

The strong performance of our core businesses in the Group and effective risk management helped us to deliver a set of record earnings. Despite the difficult operating environment, we achieved healthy growth across all customer segments in Singapore and our key overseas markets as we remained firmly focused on serving our customers with superior service and a differentiated experience. We continued to deepen our presence and capabilities in Malaysia, Indonesia and the Greater China region, with these countries contributing increasingly to the Group's overall results. The synergies arising from the close collaboration between our various businesses continued to deliver strategic value to the Group franchise, reaping higher sustainable returns to our shareholders.

GLOBAL CONSUMER FINANCIAL SERVICES

In another year marked by market volatility and low interest rates, our consumer banking business delivered a commendable set of operating results. Revenue grew 11% to S\$1.3 billion, driven by robust loan growth as well as higher fees and commissions income from the sale of bancassurance products and unit trusts. Profit before tax improved 3% to S\$448 million. The strong results reflected the good traction that we gained from further expanding our consumer franchise, as we grew our overall retail customer base by 7%.

Total consumer loans grew by 16%, underpinned by growth in our home loans portfolio. Home loans grew 17% in Singapore and 26% in Malaysia. There was also strong demand from our more affluent customers in Singapore and Malaysia to finance their purchase of residential properties in London and Australia, with such loans doubling in Singapore and increasing by more than four times in Malaysia.

Total unsecured loans, comprising credit card roll-over balances and personal lines of credit, increased 14%. In Singapore, new credit card launches and the repositioning of several popular credit cards such as the *NTUC Plus!* cards led to a 10% increase of our card holder base. In Malaysia, revenues from our Shariah-compliant personal loan product, "Cash Financing-i" surged by 67%. We grew our total deposits by 11% across our regional network. Notably, our current account and savings account balances grew 11% in Singapore and 18% in Malaysia, while term deposits grew two-fold in China.

On the wealth management front, we continued to work together with Great Eastern to successfully retain our pole position in bancassurance for the 12th consecutive year, with a commanding market share of 34%. Total fees and commissions from our bancassurance products, unit trusts and other investment

products rose 22% in Singapore and 30% in Malaysia. In Singapore, we launched Mortgage Protector Advantage, the first premium-refundable mortgage insurance plan that refunds our customers their premiums if no claim is made by the end of the policy term. We also launched several new unit trust funds in Singapore and Malaysia, which helped to more than double our unit trust sales volumes in both countries. In China, we launched six new funds, resulting in a five-fold increase in unit trust sales volumes.

We strengthened our engagement with our Premier Banking customers by providing them with advisory services through our Wealth Panel, by increasing our marketing activities, and by enhancing the customer experience in our 45 Premier Banking Centres. Our Premier Banking customer base grew 20% in Singapore, 33% in Malaysia, and 14% in China, while total assets under management increased by over S\$3 billion, resulting in a 27% increase in revenue from this customer segment.

We continued to build on the success of FRANK by OCBC, our increasingly popular banking programme aimed at youths and young working adults. We opened our fourth FRANK by OCBC store at the Singapore Polytechnic together with the launch of a structured internship programme for the students. Total customer base grew four-fold.

To provide a superior online banking experience, we made several upgrades to our mobile banking and internet banking platforms. In March 2012, we launched the first iPad application where customers could create their own home loan fact sheets that illustrated the financial impact of different home loan interest rates, loan amounts and tenures. Customers found the application easy to use and helpful in making their home purchase and financing decisions. We introduced the "Pay Any Card" functionality on our

mobile and internet banking platforms, allowing account holders to pay the bills for the widest range of credit cards issued by other banks. In June 2012, we launched a new internet banking function that enabled customers to set up SMS or email alerts for various types of transactions. In October 2012, we introduced a new Internet banking application for our customers to open fixed deposit, savings and current accounts online. In November 2012, we enabled credit and debit card application via internet banking. With the enhanced online capabilities, we grew our mobile banking customer base by 75% and Internet banking customer base by 33%.

We opened our second Plus! Lite branch at the Changi Business Park, adding to our existing network of more than 460 retail banking outlets – 57 in Singapore, 39 in Malaysia, 16 in China, and more than 350 in Indonesia through our banking subsidiary, OCBC NISP. In Singapore, we have the largest number of customer service centres for affluent customers with 14 Premier Banking Centres, and we have the most branches offering full service Sunday Banking with 20 of such branches.

Learning from the successful cross-sell partnership of home loans with Great Eastern in Malaysia, we put in place a similar process in Singapore, and trained more than 300 Great Eastern insurance agents here to sell OCBC home loans to their policy holders.

As part of the OCBC Children Development Account (“CDA”) programme in Singapore, we worked with the Ministry of Social and Family Development to launch the OCBC CDA Starter Scheme. The Scheme was aimed at helping 2,500 low-income families to save, and we offered to match each S\$50 deposit made by a family with a S\$100 contribution. In all, we expect to contribute S\$250,000 to the Scheme.

Our commitment to differentiate ourselves from the competition by delivering a superior customer experience through well-thought-through designs, attracted much attention from the industry in Singapore. In its 2012 “Customer Loyalty in Retail Banking” report, *Bain & Company* wrote that OCBC “commanded a wide lead with a net promoter score of 15%” among eight banks surveyed in Singapore. The report cited “innovations on several fronts including a light branch format, Sunday banking hours and extended Saturday hours”. We were recognised as the “Bank of the Year 2012 in Singapore” by *The Banker* for making “significant improvements to [our] products and services so that the banking lives of Singaporeans have been made easier”. *The Plain English Campaign* in UK awarded OCBC the Chrissie Maher Award; the first time the award was given to any bank worldwide, for our efforts to use Plain English in our marketing and loan documents. Our paperless account opening project ‘ROME’ received the Process Excellence in Account Opening award from *Banking & Payments Asia Trailblazers Awards*. FRANK by OCBC continued to receive several accolades during the year, including the Excellence in Product and Service Innovation in the

BAI-Finacle Global Banking Innovation Awards, Channel Excellence in Branch Banking by *Banking and Payments Asia Trailblazers*, Best New Card Campaign of the Year by *Smart Card Awards Asia*, Branch Innovation of the Year by *Asian Banking and Finance*, and the Most Innovative in Customer Experience by *IDC Financial Insights*. 267 of our staff in Singapore received SPRING Singapore’s Excellence Service Award for outstanding service, with 82 receiving the top Star Award.

In Malaysia, our OCBC Titanium Credit Card won the Credit Card Initiative of the Year Award by the *Asian Banking & Finance Retail Banking*.

GLOBAL CORPORATE BANK

Our Global Corporate Bank registered a 10% increase in revenue to S\$2.3 billion, led by strong net interest income and fee income growth. Net profit before tax rose 17% to S\$1.6 billion. Our core markets of Singapore and Malaysia continued to be significant revenue contributors on the back of strong loan growth in both countries. Lending activities in other overseas markets also increased significantly.

We participated in several sizable corporate banking transactions which included our appointment as one of the Coordinating Banks, Bookrunner and Mandated Lead Arrangers in the S\$3.3 billion 5-year term loan to International Beverage Holdings Limited, a member of the Thai Beverage Public Company Limited; the S\$2.6 billion term loan and revolving credit facilities to YTL PowerSeraya Pte Limited; the S\$1.6 billion 10-year club project finance facility to SP PowerAssets Limited for the construction of two underground transmission cable tunnels; and the US\$600 million 7-year term loan and revolving credit facility secured by seven vessels under the “Star Cruises” brand, to Genting Hong Kong Limited.

In September 2012, we set up our China Business Office to support the treasury and investment banking needs of large Chinese state- and privately-owned companies expanding into Singapore and other parts of Asia.

In the small and medium-sized (“SME”) business segment in Singapore, we maintained our leading position by being the main bank of choice to our customers, providing them with sound advice as well as appropriate financial products and services to support their growth. Loans for overseas expansion saw a significant increase, making up 20% of our total loan portfolio. We simplified the equipment loan application, approval and disbursement process, thereby reducing the end-to-end turnaround time by 65%. As a result, we saw a 20% average month-on-month increase in applications as compared to the previous year. In September 2012, we set up two dedicated teams of relationship managers – one at our Ubi Business Banking Centre and the other at our Jurong Business Banking Centre – to serve the SMEs located in those areas.

Our leadership position in the SME business segment was affirmed by the industry when we were named Best SME Bank Singapore by *Global Banking & Finance Review 2012*, Best in SME Banking by *The Asian Banker Excellence* and – for a second time – the ASEAN SME Bank of the Year by *Asian Banking & Finance Retail Banking*.

Global Transaction Banking

Our Global Transaction Banking division reported healthy growth in our cash management and trade finance businesses. We secured a significant number of new cash management and trade finance mandates across Singapore, Malaysia and China, contributing to 19% growth in total revenue. We grew our Velocity@ocbc customer base by 19% in Singapore, 30% in Malaysia and 34% in China. Revenue from our trade finance business in Singapore registered 25% growth. The Renminbi's rising popularity as an alternative funding currency meant increased demand for Renminbi-denominated trade financing, while we stepped up our efforts to support the global commodities trading industry.

We were widely recognised by the industry in 2012 for our improved transaction banking capabilities. We were named the Best SME Bank (Working Capital Management) in Singapore by *The Asset*. *The Asset* also lauded us for having the Best Cash Management Solution in Singapore and the Best Trade Finance Solution in Malaysia. We received the inaugural *Asian Banking & Finance Wholesale Banking Awards* for Domestic Cash Management Bank of the Year and Domestic Trade Finance Bank of the Year in Singapore. Other awards included Best Domestic Cash Management Bank (Singapore) by *The Asian Banker*, Best Cash Management Bank in Singapore by *Alpha Southeast Asia*, Best Trade Finance Bank in Singapore by *The Corporate Treasurer* and Best Trade Finance Bank in Singapore by *Global Trade Review*.

GLOBAL TREASURY & INVESTMENT BANKING

Our Global Treasury division achieved another record year of financial results. Total revenue grew 17% to S\$1.2 billion, led by increased treasury activities in our overseas markets outside Singapore. Singapore remained the largest revenue contributor, with a steady growth rate of 14%. Revenue generated by our treasury centre in Malaysia grew 27%, while revenue grew 20% on a combined basis in the other overseas markets. Pre-tax profit grew 21% to S\$858 million.

We continued to invest in upgrading our infrastructure and improving our processes to meet the requirements of global regulatory changes such as the Basel III bank capital rules, the US Dodd-Frank Wall Street Reform and Consumer Protection Act, and the series of measures to reform the over-the-counter (“OTC”) derivatives market agreed by the Group of 20 nations.

In recognition of our excellent customer service and product innovation, and our in-depth knowledge of Asian markets, we topped the rankings in several Asian polls for various Asian local currency treasury products. In the *AsiaMoney Fixed Income Poll 2012*, we were ranked Overall Best for Credit and Interest Rates in Singapore, and the Best for Interest Rates Product and Sales in Indonesia. In the *AsiaMoney FX Poll 2012*, we were named Best Bank for Overall FX Services in Singapore and Malaysia. We also topped *AsiaRisk's Corporate Rankings 2012* for SGD and MYR-denominated currency products, and *AsiaRisk's Institutional Rankings 2012* for SGD, MYR and THB-denominated interest rate products.

Global Investment Banking

Our Singapore Capital Markets team performed well in 2012. We topped the Thomson Reuters LPC 2012 mandated arranger league table for Singapore syndicated loans, with US\$4.51 billion from 35 deals, and achieved a market share of 13.6%. We also ranked among the top three in the Bloomberg 2012 mandated arranger league table for Singapore syndicated loans, achieving a loan volume credit of US\$4.54 billion for 33 deals completed, representing a market share of 11.8%.

Notable deals we arranged included financing Marina Bay Sands for its corporate funding needs, MGP Raffle for the financing of its real estate investments, and M+S Pte Ltd for the development of its Marina South and Ophir-Rochor property sites.

We were ranked among the top three underwriters in the Bloomberg 2012 league table for Singapore dollar bonds. Key transactions included bond issuances for foreign issuers Central China Real Estate (China), VTB Bank (Russia) and Wing Tai Properties (Hong Kong). Supporting Singapore enterprises, we helped raise funds from the debt capital market for Ascott Capital Ltd, Keppel Corporation, Keppel Land, Mapletree Commercial Trust and Neptune Orient Lines. We were the lead manager for Genting Singapore's first retail perpetual bond issue.

Our Singapore Corporate Finance team continued to be active in providing equity capital market and advisory services to our business customers. We were ranked among the top ten in the Bloomberg 2012 underwriters' league table for Singapore equity offerings. Key transactions included the IPOs of Global Premium Hotels and Far East Hospitality Trust, which raised approximately S\$770 million in total. *The Asset* named Far East Hospitality's IPO the Best Mid Cap Equity/Best REIT deal. On the mergers & acquisition front, we were advisers to Ezra Holdings for the spinning-off of Triyards on the Singapore Exchange Mainboard, and to Spei Holdings for its general takeover of Hup Soon Global.

2012 marked the fifth year of our sponsorship of the Emerging Enterprise Awards, organised by the Business Times Singapore to recognise outstanding small businesses. Since the start of this sponsorship in 2008, our Global Investment Banking division has extended more than S\$2 million in interest-free loans to 16 Singapore companies to help them grow their businesses.

In Malaysia, we continued to provide a full range of investment banking solutions to our business customers. We arranged several foreign currency syndicated loans for government-linked and government provident funds, to fund their investments in real estate outside the country.

Other notable loan syndication transactions during the year included a US\$240 million project finance facility for a joint venture between Malaysia's MISC Berhad and Vietnam's Petroleum Technical Services Corporation – to acquire, convert, install, commission and charter a floating production, storage and offloading vessel – and a dual-currency account receivable purchase financing package of up to RM750 million for a subsidiary of Astro Malaysia Holdings Berhad, to purchase receivables from its local and foreign vendors. We were the joint lead manager for several benchmark Malaysian capital market transactions, including Genting Capital Berhad's RM2 billion MTN programme, and Tanjung Bin Energy's RM3.3 billion Sukuk issuance. We provided advisory and financing solutions to fund the privatisation of Leader Universal Holdings Berhad, a wire and cable producer based in Penang.

We were the co-lead manager for the global institutional tranches in the listings of Astro Malaysia Holdings Berhad and IHH Healthcare Berhad. Astro Malaysia Holdings Berhad is a leading integrated consumer media entertainment group in Malaysia and Southeast Asia, while Healthcare Berhad is an international provider of healthcare services.

OCBC MALAYSIA

The Malaysian economy, supported by strong domestic demand, remained resilient in 2012 despite challenging global conditions. With the strong demand for home loans and business loans remaining stable, OCBC Malaysia grew its total loans by 12% to MYR48 billion (S\$19 billion), and registered a 4% increase in net profit to MYR811 million (S\$328 million).

OCBC Malaysia continued to be ranked among the largest foreign banks by assets, deposits, loans and branch network size. We opened one conventional banking branch in Cheras and three Islamic banking kiosks, which were branded OCBC Al-Amin Xpres branches, bringing our total branch network to 31 conventional banking branches and eight Islamic banking branches. Our Cheras branch in Selangor was the largest of our 11 branches in the Klang Valley. The three new OCBC Al-Amin Xpres branches were also the country's first dedicated Islamic banking branches to open for full banking services at night and on weekends. Fitted with machines for banking

transactions, staffed by a team of personal financial consultants for investment sales and enquiries, and located in popular residential and commercial areas, these kiosks offer Islamic banking services from 10 am to 10 pm daily, seven days a week, compared to full-service Islamic banking branches that open from 9:30 am to 4 pm.

We introduced several new investment products during the year, achieving total investment sales in excess of MYR2 billion. We were the first financial institution in Malaysia to introduce new credit-linked structured investment products for retail investors looking for stable yields. This product pays regular coupons unless the components of an underlying basket of blue-chip companies default on their debts. We sold a range of bonds in the secondary market that were denominated in foreign currencies like the Australian Dollar, Singapore Dollar, Renminbi and New Zealand Dollar. We introduced six new structured warrants covering stocks of listed companies in a wide range of industries – from construction, financial services and gaming to plantations and rubber products.

Following the successful launch of our MYR-denominated home loan for the purchase of Australian residential properties located in Sydney and Melbourne in 2011, we rolled out home loan packages for residential properties in Perth in 2012. OCBC Al-Amin introduced Business Cash-i, an unsecured term loan for business customers who require short- to medium-term financing to support business growth.

OCBC Malaysia received several awards in 2012. These included Best Cash Management Solution in Malaysia, Best Trade Finance Solution (Islamic) in Malaysia and Best SME (Working Capital) Bank in Malaysia – all bestowed by *The Asset*. Our Consumer Financial Services division received the Credit Card Initiative of the Year-Malaysia commendation award from *Asian Banking & Finance*.

BANK OCBC NISP

Bank OCBC NISP maintained its ranking as Indonesia's seventh-largest foreign bank in terms of assets. Total assets grew 32% to IDR79 trillion (S\$10 billion), driven by strong loan and deposit growth. Total loans increased by 28%, with consumer loans accounting for 24% of the loans outstanding and SME loans contributing 35%. Asset quality remained healthy, with a low net non-performing loans ratio of 0.4%. Deposits rose 28% to IDR61 trillion (S\$8 billion).

Bank OCBC NISP's network comprises 350 branches and offices, along with 695 ATMs. Its internet banking service for individuals and businesses, which was launched in 2010, saw good growth. The number of internet banking users increased by 87% while the total transaction volume rose 70%.

Synergies gained from collaboration with the OCBC group of companies garnered positive results. As a result of working closely with Great Eastern Holdings, bancassurance revenue increased by

25%. Bank OCBC NISP worked with OCBC's Capital Markets unit to complete six syndicated loan deals, taking the role of the lead-arranger or a co-lead arranger.

Several initiatives were implemented to increase productivity across Bank OCBC NISP. One key initiative was the enhancement of the corporate customer information system to capture more details about the customers. The insights that were gleaned from the information enabled Bank OCBC NISP's relationship managers to structure relevant financial solutions for their customers' business needs. On-going efforts to improve productivity resulted in a 6% increase in revenue per employee, and a 10% increase in net profit after tax per employee.

Bank OCBC NISP was named Indonesia's Domestic Retail Bank of The Year 2012 by *Asian & Banking Finance*. It received the Enterprise Risk Management Award, the Best Human Capital Award and the Best Corporate Governance Award from *Business Review*. It was commended for having the Best Corporate Governance 2012 by *Investor Magazine*, and named the Most Trusted Company by the Indonesian Institute for Corporate Governance. Its 2011 annual report was ranked among the top three financial institution annual reports by the Ministry of Finance, the Capital Market and Financial Institution Supervisory Agency, Indonesia Stock Exchange, Bank Indonesia, the National Committee of Governance Policy and the Association of Indonesian Accountants.

OCBC CHINA

Against a backdrop of a slowing Chinese economy and weakened business confidence in 2012, OCBC China delivered a smaller increase in revenue to RMB1 billion (S\$197 million) compared to a year ago. It closed the year with total assets of RMB50.4 billion (S\$10 billion), and operating profit of RMB391 million (S\$77 million).

Non-bank customer loans fell by 5.1% due to a decline in loan demand in China. Total deposits – comprising corporate and customer deposits – remained healthy, comfortably meeting the regulatory Loan Deposit Ratio of 75%. Our NPL ratio remained low at 0.5%.

We continued to support our business customers from Singapore, Malaysia, Indonesia, Taiwan and Hong Kong expanding into China, and local Chinese companies expanding into these countries, with relevant financial products and services, particularly our cross-border Renminbi trade financing facility.

We introduced 13 new Qualified Domestic Institutional Investors ("QDII") funds investing in global equities and bonds which were well-received by our retail customers, tripling the total sales volume of QDII products.

OCBC China has a total of 16 branches and sub-branches in Shanghai, Beijing, Xiamen, Tianjin, Chengdu, Guangzhou, Chongqing and Qingdao. A new main branch in Shaoxing, Zhejiang Province will be

opened in 2013 after regulatory approval is given. We installed our first two automated teller machines in Shanghai, in the Daning and Luwan sub-branches.

BANK OF SINGAPORE

Bank of Singapore registered strong revenue growth of 34%, further strengthening our private banking business franchise. Our cost-income ratio remained among the lowest in the industry globally. Assets under management ("AUM") grew 35% to US\$42.6 billion while the earning assets base ("EAB") grew 31% to US\$51.8 billion. While AUM growth continued to be broad-based across our major markets of Southeast Asia, the Philippines, Greater China and the India sub-continent, we managed to attract substantial assets from high net worth individuals residing outside these regions. We achieved another record of US\$7.4 billion in net new money received, exceeding last year's US\$6.5 billion.

Our discretionary portfolios, the most objective measure of overall performance, delivered returns for our private banking clients that exceeded industry benchmarks. Our fixed income portfolio mandates produced a return of between 15% to 20% in US dollar terms while our Singapore equity portfolio mandates yielded a 30% return in SGD dollar terms. We secured new customer mandates that increased the AUM for our discretionary portfolio management service by 80%.

We continued to attract talented private bankers from well-established global private banks. Staff strength increased 14% to more than 970, of whom 55% were client-facing.

Bank of Singapore continued to garner industry recognition in 2012 for its sound business model and good investment performance for our customers. We were again named the Best Private Bank in Singapore by both *Asian Private Banker* and *FinanceAsia*. We were named the Best Private Wealth Management Bank in Southeast Asia and Singapore by *Alpha Southeast Asia*.

GREAT EASTERN HOLDINGS

Great Eastern Holdings delivered net profit after tax for the year of S\$1.2 billion, which included divestment gains of S\$422 million. Excluding the divestment gains, its net profit rose to a record S\$768 million, significantly higher than the S\$386 million in 2011. Its solid performance was underpinned by the robust growth in underwriting profit as well as the higher net investment income and mark-to-market gains. Great Eastern Holdings' underlying insurance business continued to register sound growth, with new business weighted premiums increasing 5% to S\$837 million from a year ago, driven by increased demand for regular premium products, while new business embedded value for 2012 was S\$353 million.

More details on Great Eastern Holdings' financials and business operations can be found in its published annual report.

PARTNER BANKS

Bank of Ningbo, China

We continued to deepen our collaboration with Bank of Ningbo (“BON”) in the area of product and business development, which included expanding our bilateral businesses in forward swaps, structured deposits, interest rate swaps, letter of credit discounting, foreign exchange settlement, and overseas inter-bank refinancing.

BON reported a strong set of financial results. Net profit in 2012 was RMB4.1 billion (S\$803 million) an increase of 25% from a year ago. Total loans as at 31 December 2012 was 18% higher compared to a year ago, driven by healthy loan demand and BON’s business expansion in key cities in China. Its nationwide network increased from 146 to 173 branches and sub-branches as at 30 September 2012, covering the cities of Ningbo, Suzhou, Shanghai, Hangzhou, Nanjing, Shenzhen, Wenzhou, Beijing and Wuxi.

VP Bank, Vietnam

VP Bank increased its charter capital from VND5,050 billion to VND5,770 billion through the distribution of scrip dividends and bonus shares. We were allotted 10.7 million new shares, enabling us to maintain our stake at approximately 15%. VP Bank has a network of more than 200 branches and offices in Vietnam.

GROUP OPERATIONS & TECHNOLOGY

Group Operations and Technology division continued to streamline processes to raise productivity and improve the quality of our service delivery. Investments were made in new technology and maintenance capabilities to increase our technology’s effectiveness and efficiency.

We completed 59 process re-engineering projects during the year that significantly improved our service delivery, reaping more than S\$3.5 million in annualised savings across Singapore, Malaysia, China and Indonesia.

These projects included:

- Deployment of a new core banking system at OCBC Malaysia, as part of our efforts to have one common core banking platform across Singapore and Malaysia.
- Implementation of an automated application approval system that reduced the approval time for credit cards by 66% and for debit cards by 85%.
- Enhancement of security measures for credit cards and online banking transactions that included the need to activate new and replacement credit cards using our Internet Banking platform, the issuance of new hardware tokens, and the introduction of two-factor authentication for approving online transactions.

- Implementation of a common technology platform for Group Risk Management in China and Hong Kong, for the analysis and reporting of liquidity, interest rate risk and net interest income as well as for enhancing the monitoring and management of interest rate risk.

GROUP QUALITY & SERVICE EXCELLENCE

We continued to strive for excellence in improving business processes across different group entities in Singapore, Malaysia, China and Indonesia. We executed ten new cross-functional process transformation projects that will benefit our retail, business and private banking customers, and contribute potential margin improvements of more than S\$39.5 million.

We further trained 112 new Quality Leaders to drive quality and process improvements across the OCBC Group.

GROUP CUSTOMER EXPERIENCE

We continued to improve our customers’ experience through harvesting customer insights and applying design-led methodology to improve products and services, marketing materials, customer correspondence and service touch points.

The redesigned www.ocbc.com website was launched in May 2012, featuring easier and simpler navigation as well as added screens for new services. We improved the clarity of our Financial Needs Analysis documents as well as application forms for our customers. Our design team supported the ongoing physical transformation of our branches in Singapore, Malaysia and China.

We strengthened our research capabilities to track the quality of our services across our key customer touch-points, the efficacy of our marketing campaigns and the progress of our new product launches.

To accelerate our efforts to deliver excellent customer experience to our customers, 400 employees in the product development and management teams, marketing teams and operations units were trained in making our banking services easier to use, customer-centricity and design-led thinking.

GROUP PROPERTY MANAGEMENT

Our office and residential investment properties, with an aggregate net lettable area of more than two million square feet, remained at full or near-full occupancy in 2012.

The redevelopment of the former Specialists’ Shopping Centre and Hotel Phoenix site at Orchard Road, which commenced in July 2010, progressed well. The new development’s architecture featured a glass overhead bridge, which would be the first pedestrian bridge across the Orchard Road. The bridge structure was successfully hoisted into place in December 2012. About 70% of the available retail space at the shopping complex in the development has been leased.

In Singapore, we completed the refurbishment of 13 existing OCBC Bank branches and added nine new ones, including one FRANK by OCBC branch and one Plus! Lite branch located at UE Biz Park. We upgraded 35 off-site ATMs and three off-site e-lobbies.

We completed three major premise fit-out works – for Great Eastern Holdings' backroom office in Alexandra Technopark, its training centre, GE Centre, and Banking Computer Services' cheque-clearing office at Wearnes Building.

In May 2011, we received the Building and Construction Authority's Green Mark Gold Award for OCBC Centre as well as the adjoining OCBC Centre South. In 2012, we received a similar award for OCBC Centre East, the other annex building that adjoins OCBC Centre along Phillip Street. These awards recognised our continued efforts to promote sustainability in our built environment regardless of the age of the buildings we own.

Installation of LED light bulbs on the façade of OCBC Centre in Singapore to enhance the architectural identity of the building was completed in February 2013. We can now use the flat surface of the building as a canvas for interesting lighting displays. During the period when we were installing the lighting, we gave several young Singapore artists the opportunity to showcase their works on the hoarding erected as part of the safety measures for the installation work.

GROUP HUMAN RESOURCES

We increased our Group headcount by 7.5% to 24,628 – primarily in Singapore, Malaysia and Indonesia, reflecting our strategy of deepening our presence in these core markets.

We ran our annual Aon Hewitt Employee Engagement Survey for a tenth time in 2012, which saw an employee participation rate of 99.2%. Our overall engagement score increased by two percentage points, recording another year of high employee engagement at OCBC. This score is within Hewitt's High Performance/Best Employer Range and above the Global Financial Norm engagement score.

Employee development remained a key focus in 2012. We maintained the average man-days of training per employee at above six days for the seventh consecutive year, once more exceeding our target of five days. To make it easier for our employees to attend training, we increased the proportion of online learning courses in relation to our total number of learning courses to 35%, from 28% in 2011.

We launched the Global Internal Job Posting programme in October 2012, enabling employees to apply for jobs beyond their home countries. This launch followed the success of the Internal Job Posting program within each country. More than 25% of our vacancies in 2012 were filled by internal candidates via the

Internal Job Posting Program. We also rolled out an online career portal that served as a one-stop resource centre, where employees could use self-assessment tools to understand their strengths and weaknesses, as well as appropriate careers for them. They could also find out more about the various banking roles within OCBC, and learn from the sharings by senior management team members.

As part of our ongoing efforts to enhance our employee work-life balance programme, we introduced our Primary School Leaving Examination ("PSLE") Leave Accommodation and Career Break schemes – both firsts in the financial industry. Under the PSLE scheme, employees whose children are sitting for the PSLE examination in Singapore (or its equivalent in other countries) can carry over 15 days of leave from the previous year to help their children prepare. Under the Career Break scheme, employees can take up to three consecutive months of unpaid sabbatical leave while remaining covered by the company's medical insurance plans.

Our employee share ownership schemes continued to record a high participation rate. 62% of bank employees were OCBC shareholders (including share options and deferred shares) at the end of 2012.