 to be loss absorbing at the point of non-viability. In July 2012, the Basel Committee further published the interim framework for capitalisation of bank exposures to central counterparties.

MAS Notice 637 implements Basel III capital standards for Singapore-incorporated banks and sets out the current requirements relating to the minimum capital adequacy ratios for Singapore-incorporated banks and the methodology such banks shall use for calculating these ratios. MAS Notice 637 also sets out the expectations of the MAS in respect of the internal capital adequacy assessment process of Singapore-incorporated banks under the supervisory review process and specifies the minimum disclosure requirements for Singapore-incorporated banks in relation to its capital adequacy.

Pursuant to MAS Notice 637, the MAS has imposed capital adequacy ratio requirements on a Singapore-incorporated bank at two levels:

- (a) the bank standalone (“**Solo**”) level capital adequacy ratio requirements, which measure the capital adequacy of a Singapore-incorporated bank based on its standalone capital strength and risk profile; and
- (b) the consolidated (“**Group**”) level capital adequacy ratio requirements, which measure the capital adequacy of a Singapore-incorporated bank based on its capital strength and risk profile after consolidating the assets and liabilities of its subsidiaries and any other entities which are treated as part of the bank’s group of entities according to SFRS (collectively called “**banking group entities**”) taking into account any exclusions of certain bank group entities or any adjustments pursuant to securitisation required under MAS Notice 637.

In addition to complying with the above capital adequacy ratio requirements in MAS Notice 637, a Singapore-incorporated bank should consider as part of its internal capital adequacy assessment process whether it has adequate capital at both the Solo and Group levels to cover its exposure to all risks.

Under MAS Notice 637, D-SIBs will be required to meet capital adequacy requirements that are higher than the Basel Committee’s requirements. MAS Notice 637 sets out a minimum CET1 CAR of 6.5%, Tier 1 CAR of 8.0% and a Total CAR of 10.0% for D-SIBs incorporated in Singapore. The minimum capital requirements under MAS Notice 637 are two percentage points higher than the Basel III minima specified by the Basel Committee, and are aimed to reduce the probability of failure of D-SIBs by increasing their going-concern loss absorbency.

Under the requirements of the Basel Committee, banks are required to maintain minimum CET1 CAR, Tier 1 CAR and Total CAR of 4.5%, 6.0% and 8.0%, respectively, from January 1, 2015. In addition, banks are required to hold a CCB of 2.5% above the minimum capital adequacy requirements to weather periods of high stress. This CCB is to be met with CET1 capital and began at 0.625% on January 1, 2016, increasing by an additional 0.625 percentage points in each subsequent year, and reached 2.5% on January 1, 2019.

Furthermore, banks may be subject to a countercyclical buffer ranging from 0% to 2.5% which will be implemented by each country when there has been a build-up of system-wide risk associated with excessive aggregate credit growth in their systems, with discretion on the implementation according to their national circumstances. The countercyclical buffer was phased in from January 1, 2016 to January 1, 2019. It is not an ongoing requirement but only applied as and when specified by the relevant national banking supervisors. The countercyclical buffer is to be maintained in the form of CET1 capital.

In line with the Basel Committee's requirements, the MAS has introduced in MAS Notice 637 a CCB of 2.5% above the minimum capital adequacy requirements. The CCB will be met with CET1 capital and begins at 0.625% on January 1, 2016, increasing by an additional 0.625% in each subsequent year, to reach its final level of 2.5% on January 1, 2019. The MAS has also introduced in MAS Notice 637 a countercyclical buffer requirement in the range of 0% to 2.5% to be met with CET1 capital. The actual magnitude of the countercyclical buffer applicable to a Singapore-incorporated bank is the weighted average of the country-specific countercyclical buffer requirements that are being applied by the regulators in the countries to which the bank has private sector credit exposures.

The table below summarises the capital requirements under MAS Notice 637 for D-SIBs.

From January 1,	2015	2016	2017	2018	2019
Minimum CARs%					
CET1 (a).....	6.5	6.5	6.5	6.5	6.5
CCB (b)	–	0.625	1.25	1.875	2.5
CET1 including CCB (a) + (b) . .	6.5	7.125	7.75	8.375	9.0
Tier 1 including CCB	8.0	8.625	9.25	9.875	10.5
Total including CCB	10.0	10.625	11.25	11.875	12.5
Maximum Countercyclical					
Buffer	–	0.625	1.25	1.875	2.5

Under MAS Notice 637, Singapore-incorporated banks are also required to maintain, at both the Solo and Group levels, a minimum leverage ratio of 3% at all times.

In addition to changes in minimum capital requirements, Basel III also mandates various adjustments in the calculation of capital resources. These adjustments include items such as goodwill, intangible assets, deferred tax assets and investments in unconsolidated financial institutions in which the bank holds a major stake and are fully-phased in as at January 1, 2018.

MAS Notice 637 was amended on October 17, 2016 to implement requirements for Singapore-incorporated banks that are consistent with the final standards issued by the Basel Committee in relation to (a) capital requirements for banks' equity investments in funds, (b) the Basel Committee's standardised approach for measuring counterparty credit risk exposures, (c) capital requirements for bank exposures to central counterparties, and (d) revised Pillar 3 disclosure requirements. The amendments will enhance the risk capture of banks' equity exposures and counterparty credit risk exposures, while the revised Pillar 3 disclosure requirements will improve comparability and consistency of disclosures and enable market participants to better assess a bank's capital adequacy. Revisions have also been made to align the regulatory capital treatment for investments in unconsolidated major stake entities that are not financial institutions, and for private equity and venture capital investments, with the treatment of significant investments in commercial entities under the Basel capital framework. The amendments took effect from January 1, 2017. For amendments relating to the standardised approach for measuring counterparty credit risk exposures and capital requirements for bank exposures to central counterparties, transitional arrangements are provided to allow more time for implementation. For Pillar 3 disclosure requirements, the disclosures required under the revised framework will be for the reporting periods ending on or immediately after January 1, 2017 for the majority of disclosure templates and January 1, 2018 for the remaining templates.

On September 22, 2017, a revised MAS Notice 637 was issued. Among other things, the transitional arrangements for the adoption of the Internal Ratings Based Approach were amended to reflect certain changes in the calculation of the amount of capital floors, including removing “Tier 1 Capital Resources Requirement” from the basis in calculating the amount of capital floors. Revisions were also made to the reporting schedules in MAS Notice 637.

Separately, the MAS released a consultation paper on proposed amendments to MAS Notice 637 on January 9, 2017 to implement requirements that are consistent with the final standards issued by the Basel Committee in relation to revisions to the securitisation framework and standards for interest rate risk in the banking book (“**IRRBB**”). The proposed framework for IRRBB sets out Pillar 2 requirements for the identification, measurement, monitoring and control of IRRBB, and disclosure requirements under prescribed interest rate shock scenarios. On November 29, 2017, the MAS released its response to this consultation paper and issued a revised MAS Notice 637 to implement amendments to the securitisation framework. These strengthen capital standards for securitisation exposures, while providing a preferential capital treatment for simple, transparent and comparable securitisations. The framework for IRRBB, which was finalised and incorporated into a revised MAS Notice 637 on November 13, 2018 and took effect from December 31, 2018, sets out requirements for the identification, measurement, monitoring and control of IRRBB that are consistent with the standard issued by the Basel Committee.

On July 25, 2017, the MAS issued the Consultation Paper on the Proposed Amendments to Capital Requirements for Singapore-Incorporated Banks in MAS Notice 637 which proposes amendments to introduce the minimum leverage ratio requirement of 3.0%. Technical enhancements were also proposed on the capital treatment of equity investments and the definition of default under the Internal Ratings Based Approach for credit risk. On December 28, 2017, MAS Notice 637 was revised to introduce a minimum leverage ratio requirement of 3.0% at the Solo and Group levels with effect from January 1, 2018.

On December 20, 2017, the MAS issued a Consultation Paper on Proposed Amendments to Widen the Scope of Eligible Collateral Relating to Commodities and Equity Securities in MAS Notice 637, to propose amendments to MAS Notice 637 to widen the scope of eligible collateral relating to commodities and equity that may be recognised for credit risk mitigation purposes. The MAS issued its response to this consultation on November 13, 2018, and implemented its proposed revisions to the list of eligible collateral in MAS Notice 637 with effect from November 16, 2018.

On November 13, 2018, MAS Notice 637 was also amended to implement the Basel Committee’s total loss-absorbing capacity (“**TLAC**”) holdings standard (the “**TLAC Amendments**”). The TLAC Amendments sought to limit contagion within the financial system if a global systemically important bank (“**G-SIB**”) were to enter resolution. They introduced, among other things, the requirement of an additional 5% threshold for non-regulatory capital TLAC holdings, and confine the usage of the additional 5% threshold to non-regulatory capital TLAC holdings that meet certain prescribed conditions, including the conditions that such TLAC holdings must be: (a) in the bank’s trading book; and (b) sold within 30 business days of the date of its acquisition. The TLAC Amendments took effect from January 1, 2019.

On May 7, 2019, the MAS released a consultation paper on “Proposed Implementation of the Final Basel III Reforms in Singapore”, seeking feedback on proposed revisions to the risk-based capital requirements and leverage ratio requirements for Singapore-incorporated banks to align with the Basel III reforms, and to implement these revisions from January 1, 2022. These proposals can affect the way banks in Singapore calculate their exposures, which may in turn affect their capital or liquidity requirements. On April 7, 2020, in line with the announcement by Basel Committee, MAS announced that the implementation date of the Basel III reforms has been deferred by one year to January 1, 2023

to enable banks to prioritise their resources to respond to the impact of COVID-19.

On December 17, 2020, the MAS released its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Operational Risk Capital and Leverage Ratio Requirements”. On March 25, 2021, the MAS released its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Credit Risk Capital and Output Floor Requirements”. On the same day, the MAS also released a consultation paper on “Draft Standards for Credit Risk Capital and Output Floor Requirements for Singapore-incorporated Banks”, seeking feedback on proposed amendments to MAS Notice 637 in respect of credit risk capital and output floor requirements which take into account this Response. The revised standards are expected to take effect from January 1, 2023, with transitional arrangements provided for implementation of the output floor till January 1, 2028.

On September 13, 2021, the MAS published its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Market Risk Capital Requirements”. On the same day, the MAS also released a consultation paper on “Draft Standards for Market Risk Capital and Capital Reporting Requirements for Singapore-Incorporated Banks” seeking feedback on draft standards relating to market risk capital and capital reporting requirements for Singapore-incorporated banks. Under this consultation paper, amendments have been proposed to MAS Notice 637 to take into account standards relating to market risk capital requirements in the consolidated Basel Framework published by the Basel Committee on Banking Supervision. The MAS intends to implement the revised standards for market risk capital for supervisory reporting purposes from January 1, 2023, and for the purposes of compliance with capital adequacy and disclosure requirements from January 1, 2023 or later.

With effect from June 30, 2019, further amendments were made to MAS Notice 637 to allow the recognition of on-balance sheet netting agreements for loans and deposits for credit risk mitigation purposes, introduce proportionality for disclosure requirements, revise certain disclosure templates, and implement other technical revisions.

On March 31, 2020, in light of the COVID-19 pandemic, MAS Notice 637 was amended to allow the full recognition of balances maintained in regulatory loss allowance reserve accounts as Tier 2 Capital between March 31, 2020 and September 30, 2021 (both dates inclusive). Further technical revisions to MAS Notice 637 were implemented with effect from October 1, 2020, including the capital treatment of public sector entities.

With effect from July 1, 2021, MAS Notice 637 was amended to specify the transitional arrangements for the adoption of the standardised approach for counterparty credit risk (“**SA-CCR**”) and to indicate that the revised capital requirements for bank exposures to central counterparties will cease on December 31, 2021. It also reflects amendments setting out an alternative treatment for the measurement of derivative exposures for leverage ratio calculation, using a modified version of SA-CCR as well as other amendments to implement technical revisions to the credit risk framework. Further amendments to MAS Notice 637 were made with effect from August 18, 2021 to implement the framework for the treatment of major stake investments in financial institutions at the Solo level.

With effect from December 31, 2021, MAS Notice 637 was amended to incorporate edits in relation to the insertion of a new charge to be held by the Housing and Development Board under the Prime Location Public Housing model. Further amendments effective from January 1, 2022 were also made to MAS Notice 637 to: (a) incorporate clarifications to the SA-CCR framework and the revised capital requirements for bank exposures to central counterparties, (b) implement revisions to the internal ratings-based approach application process and (c) implement technical revisions to the disclosure framework.

On March 30, 2022, the MAS issued a consultation paper on “Draft Public Disclosure Requirements for Regulatory Capital” seeking feedback on draft public disclosure requirements for regulatory capital for Singapore-incorporated banks. The draft provisions which are set out in MAS Notice 637 take into account standards relating to public disclosure requirements in the consolidated Basel Framework published by the Basel Committee on Banking Supervision. In particular, the MAS has stated that the draft amendments to Part XI of MAS Notice 637 will enhance market discipline by reflecting amendments to other parts of MAS Notice 637 which implements the final Basel III reforms, and improve the consistency and comparability of disclosure across Singapore-incorporated banks.

With effect from January 1, 2023, MAS Notice 637 was amended to: (a) implement the revised Pillar 3 disclosure requirements for interest rate risk in the banking book published by the Basel Committee on Banking Supervision; (b) implement a -100bps interest rate floor on the post-shock interest rates under the standardised interest rate shock scenarios set out in Annex 10C of MAS Notice 637; (c) provide additional clarity on the application of interest rate floors, interest rate caps, and pass-through rates when computing IRRBB under the standardised interest rate shock scenarios; and (d) implement various other technical revisions.

On June 8, 2023, the MAS announced that most of the final Basel III reforms in Singapore will come into effect from July 1, 2024. The requirements in the revised MAS Notice 637 will take effect as follows: (a) for all standards other than the revised market risk and credit valuation adjustment (“**CVA**”) standards, this will take effect from July 1, 2024; (b) for the revised market risk and CVA standards, this will take effect from July 1, 2024 for compliance with capital adequacy and disclosure requirements; and (c) for the output floor transitional arrangement, this will commence from July 1, 2024 and reach full phase-in on January 1, 2029, with the phase-in timing being as follows:

- 50% with effect from July 1, 2024;
- 55% with effect from January 1, 2025;
- 60% with effect from January 1, 2026;
- 65% with effect from January 1, 2027;
- 70% with effect from January 1, 2028; and
- 72.5% with effect from January 1, 2029.

On May 26, 2022, the MAS imposed on OCBC Bank an additional capital requirement given deficiencies in OCBC Bank’s response to a wave of spoofed SMS phishing scams in December 2021. The MAS has required OCBC Bank to apply a multiplier of 1.3 times to its risk-weighted assets for operational risk. This translates to an additional amount of approximately S\$330 million in regulatory capital (based on reported financial statements as March 31, 2022). Following the scams, OCBC Bank engaged an independent firm to review its systems and processes. Deficiencies were noted in OCBC Bank’s mitigation of identified risks, pre- and post-transaction controls, incident management and complaints handling, resulting in delays in containment measures and customer response time. The additional capital requirement imposed takes into consideration actions taken by OCBC Bank to strengthen its controls and its approach to resolving customer complaints following the incident. The additional capital requirement will be reviewed when MAS is satisfied that OCBC Bank has addressed all deficiencies identified in the review.

Other Key Prudential Provisions

Liquidity Coverage Ratio and Net Stable Funding Ratio

On November 28, 2014, the MAS issued MAS Notice 649. MAS Notice 649, which took effect on January 1, 2015, introduces a new liquidity requirement framework to implement the Basel III LCR rules

and applies to banks in Singapore. Under MAS Notice 649 (as last revised on June 24, 2022), a D-SIB which is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore shall maintain at all times, a Singapore Dollar LCR requirement of at least 100% and an all-currency LCR requirement of at least 60% by January 1, 2015, with the all-currency LCR requirement increasing by 10% each year to 100% by 2019.

On December 14, 2015, the MAS issued MAS Notice 651 on Liquidity Coverage Ratio Disclosure (“**MAS Notice 651**”), which took effect on January 1, 2016. MAS Notice 651 was last revised on June 24, 2022.

On July 10, 2017, the MAS issued a new MAS Notice 652 on Net Stable Funding Ratio (“**MAS Notice 652**”) to implement the proposals set out in the consultation paper on Local Implementation of Basel III Liquidity Rules – Net Stable Funding Ratio (“**NSFR**”) and NSFR Disclosure Requirements which was released in November 2016. MAS Notice 652 applies to D-SIBs and internationally active banks and took effect from January 1, 2018 (save for the Required Stable Funding add-on for derivative liabilities, which took effect from October 1, 2019). Under MAS Notice 652, a D-SIB incorporated and whose head office or parent bank is incorporated in Singapore must maintain an all-currency NSFR of at least 100% on a consolidated level (excluding certain banking group entities such as an insurance subsidiary).

The MAS consulted on the implementation of NSFR disclosure requirements as part of the public consultation on Proposed Amendments to Disclosure Requirements under MAS Notice 637, 651 and 653 which was separately issued on July 10, 2017. The proposed amendments to the disclosure frequencies under MAS Notice 651 on Liquidity Coverage Ratio Disclosure and MAS Notice 653 on Net Stable Funding Ratio Disclosure have been included in accordance with the Basel Committee’s revised standards. On December 28, 2017, the MAS issued the revised MAS Notices 637 and 651 and a new MAS Notice 653 on Net Stable Funding Ratio Disclosure (“**MAS Notice 653**”) to implement disclosure requirements for Singapore-incorporated banks that are consistent with the Basel Committee’s revised standards on Pillar 3 disclosures under the Basel III framework. The amendments to MAS Notice 637 took effect on January 1, 2018 (except where indicated otherwise). The revised MAS Notice 651 took effect from December 31, 2017 and MAS Notice 653 took effect from January 1, 2018. Subsequently, MAS Notice 651 and MAS Notice 653 were revised again with effect from October 1, 2019, to, among other things, clarify the scope of their application. MAS Notice 653 was last revised on June 24, 2022.

MAS Notice 651 and MAS Notice 653 set out requirements applicable to banks incorporated in Singapore that are D-SIBs or internationally active banks for the disclosure of quantitative and qualitative information about LCR and NSFR respectively. Under the revised MAS Notice 651, a D-SIB that is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore, or an internationally active bank, is required to disclose quantitative and qualitative information about its LCR on a consolidated level (excluding certain banking group entities such as an insurance subsidiary) on a quarterly basis. MAS Notice 651 also sets out additional disclosure requirements on quantitative and qualitative information, such as the annual disclosure of information relating to its internal liquidity risk measurement and management framework.

Under MAS Notice 653, a D-SIB that is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore, or an internationally active bank, is required to disclose quantitative and qualitative information about its NSFR on a consolidated level (excluding certain banking group entities such as an insurance subsidiary) on a semi-annual basis.

Minimum Cash Balance

Under Section 39 of the Banking Act and MAS Notice 758 on Minimum Cash Balance (“**MAS Notice 758**”), a bank is also required to maintain, during a maintenance period, in its current account and custody cash account an aggregate minimum cash balance with MAS of at least an average of 3.0% of its average Qualifying Liabilities computed during the relevant two-week period beginning on a

Thursday and ending on a Wednesday. With effect from July 1, 2022, MAS Notice 758 has been amended to include the definition of Qualifying Liabilities under MAS Notice 649. Consequent to which, MAS Notice 613 which was previously referenced in MAS Notice 758 in relation to the definition of Qualifying Liabilities has been cancelled with effect from July 1, 2022.

Exposures and Credit Facilities

Under Section 29 of the Banking Act, the MAS may, by notice in writing to any bank in Singapore, or any class of banks in Singapore, impose such requirements as may be necessary or expedient for the purposes of:

- (a) identifying any person or class of persons, where exposure of the bank, or a bank within the class of banks, to the person or class of persons may result in concentration risk to the bank;
or
- (b) limiting the exposure of the bank, or a bank within the class of banks, to any person or class of persons, where the exposure may result in concentration risk to the bank.

For the purposes of this paragraph, “exposure” means the maximum loss that a bank may incur as a result of the failure of a counterparty to meet any of its obligations.

On January 3, 2018, the MAS released a Consultation Paper on Proposed Revisions to the Regulatory Framework for Large Exposures of Singapore-incorporated Banks. The proposed revisions take into account relevant aspects of the “Supervisory framework for measuring and controlling large exposures” published by the Basel Committee in April 2014, and will apply only to Singapore-incorporated banks. The MAS released the Response to Feedback Received – Proposed Revisions to the Large Exposures Framework for Singapore-Incorporated Banks on August 31, 2018 and will, among other things, tighten the large exposures limit from 25% of eligible total capital to 25% of Tier 1 capital.

On August 14, 2019, the MAS issued MAS Notice 656 on Exposures to Single Counterparty Groups for Banks Incorporated in Singapore (“**MAS Notice 656**”) implementing the revised requirements. MAS Notice 656 provides that, among other things, a bank incorporated in Singapore must not permit: (a) at the Solo level, the aggregate of its exposures to any single counterparty group to exceed 25% of its Tier 1 capital; and (b) at the Group level, the aggregate of the exposures of the banking group to any counterparty, any director group, any substantial shareholder group or any connected counterparty group to exceed 25% of the Tier 1 capital of the banking group. On July 1, 2021, MAS Notice 656 was amended to, amongst others, reflect that the transitional arrangements for the adoption of the standardised approach for credit risk under MAS Notice 637 will cease on December 31, 2021 and to clarify the treatment for an exempt exposure that is secured by eligible financial collateral or eligible credit protection.

On July 1, 2021 a new Section 29A to the Banking Act intended to enhance the monitoring and control of the risk of conflict between the interests of a bank in Singapore and the interests of certain persons, branches or head offices that are related to the bank took effect. The new Section 29A provides that the MAS may, by written notice, impose requirements that are reasonably necessary for the purposes of identifying credit facilities from, exposures of and transactions of, the bank, to or with certain persons, branches, entities or head offices that may give rise to any conflict of interest, and for monitoring, limiting and restricting such credit facilities, exposures and transactions. Among other things, the notice may prohibit the bank from granting any credit facility, creating any exposure or entering into any transaction to or with such a person, branch, entity or head office.

Credit Loss Allowance

On December 29, 2017, the MAS issued the revised MAS Notice 612 on Credit Files, Grading and Provisioning (which took effect on January 1, 2018) in relation to the changes in the recognition and measurement of allowance for credit losses introduced in SFRS(I) 9. The regulatory requirement on minimum impairment provisions for credit-impaired exposures has been removed, and banks are to measure and recognise loss allowances for expected credit losses in accordance with the requirements of SFRS(I) 9. In addition, locally-incorporated banks which are designated by the MAS as D-SIBs are to maintain Minimum Regulatory Loss Allowances. Where the Accounting Loss Allowance falls below the Minimum Regulatory Loss Allowance, a locally-incorporated D-SIB is required to recognise the additional loss allowance by establishing a non-distributable regulatory loss allowance reserve account through appropriation of retained earnings. Every bank in Singapore is required to make adequate provisions for bad and doubtful debts and before any profit or loss is declared, ensure that the provision is adequate.

Related Party Transactions

The MAS issued MAS Notice 643 on Transactions with Related Parties (“**MAS Notice 643**”) pursuant to the new Section 29A(1) of the Banking Act. MAS Notice 643, which took effect on July 1, 2021, sets out requirements relating to transactions of banks in Singapore with related parties and the responsibilities of banks in relation to transactions of branches or entities in the bank’s group with related parties, which seek to minimise the risk of abuse arising from conflicts of interest in such transactions.

Under MAS Notice 643, a bank in Singapore is also required to obtain the approval of a special majority of three-fourths of its board and ensure that every branch or entity in its bank group obtains the approval of a special majority of three-fourths of the entity’s board before entering into related party transactions that pose material risks to the bank (unless otherwise exempt), or write off any of its exposure to any of the bank’s related parties, in order to provide more effective oversight over banks’ related party transactions.

Permitted businesses and holdings

A bank in Singapore is prohibited from carrying on or entering into any partnership, joint venture or other arrangement with any person to carry on any business except:

- (a) banking business;
- (b) business which is regulated or authorised by the MAS or if carried on in Singapore, would be regulated or authorised by the MAS under any written law;
- (c) business which is incidental to (a) or (b);
- (d) business or a class of business prescribed by the MAS; or
- (e) any other business approved by the MAS (Section 30 of the Banking Act).

On September 29, 2017, the MAS released a Consultation Paper on the Review of Anti-Commingling Framework for Banks which proposes to refine the anti-commingling framework for banks in two key aspects, including streamlining the conditions and requirements under regulation 23G of the Banking Regulations so as to make it easier for banks to conduct or invest in permissible non-financial businesses that are related or complementary to their core financial businesses, and allowing banks to engage in the operation of digital platforms that match buyers and sellers of consumer goods or services, as well as the online sale of such goods or services. In this connection, the MAS has also proposed amendments to regulations 23F and 23G of the Banking Regulations in the Consultation Paper on Proposed Amendments to Regulations, Notices and Guidelines Arising from the Banking (Amendment) Act 2020 and Other Changes published on December 2, 2020. Among other things, the MAS has prescribed a list of permissible non-financial businesses which banks may carry on if the

business is related or complementary to any of the core financial business which is carried on by the bank, subject to conditions such as the requirement for the bank to put in place risk management and governance policies and procedures that are commensurate with the risks posed by such business, and obtain the approval of the board of directors (or an authorised person, in the case of a bank incorporated outside Singapore and its head office has carried on the business before) for such policies and procedures.

The revised anti-commingling policy measures and the amendments to regulations 23F and 23G of the Banking Regulations have been effected by way of the Banking (Amendment) Regulations 2021 which took effect on July 1, 2021.

Major stake and investment restrictions

A bank in Singapore, either directly or through any subsidiary of the bank or any other company in the bank group, can hold any beneficial interest in the share capital of a company (and such other investment, interest or right as may be prescribed by the MAS) (“**equity investment**”), whether involved in financial business or not, so long as such equity investment does not exceed in the aggregate 2% of the capital funds of the bank or such other percentage as the MAS may prescribe. Such a restriction on a bank’s equity investment does not apply to any interest held by way of security for the purposes of a transaction entered in the ordinary course of the bank’s business in Singapore or to any shareholding or interest acquired or held by a bank in the course of satisfaction of debts due to the bank, where such interest is disposed of at the earliest suitable opportunity. This restriction on a bank’s equity investment will also not apply in respect of any equity investment in a single company acquired or held by a bank in Singapore for the purposes of carrying on businesses that have been prescribed as a related or complementary business under regulation 23G(1) of the Banking Regulations. In addition, any major stake approved by the MAS under Section 32 of the Banking Act and any equity investment in a single company acquired or held by a bank when acting as a stabilising bank in relation to an offer of securities issued by the company will not be subject to the restrictions on equity investment described above.

Under Section 32 of the Banking Act, a bank in Singapore cannot hold or acquire, directly or indirectly, a major stake in any entity without obtaining the prior approval of MAS. A “major stake” means: (i) any beneficial interest exceeding 10% of the total number of issued shares or such other measure corresponding to shares in a company as may be prescribed; (ii) control over more than 10% of the voting power or such other measure corresponding to voting power in a company as may be prescribed; or (iii) any interest in the entity, by reason of which the management of the entity is accustomed or under an obligation, whether formal or informal, to act in accordance with the bank’s directions, instructions or wishes, or where the bank is in a position to determine the policy of the entity. For the purposes of this Section 32 of the Banking Act, “entity” means any body corporate or unincorporated, whether incorporated, formed or established in or outside Singapore.

No bank incorporated in Singapore shall hold or acquire, directly or through a subsidiary of the bank or any other company in the bank group, interests in or rights over immovable property, wherever situated, the value of which exceeds in the aggregate 20% of the capital funds of the bank or such other percentage as the MAS may prescribe (Section 33 of the Banking Act). The Banking Regulations further provide that the property sector exposure of a bank in Singapore shall not exceed 35% of the total eligible assets of that bank. Under the Banking Act and the Banking Regulations, a bank can invest in properties subject to an aggregate of 20% of its capital funds, but it is not allowed to engage in property development or management. However, a bank incorporated in Singapore such as OCBC is permitted to carry on property management and property enhancement services in relation to investment properties that are owned by any entity in its bank group, foreclosed properties that have been acquired or are held by any entity in its bank group and buildings (the whole or any part which is) occupied and used by any entity in its bank group for the carrying on of that entity’s business. For this purpose, “bank

group”, in relation to a bank incorporated in Singapore, refers to the group of entities comprising (a) the bank; (b) every subsidiary of the bank; (c) every branch of the bank; and (d) every other entity that is treated as part of the bank’s group of entities for accounting purposes according to the Accounting Standards (as defined in the Banking Regulations).

Corporate Governance Regulations and Guidelines

The Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore (dated April 3, 2013) (the “**2013 Guidelines**”) comprises the Code of Corporate Governance 2012 (the “**Corporate Governance Code**”) for companies listed on the SGX-ST and supplementary principles and guidelines from the MAS. The 2013 Guidelines and the Banking (Corporate Governance) Regulations 2005 define what is meant by an independent director and set out the requirements for the composition of the board of directors and board committees, such as the Nominating Committee, Remuneration Committee, Audit Committee and Risk Management Committee. The 2013 Guidelines also set out, *inter alia*, the principle that there should be a clear division of responsibilities between the leadership of the board of directors of a bank and the executive responsibilities of a bank, as well as the principle that there should be a strong and independent element on the board of directors of a bank, which is able to exercise objective judgment on corporate affairs independently, in particular, from the management of the bank and 10% shareholders of the bank (as defined in the 2013 Guidelines). The 2013 Guidelines also encourage the separation of the roles of Chairman and CEO and outline how this is to be applied. The 2013 Guidelines further set out the principle that the board of directors of a bank should ensure that the bank’s related party transactions are undertaken on an arm’s length basis.

The Corporate Governance Code was revised on August 6, 2018. The revised Corporate Governance Code sets out, amongst other things, the principles that there should be (i) a clear division of responsibilities between the leadership of the board of directors and the executive responsibilities of a company’s business, and no one individual has unfettered powers of decision-making and (ii) an appropriate level of independence and diversity of thought and background in the composition of the board of directors of the company, to enable it to make decisions in the best interests of the company. The revised Corporate Governance Code also requires the separation of the roles of Chairman and Chief Executive Officer.

The Corporate Governance Code was further amended on January 11, 2023 to reflect amendments made by the Singapore Exchange Regulation to the listing rules of the SGX-ST. The amendments introduced a nine-year tenure limit for independent directors and mandatory remuneration disclosure for each individual director and CEO. The revisions are in line with the recommendations made by the Corporate Governance Advisory Committee.

On November 9, 2021, the MAS published the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore (the “**2021 Guidelines**”), which supersedes and replaces the 2013 Guidelines. The revisions take into account international standards and industry good practices. The MAS has incorporated the Code of Corporate Governance 2018 into the 2021 Guidelines and shifted certain provisions in the 2013 Guidelines which it considers to be baseline expectations on corporate governance into the Banking (Corporate Governance) Regulations 2005 for mandatory compliance. The 2021 Guidelines also include additional guidelines added by the MAS to take into account the unique characteristics of the business of banking in light of the diverse and complex risks undertaken by financial institutions conducting banking business and the responsibilities to depositors. The guidelines that relate to disclosures took effect from January 1, 2022 and apply to the annual reports covering financial years commencing from that date, with the bulk of the other guidelines taking effect from April 1, 2022.

To further enhance the corporate governance of banks, the Banking Act:

- (a) requires a Singapore-incorporated bank to seek the MAS' approval before it appoints certain key appointment holders (including directors and chief executive officers), and in doing so, the MAS has the power to prescribe the duties of the appointment holders and to specify the maximum term of each appointment;
- (b) empowers the MAS to remove key appointment holders of banks if they are found to be not fit and proper. The grounds for removal of such key appointment holders will be aligned with the criteria for approving their appointment. A Singapore-incorporated bank must also immediately inform the MAS if a key appointment holder is (in accordance with the Guidelines on Fit and Proper Criteria (last revised on October 8, 2018)) no longer a fit and proper person to hold the appointment;
- (c) provides a provision to protect banks' external auditors who disclose, in good faith, information to the MAS in the course of their duties from any liability that may arise from such disclosure;
- (d) empowers the MAS to direct banks to remove their external auditors if they have not discharged their statutory duties satisfactorily and protect banks' external auditors who disclose, in good faith, information to the MAS in the course of their duties from any liability that may arise from such disclosure; and
- (e) empowers the MAS to prohibit, restrict or direct a bank to terminate any transaction that the bank enters into with its related parties if it is deemed to be detrimental to depositors' interests.

Other Requirements

Licensing

The MAS issues licences under the Banking Act to banks to transact banking business in Singapore. Such licences may be revoked if the MAS is satisfied, among other things, that the bank holding that licence: (a) has ceased to transact banking business in Singapore; (b) has furnished information or documents to the MAS in connection with its application for a bank licence which is or are false or misleading in a material particular; (c) if it is a bank incorporated outside Singapore, has had its bank licence or authority to operate withdrawn by the supervisory authority which is responsible, under the laws of the country or territory where the bank is incorporated, formed or established, for supervising the bank; (d) proposes to make, or has made, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved; (e) is carrying on its business in a manner likely to be detrimental to the interests of the depositors of the bank or has insufficient assets to cover its liabilities to its depositors or the public; (f) is contravening or has contravened any provision of the Banking Act; (g) has been convicted of any offence under the Banking Act or any of its directors or officers holding a managerial or executive position has been convicted of any offence under the Banking Act; (h) is contravening or has contravened any provision of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 of Singapore (the "**Deposit Insurance and Policy Owners' Protection Schemes Act**") or any Rules issued by the deposit insurance and policy owners' protection fund agency under the Deposit Insurance and Policy Owners' Protection Schemes Act; or (i) is contravening or has contravened any provision of the MAS Act, or any direction issued by the MAS under the MAS Act.

The MAS may also revoke an existing licence if, upon the MAS exercising any power under Section 49(2) of the Banking Act or the Minister exercising any power under Division 2, 3, 4 or 4A of Part 4B of

the MAS Act in relation to the bank, the MAS considers that it is in the public interest to revoke the license.

Priority of liabilities in winding up

Section 61(1) of the Banking Act provides that, where a bank becomes unable to meet its obligations or becomes insolvent or suspends payment, the assets of that bank in Singapore are available to meet all liabilities in Singapore of the bank specified in Section 62(1) of the Banking Act (the “**Specified Liabilities**”). The Specified Liabilities have priority over all unsecured liabilities of the bank, other than the preferential debts specified in Section 203(1) of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (“**IRDA**”).

Under Section 62(1) of the Banking Act, the Specified Liabilities are (and in the event of a winding up of a bank will, among themselves, rank in the following order of priority notwithstanding the provisions of any written law or any rule of law relating to the winding up of companies): (i) firstly, any premium contributions due and payable by the bank under the Deposit Insurance and Policy Owners’ Protection Schemes Act; (ii) secondly, liabilities incurred by the bank in respect of insured deposits, up to the amount of compensation paid or payable out of the Deposit Insurance Fund by the Singapore Deposit Insurance Corporation Limited (“**SDIC**”) under the Deposit Insurance and Policy Owners’ Protection Schemes Act in respect of such insured deposits; (iii) thirdly, deposit liabilities incurred by the bank with non-bank customers, other than those specified in paragraph (ii) above which are incurred (a) in Singapore dollars; or (b) on terms under which the deposit liabilities may be discharged by the bank in Singapore dollars; (iv) fourthly, deposit liabilities incurred by the bank with non-bank customers other than liabilities referred to in paragraphs (ii) and (iii); and (v) fifthly, any sum claimed by the trustee of a resolution fund (within the meaning of Section 98 of the MAS Act) from the bank under Section 103, 104, 105 or 106 of the MAS Act. As between Specified Liabilities of the same class referred to in each of paragraphs (i) to (v) above, such liabilities shall rank equally between themselves and are to be paid in full unless the assets of the bank are insufficient to meet them in which case they are to abate in equal proportions between themselves.

Deposit Insurance Scheme

SDIC administers the Deposit Insurance Scheme (“**DI Scheme**”) in accordance with the Deposit Insurance and Policy Owners’ Protection Schemes Act for the purposes of providing limited compensation to insured depositors under certain circumstances. All licensed full banks in Singapore are DI Scheme members unless exempted by the MAS. The Deposit Insurance and Policy Owners’ Protection Schemes Act was amended pursuant to the Deposit Insurance and Policy Owners’ Protection Schemes (Amendment) Act 2018 with effect from April 1, 2019. Following the amendments, the deposit insurance coverage limit was raised from S\$50,000 to S\$75,000. The MAS has on June 27, 2023 published a Consultation Paper on Proposed Enhancements to the Deposit Insurance Scheme in Singapore proposing to raise the deposit insurance coverage limit to S\$100,000 per depositor with effect from April 1, 2024 so as to restore the percentage of fully-covered insured depositors to 91%.

Notification of material adverse development

Section 48AA of the Banking Act (as amended by the Banking (Amendment) Act 2016 with effect from November 30, 2018) requires banks to inform the MAS of any development that materially affects the bank adversely, and in the case of Singapore-incorporated banks, any development that materially affects the bank or its related entities adversely.

Removal of Domestic Banking Unit and Asian Currency Unit

Banks in Singapore previously had to maintain separate accounting units for their domestic banking unit (“**DBU**”) and their Asian currency unit (“**ACU**”). On November 4, 2019, the Banking (Amendment)

Bill (B35/2019) was introduced in Parliament to (among other things) remove the DBU-ACU divide, and make consequential amendments to regulatory requirements following the removal of the DBU-ACU divide.

The MAS has previously noted that the removal of the DBU-ACU divide would require significant amendments to changes in banks' regulatory reporting systems. In this regard, the MAS issued an updated MAS Notice 610 on Submission of Statistics and Returns ("**MAS Notice 610**") on May 17, 2018 that was intended to take effect from October 1, 2020 providing a 30-month implementation timeline. However, the MAS Notice 610 dated May 17, 2018 was cancelled and superseded by a new MAS Notice 610 which took effect from July 1, 2021. MAS Notice 610 was last revised with effect from January 31, 2022.

Privacy of customer information

Unless otherwise expressly provided in the Banking Act, a bank in Singapore and its officers may not disclose customer information to any other person without the written consent of the customer. On June 29, 2021, the MAS published MAS Notice 657 Privacy of Customer Information – Conditions for Disclosure of Customer Information by Auditors ("**MAS Notice 657**") which applies to all banks and their external auditors. MAS Notice 657 sets out the conditions which an auditor must comply with before disclosing any customer information to an employee of the Accounting and Corporate Regulatory Authority referred to in the Third Schedule of the Banking Act. MAS Notice 657 took effect from July 1, 2021.

Resolution Powers

Under the MAS Act and the Banking Act, the MAS has resolution powers in respect of Singapore licensed banks. Broadly speaking, the MAS has powers to (amongst other things) assume control of a bank, impose moratoriums, temporarily stay termination rights of counterparties, order compulsory transfers of business or shares and impose requirements relating to recovery and resolution planning.

Under Division 4A of Part 4B of the MAS Act, the MAS has statutory bail-in powers to write down or convert a financial institution's debt into equity. The entities subject to the statutory bail-in powers of the MAS are presently limited to Singapore-incorporated banks and Singapore-incorporated bank holding companies (each a "**Division 4A financial institution**"). The classes of instruments subject to the statutory bail-in powers of the MAS are provided under regulation 23 of the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 (the "**RFI Regulations**") and include:

- (a) any equity instrument or other instrument that confers or represents a legal or beneficial ownership in the Division 4A financial institution except an ordinary share;
- (b) any unsecured liability or other unsecured debt instrument that is subordinated to unsecured creditors' claims of the Division 4A financial institution that are not so subordinated; and
- (c) any instrument that provides for a right for the instrument to be written down, cancelled, modified, changed in form or converted into shares or another instrument of ownership, when a specified event occurs,

but do not include any instrument issued before November 29, 2018, or a derivatives contract as defined in regulation 9(2) of the RFI Regulations.

In the event of bail-in, all shareholders' voting rights on matters which require shareholders' approval will be suspended until the Minister has published a notice in the Gazette that the moratorium ceases to apply. In respect of any person who becomes a significant shareholder (i.e. if they have reached the relevant shareholding thresholds) as a result of the bail-in, the Minister may serve a written notice on that person if:

- (a) the MAS is not satisfied that:
 - (i) the person is, in accordance with the Guidelines on Fit and Proper Criteria, a fit and proper person to be a significant shareholder; and
 - (ii) having regard to the likely influence of the person on it, the Division 4A financial institution or an entity established or incorporated to do one or both of the following: (A) temporarily hold and manage the assets and liabilities of the Division 4A financial institution; and/or (B) do any act for the orderly resolution of the Division 4A financial institution (“**resulting financial institution**”) will or will continue to conduct its business prudently and comply with the provisions of the MAS Act and the relevant Act applicable to it; or
- (b) the Minister is not satisfied that:
 - (i) in a case where the Division 4A financial institution or resulting financial institution is a bank incorporated in Singapore, it is in the national interest for the person to remain a significant shareholder of the Division 4A financial institution or resulting financial institution, as the case may be; or
 - (ii) in any other case, it is in the public interest for the person to remain a significant shareholder of the Division 4A financial institution or resulting financial institution, as the case may be.

Where the Minister has served such a notice, then, until the person has disposed of or transferred the shares specified in the notice and in accordance with the notice:

- (i) no voting rights are exercisable in respect of the specified shares except with the permission of the Minister, whether or not a notice under Section 77(2) is published that the provision has ceased to apply;
- (ii) no shares of the Division 4A financial institution or resulting financial institution (as the case may be) may be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares except with the permission of the Minister; and
- (iii) except in a liquidation of the Division 4A financial institution or resulting financial institution (as the case may be), the Division 4A financial institution or resulting financial institution may not make any payment (whether by way of dividends or otherwise) in respect of the specified shares except with the permission of the Minister.

This will ensure that only fit and proper persons can exercise voting rights attached to significant stakes in the financial institution. When exercising its bail-in powers, the MAS must have regard to the desirability of giving each pre-resolution creditor or pre-resolution shareholder of the Division 4A financial institution the priority and treatment the pre-resolution creditor or pre-resolution shareholder would have enjoyed had the Division 4A financial institution been wound up.

In addition, a Division 4A financial institution is also required to insert contractual bail-in clauses into instruments which fall within the scope of the MAS’ statutory bail-in powers but which are governed by foreign laws, to the effect that the parties to the contract agree that the instrument may be the subject of the MAS’ bail-in powers.

The MAS has the power to subject a bank to recovery and resolution planning requirements by issuing a direction under Section 43(1) of the MAS Act to the bank (a “**notified bank**”). A notified bank must comply with the recovery and resolution planning requirements under MAS Notice 654 on Recovery and Resolution Planning which was issued on January 30, 2019, including the requirement to prepare, review and keep up-to-date a recovery plan that sets out a framework of recovery triggers (i.e. points at which appropriate recovery options may be taken) and an escalation process upon the occurrence of a trigger event, among other things.

On November 1, 2021, a new regulation 27A of the RFI Regulations took effect. Under regulation 27A of the RFI Regulations, a “qualifying pertinent financial institution” (“**QPFI**”) and its subsidiaries will be required to include enforceable provisions in financial contracts governed by foreign law which contain termination rights to ensure that the exercise of the termination rights for such contracts will be subject to MAS’ temporary stay powers under Sections 83 and 84 of the MAS Act (which prevent parties from exercising termination rights that arise out of the MAS’ exercise of resolution powers and in the case of Section 84, during the period of the temporary stay). A QPFI is defined as a bank that is incorporated in Singapore and to which a direction has been issued under Section 43(1) of the MAS Act. A three-year transitional period has been provided from November 1, 2021 for QPFIs to implement the contractual recognition requirement.

Existing safeguards in connection with compulsory transfer of business during resolution, were also extended to reverse and onward transfers of business with effect from November 1, 2021.

On May 11, 2022, the Financial Services and Markets Act 2022 (“**FSM Act**”) was gazetted. The FSM Act is an omnibus statute for the sector-wide regulation of financial services and markets. The FSM Act is being implemented in phases, with the first phase having commenced on April 28, 2023. The remaining phases are targeted to be implemented between the second half of 2023 and 2024. When the FSM Act fully comes into force, the resolution powers of the MAS under the MAS Act will be moved over to the FSM Act.

On March 22, 2023, the MAS issued a statement on Additional Tier 1 instruments issued by Singapore-incorporated banks. The MAS announced that in exercising its powers to resolve a financial institution (which includes Singapore-incorporated banks), it intends to abide by the hierarchy of claims in liquidation, meaning that equity holders will absorb losses before holders of Additional Tier 1 and Tier 2 capital instruments. Further, creditors who receive less in a resolution compared to what they would have received had the financial institution been liquidated would be able to claim the difference from a resolution fund that would be funded by the financial industry..

Examinations and Reporting Arrangements for Banks

The MAS conducts on-site examinations of banks. Banks are also subject to annual audit by an external auditor approved by the MAS, who, aside from the annual balance sheet and profit and loss account must report to the MAS immediately if in the course of the performance of his duties as an auditor of the bank, he is satisfied that: (a) there has been a serious breach or non-observance of the provisions of the Banking Act or that otherwise a criminal offence involving fraud or dishonesty has been committed; (b) in the case of a bank incorporated in Singapore, losses have been incurred which reduce the capital funds of the bank by 50%; (c) serious irregularities have occurred, including irregularities that jeopardise the security of the creditors; (d) he is unable to confirm that the claims of creditors are still covered by the assets; or (e) any development has occurred or is likely to occur which has materially and adversely affected, or is likely to materially and adversely affect, the financial soundness of the bank.

In the February 7, 2019 Banking Act Consultation Paper, as a consequence of the impending removal of the DBU-ACU divide, the MAS has proposed to introduce a new reporting benchmark wherein the auditor must report to the MAS immediately if he becomes aware of any development that has occurred or is likely to occur which he has reasonable grounds to believe has materially affected adversely, or is likely to materially affect adversely, the financial soundness of the bank. With the new reporting benchmark, limb (b) above would no longer apply to all banks, but only to banks incorporated in Singapore.

The MAS has discontinued the mandatory audit firm rotation policy for local banks. On July 17, 2018, the MAS cancelled MAS Notice 615 on Appointment of Auditors (“**MAS Notice 615**”) dated March 27,

2002 and issued a new MAS Notice 615 (which took effect on the July 18, 2018) pursuant to which banks incorporated and headquartered in Singapore will have to conduct a public tender for the reappointment of an auditor who has been appointed for a period of ten or more consecutive financial years following the last conduct of a public tender. The implementation timeline will be the financial year ending December 31, 2020 for banks with incumbent auditors for more than ten consecutive years; and the financial year ending December 31, 2022 or ten years after the commencement of the audit engagement, whichever is later, for banks with incumbent auditors for up to ten consecutive years as of December 31, 2017.

Under Section 58 of the Banking Act, the MAS is empowered to direct banks to remove their external auditors if the MAS is not satisfied with the performance of any duty by the auditors of those banks.

All banks in Singapore are required to submit periodic statistical returns, financial reports and auditors' reports to the MAS, including returns covering minimum cash balances and liquidity returns, statements of assets and liabilities and total foreign exchange business transacted.

The MAS may also require ad hoc reports to be submitted.

Inspection and Investigative Powers

The MAS' inspection and investigative powers are set out under Section 43 to Section 44A of the Banking Act which allow the MAS to, under conditions of secrecy: (a) inspect the books of each bank in Singapore and of any branch, agency or office outside Singapore opened by a bank incorporated in Singapore; (b) inspect the books of each subsidiary incorporated in Singapore of a bank incorporated in Singapore, where the subsidiary is not regulated or licensed by the MAS under any other Act; and (c) investigate the books of any bank in Singapore if the MAS has reason to believe that the bank is carrying on its business in a manner likely to be detrimental to the interests of its depositors and other creditors, has insufficient assets to cover its liabilities to the public or is contravening the provisions of the Banking Act.

On July 2, 2021, the MAS published the Consultation Paper on Proposed Amendments to MAS' Investigative and Other Powers under the Various Acts proposing amendments under the Financial Institutions (Miscellaneous Amendments) Bill to various pieces of legislation including the Banking Act. The proposals aim to enhance the MAS' evidence-gathering powers and to facilitate greater inter-agency coordination. Amongst the proposed amendments to the Banking Act include according the MAS the power to require any person to provide information for the purposes of investigation, requiring any person to appear for examination, allowing the MAS to enter premises without warrant and be able to transfer evidence between the MAS and other agencies.

The first phase of the FSM Act which commenced on April 28, 2023 relates to the porting over of the provisions from the MAS Act relating to: (a) general powers over financial institutions, including inspection powers, offences and other miscellaneous provisions; (b) the anti-money laundering and countering the financing of terrorism framework for financial institutions; and (c) the Financial Dispute Resolution Schemes framework, into the FSM Act. When the remaining phases of the FSM Act come into effect, it will, amongst others, introduce a harmonised and expanded power for the MAS to issue prohibition orders against persons who are not fit and proper from engaging in financial activities regulated by the MAS or performing any key roles of functions in the financial industry that are prescribed, in order to protect a financial institution's customers, investors or the financial sector. This broadens the categories of persons who may be subject to prohibition orders and widens the scope of prohibition to cover functions critical to the integrity and functions of financial institutions. The MAS has stated that it will continue to exercise its prohibition order powers judiciously taking into account the nature and severity of each misconduct, and its actual and potential impact on trust in the financial sector. These expanded powers apply to persons working in banks.

Directors and Executive Officers of Banks

A bank incorporated in Singapore must not permit a person who is subject to certain circumstances set out in Section 54(1) of the Banking Act (for example where the person is an undischarged bankrupt, whether in Singapore or elsewhere) to act as its executive officer or director without the prior written consent of the MAS. The MAS may also direct the removal of a director of a bank in Singapore which is incorporated in Singapore or executive officer of a bank in Singapore if the MAS is satisfied that the director or executive officer (as the case may be) is not a fit and proper person under Section 54(2) of the Banking Act – this has been aligned with the criteria for approving their appointment. Banks are required under Section 53A of the Banking Act to notify the MAS of any development that could affect the fitness and propriety of their key appointment holders. Similar provisions apply to financial holding companies by virtue of the MAS Act where the MAS may direct the removal of a director of a financial holding company which is established or incorporated in Singapore or executive officer a financial holding company on the basis of three grounds set out in Section 40(2) of the MAS Act, (one of which is where the MAS is satisfied that the executive officer or director wilfully contravened or wilfully caused the bank to contravene any provision of the MAS Act) where the MAS thinks that such removal is necessary in the public interest or for the protection of persons that the MAS has prescribed for the purposes of Section 40(2) of the MAS Act.

Financial Benchmarks

The SFA Amendment Act was gazetted on February 16, 2017, and came into force on October 8, 2018. Among other things, the SFA Amendment Act introduced a legislative framework for the regulation of financial benchmarks through a new Part 6AA in the SFA. The SFA Amendment Act (a) introduces specific criminal and civil sanctions under the SFA for manipulation of any financial benchmark (including SIBOR, SOR and Foreign Exchange spot benchmarks), and (b) subjects the setting of key financial benchmarks (which are designated as “designated benchmarks” by the MAS) to regulatory oversight. Benchmark administrators and benchmark submitters of designated benchmarks are subject to regulatory requirements under the SFA.

The Securities and Futures (Financial Benchmark) Regulations 2018 were issued on October 8, 2018, and set out the admission, ongoing conduct and other requirements which apply to benchmark administrators and benchmark submitters of designated benchmarks. Pursuant to the Securities and Futures (Designated Benchmarks) Order 2018, the MAS designated the SIBOR and SOR as designated benchmarks with effect from October 8, 2018.

On August 30, 2019, the MAS announced the establishment of SC-STIS to oversee an industry-wide benchmark transition from SOR to SORA. In addition, the ABS and the SFEMC released a consultation report “Roadmap for Transition of Interest Rate Benchmarks: From SOR to SORA” identifying SORA as the alternative interest rate benchmark to SOR, envisaging a phased transition over two years. On March 19, 2020, the SC-STIS released its response to feedback received on the consultation report in which the SC-STIS noted that overall, there was broad support for the proposed transition roadmap and approach set out in the consultation report. In its response, the SC-STIS also outlined its key priorities and updated transition roadmap to achieve a smooth transition from SOR to SORA as the new interest rate benchmark for the SGD cash and derivatives markets.

On July 29, 2020, the ABS-SFEMC and SC-STIS released a consultation report “Public Consultation on SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks” proposing for the transition of legacy contracts referencing SIBOR to be done in a phased approach. On December 11, 2022, the ABS-SFEMC and SC-STIS released the response to feedback received on the consultation proposals noting broad support from the industry of the proposals and encourage market participants to shift away from usage of SIBOR as soon as possible to reduce reliance on a benchmark that will be discontinued and to contribute to the deepening of new SORA markets.

On May 18, 2022, the SC-STS released a consultation report “Consultation on Adjustment Spreads for the Conversion of Legacy SOR Contracts to SORA” setting out recommendations for the setting of adjustment spreads for the conversion of legacy Singapore dollar Swap Offer Rate contracts to a SORA reference rate. On July 18, 2022, the SC-STS released the response to feedback received on the consultation paper noting broad support from the industry for SC-STS’ recommendations and setting out the finalised approach for: (a) setting the adjustment spreads within the MAS Recommended Rate in ISDA IBOR 2020 Fallbacks Protocol, Supplement number 70 to the 2006 ISDA Definitions and the 2021 ISDA Interest Rate Derivatives Definitions as well as the SC-STS’ recommended contractual fallbacks for bilateral and syndicated corporate loans. These fallbacks will apply when Fallback Rate (SOR) is discontinued after December 31, 2024; (b) supplementary guidance on adjustments spreads for the period until December 31, 2024; and (c) application of the SC-STS supplementary guidance to active transition across various product types.

On December 14, 2022, the SC-STS published the “Implementation of Supplementary Guidance on Adjustment Spreads for the Conversion of Legacy SOR Loans to SOR” (the “**Supplementary Guidance**”). The Implementation Paper sets out technical details for the implementation of SC-STS’ supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. The Supplementary Guidance includes the formula and computation of the MAS Recommended Rate (“**MRR**”) Adjustment Spreads and the Reference Spot Spreads (“**RSS**”) and the formula for interpolation between the RSS and MRR Adjustment Spreads for use in the active transition of unhedged loans from SOR to SORA. The Supplementary Guidance only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA, and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA.

On March 15, 2023, the SC-STS published a consultation paper “Consultation Paper on Adjustment Spreads for the Conversion of Legacy SIBOR Loans to SORA” seeking feedback on recommendations for the setting of adjustment spreads for the conversion of legacy SIBOR loans to a SORA reference rate (the “**Adjustment Spreads Consultation Paper**”). The SC-STS has stated that as the transition from SOR to SORA nears completion (which is expected by June 2023), the industry will shift its focus towards the SIBOR transition in 2023 and 2024 where the determination of an appropriate adjustment spread to be applied is a key aspect. The SC-STS has recommended applying the 5-year historical median spread between SIBOR and compounded SORA as the applicable adjustment spread for the conversion of SIBOR corporate loans. For SIBOR retail loans, the SC-STS has recommended a SIBOR retail transition timeline that is similar in structure and duration to the SOR retail transition and will comprise of two phases. The SC-STS has recommended applying the spot-spread approach (floored at zero) during the period of active transition, and the 5-year historical median (floored at zero) at automatic conversion for SIBOR retail loans. On June 30, 2023, the SC-STS published its response paper “Response to Consultation Feedback and Final Recommendations” addressing feedback provided on the Adjustment Spreads Consultation Paper (the “**Adjustment Spreads Response Paper**”) and finalising the approach to convert SIBOR loans to SORA. The SC-STS stated that the proposed 5-year historical median spreads is deemed to have sufficient coverage through different parts of the interest rate cycle and will therefore be adopted. For the transition of SIBOR corporate loans to compounded SORA, the SC-STS recommends applying the 5-year historical median spreads between SIBOR and compounded SORA as the adjustment spread and have set out in Table 1 of the Adjustment Spreads Response Paper the 5-year historical median spreads (over the period from June 30, 2018 to June 30, 2023) to convert existing SIBOR loans to a similar tenor reference. For the transition of SIBOR retail loans to SORA, the SC-STS has said that the 3-month compounded SORA will be the only tenor used in the SIBOR-SORA Conversion Package (“**SIBOR-SCP**”) as it has been assessed to be more stable than the 1-month compounded SORA and less lagged than the 6-month compounded SORA. During the first phase of transition between September 1, 2023 to April 30, 2024, customers may choose

to take up either the SIBOR-SCP or any of their bank's prevailing packages, and the adjustment spread will be determined as the average difference between SIBOR and compounded-in-advance SORA over the preceding three-month period. In the second phase of the transition, an automatic conversion will take place in June 2024 for customers which did not participate in the active transition phase. The 5-year historical median spreads that will apply at automatic conversion has been set out in Table 2 of the Adjustment Spreads Response Paper. The SC-STS has also set out the implementation timeline for both corporate loan transition and retail loan transition in the Adjustment Spreads Response Paper.

On May 19, 2023, the SC-STS confirmed that it intends to discontinue SOR after June 30, 2023 as planned. SOR has ceased to be published in any form after June 30, 2023.

On June 13, 2023, the SC-STS published the "Guidance on Spread Adjustments for the Transition of Legacy Fixed Rate Debt Securities Referencing SOR IRS", which sets out the guidance in formulating an adjustment spread for the transition of fixed rate debt securities referencing SOR interest rate swaps ("IRS") to instead reference SORA overnight index swaps ("OIS"). In the guidance, the SC-STS differentiates between two different type of debt securities: floating rate securities that reference the corresponding tenors of SOR and which typically have a fixed maturity date; and resettable fixed rate securities that reference SOR IRS which have a fixed maturity date or are perpetual in nature, and have a callable and resettable feature. For the transition of floating rate securities, the SC-STS has recommended that the Supplementary Guidance for active transition of unhedged loans be applied directly. For the transition of resettable fixed rate securities, the SC-STS recommends to replace the SOR IRS reference rate with the sum of the SORA OIS of the same tenor and the 6-month MRR Adjustment Spread which has been determined at 0.3112%. The MRR Adjustment Spread for 6-month tenor was chosen as this is the typical fixing frequency used for the floating leg of SOR IRS, and no additional adjustments for differences in day count fractions and payment frequencies will be necessary as all legs of SOR IRS and SORA OIS use the same day count convention (Actual/365) and payment frequencies (semi-annual payments).

Security of Digital Banking

The MAS and the ABS introduced a set of additional measures to bolster the security of digital banking following a spate of SMS-phishing scams targeting bank customers. Banks were expected to put in place more stringent measures related to digital security, including but not limited to the removal of clickable links in emails or SMSes sent to retail customers, notification to existing mobile number or email address registered with the bank whenever there is a request to change a customer's mobile number or email address and the setting up of dedicated and well-resourced customer assistance teams to deal with feedback on potential fraud cases on a priority basis. OCBC Bank has implemented these additional measures.

On February 4, 2022, the MAS announced that they will be developing a framework for equitable share of losses arising from scams. Under the framework, financial institutions and customers will have responsibilities to be vigilant and to take precautions against scams. It is proposed that under the framework, the proportion of losses each party bears will depend on whether and how the party has fallen short of its responsibilities. The MAS has said that it expects financial institutions to treat their customers fairly and bear an appropriate proportion of losses arising from scams. The MAS aims to publish the framework for public consultation in the second quarter of 2022.

On June 2, 2022, the MAS and ABS announced additional measures to further safeguard bank customers from digital banking scams. These additional measures include, amongst others, requiring additional customer confirmations to process significant changes to customer accounts and other high-risk transaction identified through fraud surveillance; providing an emergency self-service "kill switch" for customers to suspend their accounts quickly if they suspect their bank accounts have been compromised and facilitating rapid account freezing and fund recovery operations by co-locating bank

staff at the Singapore Police Force Anti-Scam Centre. The additional measures will be progressively implemented by banks in Singapore and took full effect on October 31, 2022.

Supervision by Other Agencies

Our overseas operations are also supervised by the regulatory agencies in their respective jurisdictions.

Apart from being supervised by the MAS, our stockbroking and futures trading arms are also supervised by the Singapore Exchange Limited.

Singapore Insurance Industry

The MAS regulates and supervises licensed insurers in Singapore. The insurance regulatory framework in Singapore consists mainly of the Insurance Act 1966 of Singapore (the “**Insurance Act**”) and its related regulations, as well as the relevant notices, guidelines, circulars and practice notes issued by the MAS. This section sets out certain key regulations applicable to licensed insurers in the conduct of their insurance business, and does not address the regulatory framework applicable to insurance intermediaries (whether or not agents or employees of licensed insurers) whether in respect of life or non-life policies.

The holding company of a Singapore licensed insurer could also be subject to regulation if the holding company is designated as a designated financial holding company (“**DFHC**”) under Section 4 of the Financial Holding Companies Act 2013 of Singapore (the “**FHC Act**”). The FHC Act, which took effect from June 30, 2022, was introduced to establish the regulatory framework for designated Singapore-incorporated financial holding companies with one or more Singapore-incorporated bank or insurance subsidiaries. The salient provisions in the FHC Act relate to:

- (a) a requirement to provide the MAS with information requested by the MAS for supervision purposes;
- (b) restrictions on the use of the name, logo and trademark of a DFHC;
- (c) restrictions on the activities of a DFHC;
- (d) restrictions on the shareholding and control of a DFHC;
- (e) limits on exposures and investments;
- (f) minimum asset requirements;
- (g) minimum capital and capital adequacy requirements;
- (h) leverage ratio requirements;
- (i) supervision and reporting requirements; and
- (j) approval requirements for the appointment of directors and chief executives.

The FHC Act provides for transition periods for DFHCs to comply with various provisions in the specific provisions and a general power for the Minister to prescribe by regulations, for a period of two years from the commencement of operation of any provision, transitional provisions consequent on the enactment of that provision.

Great Eastern Holdings has been designated as a DFHC under Section 4 of the FHC Act, specifically a Tier 1 DFHC (Licensed Insurer) under the Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022, and is therefore subject to the requirements thereunder relating to DFHCs. Great Eastern Holdings’ subsidiary, Great Eastern Life is incorporated with limited liability in Singapore and is a direct insurer licensed to carry on life insurance business under the Insurance Act. Great Eastern Holdings’ subsidiary GEG is

incorporated with limited liability in Singapore and is a licensed direct insurer under the Insurance Act and holds a composite licence to carry on both life insurance business and general insurance business. GEG currently only sells general insurance.

Great Eastern Life is included by the Central Provident Fund (“**CPF**”) Board as an insurer under the CPF Investment Scheme, where CPF monies may, subject to certain conditions, be used by CPF members to purchase investment-linked insurance policies issued by Great Eastern Life if such policies are also included under the CPF Investment Scheme.

Exempt Financial Adviser Status of Great Eastern Life

As a company licensed under the Insurance Act, Great Eastern Life is an exempt financial adviser under the FAA in relation to (a) advising others (other than advising on corporate finance within the meaning of the SFA) either directly or through publications or writings, and whether in electronic, print or other form, concerning life policies, (b) advising others by issuing or promulgating research analyses or research reports, whether in electronic, print or other form, concerning life policies and (c) arranging of any contract of insurance in respect of life policies. As an exempt financial adviser, Great Eastern Life is subject to certain conduct of business and other requirements applicable under the FAA and its related regulations, notices, guidelines, practice notes, circulars and information papers.

Supervisory Powers of the Monetary Authority of Singapore

Under the Insurance Act, the MAS has, among other things, the power to impose conditions on a licensed insurer and may add to, vary or revoke any existing conditions of the licence. In addition, the MAS may issue such directions as it may consider necessary for carrying into effect the objects of the Insurance Act and may at any time vary, rescind or revoke any such directions. The MAS may also issue such directions to an insurer as it may consider necessary or assume control of and manage such of the business of the insurer as it may determine, or appoint one or more persons as statutory manager to do so, where, among other things, it is satisfied that the affairs of the insurer are being conducted in a manner likely to be detrimental to the public interest or the interests of the policy owners or prejudicial to the interests of the insurer. The MAS is also empowered to cancel the licence of an insurer on certain grounds.

Capital Requirements

A licensed insurer is required at all times to maintain a minimum level of paid-up ordinary share capital. A licensed insurer incorporated in Singapore must obtain the prior written approval of the MAS to reduce its paid-up ordinary share capital or redeem any preference share. Further, a licensed insurer which is incorporated in Singapore is required to notify the MAS of its intention to issue any preference share or certain instruments prior to the date of issue of the preference share or instrument.

The MAS issued the RBC 2 Review on June 22, 2012 followed by a second and third consultation paper on March 26, 2014 and July 15, 2016 respectively. First introduced in 2004, the risk-based capital framework:

- (a) adopts a risk-focused approach to assessing capital adequacy and seeks to reflect the relevant risks that insurers face;
- (b) prescribes minimum capital which serves as a buffer to absorb losses; and
- (c) provides clearer information on the financial strength of insurers and facilitates early and effective intervention by MAS, where necessary.

The MAS has stated that the RBC 2 Review is not intended to result in a significant overhaul to the existing framework. Instead, it seeks to improve the comprehensiveness of the risk coverage and the risk sensitivity of the framework as well as define more specifically the MAS’ supervisory approach with

respect to the solvency intervention levels. The MAS has also stated that insurers in Singapore are well-capitalised and the objective of RBC 2 is therefore not to raise the industry's overall regulatory capital requirements, but to ensure that the framework for assessing capital adequacy is more aligned to an insurer's business activities and risk profiles. On February 28, 2020, the MAS concluded the RBC 2 Review by issuing the Insurance (Valuation and Capital) (Amendment) Regulations 2020 (which amend the existing Insurance (Valuation and Capital) Regulations 2004) and the new MAS Notice 133 on Valuation and Capital Framework for Insurers ("**MAS Notice 133**"). The Insurance (Valuation and Capital) (Amendment) Regulations 2020 and MAS Notice 133, which specify fund solvency requirements and capital adequacy requirements for a licensed insurer, came into effect on March 31, 2020.

According to the Insurance (Valuation and Capital) Regulations 2004 and MAS Notice 133, a licensed insurer must at all times maintain its fund solvency requirement at the adjusted fund level and the capital adequacy requirement at the insurer level.

Under regulation 4(1) of the Insurance (Valuation and Capital) Regulations 2004 and MAS Notice 133, the fund solvency requirement in respect of an insurance fund established and maintained by a licensed insurer under the Insurance Act is that the total assets of the fund must not at any time be less than the total liabilities of the fund. The fund solvency requirement of an adjusted fund is that the financial resources of the adjusted fund must not at any time be less than:

- (a) the amount of the total risk requirement of the adjusted fund at the higher solvency intervention level, where the total risk requirement, also referred to as the prescribed capital requirements ("**PCR**"), are calibrated at 99.5% Value-at-Risk ("**VaR**") over a one year period; and
- (b) the amount of the total risk requirement of the adjusted fund at the lower solvency intervention level, where the total risk requirement, also referred to as the minimum capital requirements ("**MCR**"), are determined at 90.0% VaR over a one year period. MCR is set as 50% of PCR.

An adjusted fund is:

- (a) a participating fund established and maintained by a licensed insurer under the Insurance Act that relates to Singapore policies;
- (b) a participating fund established and maintained by a licensed insurer under the Insurance Act that relates to offshore policies;
- (c) the aggregate of the following insurance funds (if any) established and maintained by a licensed insurer under the Insurance Act that relate to Singapore policies:
 - (i) a non-participating fund;
 - (ii) an investment-linked fund;
 - (iii) a general fund; or
- (d) the aggregate of the following insurance funds (if any) established and maintained by a licensed insurer under the Insurance Act that relate to offshore policies:
 - (i) a non-participating fund;
 - (ii) an investment-linked fund;
 - (iii) a general fund.

A licensed insurer is also required always to satisfy its capital adequacy requirement, which is that its financial resources must not at any time be less than:

- (a) the higher of the following:
 - (i) the amount of the total risk requirement of the licensed insurer at the higher solvency intervention level, where the total risk requirement, also referred to as the PCR, is calibrated at 99.5% VaR over a one year period;
 - (ii) S\$5 million; and
- (b) the higher of the following:
 - (i) the amount of the total risk requirement of the licensed insurer at the lower solvency intervention level, where the total risk requirement, also referred to as the MCR, is determined at 90.0% VaR over a one year period. MCR is set as 50% of PCR;
 - (ii) S\$5 million.

A licensed insurer must also ensure that at all times: (a) where it is an insurer incorporated in Singapore, the Common Equity Tier 1 (“**CET1**”) Capital ratio which is determined as the ratio of the CET1 Capital over the sum of total risk requirements (excluding the risk requirements of participating funds) is not less than 60%; and (b) the Tier 1 Capital ratio which is determined as the ratio of the Tier 1 Capital over the sum of total risk requirements (excluding the risk requirements of participating funds) is not less than 80%.

The fund solvency requirement and capital adequacy requirement must be met at two supervisory solvency intervention levels, namely the higher solvency intervention level and the lower solvency intervention level. Each of the “financial resources” of an insurer and insurance fund, the “higher solvency intervention level”, “lower solvency intervention level” and the “total risk requirement” is determined, and assets and liabilities are valued, in accordance with the requirements of the Insurance (Valuation and Capital) Regulations 2004, the MAS Notice 133 on Valuation and Capital Framework for Insurers, the MAS Guidelines on the Preparation of Actuarial Investigation Report and the MAS Guidelines on Use of Internal Models for Liability and Capital Requirements for Life Insurance Products Containing Investment Guarantees with Non-Linear Payouts, where applicable.

A licensed insurer is required to immediately notify the MAS when it becomes aware that the fund solvency requirement or the capital adequacy requirement is not satisfied or is not likely to be satisfied in accordance with Section 17(1) of the Insurance Act. The MAS has the authority to direct that the insurer satisfy fund solvency or capital adequacy requirements other than those that the insurer is required to maintain under the Insurance Act if the MAS considers it appropriate. The MAS also has the power to impose directions on the insurer, and direct the insurer to carry on its business in such manner and in accordance with such conditions as imposed by the MAS in the event that it is notified of any failure or likely failure, or is aware of any inability, of the insurer to comply with the fund solvency or capital adequacy requirement described above.

The MAS also has the general power to impose asset maintenance requirements.

Under Section 35 of the FHC Act, a DFHC is required to have a minimum paid-up ordinary share capital and capital funds of not less than the highest amount of the paid-up capital, which any of its subsidiaries that is a licensed insurer incorporated, formed or established in Singapore is required to hold under the Insurance Act, subject to any other amount as may be required by the MAS. In addition, a DFHC must obtain the prior written approval of the MAS to reduce its paid-up capital, or purchase or otherwise acquire shares issued by the DFHC if such shares are to be held as treasury shares.

On October 27, 2022, the MAS published a Consultation Paper on Group Capital Framework for Designated Financial Holding Companies (Licensed Insurer) stating its intention to issue a new Notice that applies to all DFHCs that have a subsidiary that is a licensed insurer incorporated, formed or

established in Singapore (the “**Group Capital Notice**”). The Group Capital Notice will set out the valuation and capital requirements for all DFHC (Licensed Insurer) in a transparent manner and will be based on the RBC 2 consolidation approach. The Group Capital Notice is intended to be largely similar in structure and content to MAS Notice 133.

Policy Owners’ Protection Scheme

The SDIC administers the Policy Owners’ Protection Scheme (the “**PPF Scheme**”) in accordance with the Deposit Insurance and Policy Owners’ Protection Schemes Act for the purposes of compensating (in part or whole) or otherwise assisting or protecting insured policy owners and beneficiaries in respect of the insured policies issued by PPF Scheme members and for securing the continuity of insurance for insured policy owners as far as reasonably practicable. PPF Scheme members essentially comprise direct insurers licensed to carry on life business under the Insurance Act (other than captive insurers) and direct insurers licensed to carry on general business under the Insurance Act (other than captive insurers or specialist insurers), in each case, which are not exempted from the requirement to be a PPF Scheme member.

There are two funds established under the PPF Scheme, namely the Policy Owners’ Protection Life Fund (the “**PPF Life Fund**”) to cover insured policies comprised in insurance funds established and maintained under Section 16 of the Insurance Act by direct insurers licensed to carry on life business and the Policy Owners’ Protection General Fund (the “**PPF General Fund**”) to cover insured policies comprised in insurance funds established and maintained under Section 16 of the Insurance Act by direct insurers licensed to carry on general business.

As PPF Scheme members, Great Eastern Life and GEG are required to pay a levy for any premium year or part thereof in respect of the insured policies issued by it. The levy rates for the purposes of computing the levies payable by PPF Scheme members are assessed and determined by the MAS. Where the MAS is of the opinion that there are insufficient moneys in the PPF Life Fund or the PPF General Fund, as the case may be, to pay any compensation due to insured policy owners or beneficiaries, or to fund any transfer or run-off of the insurance business of any failed PPF Scheme member under the Deposit Insurance and Policy Owners’ Protection Schemes Act, the MAS may, with the concurrence of SDIC, require PPF Scheme members to pay additional levies for any premium year or part thereof and determine the levy rate(s) for the purposes of computing the additional levies.

Major Stake and Investment Restrictions

Under Section 34 of the Insurance Act and Section 31 of the FHC Act, no licensed insurer that is established or incorporated in Singapore or DFHC shall acquire or hold, directly or indirectly, a major stake in any corporation without the prior approval of the MAS and any approval granted by the MAS may be subject to such conditions as determined by the MAS, including any condition relating to the operations or activities of the corporation. A “major stake” means:

- (a) any beneficial interest exceeding 10% of the total number of issued shares (or, in the case of an umbrella VCC, either exceeding 10% of the total number of issued shares in the umbrella VCC that are not in respect of any of its sub-funds, or exceeding 10% of the total number of issued shares in the umbrella VCC in respect of any one of its sub-funds) or such other measure corresponding to shares in a corporation as may be prescribed by the MAS;
- (b) control of over more than 10% of the voting power (or, in the case of an umbrella VCC, either more than 10% of the voting power in the umbrella VCC that is not in respect of any of its sub-funds, or more than 10% of the voting power in the umbrella VCC in respect of any one of its sub-funds) or such other measure corresponding to voting power in a corporation as may be prescribed by the MAS; or

- (c) any interest in a corporation, where the directors of the company or VCC are accustomed or under an obligation, whether formal or informal, to act in accordance with the licensed insurer or DFHC's directions, instructions or wishes, or where the insurer or DFHC is in a position to determine the policy of the corporation.

However, Section 34 of the Insurance Act does not apply to the acquisition or holding of the prescribed interests set out in the Insurance (Prescribed Interests under Section 34(6)) Regulations 2023 which includes: (i) any interest acquired, directly or indirectly, using any policy asset of an insurance fund established and maintained under the Insurance Act by a direct insurer licensed to carry on life business for its participating policies; (ii) any interest held, directly or indirectly, as a policy asset of an insurance fund mentioned in sub-paragraph (i); (iii) any interest that is acquired, directly or indirectly, using any underlying asset of an insurance fund established and maintained under the Insurance Act by a direct insurer licensed to carry on life business for its investment-linked policies; (iv) any interest that is held, directly or indirectly, as an underlying asset of an insurance fund mentioned in sub-paragraph (iii).

Similarly, Section 31 of the FHC Act does not apply to any major stake in any company that is acquired or held indirectly through a DFHC's subsidiary, which is a licensed insurer incorporated, formed and established in Singapore if the licensed insurer has obtained MAS' approval under Section 34 of the Insurance Act to acquire or hold a major stake in the company or the acquisition or holding of a major stake by the licensed insurer in the company has been excluded from the operation of Section 34 of the Insurance Act. With the FHC Act entering into force, in accordance with Section 31(3) of the FHC Act, the approval of the MAS in respect of the acquisition or holding of major stakes held by Great Eastern Holdings is deemed to have been granted with effect from July 1, 2022 and is subject to the approval conditions set out by MAS.

Asset Management

MAS Notice 125 on Investments of Insurers sets out the basic principles that govern the oversight of investment activities of an insurer and the investments of its insurance funds, and in the case of an insurer that is incorporated or established in Singapore, the investments of both its insurance funds and its shareholders' funds. It contains requirements relating to, among other things, the oversight by the board of directors and senior management, the various reports to be made by the investment committee to the board of directors at the prescribed frequency, duties of the investment committee, asset-liability management and permitted derivatives activities. Appendix A of MAS Notice 125 sets out the main elements that have to be included in the written investment policy of an insurer. With effect from January 1, 2023, Appendix A of MAS Notice 125 was amended to include an additional element which will require an insurer to consider whether the formulation of a counterparty risk appetite statement will be necessary and the factors to take into account for such consideration. MAS Notice FHC-N125 on Investment Activities similarly sets out the requirements and principles that govern the DFHC of a licensed insurer's ("**DFHC (Licensed Insurer)**") oversight over the investment activities within the DFHC (Licensed Insurer) group, including the investments of any entity that is not regulated by the MAS within the FHC group. These requirements are similar to the requirements under MAS Notice 125.

MAS Notice 105 on Insurer's Appointment of Custodians, requires a licensed insurer to ensure that every custodian and, where applicable, sub-custodian, which holds any asset of its insurance fund established and maintained under Section 16 of the Insurance Act ("**insurance fund asset**"), is licensed, approved, registered or otherwise regulated for its business or activity of providing custodial services by the relevant authority in the jurisdiction where the respective custody account or sub-custody account is maintained. A licensed insurer must also ensure:

- (a) that insurance fund assets held by a custodian or sub-custodian, as the case may be, are kept separate from the assets of the custodian or the sub-custodian, respectively;

- (b) that the extent of the custodian's liability in the event of any loss caused by fraud, wilful default or negligence on the part of the custodian, its sub-custodians or its agents is agreed upon in writing with the insurer;
- (c) that any material or systemic breach of the custody agreement between the custodian and the insurer must be brought to the insurer's attention as soon as possible; and
- (d) that, except as agreed in writing with the insurer, a custodian or a sub-custodian, with whom the insurance fund assets are held in a custody account or subaccount, does not:
 - (i) withdraw any of the insurance fund assets; or
 - (ii) take any charge, mortgage, lien or other encumbrance over, or in relation to any of the insurance fund assets.

MAS Notice 320 on Management of Participating Life Insurance Business ("**MAS Notice 320**") requires a direct life insurer which has established or will be establishing a participating fund to put in place an internal governance policy on the management of its participating life insurance business. The internal governance policy must contain the items in Appendix A of MAS Notice 320 and must be approved by the board of directors of the insurer. The insurer must, among other things, ensure that the participating fund is managed in accordance with the rules and guiding principles set out in the internal governance policy.

Separate Insurance Funds

Every licensed insurer is required to establish and maintain a separate insurance fund (a) for each class of insurance business carried on by the insurer that (i) relates to Singapore policies and (ii) relates to offshore policies; (b) in the case of a direct insurer licensed to carry on life insurance business, for its investment-linked policies and for its non-investment-linked policies; and (c) if, in the case of a direct insurer licensed to carry on life insurance business, no part of the surplus of assets over liabilities from the insurer's non-participating policies is allocated by the insurer by way of bonus to its participating policies, in respect of its non-investment-linked policies (i) for its participating policies and (ii) for its non-participating policies.

MAS Notice 101 on Maintenance of Insurance Funds and MAS Guidelines on Implementation of Insurance Fund Concept provide further guidance and requirements on, among other things, the establishment and maintenance of insurance funds and the segregation of the assets of licensed insurers in Singapore as required under the Insurance Act. The Insurance Act also prescribes requirements relating to, among other things, withdrawals from the insurance funds, and insurance funds consisting wholly or partly of participating policies.

All receipts of the insurer properly attributable to the business to which an insurance fund relates (including the income of the fund) must be paid into that fund, and the assets in the insurance fund shall apply only to meet such part of the insurer's liabilities and expenses as is properly so attributable.

Reinsurance

MAS Notice 114 on Reinsurance Management sets forth the mandatory requirement for direct insurers to submit annual returns pertaining to their outward reinsurance arrangements and exposures to their top 10 reinsurance counterparties as well as the guiding principles relating to the oversight of the reinsurance management process of insurers (which includes the principle that the board of directors and senior management of an insurer should develop, implement and maintain a reinsurance management strategy appropriate to the operations of the insurer to ensure that the insurer has sufficient resources to meet obligations as they fall due), the classification of a contract as a reinsurance contract, and the assessment of significant insurance risk transfer. In addition, the MAS has issued

MAS Guidelines on Risk Management Practices for Insurance Business – Core Activities, which provide further guidance on risk management practices in general, relating to, among other things, reinsurance management.

Regulation of Products

A direct insurer licensed to carry on life business may only issue a life policy or a long-term accident and health policy if the premium chargeable under the policy is in accordance with rates fixed with the approval of an appointed actuary or, where no rates have been so fixed, is a premium approved by the actuary.

A direct life insurer is required under MAS Notice 302 on Product Development and Pricing (“**MAS Notice 302**”) to exercise prudent management oversight on the pricing and development of insurance products and investment-linked policy sub-funds, and to, before offering certain new products, either obtain the approval of, or notify, the MAS, as the case may be. Such request for approval or notification shall include information on, among other things, the tables of premium rates. MAS Notice 302 also sets forth prohibited payout features and requirements relating to disclosure to policyholders and persons entitled to payment of the policy moneys under a policy who have exercised a certain settlement option. MAS Notice 302 has been amended to take into account the approval requirements which apply to the Direct Purchase Insurance Products (“**DPIs**”). In relation to DPIs, the MAS issued MAS Notice 321 on Direct Purchase Insurance Products (“**MAS Notice 321**”) on May 13, 2016 which imposes specific obligations on a direct life insurer in respect of DPIs and also requires insurers to obtain written approval from the MAS before offering any new or re-priced DPI for sale to the public. On March 19, 2021, amendments were made to MAS Notice 302 and 321 to replace the hardcopy submission requirements for new or revised products, including DPIs with electronic submission (via email) requirements.

In addition, the MAS has issued the MAS Guidelines on Risk Management Practices for Insurance Business – Core Activities, which provide further guidance on risk management practices in general, relating to, among other things, product development and pricing.

There are also mandatory requirements and non-mandatory standards which would apply under MAS Notice 307 on Investment-Linked Policies to investment-linked policies relating to, among other things, disclosure, investment guidelines, borrowing limits and operational practices. Licensed insurers are required to provide for a free-look period for life policies, and accident and health policies with a duration of one year or more. On June 28, 2021, amendments were made to MAS Notice 307 on the Investment-Linked Policy’s (“**ILP**”) fees and charges and came into effect on July 1, 2021. For any ILP that is issued on or after October 8, 2021, an insurer shall:

- (a) consolidate the fees and charges, other than charges for insurance coverage, that are imposed upfront, where such fees or charges are deducted from premiums that are paid on the ILP or deducted via a cancellation of units in an ILP sub-fund (“**upfront deductions**”);
- (b) disclose the upfront deductions as a single charge, and term it as a “premium charge” in any such disclosure that the insurer is required by the MAS to make or when referring to it in an advertisement or any other communication made to policyholders; and
- (c) not use the term “premium allocation rate” in any such disclosure that the insurer is required by the MAS to make or when referring to it in any advertisement.

Market Conduct Standards

MAS Notice 306 on Market Conduct Standards for Life Insurers Providing Financial Advisory Services as Defined under the Financial Advisers Act (“**MAS Notice 306**”) imposes certain requirements on direct life insurers which provide financial advisory services under the FAA relating to, among other things,

training and competency requirements, prohibition against subsidised loans to representatives out of life insurance funds, establishing a compliance unit, taking disciplinary action against representatives for misconduct, and allocation/non-allocation of income and expenses to the life insurance funds. With effect from February 22, 2021, MAS Notice 306 was amended and an insurer is no longer required to submit information on its provision of financial advisory services annually to the MAS.

MAS Notice 318 on Market Conduct Standards for Direct Life Insurer as a Product Provider ("**MAS Notice 318**") also imposes certain requirements on direct life insurers as product providers of life policies relating to, among other things, standards of disclosure and restrictions on the sales process and the replacement of life policies.

MAS Notice 211 on Minimum and Best Practice Training and Competency Standards for Direct General Insurers ("**MAS Notice 211**") requires direct general insurers to only enter into insurance contracts arranged by agents or staff with requisite registration and minimum qualification requirements (unless exemptions apply), and requires direct general insurers to ensure that staff of certain agents who sell or provide sales advice on the insurers' products are adequately trained and that front-end operatives meet the qualification requirements (unless exemptions apply) before they are allowed to provide sales advice on or sell general insurance products or handle claims. MAS Notice 211 was also revised as of July 6, 2015 to (among other things) clarify that the requirements similarly apply to outsourced claims handlers, with the amendments taking effect on July 20, 2015. MAS Notice 211 was further revised as of October 28, 2021 to (among other things) exempt trade specific agents from minimum academic qualifications requirement and to include additional accepted qualifications in Annex 1 of the Notice.

Non-mandatory best practice standards apply to direct general insurers to implement training and competency plans for front-end operatives. The MAS Guidelines on Market Conduct Standards and Service Standards for Direct General Insurers set out the standards of conduct expected of direct general insurers as product providers of insurance policies.

In respect of health insurance products, direct insurers must ensure, among other things, that any individual employed by them or who acts as their insurance agent or appointed representative pass the examination requirements specified in MAS Notice 117 on Training and Competency Requirement: Health Insurance Module (unless exemptions apply) and are prohibited from accepting business in respect of any health insurance product from any individual whom they employ or who acts as their insurance agent and who has not met such requirements. MAS Notice 120 on Disclosure and Advisory Process Requirements for Accident and Health Insurance Products ("**MAS Notice 120**") sets out both mandatory requirements and best practice standards on the disclosure of information and provision of advice to insureds for accident and health policies and life policies that provide accident and health benefits. In 2015, the MAS reviewed the regulatory framework for accident and health insurance products and amended MAS Notices 117 and 120. The changes largely pertain to Medisave-approved Integrated Shield Plans ("**IPs**") but extend in part to all accident and health policies. The changes include enhanced disclosure requirements, stronger protection measures for policyholders, and improved quality of conduct of intermediaries selling accident and health insurance. Amendments were made to MAS Notice 120 to grant a temporary exemption of paragraph 24A thereof (i.e. no closure of sale of any Medisave-approved policy over the telephone) for the period from April 13, 2020 to September 30, 2022.

MAS Notice 320 on Management of Participating Life Insurance Business ("**MAS Notice 320**") requires a direct life insurer to comply with certain disclosure requirements for product summaries, and annual bonus updates, in relation to its participating policies. On November 16, 2020, MAS Notice 320 was amended to implement proposals relating to insurers' charging of expenses to the participating fund and to allow insurers to send its policy owner the annual bonus update in electronic form unless the policy owner specifically requests for hardcopy.

The Insurance (Remuneration) Regulations 2015, which came into force on January 1, 2016, set out certain requirements in connection with the payment of remuneration in relation to the provision of any financial advisory service in connection with any life policy, or the sale of any life policy following the provision of any financial advisory service.

The MAS implemented financial advisory industry review (“**FAIR**”) initiatives such as a web aggregator, which allows consumers to compare life insurance products from various companies using a web portal, and direct channel purchase in April 2015. The re-issuance of MAS Notice 322 on Information to be Submitted Relating to the Web-Aggregator took effect on January 1, 2016, specifically detailing the information required to be submitted for the purposes of the web-aggregator.

Various industry codes of practice also apply to insurers, including codes/guidelines issued by the Life Insurance Association of Singapore (“**LIA**”) and the General Insurance Association of Singapore (“**GIA**”).

In addition, there are rules in the Insurance Act and the relevant regulations, notices, guidelines and circulars relating to the granting of loans, advances and credit facilities by insurers, which insurers have to comply with if they conduct such activities.

Under Section 60(1) of the FHC Act, the MAS may give directions or impose requirements on or relating to the operations or activities of, or the standards to be maintained by, the DFHC.

Corporate Governance

All direct insurers which are incorporated in Singapore (other than marine mutual insurers) are subject to the Insurance (Corporate Governance) Regulations 2013. Among other things, these regulations require an insurer which is established or incorporated in Singapore and in the case of a:

- (a) direct life insurer, whose latest annual audited statement of financial position shows that it has total assets of at least S\$5 billion or its equivalent in any foreign currency;
- (b) direct general insurer or a reinsurer, whose latest annual audited statement of profit and loss shows that it has gross premiums of at least S\$500 million or its equivalent in any foreign currency in its insurance funds and Overseas (Branch) Operations (defined as the income and outgoings of the operations of all branches of the insurer located outside Singapore); and
- (c) direct composite insurer, who satisfies the requirements in (a) above in respect of its total assets or in (b) above in respect of gross premiums for its general business,

(each a “**Tier 1 insurer**”) to, subject to certain exceptions, have a board of directors comprising at least a majority of directors who are “independent directors”, establish various committees with prescribed responsibilities, and obtain the MAS’ prior approval for the appointment of the members of the nominating committee, chief financial officer and chief risk officer. “Independent directors” are directors who are independent from any management and business relationship with the insurer and from any substantial shareholder of the insurer and who have not served on the board of directors of the insurer for a continuous period of nine years or longer. Great Eastern Life and GEG are both Tier 1 insurers.

The Financial Holding Companies (Corporate Governance of Designated Financial Holding Companies with Licensed Insurer Subsidiary) Regulations 2022 (the “**DFHC (Licensed Insurer) Corporate Governance Regulations**”), which apply to a DFHC (Licensed Insurer) such as Great Eastern Holdings, set out similar corporate governance requirements. A DFHC (Licensed Insurer) which:

- (a) holds, directly or indirectly, any share in one or more insurance companies carrying on life business, and the consolidated total assets of the FHC group of the DFHC (Licensed Insurer) is S\$20 billion or more in value or its equivalent in any foreign currency;

- (b) all insurance companies in the FHC Group of the DFHC (Licensed Insurer) carry on only general business, and the consolidated total gross premium of the FHC group of the DFHC (Licensed Insurer) is S\$2 billion or more in value or its equivalent in any foreign currency; or
- (c) the DFHC (Licensed Insurer) has at least one subsidiary that is a Tier 1 insurer;

will be considered a Tier 1 DFHC (Licensed Insurer). Great Eastern Holdings is a Tier 1 DFHC (Licensed Insurer). A Tier 1 DFHC (Licensed Insurer) is, subject to certain exceptions, required to have a board of directors comprising at least a majority of directors who are “independent directors” and to establish various committees whose composition is in line with the requirements under the DFHC (Licensed Insurer) Corporate Governance Regulations. In addition, a DFHC (Licensed Insurer) is subject to MAS Notice FHC-N106 Appointment of Director, Chairperson, Member of Nominating Committee, and Key Executive Person which sets out the requirements and guidelines for all DFHC (Licensed Insurer) to seek MAS approval for the appointment of any director, chairperson or key executive person, notify MAS of any additional directorship or key executive person role taken up by a key executive person, and ensure that the proposed appointees for the appointment of directors and key executive persons are fit and proper to fulfil their roles and responsibilities.

Direct insurers that are incorporated in Singapore, as well as all DFHCs, are subject to the MAS Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore.

Asset and Liability Exposures

MAS Notice 122 on Asset & Liability Exposures for Insurers (“**MAS Notice 122**”) sets forth various asset and liability exposures reporting requirements and prescribes the form in which the relevant reports are to be made.

A licensed insurer is required to file, among other things, the following in their prescribed formats with the MAS (i) for each quarter, the breakdown of equity securities, breakdown of debt securities, breakdown of loans, breakdown of cash and deposits, breakdown of derivatives, turnover volume of derivatives, breakdown of foreign currency exposure for assets and liabilities and top 10 broker groups with the highest outstanding premiums due, and (ii) annually, the breakdown of assets managed by head office/parent/outsourced entity, breakdown of insurance exposure of Singapore Insurance General Fund, breakdown of insurance exposure of Offshore Insurance (Life and General) Fund and breakdown of assets held by custodian.

On November 5, 2021, the MAS issued a Consultation Paper on Proposed Changes to Notice 122 on Assets and Liabilities Exposures for Insurers and its Implementation proposing to remove certain reporting requirements on the Turnover Volume of Derivatives by Notional Principal Amount with a view to collect data on a risk proportionate basis, a restructuring in the manner which custodian information relating to equity, debt, loans, cash and deposits and derivatives are reported and the collection of additional information including those relating to the breakdown of underlying assets of collective investment schemes, investment-linked policies sub-funds, currency reserve and unit reserves of investment-linked business amongst others. The MAS has proposed that the enhanced data collected will be using a new platform called the Data Collection Gateway. On May 27, 2022, the MAS published the Response to Feedback Received on Proposed Changes to Notice 122 on Assets and Liabilities Exposures for Insurers and its Implementation stating that it will simplify a number of the proposals in view of the feedback received and will adjust the implementation timeline, with the target go-live date for the revised MAS Notice 122 being the end of Q3 2023.

Risk Management and Fit and Proper Person

Broadly, the MAS has issued risk management guidelines applicable to insurers specifically and to financial institutions generally which would apply to licensed insurers.

MAS Notice 126 on Enterprise Risk Management (“**ERM**”) for Insurers sets out ERM requirements and guidelines on how insurers are to identify and manage interdependencies between key risks, and how they are translated into management actions related to strategic and capital planning matters. With effect from January 1, 2023, MAS Notice 126 was amended to include new requirements for an insurer to identify and address concentration risk in its ERM framework, to perform stress testing on material counterparty exposures as part of the insurers’ annual Own Risk and Solvency Assessment (“**ORSA**”), to perform macroeconomic stress testing and liquidity stress testing as part of their ORSA stress testing process and to establish a liquidity contingency funding plan setting out the strategy for addressing liquidity shortfalls. MAS Notice FHC-N126 similarly sets out the ERM requirements and guidelines which apply to a DFHC (Licensed Insurer) which includes establishing an ERM framework for the FHC group and performing the ORSA at the group level. The ORSA conducted at the group level must be performed at least annually.

MAS Notice 127 on Technology Risk Management sets out requirements relating to technology risk management for licensed insurers. These include requirements for the insurer to have in place a framework and process to identify critical systems, to make all reasonable effort to maintain high availability for critical systems, to establish a recovery time objective of not more than four hours for each critical system, to notify the MAS of a system malfunction or IT security incident, which has a severe and widespread impact on the insurer’s operations or materially impacts the insurer’s service to its customers, to submit a root cause and impact analysis report to the MAS and to implement IT controls to protect customer information from unauthorised access or disclosure.

MAS Notice 132 on Cyber Hygiene sets out cyber security requirements on securing administrative accounts, applying security patching, establishing baseline security standards, deploying network security devices, implementing anti-malware measures and strengthening user authentication. Similarly, MAS Notice FHC-1119 sets out cyber security requirements which apply to a DFHC (Licensed Insurer).

MAS Technology Risk Management Guidelines (“**TRM Guidelines**”) set out risk management principles and best practice standards to guide financial institutions (including licensed insurers) in respect of (a) establishing a sound and robust technology risk management framework and (b) maintaining cyber resilience. The TRM Guidelines were revised in January 2021 to include new guidance on effective cyber surveillance, secure software development, adversarial attack simulation exercise, and management of cyber risks posed by emerging technologies. It also provides additional guidance on the roles and responsibilities of the board of directors and senior management, including the requirement that the board of directors and senior management to have members with the knowledge to understand and manage technology risks, which include risks posed by cyber threats.

Under the MAS Guidelines on Fit and Proper Criteria (FSG-G01), the following persons, among others, are required to be “fit and proper” persons: a substantial shareholder of a licensed insurer, a principal officer or director of a licensed insurer, a person having effective control of a licensed insurer, a person having control of a licensed insurer, an appointed actuary, a certifying actuary, and an exempt financial institution and its representatives in relation to activities regulated by the MAS under the FAA. Broadly, the MAS will take into account, among other things, the following criteria in considering whether a person is fit and proper: (i) honesty, integrity and reputation; (ii) competence and capability; and (iii) financial soundness.

Appointment of Chairman, Directors and Key Executive Persons

A licensed insurer established or incorporated in Singapore must, prior to appointing a person as its chairman, director or key executive person (such persons include the chief executive, deputy chief executive, appointed actuary, certifying actuary, chief financial officer of a Tier 1 insurer, chief risk officer of a Tier 1 insurer and such other person holding an appointment in the licensed insurer as may be prescribed), satisfy the MAS that the person is a fit and proper person to be so appointed and obtain the MAS' approval for the appointment. Without the prior written consent of the MAS, a licensed insurer which is established or incorporated in Singapore must not permit a person to act as its executive officer or director if the person, among other things, has been convicted, whether in Singapore or elsewhere, of an offence involving fraud or dishonesty, is an undischarged bankrupt, or had a prohibition order under the Insurance Act of Singapore, FAA or SFA made against him that remains in force, whether in Singapore or elsewhere.

MAS Notice 106 on Appointment of Director, Chairman and Key Executive Person ("**MAS Notice 106**") sets out mandatory requirements and guidelines relating to the appointment of a director, chairman and key executive person of a licensed insurer. In addition, MAS Notice 106 prescribes the application form for the appointment of directors, chairman and key executive persons, and the form for licensed insurers to notify the MAS of changes in the roles and responsibilities or reporting structure of directors and key executive persons.

MAS Notice 106 was amended on September 24, 2021 to remove the requirement for insurers to notify MAS of any proposed arrangement (including an arrangement resulting in a director or key executive person taking on additional executive officer position or directorship) relating to a director or key executive person at least one month before it takes effect, to allow insurers to notify MAS as soon as practicable in the event that it is not possible for the insurer to be aware of the additional appointment at least one month before it takes effect.

If at any time it appears to the MAS that (a) a key executive person, the chairman or a director of a licensed insurer which is established or incorporated in Singapore has failed to perform his functions or is no longer a fit and proper person to be so appointed and (b) it is necessary in the public interest or for the protection of policy owners of a licensed insurer, the MAS may direct the licensed insurer to remove the key executive person, chairman or director, as the case may be, from his office, appointment or employment.

Under Section 63 of the FHC Act and MAS Notice FHC-N106, a DFHC (Licensed Insurer) is required to seek MAS approval for the appointment of any director, chairperson, member of nominating committee (in the case of a Tier 1 DFHC (Licensed Insurer) or key executive person (defined to mean the chief executive, deputy chief executive, chief financial officer of a Tier 1 DFHC (Licensed Insurer) or chief risk officer of a Tier 1 DFHC (Licensed Insurer))) using a prescribed form at least one month before the proposed date of appointment. In addition, the DFHC (Licensed Insurer) is required to notify MAS of any additional directorship or key executive person role taken up by a key executive person and ensure that the proposed appointees for the appointment of directors and key executive persons are fit and proper to fulfil their roles and responsibilities.

Financial Reporting Requirements

The MAS Notice 129 on Insurance Returns (Accounts and Statements) ("**MAS Notice 129**") sets forth various reporting requirements and prescribes the form in which the relevant statements of account and other statements of a licensed insurer are to be made. On March 15, 2021, amendments were made to the Independent Auditor's Report and Independent Auditor's Supplementary Report in MAS Notice 129 to take into account revisions on the Singapore Standards on Auditing.

A licensed insurer is required to file with MAS, all applicable forms (including all applicable annexes to such forms) and documents as specified in the relevant appendix of MAS Notice 129, in the form and manner specified in such appendix.

Under MAS Notice FHC-N129, a DFHC (Licensed Insurer) is similarly required to file with MAS, all applicable forms (including all applicable annexes to such forms) and documents as specified in the relevant appendix of MAS Notice FHC-N129, in the form and manner specified in such appendix.

MAS Notice 318 requires direct life insurers to submit information on their businesses and sources of businesses to the MAS annually. MAS Notice 306 previously required direct life insurers to submit information on their businesses to the MAS annually. This requirement has since been removed with effect from February 22, 2021.

Appointment of auditors

Under Section 39(1) of the FHC Act and Section 94(4) of the Insurance Act, a DFHC and licensed insurer (other than a captive insurer and a marine mutual insurer) are required to appoint an auditor annually for the purposes of preparing and lodging with the MAS the requisite statements of accounts and other statements relating to its business. No person shall act as auditor for a DFHC and licensed insurer unless, among other things, the insurer has obtained the approval of the MAS to appoint that person as an auditor.

Actuaries

Under Section 95(1) of the Insurance Act, a licensed insurer carrying on life and general business is also required, for each accounting period, to have an investigation made by an actuary approved by the MAS into the financial condition of each class of business that it carries on. Actuaries must be approved by the MAS. A direct insurer licensed to carry on life and general business shall have appointed an actuary and a certifying actuary, in each case, who is responsible for, among other things, reporting to the chief executive of the insurer on various matters including matters which in the actuary's opinion have a material adverse effect on the financial condition of the insurer in respect of its life or general business, or both, as the case may be. If the appointed actuary or certifying actuary, as the case may be, is of the opinion that the insurer has failed to take appropriate steps to rectify any matter reported by the actuary within a reasonable time, the actuary is required to immediately send a copy of his report to the MAS and notify the board of directors of the insurer that he has done so.

Public Disclosure

Licensed insurers are subject to MAS Notice 124 on Public Disclosure Requirements (“**MAS Notice 124**”) which sets out requirements for an insurer to disclose relevant, comprehensive and adequate information on a timely basis in order to give a clear view of its business activities, performance and financial position. MAS Notice 124 requires an insurer to disclose quantitative and qualitative information on its profile, governance and controls, financial position, technical performance and the risks to which it is subject.

From January 1, 2023, the public disclosure requirements in MAS Notice 124 have been enhanced to require insurers to publicly disclose quantitative and qualitative information on liquidity risk, including quantitative information on sources and uses of liquidity (considering liquidity characteristics of both assets and liabilities), and qualitative information on liquidity risk exposures, management strategies, policies and processes. Insurers are now required to publicly disclose quantitative and qualitative information on investment risk, including quantitative information on currency risk, market risk, credit risk and concentration risk, and qualitative information on the management of investment risk exposures, use of derivatives for hedging investment risks and internal policies on the use of derivatives.

Digital Advisory Services

On October 8, 2018, the MAS issued the Guidelines on Provision of Digital Advisory Services, which applies to all financial institutions (including licensed insurers) offering or seeking to offer digital advisory services in Singapore. Digital advisers seeking to offer their platforms to investors in Singapore will have to be licensed for fund management or dealing in capital markets products under the SFA and/or providing financial advisory services on investment products under the FAA. The type of licensing depends on the operating model of the digital adviser. The Guidelines set out the MAS' expectations on the Board and Senior Management to address the risks posed covering governance and supervision of algorithms, and clarifies the applicability of existing requirements to digital advisers, such as those relating to technology risk management, prevention of money laundering and countering the financing of terrorism, suitability of advice, disclosure of information, applicability of the balanced scorecard framework, as well as advertisements and marketing.

Environment Risk Management

On December 8, 2020, the MAS issued the Guidelines on Environmental Risk Management for Insurers ("**ERM Guidelines**") which applies on a group basis for locally-incorporated insurers. The ERM Guidelines set out MAS' expectations on environmental risk management for all insurers and covers governance and strategy, risk management, underwriting, investment and disclosure of environmental risk information. The Board and senior management of the insurer is expected to maintain effective oversight of the insurer's environmental risk management and disclosure, including the policies and processes to assess, monitor and report such risk, and oversee the integration of the insurer's environmental risk exposures into the insurer's enterprise risk management framework. Insurers were given up to June 2022 to implement its expectations set out in the ERM Guidelines and demonstrate evidence of its implementation progress.

Resolution Powers

Under the MAS Act, FHC Act and the Insurance Act of Singapore, the MAS has resolution powers in respect of Singapore licensed insurers and DFHC. Broadly speaking, the MAS has powers to (amongst other things) assume control of a DFHC and insurer, impose moratoriums, temporarily stay termination rights of counterparties, order compulsory transfers of business or shares and impose requirements relating to recovery and resolution planning.

Inspection and Investigative Powers

The MAS' inspection and investigative powers are set out under Section 98 to Section 101 of the Insurance Act which allow the MAS to: (a) inspect, under conditions of secrecy, the books of a licensed insurer or any branch or subsidiary outside Singapore of a licensed insurer established or incorporated in Singapore or an insurance subsidiary; and (b) conduct any investigation that is considers necessary or expedient to perform their duties under the Insurance Act or to determine the truth of an alleged or suspected contravention of the Insurance Act or any direction issued under it.

On July 2, 2021, the MAS published the Consultation Paper on Proposed Amendments to MAS' Investigative and Other Powers under the Various Acts proposing amendments under the Financial Institutions (Miscellaneous Amendments) Bill to various pieces of legislation including the Insurance Act. The proposals aim to enhance the MAS' evidence-gathering powers and to facilitate greater inter-agency coordination. Amongst the proposed amendments to the Insurance Act include granting the

MAS the power to require any person to provide information for the purposes of investigation, requiring any person to appear for examination and allowing the MAS to enter premises without warrant.

Priority of liabilities in winding up

Section 123(1) of the Insurance Act provides that, where a licensed insurer becomes unable to meet its obligations or becomes insolvent, the assets of the licensed insurer, subject to section 16(12) of the Insurance Act, must be available to meet all liabilities in Singapore of the licensed insurer specified in section 123(3), including liabilities which are properly attributable to the business to which an insurance fund relates (the “**Specified Liabilities**”). The Specified Liabilities will have priority over all unsecured liabilities of the insurer, other than the preferential debts specified in section 203(1) of the IRDA.

Under section 123(3) of the Insurance Act, the Specified Liabilities are (and in the event of a winding up of an insurer will rank in the following order of priority notwithstanding the provisions of any written law or any rule of law relating to the winding up of companies):

- (a) firstly, any levy due and payable by the licensed insurer under the Deposit Insurance and Policy Owners’ Protection Schemes Act;
- (b) secondly, protected liabilities incurred by the licensed insurer, up to the amount paid or payable out of any of the PPF Funds (i.e. the PPF Life Fund or the PPF General Fund) by SDIC under the Deposit Insurance and Policy Owners’ Protection Schemes Act in respect of such protected liabilities and, if applicable, the amount paid or payable out of any of the PPF Funds by SDIC under the Deposit Insurance and Policy Owners’ Protection Schemes Act to fund any transfer or run-off of the business of the licensed insurer or the termination of insured policies issued by the licensed insurer;
- (c) thirdly, any liabilities incurred by the licensed insurer in respect of direct policies which are not protected under the Deposit Insurance and Policy Owners’ Protection Schemes Act;
- (d) fourthly, any liabilities incurred by the licensed insurer in respect of reinsurance policies;
- (e) fifthly, any sum claimed by the trustee of a resolution fund (within the meaning of section 98 of the MAS Act) from the licensed insurer under section 103, 104, 105 or 106 of the MAS Act.

As between Specified Liabilities of the same class referred to in sub-paragraphs (a) to (e) above, such Specified Liabilities rank equally between themselves and are to be paid in full unless the assets of the licensed insurer are insufficient to meet them in which case they are to abate in equal proportions between themselves.

Individual Accountability and Conduct

With effect from September 10, 2021, financial institutions regulated by the MAS should implement appropriate policies and processes to achieve five accountability and conduct outcomes (“**Outcomes**”) set out in the MAS Guidelines on Individual Accountability and Conduct issued on September 10, 2020. These five Outcomes and the specific guidance underpinning each Outcome aim to reinforce financial institutions’ responsibilities in the following three key areas:

- (a) to promote the individual accountability of senior managers;
- (b) to strengthen oversight over material risk personnel; and
- (c) to reinforce conduct standards among all employees.

Systemically Important Insurers in Singapore

The MAS has on October 25, 2022 published a Consultation Paper on Proposed Framework for Systemically Important Insurers in Singapore proposing a framework to identify domestic systemically

important insurers (“**D-SIIs**”) in Singapore and address the risks they pose. As the focus of the proposed D-SII framework is to identify insurers whose individual distress or disordered failure would cause significant disruption to Singapore’s financial system and economic activity, MAS has proposed to assess all licensed insurers under the D-SII framework. The MAS has proposed to adopt an indicator-based approach to assess insurers’ systemic importance based on four factors: (a) size; (b) interconnectedness; (c) substitutability; and (d) complexity. The MAS has also proposed to assess insurers’ systemic importance on an annual basis. A D-SII will be subject to more intensive supervision and enhanced policy measures such as higher capital requirements, recovery and resolution planning, robust management information system and enhanced corporate governance requirements. MAS has proposed to implement the D-SII framework on January 1, 2024 and will publish the initial list of D-SIIs by the first quarter of 2024.

Proposed amendments to the Insurance Act

The MAS has on November 4, 2022 published a Consultation Paper on Amendments to the Insurance Act and the Insurance (Intermediaries) Regulations proposing amendments to the Insurance Act to take into account regulatory and market developments, as well as to align where appropriate, the regulatory framework for insurance with other financial activities regulated by the MAS. The MAS has proposed to introduce a policy to regulate the conduct of and investment in insurance and non-insurance businesses by insurers in Singapore (the “**anti-commingling policy**”). The anti-commingling policy is intended to ensure insurers remain focused on their core insurance business and competencies and to avoid potential contagion from the conduct of non-insurance businesses. The general thrust of the anti-commingling policy will be to prohibit insurers from: (a) directly undertaking businesses other than insurance business and permissible businesses; (b) using or sharing their names, logos or trademarks on or with physical infrastructure or any other entities; and (c) acquiring or holding a major stake in any corporation with the prior approval of the MAS. The MAS has also proposed to introduce powers in the Insurance Act to strengthen its oversight of outsourcing arrangements of insurers and to require insurers to reconstitute their insurance funds for participating and investment-linked policies.”

TAXATION

The sub-section “**Singapore Taxation**” beginning on page 391 of the Offering Memorandum shall be amended as follows:

- A. The sub-section “**Interest and Other Payments**” on page 392 of the Offering Memorandum shall be amended by replacing the third paragraph of the sub-section with the following:

“The applicable rate for non-resident individuals is 22% prior to the year of assessment 2024, and 24% thereafter.”

- B. The sub-section “**Withholding Tax Exemption on Qualifying Payments by Specified Entities**” on page 392 of the Offering Memorandum shall be amended by replacing the second paragraph of the sub-section with the following:

“A specified entity includes a bank or merchant bank licensed under the Banking Act 1970 of Singapore.”

- C. The sub-section “**Qualifying Debt Securities Scheme**” beginning on page 393 of the Offering Memorandum shall be amended by:

1. replacing the first paragraph of the sub-section with the following:

“It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities (“**QDS**”) and Primary Dealer Schemes – Extension and Refinements” issued by the MAS on 31 May 2023 (“**MAS Circular**”)”

that the QDS scheme is extended until 31 December 2028 and the requirement that QDS have to be substantially arranged in Singapore is rationalised, such that the requirement that QDS have to be substantially arranged by a Financial Sector Incentive (Bond Market) (“**FSI-BM**”) Company, a Financial Sector Incentive (Standard Tier) (“**FSI-ST**”) Company or a Financial Sector Incentive (Capital Market) (“**FSI-CM**”) Company (as defined in the ITA) is broadened to include the following entities holding the relevant licences (“**Specified Licensed Entities**”) for all debt securities that are issued on or after February 15, 2023:

- (a) any bank or merchant bank licensed under the Banking Act;
- (b) any finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (c) an entity that holds a Capital Markets Services Licence under the SFA to carry out the regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

As the Programme as a whole was arranged by an Approved Bond Intermediary (as defined in the ITA) prior to January 1, 2004, by FSI-BM Company(ies) prior to January 1, 2014, by FSI-BM, FSI-ST or FSI-CM Companies from January 1, 2014 and who from February 15, 2023 are also Specified Licensed Entities, any Tranche of the Notes (“**Relevant Notes**”) issued or to be issued as debt securities under the Program during the period from the date of this Offering Memorandum to December 31, 2028 would be QDS for the purposes of the ITA pursuant to the MAS Circular, to which the following treatment shall apply:”

2. replacing the third paragraph of the sub-section with the following:

“The term “**related party**”, in relation to a person (A), means any person (a) who directly or indirectly controls A; (b) who is being controlled directly or indirectly by A; or (c) who, together with A, is directly or indirectly under the control of a common person.”

3. inserting the following as the new sixth paragraph of the sub-section:

“Pursuant to the MAS Circular, the scope of qualifying income under the QDS scheme has been streamlined and clarified with effect from February 15, 2023 such that all payments made by the issuer of the QDS on the redemption of the QDS upon its maturity or on the early redemption of the QDS are qualifying income.”

SCHEDULE 2
UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2023

To Our Shareholders

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

Unaudited Financial Results for the Half Year Ended 30 June 2023

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

Ordinary Dividend

An interim tax-exempt dividend of 40 cents (1H22: 28 cents) per share has been declared for the first half year 2023 (“1H23”). The interim dividend payout will amount to an estimated S\$1,798 million (2022: S\$1,258 million) or approximately 50% of the Group’s net profit after tax of S\$3.59 billion for 1H23.

Closure of Books

The record date is 15 August 2023. Please refer to the separate announcement titled “Notice of Books Closure and Payment of Interim One-Tier Tax Exempt Dividend on Ordinary Shares for the Financial Year Ending 31 December 2023” released by the Bank today.

Scrip Dividend Scheme

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

Peter Yeoh
Secretary

Singapore, 4 August 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**

**Unaudited Condensed Interim Financial Statements
For the Half Year ended 30 June 2023**



**Incorporated in Singapore
Company Registration Number: 193200032W**

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OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the half year ended 30 June 2023

S\$ million	Note	GROUP	
		1H 2023	1H 2022 (Restated)
Interest income		9,846	4,164
Interest expense		(5,119)	(961)
Net interest income	3	4,727	3,203
Insurance service results from life insurance	4	358	622
Net investment and finance income/(expense) from life insurance ⁽¹⁾		128	(181)
Insurance service results from general insurance		14	13
Fees and commissions (net)	5	883	999
Dividends		69	57
Net trading income		513	492
Other income	6	113	18
Non-interest income		2,078	2,020
Total income		6,805	5,223
Staff costs		(1,753)	(1,613)
Other operating expenses	7	(820)	(845)
Total operating expenses		(2,573)	(2,458)
Operating profit before allowances and amortisation		4,232	2,765
Amortisation of intangible assets		(51)	(52)
Allowances for loans and other assets	8	(362)	(116)
Operating profit after allowances and amortisation		3,819	2,597
Share of results of associates, net of tax		510	499
Profit before income tax		4,329	3,096
Income tax expense		(662)	(454)
Profit for the period		3,667	2,642
Profit attributable to:			
Equity holders of the Bank		3,589	2,592
Non-controlling interests		78	50
		3,667	2,642
Earnings per share (S\$)			
Basic		0.79	0.57
Diluted		0.79	0.57

⁽¹⁾ Comprising net investment income/(loss) of S\$2,625 million (1H 2022: (S\$5,492) million) and insurance finance (expense)/income of (S\$2,497) million (1H 2022: S\$5,311 million).

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2023

S\$ million	GROUP	
	1H 2023	1H 2022 (Restated)
Profit for the period	3,667	2,642
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Financial assets, at FVOCI ⁽¹⁾		
Fair value gains/(losses) for the period	231	(2,125)
Reclassification of (gains)/losses to income statement		
– on disposal	(22)	126
– on impairment	8	5
Tax on net movements	(51)	147
Cash flow hedges	(22)	(4)
Currency translation on foreign operations	(110)	(41)
Other comprehensive income of associates	(101)	(115)
Net insurance finance (expense)/income	(226)	552
Items that will not be reclassified subsequently to income statement:		
Currency translation on foreign operations attributable to non-controlling interests	36	(10)
Equity instruments, at FVOCI ⁽¹⁾ , net change in fair value	36	(203)
Defined benefit plans remeasurements	2	1
Own credit	(#)	1
Total other comprehensive income, net of tax	(219)	(1,666)
Total comprehensive income for the period, net of tax	3,448	976
Total comprehensive income attributable to:		
Equity holders of the Bank	3,331	1,003
Non-controlling interests	117	(27)
	3,448	976

⁽¹⁾ Fair value through other comprehensive income.

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

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED BALANCE SHEETS

As at 30 June 2023

S\$ million	Note	GROUP		BANK	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Restated)			
EQUITY					
Attributable to equity holders of the Bank					
Share capital	10	18,037	18,048	18,037	18,048
Other equity instruments		1,696	1,696	1,696	1,696
Capital reserves		833	792	564	560
Fair value reserves		(920)	(1,190)	(686)	(674)
Revenue reserves		32,958	31,733	17,914	17,286
		52,604	51,079	37,525	36,916
Non-controlling interests		1,316	1,305	–	–
Total equity		53,920	52,384	37,525	36,916
LIABILITIES					
Deposits of non-bank customers	11	372,462	350,081	245,890	223,310
Deposits and balances of banks	11	13,795	10,046	10,883	7,691
Due to subsidiaries		–	–	37,405	36,522
Due to associates		231	236	187	197
Trading portfolio liabilities		292	212	292	212
Derivative payables		18,851	16,048	16,098	14,300
Other liabilities		9,536	8,382	3,533	2,844
Current tax payables		994	1,026	635	566
Deferred tax liabilities		287	239	80	125
Debt issued	12	15,491	21,938	14,802	21,294
		431,939	408,208	329,805	307,061
Life insurance contract liabilities and other liabilities		98,581	96,591	–	–
Total liabilities		530,520	504,799	329,805	307,061
Total equity and liabilities		584,440	557,183	367,330	343,977
ASSETS					
Cash and placements with central banks		35,546	34,966	30,044	27,812
Singapore government treasury bills and securities		18,916	17,096	17,785	15,889
Other government treasury bills and securities		25,566	22,271	11,026	8,165
Placements with and loans to banks		39,321	30,244	27,976	18,680
Loans to customers	13	293,532	291,467	206,207	201,110
Debt and equity securities		32,810	28,010	20,241	16,621
Assets held for sale		7	1	1	–
Derivative receivables		18,743	15,605	15,953	13,742
Other assets		6,950	6,532	2,980	2,538
Deferred tax assets		720	722	132	104
Associates		6,623	6,340	2,228	2,228
Subsidiaries		–	–	29,592	33,923
Property, plant and equipment		3,493	3,483	822	818
Investment property		749	763	476	480
Goodwill and other intangible assets		4,614	4,643	1,867	1,867
		487,590	462,143	367,330	343,977
Life insurance fund investment securities and other assets ⁽¹⁾		96,850	95,040	–	–
Total assets		584,440	557,183	367,330	343,977
Net asset value per ordinary share – S\$		11.33	10.99	7.97	7.83
OFF-BALANCE SHEET ITEMS					
Contingent liabilities		15,895	16,749	11,964	12,247
Commitments		191,476	184,013	117,719	109,405
Derivative financial instruments		1,424,892	1,106,931	1,150,648	879,077

⁽¹⁾ Including securities of S\$85,604 million (31 December 2022: S\$83,445 million) and reinsurance assets of S\$860 million (31 December 2022: S\$852 million).

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY - GROUP

For the half year ended 30 June 2023

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital and other equity	Capital reserves ⁽¹⁾	Fair value reserves	Revenue reserves	Total		
Balance at 1 January 2023	19,744	792	(1,006)	33,557	53,087	1,581	54,668
Effect of adopting SFRS(I)17	-	-	(184)	(1,824)	(2,008)	(276)	(2,284)
Adjusted balance at 1 January 2023	19,744	792	(1,190)	31,733	51,079	1,305	52,384
Total comprehensive income for the financial period							
Profit for the financial period	-	-	-	3,589	3,589	78	3,667
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value gains for the financial period	-	-	222	-	222	9	231
Reclassification of (gains)/losses to income statement							
- on disposal	-	-	(22)	-	(22)	(#)	(22)
- on impairment	-	-	8	-	8	(#)	8
Tax on net movements	-	-	(49)	-	(49)	(2)	(51)
Cash flow hedges	-	-	-	(22)	(22)	-	(22)
Currency translation on foreign operations	-	-	-	(110)	(110)	-	(110)
Other comprehensive income of associates	-	-	109	(210)	(101)	-	(101)
Net insurance finance expense	-	-	-	(199)	(199)	(27)	(226)
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	-	-	-	-	-	36	36
Equity instruments, at FVOCI, net change in fair value	-	-	2	11	13	23	36
Defined benefit plans remeasurements	-	-	-	2	2	#	2
Own credit	-	-	-	(#)	(#)	-	(#)
Total other comprehensive income, net of tax	-	-	270	(528)	(258)	39	(219)
Total comprehensive income for the financial period	-	-	270	3,061	3,331	117	3,448
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	-	(#)	-	#	-	-	-
Buy-back of shares held as treasury shares	(115)	-	-	-	(115)	-	(115)
Dividends and distributions	-	-	-	(1,833)	(1,833)	(69)	(1,902)
Share-based payments for staff costs	-	4	-	-	4	-	4
Shares issued to non-executive directors	#	-	-	-	#	-	#
Shares transferred to DSP Trust	-	(8)	-	-	(8)	-	(8)
Shares vested under DSP Scheme	-	113	-	-	113	-	113
Treasury shares transferred/sold	104	(68)	-	-	36	-	36
Total contributions by and distributions to owners	(11)	41	-	(1,833)	(1,803)	(69)	(1,872)
Change in interest in subsidiary that does not result in loss of control	-	-	-	(3)	(3)	(37)	(40)
Total change in interest in subsidiary	-	-	-	(3)	(3)	(37)	(40)
Balance at 30 June 2023	19,733	833	(920)	32,958	52,604	1,316	53,920
Included in the balances:							
Share of reserves of associates	-	-	196	3,551	3,747	-	3,747

⁽¹⁾ Including regulatory loss allowance reserve of S\$455 million at 1 January 2023 and 30 June 2023.

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

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY - GROUP

For the half year ended 30 June 2023

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital and other equity	Capital reserves ⁽¹⁾	Fair value reserves	Revenue reserves	Total		
Balance at 1 January 2022	19,238	782	848	31,795	52,663	1,675	54,338
Effect of adopting SFRS(I) 17	–	–	3	(1,722)	(1,719)	(236)	(1,955)
Adjusted balance at 1 January 2022	19,238	782	851	30,073	50,944	1,439	52,383
Total comprehensive income for the financial period							
Profit for the financial period	–	–	–	2,592	2,592	50	2,642
Other comprehensive income							
Items that may be reclassified subsequently to income statement:							
Financial assets, at FVOCI							
Fair value losses for the financial period	–	–	(1,996)	–	(1,996)	(129)	(2,125)
Reclassification of (gains)/losses to income statement							
- on disposal	–	–	118	–	118	8	126
- on impairment	–	–	5	–	5	#	5
Tax on net movements	–	–	138	–	138	9	147
Cash flow hedges	–	–	–	(4)	(4)	–	(4)
Currency translation on foreign operations	–	–	–	(41)	(41)	–	(41)
Other comprehensive income of associates	–	–	11	(126)	(115)	–	(115)
Net insurance finance income	–	–	–	486	486	66	552
Items that will not be reclassified subsequently to income statement:							
Currency translation on foreign operations attributable to non-controlling interests	–	–	–	–	–	(10)	(10)
Equity instruments, at FVOCI, net change in fair value	–	–	(213)	31	(182)	(21)	(203)
Defined benefit plans remeasurements	–	–	–	1	1	–	1
Own credit	–	–	–	1	1	–	1
Total other comprehensive income, net of tax	–	–	(1,937)	348	(1,589)	(77)	(1,666)
Total comprehensive income for the financial period	–	–	(1,937)	2,940	1,003	(27)	976
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(#)	–	#	–	–	–
Perpetual capital securities issued	499	–	–	–	499	–	499
Buy-back of shares held as treasury shares	(153)	–	–	–	(153)	–	(153)
Dividends and distributions	–	–	–	(1,283)	(1,283)	(39)	(1,322)
DSP reserve from dividends of unvested shares	–	–	–	6	6	–	6
Share-based payments for staff costs	–	5	–	–	5	–	5
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares transferred to DSP Trust	–	(6)	–	–	(6)	–	(6)
Shares vested under DSP Scheme	–	104	–	–	104	–	104
Treasury shares transferred/sold	168	(101)	–	–	67	–	67
Total contributions by and distributions to owners	515	2	–	(1,277)	(760)	(39)	(799)
Balance at 30 June 2022	19,753	784	(1,086)	31,736	51,187	1,373	52,560
Included in the balances:							
Share of reserves of associates	–	–	184	3,486	3,670	–	3,670

⁽¹⁾ Including regulatory loss allowance reserve of S\$444 million at 1 January 2022 and 30 June 2022.

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

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED STATEMENT OF CHANGES IN EQUITY - BANK

For the half year ended 30 June 2023

S\$ million	Share capital and other equity	Capital reserves ⁽¹⁾	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2023	19,744	560	(674)	17,286	36,916
Profit for the financial period	–	–	–	2,512	2,512
Other comprehensive income	–	–	(12)	(51)	(63)
Total comprehensive income for the period	–	–	(12)	2,461	2,449
Buy-back of shares held as treasury shares	(115)	–	–	–	(115)
Dividends and distributions	–	–	–	(1,833)	(1,833)
Share-based payments for staff costs	–	4	–	–	4
Shares issued to non-executive directors	#	–	–	–	#
Treasury shares transferred/sold	104	–	–	–	104
Balance at 30 June 2023	19,733	564	(686)	17,914	37,525
Balance at 1 January 2022	19,238	559	(25)	15,825	35,597
Profit for the financial period	–	–	–	2,033	2,033
Other comprehensive income	–	–	(738)	(28)	(766)
Total comprehensive income for the period	–	–	(738)	2,005	1,267
Perpetual capital securities issued	499	–	–	–	499
Buy-back of shares held as treasury shares	(153)	–	–	–	(153)
Dividends and distributions	–	–	–	(1,283)	(1,283)
DSP reserve from dividends of unvested shares	–	–	–	6	6
Share-based payments for staff costs	–	5	–	–	5
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	168	–	–	–	168
Balance at 30 June 2022	19,753	564	(763)	16,553	36,107

⁽¹⁾ Including regulatory loss allowance reserve of S\$444 million at 1 January 2023, 1 January 2022, 30 June 2023 and 30 June 2022.

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

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the half year ended 30 June 2023

S\$ million	1H 2023	1H 2022 (Restated)
Cash flows from operating activities		
Profit before income tax	4,329	3,096
Adjustments for non-cash items:		
Allowances for loans and other assets	362	116
Amortisation of intangible assets	51	52
Change in hedging transactions, FVTPL ⁽¹⁾ securities and debt issued	(109)	152
Depreciation of property and equipment and interest expense on lease liabilities	215	208
Net (gain)/loss on disposal of government, debt and equity securities	(38)	78
Net gain on disposal of property and equipment	(19)	(49)
Share-based costs	36	43
Share of results of associates, net of tax	(510)	(499)
Operating profit before change in operating assets and liabilities	4,317	3,197
Change in operating assets and liabilities:		
Deposits of non-bank customers	22,376	6,307
Deposits and balances of banks	3,749	4,173
Derivative payables and other liabilities	4,395	6,205
Trading portfolio liabilities	79	122
Restricted balances with central banks	(529)	98
Government securities and treasury bills	(5,100)	631
FVTPL securities	(1,012)	474
Placements with and loans to banks	(9,077)	(669)
Loans to customers	(2,420)	(8,405)
Derivative receivables and other assets	(4,468)	(4,927)
Net change in other assets and liabilities of life insurance fund	1,544	286
Cash provided by operating activities	13,854	7,492
Income tax paid	(670)	(530)
Net cash provided by operating activities	13,184	6,962
Cash flows from investing activities		
Dividends from associates	2	4
Purchases of debt and equity securities	(11,115)	(5,537)
Purchases of life insurance fund investment securities	(22,377)	(16,630)
Purchases of property and equipment	(197)	(189)
Proceeds from disposal of debt and equity securities	7,346	7,376
Proceeds from disposal of life insurance fund investment securities	21,437	16,522
Proceeds from disposal of property and equipment	21	67
Net cash (used in)/provided by investing activities	(4,883)	1,613
Cash flows from financing activities		
Acquisition of non-controlling interests	(40)	–
Buy-back of shares for holding as treasury shares	(115)	(153)
Dividends and distributions paid	(1,902)	(1,322)
Net redemption of other debt issued	(6,522)	(2,930)
Repayment of lease liabilities	(39)	(43)
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	36	67
Proceeds from subordinated note issued	–	1,042
Net proceeds from issue of perpetual capital securities	–	499
Net cash used in financing activities	(8,582)	(2,840)
Net change in cash and cash equivalents	(281)	5,735
Net currency translation adjustments	332	(235)
Cash and cash equivalents at 1 January	29,984	22,710
Cash and cash equivalents at 30 June	30,035	28,210

⁽¹⁾ Fair value through profit or loss.

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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

The unaudited condensed interim financial statements were authorised by the Board of Directors on 3 August 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 unaudited 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 unaudited 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 unaudited condensed interim financial statements are to be read in conjunction with the financial statements as at and for the year ended 31 December 2022.

2.2 Basis of presentation

The unaudited 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 unaudited 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 2022.

2.3 Use of estimates and judgements

The preparation of unaudited 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 unaudited 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 2022, except for the following additions.

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.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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 30 June 2023, the forward-looking scenarios used in the ECL model have been updated from those as of 31 December 2022, which reflects the latest macroeconomic view. Additionally, post-model adjustments were made to address events that are not incorporated in the baseline ECL. These post-model adjustments were reviewed and approved in accordance with the Group's ECL framework, and include:

- Post-model adjustments were made to more accurately reflect the continued weakness of certain industries and segments due to 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 included an additional scenario in the computation of ECL. As such events are global in nature, these are modelled as a top-down post-model adjustment.

As of 30 June 2023, the Group has assessed that the post-model adjustments made as of 31 December 2022 remain applicable but updated for the latest relevant information.

Sensitivity of ECL

ECL is estimated to increase by S\$1,104 million (30 June 2022: S\$1,191 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 latest relevant information as of 30 June 2023.

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.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

2. Basis of preparation (continued)**2.4 Changes in accounting policies**

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

SFRS(I)	Title
SFRS(I) 17	<i>Insurance Contracts</i>
Various	<i>Amendments to SFRS(I) 17</i>
Various	<i>Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies</i>
SFRS(I) 1-8 (Amendments)	<i>Definition of Accounting Estimates</i>
SFRS(I) 1-12 (Amendments), SFRS(I) 1 (Amendments)	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The accounting policies applied by the Group in the unaudited 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 2022, except for the new/revised financial reporting standards and interpretations as set out above. The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group's condensed interim financial statements, except for the adoption of SFRS(I) 17 Insurance Contracts.

The Group has applied SFRS(I) 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated comparative information for the financial year 2022 applying the transitional provisions.

A. SFRS(I) 17 Insurance Contracts

SFRS(I) 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts held by Great Eastern Holding Limited and its subsidiaries (collectively GEH Group). It introduces a model that measures groups of contracts based on GEH Group's estimates of the present value of future cash flows that are expected to arise as GEH Group fulfils contracts, an explicit risk adjustment for non-financial risk and a Contractual Service Margin (CSM).

The nature and effects of the material changes in the Group's accounting policies under SFRS(I) 17 Insurance Contracts are summarised in the Group's financial statements as at and for the year ended 31 December 2022.

B. Transition

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

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

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

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

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

2. Basis of preparation (continued)

2.4 Changes in accounting policies (continued)

The effects from applying SFRS(I) 17 resulted in a reduction of the Group's equity attributable to equity holders of S\$1,719 million, net of tax, as at 1 January 2022. The net transition impact to equity consisted of the following effects.

Measurement adjustments	Description of impact	
	Contracts not measured under Premium Allocation Approach (PAA) ⁽¹⁾	Contracts measured under PAA
CSM	A CSM liability will be recognised for the unearned profit for insurance contracts.	Not applicable
Contract Measurement	<p>Other components of insurance contracts are also remeasured:</p> <ul style="list-style-type: none"> • Risk adjustment: Recognition of a separate risk adjustment for non-financial risk which is lower than the risk margin under SFRS(I) 4 as a result of recalibration of the measurement techniques to conform with the SFRS(I) 17 requirements. • Discount rates: Changes in the discount rates because of the SFRS(I) 17 requirements to measure future cash flows using current discount rates. • Deferred acquisition costs: Under SFRS(I) 17, GEH Group now recognises separately eligible insurance acquisition cash flows when they are incurred. • Other changes: Include the changes to the provisions for future taxes, and other changes related to the application of SFRS(I) 17. 	<p>Other components of insurance contracts are remeasured:</p> <ul style="list-style-type: none"> • Risk adjustment: The risk adjustment is now measured at the 85th percentile under SFRS(I) 17 as compared to the provision for adverse deviation used under SFRS(I) 4 which was measured at the 75th percentile. • Discounting future cash flows: Under SFRS(I) 17, GEH Group discounts the future cash flows when measuring liabilities for incurred claims. GEH Group previously did not discount such future cash flows for non-life contracts. • Deferred acquisition costs: Under SFRS(I) 17, GEH Group now recognises separately eligible insurance acquisition cash flows when they are incurred.
Insurance Finance Reserve	Under SFRS(I) 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance or expenses in profit or loss. GEH Group has elected the option to include these changes for certain portfolios measured under General Measurement Model (GMM) under insurance finance reserve in equity.	Not applicable

⁽¹⁾ The PAA is an optional simplified measurement model in SFRS(I) 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for non-life insurance contracts, because each of these contracts have a coverage period of one year or less, or meets the eligibility criteria.

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

2. Basis of preparation (continued)

2.4 Changes in accounting policies (continued)

Redesignation of Financial Assets and Classification Overlay

SFRS(I) 17 allows for entities that had applied SFRS(I) 9 to annual periods before the initial application of SFRS(I) 17, to redesignate its financial assets to address possible accounting mismatches between financial assets and insurance contract liabilities. A transition option was elected to apply a classification overlay for the financial assets as if the classification and measurement requirements of SFRS(I) 9 had been applied to that financial asset during the comparative period. At the transition date, S\$2,046 million of debt instruments which were previously designated at FVTPL was reclassified to FVOCI.

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

3. Net interest income

S\$ million	GROUP	
	1H 2023	1H 2022
Interest income		
Loans to customers	7,117	3,262
Placements with and loans to banks	1,603	315
Other interest-earning assets	1,126	587
	9,846	4,164
Interest expense		
Deposits of non-bank customers	(4,515)	(790)
Deposits and balances of banks	(196)	(54)
Other borrowings	(408)	(117)
	(5,119)	(961)
Net interest income	4,727	3,203

4. Insurance service results from life insurance

S\$ million	GROUP	
	1H 2023	1H 2022
Insurance revenue	2,724	2,609
Insurance service expense	(2,354)	(2,045)
Net (expense)/income from reinsurance contracts held	(12)	58
Insurance service results from life insurance	358	622

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

5. Fees and commissions (net)

S\$ million	GROUP	
	1H 2023	1H 2022
Gross fee and commission income		
Brokerage	39	59
Credit card	174	158
Fund management	55	62
Guarantees	7	8
Investment banking	53	51
Loan-related	98	86
Service charges	46	40
Trade-related and remittances	135	148
Wealth management ⁽¹⁾	438	537
Others	26	25
	1,071	1,174
Fee and commission expense	(188)	(175)
Fees and commissions (net)	883	999

⁽¹⁾ Includes trust and custodian fees.

6. Other income

S\$ million	GROUP	
	1H 2023	1H 2022
Disposal of investment securities	38	(78)
Disposal of properties	19	49
Rental and property-related income	43	36
Others	13	11
Other income	113	18

7. Other operating expenses

S\$ million	GROUP	
	1H 2023	1H 2022 (Restated)
Property and equipment		
Depreciation	212	206
Maintenance and rental	78	74
Others	162	160
	452	440
Other operating expenses	368	405
Total other operating expenses	820	845

8. Allowances for loans and other assets

S\$ million	GROUP	
	1H 2023	1H 2022
Allowances/(write-back):		
Impaired loans	93	32
Impaired other assets	15	5
Non-impaired loans	256	77
Non-impaired other assets	(2)	2
Allowances for loans and other assets	362	116

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

9. Dividends/distributions

S\$ million	GROUP	
	1H 2023	1H 2022
Ordinary dividends:		
2021 final tax-exempt dividend of 28 cents	–	1,260
2022 final tax-exempt dividend of 40 cents	1,800	–
Distributions for other equity instruments:		
4.0% perpetual capital securities	20	20
3.0% perpetual capital securities	3	3
3.9% perpetual capital securities	10	–
Total dividends and distributions	1,833	1,283

10. Share capital

Shares (million)	GROUP AND BANK	
	30 Jun 2023	31 Dec 2022
Issued ordinary shares		
At 1 January	4,515	4,515
Shares issued to non-executive directors	#	#
At 30 June/ 31 December	4,515	4,515
Treasury shares		
At 1 January	(20)	(23)
Share buyback	(9)	(21)
Share Option Scheme	3	6
Share Purchase Plan	1	10
Treasury shares transferred to DSP Trust	5	8
At 30 June/ 31 December	(20)	(20)
Total issued ordinary shares excluding treasury shares	4,495	4,495
Issued share capital (S\$ million)	18,037	18,048

⁽¹⁾ # represents less than 500,000 shares.

Pursuant to the share purchase mandate approved at the annual general meeting held on 25 April 2023, the Bank purchased a total of 9 million ordinary shares in the half year ended 30 June 2023. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$11.94 to S\$12.90 per share and the total consideration paid was S\$115 million (including transaction costs).

As at 30 June 2022, the number of treasury shares was 20 million and the total number of issued ordinary shares excluding treasury shares was 4,495 million.

As at 30 June 2023, the number of options outstanding under the OCBC Share Option Scheme 2001 was 16 million (30 June 2022: 21 million) and the number of acquisition rights outstanding under the OCBC Employee Share Purchase Plan was 13 million (30 June 2022: 13 million).

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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

S\$ million	GROUP	
	30 Jun 2023	31 Dec 2022
Deposits of non-bank customers		
Fixed deposits	164,526	133,415
Savings deposits	66,258	69,036
Current accounts	102,610	112,245
Others	39,068	35,385
	372,462	350,081
Deposits and balances of banks	13,795	10,046
Total deposits	386,257	360,127

12. Debt issued

S\$ million	GROUP	
	30 Jun 2023	31 Dec 2022
Unsecured		
Subordinated debt	3,521	3,484
Fixed and floating rate notes	4,065	3,202
Commercial papers	4,197	10,759
Structured notes	3,021	2,713
Secured		
Covered bonds	687	1,780
	15,491	21,938
Debt issued by maturity		
Within one year	8,436	14,163
Over one year	7,055	7,775
	15,491	21,938

13. Loans to customers

S\$ million	GROUP	
	30 Jun 2023	31 Dec 2022
Gross loans	297,356	294,980
Allowances		
Impaired loans	(1,352)	(1,308)
Non-impaired loans	(2,472)	(2,205)
Net loans	293,532	291,467

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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 30 June 2023						
Net interest income	1,698	2,608	49	66	306	4,727
Non-interest income	794	479	151	616	38	2,078
Total income	2,492	3,087	200	682	344	6,805
Operating profit before allowances and amortisation	1,152	2,290	38	562	190	4,232
Amortisation of intangible assets	(7)	–	–	(24)	(20)	(51)
Allowances for loans and other assets	(10)	(146)	#	(14)	(192)	(362)
Operating profit after allowances and amortisation	1,135	2,144	38	524	(22)	3,819
Share of results of associates, net of tax	–	–	–	–	510	510
Profit before income tax	1,135	2,144	38	524	488	4,329
Other information:						
Capital expenditure	71	8	#	37	141	257
Depreciation	42	6	1	4	159	212
Half year ended 30 June 2022 (Restated)						
Net interest income	972	1,602	450	52	127	3,203
Non-interest income	915	482	196	399	28	2,020
Total income	1,887	2,084	646	451	155	5,223
Operating profit before allowances and amortisation	631	1,353	469	283	29	2,765
Amortisation of intangible assets	(7)	–	–	(24)	(21)	(52)
Allowances for loans and other assets	41	(91)	(2)	(5)	(59)	(116)
Operating profit after allowances and amortisation	665	1,262	467	254	(51)	2,597
Share of results of associates, net of tax	–	–	–	–	499	499
Profit before income tax	665	1,262	467	254	448	3,096
Other information:						
Capital expenditure	68	3	1	31	129	232
Depreciation	42	6	1	4	153	206

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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 30 June 2023						
Segment assets	139,099	192,506	132,825	107,599	42,743	614,772
Unallocated assets						720
Elimination						(31,052)
Total assets						584,440
Segment liabilities	195,406	153,248	91,918	99,828	19,891	560,291
Unallocated liabilities						1,281
Elimination						(31,052)
Total liabilities						530,520
Other information:						
Gross non-bank loans	105,007	189,066	2,431	4	848	297,356
Non-performing assets	827	2,436	–	2	10	3,275
At 31 December 2022 (Restated)						
Segment assets	138,516	189,710	111,171	105,311	40,363	585,071
Unallocated assets						722
Elimination						(28,610)
Total assets						557,183
Segment liabilities	178,248	152,092	76,865	97,624	27,314	532,143
Unallocated liabilities						1,266
Elimination						(28,610)
Total liabilities						504,799
Other information:						
Gross non-bank loans	106,769	185,629	1,737	3	842	294,980
Non-performing assets	886	2,591	–	2	7	3,486

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.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

14. Segment information (continued)

14.2 Geographical segments

	1H 2023	1H 2022
	S\$ million	S\$ million
		(Restated)
Total income		
Singapore	4,199	2,907
Malaysia	814	749
Indonesia	518	473
Greater China	875	755
Other Asia Pacific	149	119
Rest of the World	250	220
	6,805	5,223
Operating profit before allowances and amortisation		
Singapore	2,616	1,449
Malaysia	567	486
Indonesia	285	246
Greater China	472	350
Other Asia Pacific	110	82
Rest of the World	182	152
	4,232	2,765
Profit before income tax		
Singapore	2,397	1,456
Malaysia	590	533
Indonesia	207	174
Greater China	1,003	741
Other Asia Pacific	136	79
Rest of the World	(4)	113
	4,329	3,096
	30 Jun 2023	31 Dec 2022
	S\$ million	S\$ million
		(Restated)
Total assets		
Singapore	343,106	321,002
Malaysia	60,758	64,810
Indonesia	22,957	21,166
Greater China	95,260	93,295
Other Asia Pacific	21,117	20,284
Rest of the World	41,242	36,626
	584,440	557,183

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.

Bid Offer Adjustments

When the position is marked at mid-price, bid offer adjustment is applied to account for close out cost.

Model Adjustments

Model adjustments are applied when there are inherent limitations in the valuation models used by the Bank.

Day 1 Profit or Loss Adjustments

Day 1 profit or loss adjustments are applied when the valuation technique involves the use of significant inputs which are not readily observable. The difference between the fair value at initial recognition and the transaction price is deferred as an adjustment.

The Day 1 profit or loss adjustments are released to the income statement when the significant inputs become observable, when the transaction is derecognised or amortised over the life of the transaction.

Credit Valuation Adjustments

Credit valuation adjustments are applied to account for the expected losses due to counterparty default on derivative positions.

Collateral Valuation Adjustments

Collateral valuation adjustments are applied when a derivative is denominated and discounted using a curve in the same currency but is collateralised in another currency.

Parameter Uncertainty Adjustments

These valuation adjustments mainly include adjustments for illiquid prices or internal methodologies used to derive model inputs.

The Group's internal audit provides independent assurance on the respective divisions' compliance with the policy.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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:

S\$ million	GROUP							
	30 Jun 2023				31 Dec 2022			
	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	2,302	16,449	–	18,751	2,222	10,980	–	13,202
Debt and equity securities	22,066	7,493	3,089	32,648	18,453	5,869	3,381	27,703
Loans to customers	–	–	10	10	–	–	23	23
Derivative receivables	44	18,186	513	18,743	117	15,141	347	15,605
Government treasury bills and securities	32,030	5,950	–	37,980	34,096	4,315	–	38,411
Life insurance fund investment securities and other assets	53,991	27,003	2,901	83,895	51,460	25,442	3,256	80,158
Total	110,433	75,081	6,513	192,027	106,348	61,747	7,007	175,102
Non-financial assets measured at fair value								
Life insurance fund investment properties and asset held for sale	–	–	1,868	1,868	–	–	1,954	1,954
Associates	–	–	124	124	–	–	122	122
Total	–	–	1,992	1,992	–	–	2,076	2,076
Financial liabilities measured at fair value								
Derivative payables	91	18,129	631	18,851	103	15,662	283	16,048
Trading portfolio liabilities	292	–	–	292	212	–	–	212
Debt issued	–	1,306	–	1,306	–	1,040	–	1,040
Life insurance fund financial liabilities	8	314	–	322	22	253	–	275
Total	391	19,749	631	20,771	337	16,955	283	17,575

During the financial year, the Group transferred financial assets from Level 2 to Level 1 as prices became observable arising from increased market activity. Financial assets were also transferred from Level 1 to Level 2 when quoted prices become unobservable arising from reduced market activity.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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 30 Jun 2023	Classification	Valuation techniques	Unobservable inputs
Financial assets				
Equity securities	3,089	FVTPL/FVOCI	Net asset value/ Multiples/Discounted cash flows	Value of net asset/ Earnings and multiples/Cash flows and discount rate
Loans to customers	10	FVTPL	Discounted cash flows	Cash flows and discount rate
Derivative receivables	513	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Interest rate
Life insurance fund investment securities and other assets	2,901	FVTPL/FVOCI	Income approach/Net asset value	Risk adjusted discount rate/Value of net asset
Total	6,513			
Financial liabilities				
Derivative payables	631	FVTPL	Option pricing model Derivatives pricing	Volatility/Correlation Interest rate
Total	631			

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 2023	3,381	23	347	3,256	7,007
Purchases	31	–	41	729	801
Settlements/disposals	(158)	(47)	(28)	(1,085)	(1,318)
Transfers out ⁽¹⁾	(158)	–	–	–	(158)
Gains/(losses) recognised in					
- profit or loss	53	34	151	1	239
- other comprehensive income	(60)	–	2	(#)	(58)
At 30 June 2023	3,089	10	513	2,901	6,513
Unrealised gains included in profit or loss for assets held at the end of the period	51	64	516	6	637

⁽¹⁾ Relates to transfers from Level 3 to Level 2 due to use of inputs based on market observable data.

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

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 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.

GROUP S\$ million	2023		2022	
	Derivative payables	Total	Derivative payables	Total
Financial liabilities measured at fair value				
At 1 January	283	283	640	640
Issues	64	64	59	59
Settlements/disposals	(43)	(43)	(143)	(143)
Transfers in ⁽¹⁾	–	–	39	39
Losses/(gains) recognised in				
- profit or loss	325	325	(314)	(314)
- other comprehensive income	2	2	2	2
At 30 June/ 31 December	631	631	283	283
Unrealised losses included in profit or loss for liabilities held at the end of the period	(673)	(673)	(351)	(351)

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

OVERSEA-CHINESE BANKING CORPORATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2023

15. Fair values of financial instruments (continued)

15.3 Fair value hierarchy (continued)

Movements in Level 3 non-financial assets

GROUP S\$ million	2023			2022		
	Life insurance fund investment properties and asset held for sale ⁽¹⁾	Associates ⁽²⁾	Total	Life insurance fund investment properties and asset held for sale ⁽¹⁾	Associates ⁽²⁾	Total
Non-financial assets measured at fair value						
At 1 January	1,954	122	2,076	1,884	95	1,979
Purchases	–	8	8	1	–	1
Settlements/disposals	(92)	–	(92)	–	–	–
Gains/(losses) recognised in						
- profit or loss	20	–	20	91	24	115
- other comprehensive income	(14)	(6)	(20)	(22)	3	(19)
At 30 June/31 December	1,868	124	1,992	1,954	122	2,076

⁽¹⁾ The fair value of investment properties and asset held for sale is determined based on a combination of income approach, comparison approach and capitalisation approach under Level 3 fair value measurements.

⁽²⁾ The fair value of investment in associate is determined based on market approach under Level 3 fair value measurements.

Other Information Required by Listing Rule Appendix 7.2

OTHER INFORMATION

1. Review

The condensed interim financial statements, comprising the balance sheets of Oversea-Chinese Banking Corporation Limited (the Bank) and its subsidiaries (the Group) as at 30 June 2023 and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity for Group and Bank and consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of the performance of the Group for the six-month period ended 30 June 2023

Please refer to the “Media Release” section.

3. Dividend information

Please refer to “Letter to Shareholders”.

4. Interested person transactions

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

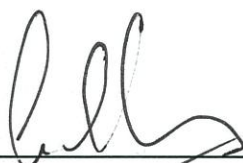
5. Undertaking from directors and executive officers

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.

CONFIRMATION BY THE BOARD

We, Andrew Lee Kok Keng and Helen Wong Pik Kuen, being directors of Oversea-Chinese Banking Corporation Limited ("the Bank"), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Bank and of the Group for the half year ended 30 June 2023 to be false or misleading.

On behalf of the Board of Directors



Andrew Lee Kok Keng
Chairman



Helen Wong Pik Kuen
Group Chief Executive Officer / Director

3 August 2023