Media Release

OCBC Group Reports Full Year 2011
Net Profit of S$2,312 million

Earnings underpinned by record net interest income and fee income

Singapore, 20 February 2012 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") reported a net profit of S$2,312 million for the financial year ended 31 December 2011 ("FY11"), an increase of 3% from 2010. Core net profit, which excludes gains from the divestment of non-core assets, was S$2,280 million, up 1% from a year ago. Full year performance was underpinned by robust growth in the Group's customer-related businesses, as reflected by record net interest income and fee income, as well as healthy growth in insurance new business weighted premiums and new business embedded value.

Compared with 2010, net interest income grew 16% to S$3,410 million on broad-based loan growth of 27%. Net interest margin declined 12 basis points, primarily due to the low interest rate environment and strong growth in lower-risk loans. Fees and commissions grew 16% to S$1,137 million, led by wealth management revenue and trade-related fees. Trading income was affected by challenging financial market conditions, resulting in a 46% year-on-year decline to S$217 million. Great Eastern Holdings' ("GEH") life assurance profits from the Participating and Investment-linked funds grew 25% to S$249 million. Investment performance of the Non-participating fund[1] was adversely affected by volatility of the financial markets with the fund's profits declining 44% to S$134 million. The Group's operating expenses increased 8% to S$2,430 million, reflecting continued disciplined cost management. Net allowances for loans and other assets increased from S$134 million to S$221 million, largely attributable to increased portfolio allowances in line with robust loan growth, and lower recoveries and write-backs. The non-performing loans ("NPL") ratio was unchanged year-on-year at 0.9%.

Net profit for the fourth quarter of 2011 ("4Q11") was S$594 million, an 18% increase from a year ago ("4Q10") and a 16% increase from the previous quarter ("3Q11"). Net interest income rose 20% year-on-year and 6% quarter-on-quarter, driven by robust loan growth. Fees and commissions grew marginally year-on-year to S$257 million, but were 16% lower than the previous quarter, largely attributable to lower wealth management revenue, and loan and trade-related fees. Trading income rebounded quarter-on-quarter to S$163 million.

[1] The Non-participating fund is made up of insurance policies and riders which have fixed policyholder benefits, e.g. term insurance, critical illness, accident, medical and disability insurance, and in which the policyholders do not participate or share in the profits of the fund.

GEH's life assurance profits from the Participating and Investment-linked funds rose 29% year-on-year to S$65 million. However, this was offset by weaker investment performance of the Non-participating fund, resulting in overall life assurance profits declining 23% year-on-year and 33% quarter-on-quarter to S$51 million. Operating expenses of S$620 million were unchanged year-on-year and marginally higher than the previous quarter. Net allowances for loans and other assets were S$78 million, compared with S$48 million a year ago and S$38 million in the previous quarter.

The Group's revenue from various wealth management activities (comprising insurance, private banking, asset management, stockbroking and sales of other wealth management products), was S$1,285 million for 2011, 2% lower year-on-year due to lower insurance income. As a share of total revenue, wealth management contributed 23%, compared with 25% a year ago. OCBC's private banking franchise continued to expand, with assets under management increasing 19% during the year to US$32 billion (S$41 billion) as of 31 December 2011.

Return on equity, based on core earnings, was 11.1% in 2011, compared with 12.1% in 2010. Core earnings per share for the year was 64.8 cents, compared with 66.1 cents a year ago.

Net Interest Income

Net interest income grew 16% to S$3,410 million in 2011, with robust loan growth partly offset by lower net interest margin. Loan growth of 27% for the year was broad-based across customer segments and key markets, with the largest increases contributed by the general commerce sector, housing loans and loans to professionals and individuals.

Net interest margin declined by 12 basis points to 1.86% from 1.98% in 2010, as a result of the persistently low interest rate environment, strong growth in well-collateralised, lower-yielding trade-related loans, and price competition, particularly for housing loans. Risk weighted assets ("RWA") grew at 22% for the year, versus loan growth of 27%, an indication of the relatively lower-risk loans being booked.

For 4Q11, net interest income rose 20% year-on-year and 6% from the previous quarter to S$925 million, led by strong loan growth of 5%. Net interest margin was 1.85%, stable quarter-on-quarter and lower than the 1.96% a year ago.

Non-Interest Income

Non-interest income for 2011 was S$2,251 million. Excluding a S$39 million gain from the divestment of non-core assets, core non-interest income was S$2,212 million, 7% lower year-on-year. Fees and commissions grew 16% to a record S$1,137 million, with strong growth across most components of fee income, led by wealth management income, trade-related fees and service charges, and investment banking fees. Treasury income from customer flows increased 48% year-on-year to S$324 million, demonstrating continuing product innovation and increased success in cross-selling. Growth in customer-related income was offset by the adverse impact of volatile financial markets on trading income and investment performance of GEH's Non-participating fund. Trading income declined 46% year-on-year to S$217 million, while profit from GEH's Non-participating fund declined 44%. This was partially offset by a 25% increase in profit from GEH's Participating and Investment-linked funds, resulting in total profit from life assurance declining 13% year-on-year to S$383 million.

For 4Q11, non-interest income was 2% higher year-on-year at S$572 million on higher trading income and gains from the sale of investment securities. Excluding a S$35 million gain in 4Q10 from the sale of Pacific Insurance Berhad by the Bank's 63.5%-owned subsidiary, PacificMas Berhad, non-interest income would have increased 9% year-on-year. Compared with 3Q11, non-interest income increased 31% as trading income rebounded to S$163 million, from a loss of S$68 million in 3Q11.

Operating Expenses

Operating expenses increased 8% to S$2,430 million for the year, reflecting continued disciplined cost management. Excluding the one-time expense of S$31 million in the fourth quarter of 2010 relating to the merger of Bank OCBC NISP and Bank OCBC Indonesia ("BOI"), operating expenses would have increased 9% year-on-year. The increase was largely attributable to higher staff costs, which rose 13% to S$1,448 million. The increase in staff costs reflected a 6% growth in staff strength to support expansion of the Group's franchise; the balance was largely attributable to salary increments, and higher incentive compensation and sales commissions linked to stronger business volumes.

4Q11 operating expenses were maintained flat year-on-year at S$620 million. Excluding the one-time above-mentioned merger costs in 4Q10, operating expenses in 4Q11 would have increased 5%. Compared to the previous quarter, operating expenses were marginally higher by 1%.

The cost-to-income ratio was 43.2% for 2011, compared with 42.3% in 2010.

Allowances and Asset Quality

The Group's asset quality remained healthy. Absolute non-performing assets ("NPAs") and the NPL ratio both declined over the first nine months of 2011, but increased in 4Q11 as a result of a comprehensive portfolio review conducted in anticipation of an economic slowdown in 2012. This review resulted in selected accounts being identified for closer attention. NPAs increased from S$1,158 million in 3Q11 to S$1,437 million in 4Q11, and the NPL ratio increased from 0.7% to 0.9%. The reclassified accounts were mainly in the substandard category and are well-collateralised, as reflected in the relatively modest increase in specific allowances compared to the increase in NPAs. Despite the increase in NPAs in 4Q11, the NPL ratio of 0.9% continued to reflect the health of the portfolio, and was equivalent to the NPL ratio a year ago.

Net allowances increased from S$134 million in 2010 to S$221 million in 2011, largely attributable to higher portfolio allowances, and lower recoveries and write-backs. Portfolio allowances increased 31% year-on-year to S$127 million, in line with robust loan growth. Specific allowances for new and existing NPLs decreased 23% to S$231 million, while recoveries and write-backs of S$151 million were 37% lower than a year ago, resulting in net specific allowances increasing to S$79 million from S$57 million in 2010.

The Group's coverage ratios remained strong. Total cumulative allowances represented 107% of total NPAs and 326% of unsecured NPAs.

Subsidiaries' Results

GEH achieved healthy growth in its underlying insurance business in 2011, with new business weighted premiums increasing 10% and new business embedded value growing strongly by 20%. The results reflect strong sales growth across markets, with contribution from the bancassurance and agency channels, as well as GEH's focus on sales of regular premium and protection-based products to better serve the needs of customers.

GEH's net profit for the year was S$386 million, compared with S$507 million in 2010. Profit from insurance operations was S$412 million, underpinned by strong underwriting profits which were offset by weaker investment income due to the challenging financial market conditions. Net investment income in the Shareholders' Fund of S$96 million was up marginally year-on-year. The investment portfolios of the insurance funds and Shareholders' Fund remained sound with no significant impairment charges.

With effect from 1 July 2011, GEH changed the discount rates used in valuing part of its liabilities in its Singapore insurance funds, from Singapore Government Securities ("SGS") yields to zero-coupon SGS yields. The use of zero-coupon SGS yields enables closer matching in valuation between assets and liabilities. The effect of this change on GEH was a reduction in policy liabilities, and an overall positive financial impact of S$68 million, of which S$50 million relates to the periods prior to 1 July 2011.

GEH's contribution to the Group's net profit, after deducting amortisation of intangible assets and non-controlling interests, declined from S$405 million in 2010 to S$297 million in 2011, contributing 13% of the Group's core earnings in 2011.

OCBC Bank (Malaysia) Berhad achieved 6% growth in full year net profit to MYR749 million (S$307 million). Revenue growth was broad-based, with net interest income, Islamic finance income and non-interest income registering growth rates of 7%, 19% and 6%, respectively. Net interest margin declined from 2.42% to 2.32%, partly due to increases in the statutory reserve requirements during the year. Expenses grew 14% as the Group continued to invest in branch expansion and upgrading of capabilities and systems. Allowances were reduced marginally during the year. Loans grew 20% year-on-year, and the NPL ratio improved from 2.8% to 2.6%.

Bank OCBC NISP's net profit increased 80% to IDR753 billion (S$108 million) for 2011, boosted by the merger with BOI. Net interest income grew 13% year-on-year on robust loan growth of 31%, and non-interest income grew 16%. Revenue growth was enabled by the broader market coverage of the merged entity, improved product capabilities and increased synergies from stronger collaboration with other subsidiaries within the Group. Expenses grew 7% for the year; excluding the one-time merger expense of IDR204 billion (S$31 million) in 2010, expenses rose by 23%. Allowances increased 2% during the year. Asset quality remained healthy, with the NPL ratio improving to 1.3% from 2.0% a year ago.

Capital Position

OCBC Group continues to maintain a strong capital position, with a Tier 1 capital adequacy ratio ("CAR") of 14.4% and total CAR of 15.7% as of 31 December 2011. These ratios remain well above the regulatory minimum of 6% and 10%, respectively. The Group's core Tier 1 ratio, which excludes Tier 1 preference shares, was 11.4% as of 31 December 2011, compared with 12.5% in December 2010.

Final Dividend

A final tax-exempt dividend of 15 cents per share has been proposed, bringing the FY11 total dividend to 30 cents per share, unchanged from FY10. The Scrip Dividend Scheme will not be applicable to the final dividend. The estimated total net dividend of S$1,024 million for 2011 represents 45% of the Group's core net profit of S$2,280 million. This is in line with the Group's dividend policy which targets a minimum payout of 45% of core earnings.

CEO's Comments

Commenting on the Group's performance and outlook, CEO David Conner said:

"Our results for 2011 underscore the strength of our customer franchise in a challenging operating environment. While mindful of the current economic slowdown driven by concerns over sovereign debt in Europe and a sluggish recovery in the US, we will continue to invest in our regional network, and to leverage synergies across the OCBC Group to better serve our customers."

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. It is also ranked by Bloomberg Markets as the world's strongest bank.

OCBC Bank and its subsidiaries offer a broad array of specialist financial services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 500 branches and representative offices in 15 countries and territories, including more than 400 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which continued to gain industry recognition in 2011 including being voted the "Outstanding Private Bank in Asia Pacific" by Private Banker International.

For more information, please visit www.ocbc.com

For more information, please contact:

Koh Ching Ching
Head, Group Corporate Communications
Tel: (65) 6530 4890
Fax: (65) 6535 7477

Chew Seow Ping
Head, Investor Relations
Tel: (65) 6722 2145
Fax: (65) 6532 6001

To Our Shareholders

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

Audited Financial Results for the Financial Year Ended 31 December 2011

For the financial year ended 31 December 2011, Group reported net profit was S$2,312 million. Details of the audited financial results are in the accompanying Group Financial Report.

Ordinary Dividend

A final tax exempt dividend of 15 cents per share has been recommended for the financial year 2011. Including the interim net dividend of 15 cents per share paid in October 2011, total dividends for financial year 2011 would amount to 30 cents per share, unchanged from the 30 cents paid for financial year 2010.

Closure of Books

The books closure date is 3 May 2012. Please refer to the separate announcement titled "Notice of Books Closure Date and Payment of Final One-Tier Tax-Exempt Dividend On Ordinary Shares For The Financial Year Ended 31 December 2011" released by the Bank today.

Scrip Dividend Scheme

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

Preference Dividends

On 20 December 2011, the Bank paid semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class B Preference Shares at 5.1% (2010: 5.1%) per annum; Class E Preference Shares at 4.5% (2010: 4.5%) per annum and Class G Preference Shares at 4.2% (2010: 4.2%) per annum. Total amount of dividends paid for the Class B, Class E and Class G Preference Shares were S$25.6 million, S$11.3 million and S$8.3 million respectively.

Peter Yeoh
Secretary

Singapore, 20 February 2012

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

Oversea-Chinese Banking Corporation Limited

Financial Year 2011 Group Financial Report

Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Financial Summary	2
Financial Review	
Net Interest Income	5
Non-Interest Income	7
Operating Expenses	8
Allowances for Loans and Other Assets	9
Loans and Advances	10
Non-Performing Assets	11
Cumulative Allowances for Assets	13
Deposits	14
Debt Issued	14
Capital Adequacy Ratios	15
Unrealised Valuation Surplus	16
Performance by Business Segment	17
Performance by Geographical Segment	22
Half-Yearly Income and Profit	22
Financial Statements	
Audited Consolidated Income Statement	23
Audited Consolidated Statement of Comprehensive Income	24
Audited Balance Sheets	25
Audited Statement of Changes in Equity – Group	
For the financial year ended 31 December 2011	26
For the three months ended 31 December 2011 (Unaudited)	27
Audited Statement of Changes in Equity – Bank	
For the financial year ended 31 December 2011	28
For the three months ended 31 December 2011 (Unaudited)	28
Audited Consolidated Cash Flow Statement	29
Share Capital and Options on Shares in the Bank	30
Other Matters	31
Attachment: Independent Auditors' Report	

Notes:
1. Certain comparative figures have been restated to conform with the current period's presentation.
2. Amounts less than S$0.5 million are shown as "0".
3. "NM" denotes not meaningful.

FINANCIAL SUMMARY

OCBC Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, including the modification to FRS 39 *Financial Instruments: Recognition and Measurement* requirement on loan loss provisioning under Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore.

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2011:

FRS 24 (Revised):	Related Party Disclosures
INT FRS 114 (Amendments):	Prepayment of a Minimum Funding Requirement
INT FRS 119:	Extinguishing Financial Liabilities with Equity Instruments
Improvements to FRSs 2010	

The revised FRS 24 requires disclosure of transactions in all direct relationships involving control, joint control or significant influence and excludes the need to disclose transactions between two entities in which a person has significant influence over one entity, and a close family member of that person has significant influence over the other entity.

The initial application of the above standards and interpretations does not have any material impact on the Group's financial statements.

Financial Results

Group net profit rose 3% to S$2,312 million for the financial year ended 31 December 2011 ("FY11"), led by record net interest income and fees and commissions, which more than offset the decline in trading related income and profits from life assurance.

Net interest income grew 16% to S$3,410 million, led by strong, broad-based loan growth across industry sectors and geographical segments. Core non-interest income was S$2,212 million, 7% lower than the previous year. Fee income rose to a record S$1,137 million, led by wealth management and trade-related fees, but was more than offset by lower trading income and profit from life assurance, which declined 46% and 13%, respectively. Operating expenses increased 8% to S$2,430 million, reflecting higher staff costs and business volume-driven expenses. Net allowances for loans and other assets were S$221 million in 2011, up from S$134 million a year ago, largely attributable to higher portfolio allowances in line with strong loan growth, and lower recoveries and write-backs. The Group's non-performing loans ("NPL") ratio was unchanged at 0.9%.

Return on equity, based on core earnings, was 11.1% in 2011, compared with 12.1% in 2010. Core earnings per share for the year was 64.8 cents, compared with 66.1 cents a year ago.

Net profit for the fourth quarter of 2011 ("4Q11") was S$594 million, an increase of 18% year-on-year, and 16% quarter-on-quarter. 4Q11 profit was driven by strong growth in net interest income and non-interest income, flat operating expenses and higher net allowances.

FINANCIAL SUMMARY *(continued)*

S$ million	2011	2010	+/(-) %	4Q11	4Q10	+/(-) %	3Q11	+/(-) %
Selected Income Statement Items								
Net interest income	**3,410**	2,947	16	**925**	769	20	874	6
Non-interest income	**2,212**	2,378	(7)	**572**	560	2	436	31
Total core income	**5,622**	5,325	6	**1,497**	1,329	13	1,310	14
Operating expenses	**(2,430)**	(2,254)	8	**(620)**	(620)	–	(611)	1
Operating profit before allowances and amortisation	**3,192**	3,071	4	**877**	709	24	699	26
Amortisation of intangible assets	**(61)**	(55)	12	**(16)**	(16)	(2)	(15)	1
Allowances for loans and impairment of other assets	**(221)**	(134)	65	**(78)**	(48)	63	(38)	108
Operating profit after allowances and amortisation	**2,910**	2,882	1	**783**	645	21	646	21
Share of results of associates and joint ventures	**7**	(2)	442	**(26)**	(1)	NM	3	NM
Profit before income tax	**2,917**	2,880	1	**757**	644	18	649	17
Core net profit attributable to shareholders	**2,280**	2,253	1	**594**	505	18	513	16
Divestment gain, net of tax	**32**	–	–	**–**	–	–	–	–
Reported net profit attributable to shareholders	**2,312**	2,253	3	**594**	505	18	513	16
Cash basis net profit attributable to shareholders [1/]	**2,373**	2,308	3	**610**	521	17	528	15
Selected Balance Sheet Items								
Ordinary equity	**20,675**	18,894	9	**20,675**	18,894	9	19,714	5
Total equity *(excluding non-controlling interests)*	**22,571**	20,790	9	**22,571**	20,790	9	21,610	4
Total assets	**277,758**	229,283	21	**277,758**	229,283	21	266,938	4
Assets excluding life assurance fund investment assets	**228,670**	181,797	26	**228,670**	181,797	26	219,829	4
Loans and bills receivable *(net of allowances)*	**133,557**	104,989	27	**133,557**	104,989	27	127,760	5
Deposits of non-bank customers	**154,555**	123,300	25	**154,555**	123,300	25	145,258	6

Note:
1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	2011	2010	4Q11	4Q10	3Q11
Key Financial Ratios - based on core earnings					
Performance ratios (% p.a.)					
Return on equity [1/ 2/]					
SFRS[3/] basis	**11.1**	12.1	**11.2**	10.3	9.8
Cash basis	**11.4**	12.4	**11.5**	10.6	10.1
Return on assets [4/]					
SFRS[3/] basis	**1.09**	1.32	**1.05**	1.12	0.95
Cash basis	**1.12**	1.35	**1.08**	1.15	0.98
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	**1.86**	1.98	**1.85**	1.96	1.85
Net interest income to total income	**60.7**	55.3	**61.8**	57.9	66.7
Non-interest income to total income	**39.3**	44.7	**38.2**	42.1	33.3
Cost to income	**43.2**	42.3	**41.4**	46.6	46.6
Loans to deposits	**86.4**	85.1	**86.4**	85.1	88.0
NPL ratio	**0.9**	0.9	**0.9**	0.9	0.7
Earnings per share [2/] (annualised - cents)					
Basic earnings	**64.8**	66.1	**66.0**	57.6	57.5
Basic earnings (cash basis)	**66.7**	67.8	**67.8**	59.5	59.3
Diluted earnings	**64.7**	65.9	**65.8**	57.4	57.3
Net asset value per share (S$)					
Before valuation surplus	**6.02**	5.66	**6.02**	5.66	5.82
After valuation surplus	**7.04**	7.09	**7.04**	7.09	6.81
Capital adequacy ratios (%)					
Tier 1	**14.4**	16.3	**14.4**	16.3	14.4
Total	**15.7**	17.6	**15.7**	17.6	15.9

Notes:
1. Preference equity and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on core net profit less preference dividends paid and estimated to be due at the end of the financial period.
3. "SFRS" refers to Singapore Financial Reporting Standards.
4. Computation of return on assets excludes life assurance fund investment assets.

NET INTEREST INCOME

Average Balance Sheet

S$ million	2011 Average Balance	2011 Interest	2011 Average Rate %	2010 Average Balance	2010 Interest	2010 Average Rate %
Interest earning assets						
Loans and advances to non-bank customers	**118,744**	**3,675**	**3.10**	94,022	3,201	3.40
Placements with and loans to banks	**34,207**	**850**	**2.48**	26,722	423	1.58
Other interest earning assets [1/]	**29,979**	**795**	**2.65**	28,029	739	2.63
Total	**182,930**	**5,320**	**2.91**	148,773	4,363	2.93
Interest bearing liabilities						
Deposits of non-bank customers	**136,485**	**1,444**	**1.06**	112,591	1,061	0.94
Deposits and balances of banks	**22,365**	**187**	**0.83**	14,942	103	0.69
Other borrowings [2/]	**11,262**	**279**	**2.48**	8,962	252	2.82
Total	**170,112**	**1,910**	**1.12**	136,495	1,416	1.04
Net interest income/margin [3/]		**3,410**	**1.86**		2,947	1.98

S$ million	4Q11 Average Balance	4Q11 Interest	4Q11 Average Rate [4/] %	4Q10 Average Balance	4Q10 Interest	4Q10 Average Rate [4/] %	3Q11 Average Balance	3Q11 Interest	3Q11 Average Rate [4/] %
Interest earning assets									
Loans and advances to non-bank customers	**130,340**	**992**	**3.02**	102,093	850	3.30	122,701	938	3.03
Placements with and loans to banks	**36,599**	**263**	**2.85**	25,101	124	1.96	34,876	240	2.73
Other interest earning assets [1/]	**31,850**	**208**	**2.60**	28,699	188	2.61	29,805	203	2.70
Total	**198,789**	**1,463**	**2.92**	155,893	1,162	2.96	187,382	1,381	2.92
Interest bearing liabilities									
Deposits of non-bank customers	**150,724**	**419**	**1.10**	118,652	298	0.99	139,581	389	1.11
Deposits and balances of banks	**20,745**	**47**	**0.90**	16,218	29	0.70	22,579	46	0.81
Other borrowings [2/]	**13,516**	**72**	**2.13**	9,351	66	2.82	12,125	72	2.35
Total	**184,985**	**538**	**1.15**	144,221	393	1.08	174,285	507	1.15
Net interest income/margin [3/]		**925**	**1.85**		769	1.96		874	1.85

Notes:
1. Comprise corporate debt and government securities.
2. Mainly debt issued.
3. Net interest margin is net interest income as a percentage of interest earning assets.
4. Average rates are computed on an annualised basis.

NET INTEREST INCOME *(continued)*

Net interest income grew 16% to S$3,410 million in 2011, led by robust loan growth of 27%. This was partly offset by a 12 basis points decline in net interest margin to 1.86% from 1.98% a year ago. The margin compression was attributable to the persistently low interest rate environment, strong growth in well-collateralised, lower-yielding trade-linked loans, and price competition, particularly for housing loans.

Net interest income for 4Q11 increased 20% year-on-year and 6% from the previous quarter, underpinned by strong loan growth of 5%. Net interest margin for the quarter was 1.85%, stable quarter-on-quarter and lower than the 1.96% a year ago.

Volume and Rate Analysis

	2011 vs 2010			4Q11 vs 4Q10			4Q11 vs 3Q11		
Increase/(decrease) due to change in: S$ million	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Interest income									
Loans and advances to non-bank customers	842	(368)	474	235	(93)	142	59	(5)	54
Placements with and loans to banks	119	308	427	56	83	139	12	11	23
Other interest earning assets	51	5	56	21	(1)	20	13	(8)	5
Total	1,012	(55)	957	312	(11)	301	84	(2)	82
Interest expense									
Deposits of non-bank customers	225	158	383	80	41	121	32	(2)	30
Deposits and balances of banks	51	33	84	8	10	18	(4)	5	1
Other borrowings	65	(38)	27	30	(24)	6	8	(8)	0
Total	341	153	494	118	27	145	36	(5)	31
Impact on net interest income	671	(208)	463	194	(38)	156	48	3	51
Due to change in number of days			–			–			–
Net interest income			463			156			51

NON-INTEREST INCOME

S$ million	2011	2010	+/(-) %	4Q11	4Q10	+/(-) %	3Q11	+/(-) %
Fees and commissions								
Brokerage	**69**	86	(20)	**13**	23	(43)	20	(33)
Wealth management	**252**	200	26	**56**	60	(7)	65	(15)
Fund management	**101**	83	21	**24**	23	4	26	(7)
Credit card	**48**	46	4	**13**	13	2	15	(7)
Loan-related	**216**	208	4	**57**	49	16	62	(8)
Trade-related and remittances	**208**	172	21	**49**	49	–	53	(7)
Guarantees	**21**	21	1	**5**	5	(1)	5	7
Investment banking	**95**	80	19	**12**	12	3	27	(55)
Service charges	**94**	59	60	**18**	14	26	27	(37)
Others	**33**	28	13	**10**	6	81	7	34
Sub-total	**1,137**	983	16	**257**	254	1	307	(16)
Dividends	**88**	63	41	**7**	6	3	12	(47)
Rental income	**76**	77	(1)	**19**	18	7	19	2
Profit from life assurance	**383**	437	(13)	**51**	66	(23)	76	(33)
Premium income from general insurance	**125**	149	(16)	**34**	40	(15)	31	10
Other income								
Net trading income	**217**	402	(46)	**163**	116	41	(68)	342
Net gain from investment securities	**120**	153	(21)	**22**	11	97	44	(48)
Net gain/(loss) from disposal/liquidation of subsidiaries and associates	**1**	38	(97)	**0**	35	(100)	(0)	NM
Net gain from disposal of properties	**4**	22	(81)	**2**	1	160	–	–
Others	**61**	54	11	**17**	13	36	15	14
Sub-total	**403**	669	(40)	**204**	176	16	(9)	NM
Total core non-interest income	**2,212**	2,378	(7)	**572**	560	2	436	31
Divestment gain	**39**	–	–	**–**	–	–	–	–
Total non-interest income	**2,251**	2,378	(5)	**572**	560	2	436	31
Fees and commissions/Total income [1/]	**20.2%**	18.5%		**17.2%**	19.1%		23.4%	
Non-interest income/Total income [1/]	**39.3%**	44.7%		**38.2%**	42.1%		33.3%	

Note:

1. Excludes gains from divestment of non-core assets.

Core non-interest income, which excludes a S$39 million gain from the disposal of a property, declined 7% in 2011 to S$2,212 million. Fee and commission income rose 16% to a record S$1,137 million, driven by strong growth in wealth management, fund management and investment banking fees, trade-related income and service charges. Dividends increased 41% to S$88 million. Net trading income declined 46% to S$217 million from S$402 million in 2010 as a result of volatile financial markets. Great Eastern Holdings' ("GEH") life assurance profits from the Participating and Investment-linked fund grew 25% to S$249 million. Investment performance of the Non-participating fund[2] was adversely affected by volatility of the financial markets, with the fund's profits declining 44% to S$134 million.

Non-interest income for 4Q11 rose 2% year-on-year, largely contributed by higher trading income and gains from the sale of investment securities. Fees and commissions grew marginally year-on-year to S$257 million. GEH's life assurance profits from the Participating and Investment-linked funds rose 29% year-on-year to S$65 million, offset by weaker investment performance of the Non-participating fund, resulting in overall life assurance profits declining 23% year-on-year. Excluding the S$35 million gain in 4Q10 arising from the sale of Pacific Insurance Berhad by the Bank's 63.5%-owned subsidiary, PacificMas Berhad, non-interest income would have increased by 9%. Compared to the previous quarter, non-interest income grew 31%, led by higher trading income of S$163 million, as compared to a trading loss of S$68 million in 3Q11.

[2] The Non-participating fund is made up of insurance policies and riders which have fixed policyholder benefits, e.g. term insurance, critical illness, accident, medical and disability insurance, and in which the policyholders do not participate or share in the profits of the fund.

OPERATING EXPENSES

S$ million	2011	2010	+/(-) %	4Q11	4Q10	+/(-) %	3Q11	+/(-) %
Staff costs								
Salaries and other costs	**1,338**	1,177	14	**340**	308	10	333	2
Share-based expenses	**10**	12	(17)	**2**	3	(29)	2	(3)
Contribution to defined contribution plans	**100**	94	6	**20**	25	(21)	27	(30)
	1,448	1,283	13	**362**	336	8	362	–
Property and equipment								
Depreciation	**166**	152	10	**44**	38	16	42	5
Maintenance and hire of property, plant & equipment	**75**	70	7	**21**	20	6	19	12
Rental expenses	**68**	59	14	**17**	15	15	17	3
Others	**142**	126	13	**38**	34	11	34	11
	451	407	11	**120**	107	12	112	8
Other operating expenses	**531**	564	(6)	**138**	177	(22)	137	1
Total operating expenses	**2,430**	2,254	8	**620**	620	–	611	1
Group staff strength								
Period end	**22,892**	21,585	6	**22,892**	21,585	6	22,749	1
Average	**22,371**	21,126	6	**22,849**	21,662	5	22,623	1
Cost to income ratio [1/]	**43.2%**	42.3%		**41.4%**	46.6%		46.6%	

Note:
1. Excludes gains from divestment of non-core assets.

Operating expenses were S$2,430 million in 2011, an increase of 8% year-on-year. Staff costs increased 13% to S$1,448 million, reflecting the impact of a 6% growth in staff strength to support the expansion of the Group's franchise; as well as salary increments, higher incentive compensation and sales commissions linked to stronger business volumes. Property and equipment related expenses increased by 11% year-on-year, largely attributable to higher technology related costs. Excluding the one-time cost of S$31 million in 2010 relating to the merger of Bank OCBC NISP and Bank OCBC Indonesia, operating expenses would have increased 9% year-on-year.

Operating expenses of S$620 million in 4Q11 were unchanged compared to the year ago period and marginally higher than the previous quarter. Excluding the one-time merger costs in 4Q10, operating expenses would have increased by 5% year-on-year.

The cost-to-income ratio was 43.2% for 2011, compared with 42.3% in 2010.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	2011	2010	+/(-) %	4Q11	4Q10	+/(-) %	3Q11	+/(-) %
Specific allowances/ (write-back) for loans								
Singapore	**47**	(11)	543	**33**	(5)	753	12	174
Malaysia	**10**	32	(70)	**(1)**	4	(118)	1	(177)
Others	**22**	36	(37)	**16**	26	(39)	3	467
	79	57	38	**48**	25	92	16	202
Portfolio allowances for loans	**127**	98	31	**21**	34	(39)	23	(10)
Allowances and impairment charges/(write-back) for other assets	**15**	(21)	172	**9**	(11)	187	(1)	NM
Allowances for loans and impairment of other assets	**221**	134	65	**78**	48	63	38	108

Allowances for loans and other assets were S$221 million in 2011, up from S$134 million in 2010. Portfolio allowances increased 31% to S$127 million, in line with robust loan growth. Specific allowances for new and existing NPLs decreased 23% to S$231 million, while recoveries and write-backs of S$151 million were 37% lower than a year ago. As a result, net specific allowances increased to S$79 million from S$57 million in 2010.

For 4Q11, net allowances amounted to S$78 million, compared with S$48 million a year ago and S$38 million in 3Q11.

LOANS AND ADVANCES

S$ million	31 Dec 2011	31 Dec 2010	30 Sep 2011
Loans to customers	**123,817**	102,172	117,886
Bills receivable	**11,315**	4,277	11,420
Gross loans to customers	**135,132**	106,449	129,306
Allowances			
Specific allowances	**(302)**	(328)	(296)
Portfolio allowances	**(1,220)**	(1,094)	(1,197)
	133,610	105,027	127,813
Less: assets pledged	**(53)**	(38)	(53)
Loans net of allowances	**133,557**	104,989	127,760
By Maturity			
Within 1 year	**52,023**	39,053	50,789
1 to 3 years	**22,817**	17,515	20,420
Over 3 years	**60,292**	49,881	58,097
	135,132	106,449	129,306
By Industry			
Agriculture, mining and quarrying	**4,042**	2,909	3,421
Manufacturing	**8,424**	7,057	8,030
Building and construction	**20,365**	18,532	18,980
Housing loans	**32,076**	27,076	30,646
General commerce	**20,347**	11,793	19,442
Transport, storage and communication	**9,208**	6,447	7,999
Financial institutions, investment and holding companies	**15,150**	12,887	16,004
Professionals and individuals	**13,952**	10,954	12,769
Others	**11,568**	8,794	12,015
	135,132	106,449	129,306
By Currency			
Singapore Dollar	**61,198**	54,850	59,411
United States Dollar	**35,716**	18,937	33,432
Malaysian Ringgit	**16,724**	14,885	15,919
Indonesian Rupiah	**4,465**	3,551	4,013
Others	**17,029**	14,226	16,531
	135,132	106,449	129,306
By Geography [1/]			
Singapore	**68,260**	59,967	68,221
Malaysia	**21,064**	17,080	20,208
Rest of Southeast Asia (SEA)	**10,954**	6,884	9,001
Greater China	**19,952**	11,079	17,240
Other Asia Pacific	**6,302**	5,311	6,287
Rest of the World	**8,600**	6,128	8,349
	135,132	106,449	129,306

Note:
1. Loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

Gross loans grew 27% year-on-year, and 5% from the previous quarter, to S$135 billion as of 31 December 2011. Loan growth was broad-based, with the largest increases coming from the general commerce sector, housing loans, and loans to professionals and individuals.

NON-PERFORMING ASSETS

S$ million	Total NPAs [1]	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs	NPLs [2]	NPL Ratio [2]
					%		%
Singapore							
31 Dec 2011	**390**	**205**	**151**	**34**	**61.7**	**330**	**0.5**
30 Sep 2011	319	169	121	29	65.0	259	0.4
31 Dec 2010	399	272	54	73	57.8	318	0.5
Malaysia							
31 Dec 2011	**580**	**462**	**72**	**46**	**67.0**	**486**	**2.3**
30 Sep 2011	516	381	92	43	55.8	423	2.1
31 Dec 2010	605	419	114	72	53.3	478	2.8
Rest of SEA							
31 Dec 2011	**129**	**14**	**57**	**58**	**49.3**	**125**	**1.1**
30 Sep 2011	107	13	32	62	63.9	107	1.2
31 Dec 2010	114	41	10	63	59.5	115	1.7
Greater China							
31 Dec 2011	**42**	**39**	**3**	**–**	**73.1**	**42**	**0.2**
30 Sep 2011	31	28	3	–	94.2	31	0.2
31 Dec 2010	24	10	14	–	29.1	24	0.2
Other Asia Pacific							
31 Dec 2011	**188**	**178**	**10**	**–**	**83.4**	**87**	**1.4**
30 Sep 2011	133	133	–	–	82.0	32	0.5
31 Dec 2010	–	–	–	–	–	–	–
Rest of the World							
31 Dec 2011	**108**	**94**	**12**	**2**	**80.5**	**102**	**1.2**
30 Sep 2011	52	33	17	2	86.7	48	0.6
31 Dec 2010	66	37	25	4	78.1	60	1.0
Group							
31 Dec 2011	**1,437**	**992**	**305**	**140**	**67.3**	**1,172**	**0.9**
30 Sep 2011	1,158	757	265	136	64.5	900	0.7
31 Dec 2010	1,208	779	217	212	56.2	995	0.9

Notes:
1. Comprise non-bank loans, debt securities and contingent liabilities.
2. Exclude debt securities and contingent liabilities.

NON-PERFORMING ASSETS *(continued)*

Non-performing loans ("NPLs") were S$1,172 million as of 31 December 2011, 18% higher than a year ago. By geography, the increase was mainly from Other Asia Pacific and Rest of the World. By industry segment, the increases were mainly from financial institutions, investment and holding companies, building and construction, and transport, storage and communication.

The Group's NPL ratio at 0.9% was unchanged from a year ago, and higher than the 0.7% in the previous quarter.

Including classified debt securities and contingent liabilities, the Group's total non-performing assets ("NPAs") were S$1,437 million as of 31 December 2011, 19% higher than a year ago and 24% higher as compared with the previous quarter. Of the total NPAs, 69% were in the substandard category and 67% were secured by collateral.

	31 Dec 2011		31 Dec 2010		30 Sep 2011	
	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	**6**	**0.1**	7	0.2	3	0.1
Manufacturing	**294**	**3.5**	299	4.2	245	3.1
Building and construction	**149**	**0.7**	97	0.5	82	0.4
Housing loans	**188**	**0.6**	190	0.7	186	0.6
General commerce	**133**	**0.7**	127	1.1	104	0.5
Transport, storage and communication	**128**	**1.4**	77	1.2	73	0.9
Financial institutions, investment and holding companies	**124**	**0.8**	29	0.2	61	0.4
Professionals and individuals	**114**	**0.8**	139	1.0	112	0.9
Others	**36**	**0.3**	30	0.5	34	0.3
Total NPLs	**1,172**	**0.9**	995	0.9	900	0.7
Classified debt securities	**111**		13		112	
Classified contingent liabilities	**154**		200		146	
Total NPAs	**1,437**		1,208		1,158	

	31 Dec 2011		31 Dec 2010		30 Sep 2011	
	S$ million	%	S$ million	%	S$ million	%
NPAs by Period Overdue						
Over 180 days	**512**	**36**	511	42	424	37
Over 90 to 180 days	**85**	**6**	98	8	184	16
30 to 90 days	**204**	**14**	166	14	135	11
Less than 30 days	**25**	**2**	20	2	82	7
Not overdue	**611**	**42**	413	34	333	29
	1,437	**100**	1,208	100	1,158	100

	31 Dec 2011		31 Dec 2010		30 Sep 2011	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	**186**	**11**	170	5	155	3
Doubtful	**19**	**16**	22	15	24	16
Loss	**2**	**2**	13	11	2	1
	207	**29**	205	31	181	20

CUMULATIVE ALLOWANCES FOR ASSETS

S$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
Singapore					
31 Dec 2011	**608**	**71**	**537**	**18.1**	**155.9**
30 Sep 2011	588	44	544	13.8	184.1
31 Dec 2010	573	43	530	10.8	143.7
Malaysia					
31 Dec 2011	**454**	**165**	**289**	**28.4**	**78.3**
30 Sep 2011	484	195	289	37.7	93.7
31 Dec 2010	453	202	251	33.5	75.0
Rest of SEA					
31 Dec 2011	**167**	**60**	**107**	**46.3**	**129.6**
30 Sep 2011	144	56	88	52.6	134.9
31 Dec 2010	134	61	73	53.0	117.3
Greater China					
31 Dec 2011	**162**	**3**	**159**	**7.7**	**383.0**
30 Sep 2011	154	3	151	9.2	499.2
31 Dec 2010	147	19	128	79.6	608.9
Other Asia Pacific					
31 Dec 2011	**68**	**–**	**68**	**–**	**36.2**
30 Sep 2011	67	–	67	–	50.4
31 Dec 2010	63	–	63	–	–
Rest of the World					
31 Dec 2011	**73**	**13**	**60**	**12.8**	**67.6**
30 Sep 2011	66	8	58	15.7	127.4
31 Dec 2010	65	16	49	23.4	96.8
Group					
31 Dec 2011	**1,532**	**312**	**1,220**	**21.7**	**106.6**
30 Sep 2011	1,503	306	1,197	26.4	129.8
31 Dec 2010	1,435	341	1,094	28.2	118.8

As of 31 December 2011, the Group's total cumulative allowances for assets were S$1,532 million, comprising S$312 million in specific allowances and S$1,220 million in portfolio allowances. Total cumulative allowances were 107% of total NPAs and 326% of unsecured NPAs, compared with 119% and 271%, respectively, at the end of 2010.

DEPOSITS

S$ million	31 Dec 2011	31 Dec 2010	30 Sep 2011
Deposits of non-bank customers	**154,555**	123,300	145,258
Deposits and balances of banks	**21,653**	16,508	22,630
	176,208	139,808	167,888
Loans to deposits ratio (net non-bank loans/non-bank deposits)	**86.4%**	85.1%	88.0%

S$ million	31 Dec 2011	31 Dec 2010	30 Sep 2011
Total Deposits By Maturity			
Within 1 year	**173,432**	137,926	165,000
1 to 3 years	**2,116**	1,277	2,143
Over 3 years	**660**	605	745
	176,208	139,808	167,888
Non-Bank Deposits By Product			
Fixed deposits	**70,984**	58,602	65,078
Savings deposits	**28,536**	25,620	27,463
Current account	**43,118**	31,737	40,601
Others	**11,917**	7,341	12,116
	154,555	123,300	145,258
Non-Bank Deposits By Currency			
Singapore Dollar	**80,236**	66,934	74,128
United States Dollar	**21,969**	16,918	20,173
Malaysian Ringgit	**19,128**	17,097	18,325
Indonesian Rupiah	**5,158**	4,423	4,860
Others	**28,064**	17,928	27,772
	154,555	123,300	145,258

Customer deposits rose 25% year-on-year and 6% from the previous quarter to S$155 billion as of 31 December 2011. The year-on-year growth was led by a 36% increase in current account deposits and a 21% increase in fixed deposits. The ratio of current and savings deposits to total non-bank deposits was 46.4% as of 31 December 2011, marginally changed from 46.5% a year ago.

The Group's loans-to-deposits ratio was 86.4%, compared to 88.0% in the previous quarter and 85.1% a year ago.

DEBT ISSUED

S$ million	31 Dec 2011	31 Dec 2010	30 Sep 2011
Subordinated debt (unsecured)	**4,080**	6,339	4,205
Floating rate notes (unsecured)	**659**	–	631
Commercial papers (unsecured)	**8,293**	461	4,960
Structured notes (unsecured)	**31**	54	36
Total	**13,063**	6,854	9,832
Debt Issued By Maturity			
Within one year	**8,319**	3,105	4,991
Over one year	**4,744**	3,749	4,841
Total	**13,063**	6,854	9,832

CAPITAL ADEQUACY RATIOS

S$ million	31 Dec 2011	31 Dec 2010	30 Sep 2011
Tier 1 Capital			
Ordinary and preference shares	**9,023**	8,211	8,603
Disclosed reserves/others	**15,202**	14,057	14,611
Goodwill/others	**(5,613)**	(5,120)	(5,560)
Eligible Tier 1 Capital	**18,612**	17,148	17,654
Tier 2 Capital			
Subordinated term notes	**3,343**	3,467	3,455
Revaluation surplus on available-for-sale equity securities	**361**	–	342
Others	**(2,130)**	(2,107)	(2,052)
Total Eligible Capital	**20,186**	18,508	19,399
Risk Weighted Assets	**128,507**	105,062	121,997
Tier 1 capital adequacy ratio	**14.4%**	16.3%	14.4%
Total capital adequacy ratio	**15.7%**	17.6%	15.9%

As of 31 December 2011, the Group's Tier 1 ratio and total capital adequacy ratio ("CAR") were 14.4% and 15.7% respectively. These were well above the regulatory minimum of 6% and 10%, respectively.

Total eligible capital increased year-on-year, contributed by the following factors: retained earnings for the year; the issue of approximately 100 million new shares to shareholders who participated in the Scrip Dividend Schemes for the FY10 final dividend and FY11 interim dividend; and with effect from 1 January 2011, arising from changes in the MAS Notice 637 in July 2010, the inclusion of 45% of unrealised gains on quoted available-for-sale equity securities in Tier 2 capital as well as in the calculation of the credit risk weighted exposure amount for these equity investments. Risk weighted assets ("RWA") increased 22% year-on-year, driven by loan growth, and by the change, with effect from 1 January 2011, from the Standardised Approach to the Simple Risk Weight method under the Internal Ratings-Based Approach for the calculation of RWA for equity exposures.

The Group's core Tier 1 ratio, which excludes Tier 1 preference shares, was 11.4% as of 31 December 2011, compared with 11.2% in September 2011 and 12.5% in December 2010.

UNREALISED VALUATION SURPLUS

S$ million	31 Dec 2011	31 Dec 2010	30 Sep 2011
Properties [1/]	**2,877**	2,549	2,721
Equity securities [2/]	**636**	2,216	610
Total	**3,513**	4,765	3,331

Notes:

1. Includes properties classified as investment properties and assets held for sale. Property values are determined mainly based on external valuations at year-end, with internal reviews performed for other quarters.
2. Comprises mainly investments in quoted subsidiaries, which are valued based on their market prices at the end of each quarter.

The Group's unrealised valuation surplus largely represents the difference between the carrying values of its properties and investments in quoted subsidiaries and the property values and market prices of the quoted investments at the respective dates. The carrying values of subsidiaries and associates on the balance sheet are measured at cost plus post-acquisition reserves, while those of properties are measured at cost less accumulated depreciation, and impairment, if any.

The valuation surplus as of 31 December 2011 was S$3.51 billion, a decline of 26% from S$4.77 billion a year ago, mainly attributable to lower equity securities valuation surplus from the Group's equity stakes in GEH and Bank OCBC NISP.

PERFORMANCE BY BUSINESS SEGMENT

OCBC Group's businesses are presented in the following customer and product segments: Global Consumer Financial Services, Global Corporate Banking, Global Treasury and Insurance.

Operating Profit by Business Segment

S$ million	2011	2010	+/(-) %	4Q11	4Q10	+/(-) %	3Q11	+/(-) %
Global Consumer Financial Services	**468**	525	(11)	**126**	135	(6)	116	9
Global Corporate Banking	**1,500**	1,265	19	**370**	316	17	409	(10)
Global Treasury	**780**	582	34	**307**	134	129	130	137
Insurance	**437**	564	(22)	**85**	104	(18)	52	63
Others [1/]	**247**	413	(40)	**(10)**	59	(116)	65	(115)
Operating profit after allowances and amortisation for total business segments	**3,432**	3,349	2	**878**	748	17	772	14
Add/(Less):								
- Joint income elimination [2/]	**(454)**	(373)	22	**(92)**	(88)	5	(122)	(25)
- Items not attributed to business segments	**(68)**	(94)	(27)	**(3)**	(15)	(77)	(4)	(17)
Operating profit after allowances and amortisation	**2,910**	2,882	1	**783**	645	21	646	21

Notes:
1. Excludes gains from divestment of non-core assets.
2. These are joint income allocated to business segments to reward cross-selling activities.

Global Consumer Financial Services

Global Consumer Financial Services comprises a full range of products and services offered to individuals, including deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards and wealth management products (unit trusts, bancassurance products and structured deposits).

Operating profit after allowances of the consumer segment declined 11% to S$468 million in 2011. Strong fee and commission income were offset by a decline in net interest income, and an increase in expenses and portfolio allowances. Compared with 3Q11, operating profit in 4Q11 rose 9%, driven by higher net interest income as well as fee income.

Global Corporate Banking

Global Corporate Banking serves business customers ranging from large corporates and the public sector to small and medium enterprises. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, deposit accounts and fee-based services such as cash management and custodian services.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate Banking's operating profit after allowances grew 19% to S$1,500 million in 2011. Higher net interest income, led by robust loan growth, and fee income more than offset higher expenses and portfolio allowances. For 4Q11, operating profit after allowances rose 17% year-on-year to S$370 million, but registered a decline of 10% compared to the previous quarter, largely attributable to higher allowances.

Global Treasury

Global Treasury engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and also offers structured treasury products and financial solutions to meet customers' investment and hedging needs.

Global Treasury's operating profit in 2011 grew 34% to S$780 million, as significantly higher net interest income from money market and fixed income activities offset the drop in trading income and higher expenses. Operating profit in 4Q11 rose 129% from a year ago and 137% quarter-on-quarter to S$307 million, driven by higher net interest income and stronger trading income.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.2%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Operating profit in 2011 fell 22% year-on-year to S$437 million, as GEH's performance was impacted by volatile markets and widening credit spreads. Operating profit in 4Q11 was S$85 million, a decline of 18% year-on-year. Compared to 3Q11, operating profit rose 63% quarter-on-quarter as a result of improved portfolio performance.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S$297 million in 2011 and S$49 million in 4Q11, as compared with S$405 million in 2010 and S$64 million in 4Q10.

Others

The "Others" segment comprises Bank of Singapore, PacificMas Berhad, corporate finance, capital markets, property holding, stock brokerage and investment holding. Full year operating profit after allowances for this segment was S$247 million in 2011, down 40% year-on-year. The decrease was mainly attributed to lower gains from investment securities and decrease in profits from stockbroking activities.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Total Business Segments
2011						
- External customers	**1,303**	**2,326**	**1,062**	**672**	**736**	**6,099**
- Intersegment income	**–**	**–**	**–**	**–**	**79**	**79**
Total income [1/]	**1,303**	**2,326**	**1,062**	**672**	**815**	**6,178**
Operating profit before allowances and amortisation [1/]	**532**	**1,654**	**785**	**488**	**255**	**3,714**
Amortisation of intangible assets	**–**	**–**	**–**	**(47)**	**(14)**	**(61)**
Write-back/(allowances and impairment) for loans and other assets	**(64)**	**(154)**	**(5)**	**(4)**	**6**	**(221)**
Operating profit after allowances and amortisation [1/]	**468**	**1,500**	**780**	**437**	**247**	**3,432**
Other information:						
Capital expenditure	**12**	**9**	**0**	**42**	**188**	**251**
Depreciation	**21**	**13**	**1**	**3**	**128**	**166**
2010						
- External customers	1,232	1,895	828	774	1,004	5,733
- Intersegment income	–	–	–	–	84	84
Total income	1,232	1,895	828	774	1,088	5,817
Operating profit before allowances and amortisation	548	1,295	581	615	499	3,538
Amortisation of intangible assets	–	–	–	(47)	(8)	(55)
Write-back/(allowances and impairment) for loans and other assets	(23)	(30)	1	(4)	(78)	(134)
Operating profit after allowances and amortisation	525	1,265	582	564	413	3,349
Other information:						
Capital expenditure	10	6	0	38	129	183
Depreciation	22	13	1	2	114	152

Note:
1. Excludes gains from divestment of non-core assets.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Total Business Segments
4Q11						
- External customers	**350**	**610**	**371**	**143**	**121**	**1,595**
- Intersegment income	**–**	**–**	**–**	**–**	**20**	**20**
Total income	**350**	**610**	**371**	**143**	**141**	**1,615**
Operating profit before allowances and amortisation	**147**	**433**	**308**	**100**	**(16)**	**972**
Amortisation of intangible assets	**–**	**–**	**–**	**(12)**	**(4)**	**(16)**
Write-back/(allowances and impairment) for loans and other assets	**(21)**	**(63)**	**(1)**	**(3)**	**10**	**(78)**
Operating profit after allowances and amortisation	**126**	**370**	**307**	**85**	**(10)**	**878**
Other information:						
Capital expenditure	**3**	**4**	**0**	**15**	**44**	**66**
Depreciation	**5**	**3**	**0**	**1**	**35**	**44**
4Q10						
- External customers	314	493	199	160	252	1,418
- Intersegment income	–	–	–	–	21	21
Total income	314	493	199	160	273	1,439
Operating profit before allowances and amortisation	139	337	132	116	88	812
Amortisation of intangible assets	–	–	–	(12)	(4)	(16)
Write-back/(allowances and impairment) for loans and other assets	(4)	(21)	2	0	(25)	(48)
Operating profit after allowances and amortisation	135	316	134	104	59	748
Other information:						
Capital expenditure	1	1	0	19	28	49
Depreciation	7	4	0	1	26	38
3Q11						
- External customers	325	609	205	113	179	1,431
- Intersegment income	–	–	–	–	20	20
Total income	325	609	205	113	199	1,451
Operating profit before allowances and amortisation	132	439	133	64	57	825
Amortisation of intangible assets	–	–	–	(12)	(3)	(15)
Write-back/(allowances and impairment) for loans and other assets	(16)	(30)	(3)	(0)	11	(38)
Operating profit after allowances and amortisation	116	409	130	52	65	772
Other information:						
Capital expenditure	3	3	0	13	37	56
Depreciation	4	3	0	1	34	42

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Group
At 31 December 2011						
Segment assets	**39,151**	**91,861**	**63,959**	**56,579**	**41,681**	**293,231**
Unallocated assets						**71**
Elimination						**(15,544)**
Total assets						**277,758**
Segment liabilities	**48,350**	**82,544**	**47,366**	**50,227**	**37,502**	**265,989**
Unallocated liabilities						**1,923**
Elimination						**(15,544)**
Total liabilities						**252,368**
Other information:						
Gross non-bank loans	**37,891**	**83,931**	**1,287**	**373**	**11,650**	**135,132**
NPAs	**250**	**1,122**	**–**	**3**	**62**	**1,437**
At 31 December 2010						
Segment assets	32,902	74,434	47,218	54,467	31,448	240,469
Unallocated assets						101
Elimination						(11,287)
Total assets						229,283
Segment liabilities	43,411	59,638	36,177	47,961	27,867	215,054
Unallocated liabilities						1,871
Elimination						(11,287)
Total liabilities						205,638
Other information:						
Gross non-bank loans	31,703	64,294	1,567	174	8,711	106,449
NPAs	255	885	–	7	61	1,208
At 30 September 2011						
Segment assets	37,157	88,223	61,838	55,023	39,833	282,074
Unallocated assets						150
Elimination						(15,286)
Total assets						266,938
Segment liabilities	46,759	74,184	52,164	48,840	34,109	256,056
Unallocated liabilities						1,771
Elimination						(15,286)
Total liabilities						242,541
Other information:						
Gross non-bank loans	35,954	80,383	1,484	638	10,847	129,306
NPAs	251	857	–	3	47	1,158

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	2011		2010		4Q11		4Q10		3Q11	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total core income										
Singapore [1/]	**3,405**	**60**	3,350	63	**902**	**60**	810	61	752	58
Malaysia	**1,220**	**22**	1,233	23	**316**	**21**	325	24	303	23
Rest of SEA	**435**	**8**	389	7	**120**	**8**	96	7	111	8
Greater China	**387**	**7**	216	4	**112**	**8**	58	5	101	8
Other Asia Pacific	**122**	**2**	95	2	**31**	**2**	29	2	31	2
Rest of the World	**53**	**1**	42	1	**16**	**1**	11	1	12	1
	5,622	**100**	5,325	100	**1,497**	**100**	1,329	100	1,310	100
Profit before income tax										
Singapore [1/]	**1,732**	**59**	1,958	68	**479**	**63**	472	73	350	54
Malaysia	**750**	**26**	768	27	**204**	**27**	200	31	177	27
Rest of SEA	**123**	**4**	60	2	**26**	**3**	(6)	(1)	38	6
Greater China	**195**	**7**	34	1	**47**	**6**	(19)	(3)	50	8
Other Asia Pacific	**94**	**3**	53	2	**20**	**3**	(1)	–	26	4
Rest of the World	**23**	**1**	7	–	**(19)**	**(2)**	(2)	–	8	1
	2,917	**100**	2,880	100	**757**	**100**	644	100	649	100

Note:
1. Excludes gain of S$39 million from divestment of non-core assets for 2011.

	31 Dec 2011		31 Dec 2010		30 Sep 2011	
	S$ million	%	S$ million	%	S$ million	%
Total assets						
Singapore	**173,522**	**62**	145,864	64	166,985	63
Malaysia	**53,327**	**19**	47,673	21	51,824	19
Rest of SEA	**9,962**	**4**	8,550	4	9,814	4
Greater China	**28,878**	**10**	17,263	7	27,322	10
Other Asia Pacific	**7,854**	**3**	6,987	3	7,625	3
Rest of the World	**4,215**	**2**	2,946	1	3,368	1
	277,758	**100**	229,283	100	266,938	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 2011, Singapore accounted for 60% of total income and 59% of pre-tax profit, while Malaysia accounted for 22% of total income and 26% of pre-tax profit.

Pre-tax profit for Singapore declined 12% year-on-year to S$1,732 million, as higher net interest income and fee and commission income was more than offset by lower insurance and trading income, as well as higher expenses and allowances. Malaysia's pre-tax profit for 2011 was 2% lower from a year ago at S$750 million, mainly attributable to a decline in trading income and lower investment gains.

HALF-YEARLY INCOME AND PROFIT

S$ million	2011	2010	+/(-)
			%
Total income			
First half year	**2,854**	2,621	9
Second half year	**2,807**	2,704	4
	5,661	5,325	6
Profit for the year			
First half year	**1,299**	1,273	2
Second half year	**1,180**	1,174	–
	2,479	2,447	1

AUDITED CONSOLIDATED INCOME STATEMENT

S$ million	2011	2010	+/(-)	4Q11@	4Q10@	+/(-)	3Q11@	+/(-)
			%			%		%
Interest income	**5,320**	4,363	22	**1,463**	1,162	26	1,381	6
Interest expense	**(1,910)**	(1,416)	35	**(538)**	(393)	37	(507)	6
Net interest income	**3,410**	2,947	16	**925**	769	20	874	6
Premium income	**6,106**	5,866	4	**1,597**	1,713	(7)	1,611	(1)
Investment income	**1,676**	2,440	(31)	**533**	796	(33)	25	NM
Net claims, surrenders and annuities	**(4,531)**	(4,181)	8	**(1,187)**	(1,384)	(14)	(1,116)	6
Change in life assurance fund contract liabilities	**(1,697)**	(2,545)	(33)	**(480)**	(637)	(25)	(236)	103
Commission and others	**(1,171)**	(1,143)	2	**(412)**	(422)	(2)	(208)	98
Profit from life assurance	**383**	437	(13)	**51**	66	(23)	76	(33)
Premium income from general insurance	**125**	149	(16)	**34**	40	(15)	31	10
Fees and commissions (net)	**1,137**	983	16	**257**	254	1	307	(16)
Dividends	**88**	63	41	**7**	6	3	12	(47)
Rental income	**76**	77	(1)	**19**	18	7	19	2
Other income	**442**	669	(34)	**204**	176	16	(9)	NM
Non-interest income	**2,251**	2,378	(5)	**572**	560	2	436	31
Total income	**5,661**	5,325	6	**1,497**	1,329	13	1,310	14
Staff costs	**(1,448)**	(1,283)	13	**(362)**	(336)	8	(362)	–
Other operating expenses	**(982)**	(971)	1	**(258)**	(284)	(9)	(249)	4
Total operating expenses	**(2,430)**	(2,254)	8	**(620)**	(620)	–	(611)	1
Operating profit before allowances and amortisation	**3,231**	3,071	5	**877**	709	24	699	26
Amortisation of intangible assets	**(61)**	(55)	12	**(16)**	(16)	(2)	(15)	1
Allowances for loans and impairment of other assets	**(221)**	(134)	65	**(78)**	(48)	63	(38)	108
Operating profit after allowances and amortisation	**2,949**	2,882	2	**783**	645	21	646	21
Share of results of associates and joint ventures	**7**	(2)	442	**(26)**	(1)	NM	3	NM
Profit before income tax	**2,956**	2,880	3	**757**	644	18	649	17
Income tax expense	**(477)**	(433)	10	**(126)**	(90)	39	(101)	26
Profit for the period	**2,479**	2,447	1	**631**	554	14	548	15
Profit attributable to:								
Equity holders of the Bank	**2,312**	2,253	3	**594**	505	18	513	16
Non-controlling interests	**167**	194	(14)	**37**	49	(23)	35	8
	2,479	2,447	1	**631**	554	14	548	15
Earnings per share (for the period – cents) [2/]								
Basic	**65.8**	66.1		**16.0**	13.8		15.2	
Diluted	**65.6**	65.9		**15.9**	13.8		15.1	

Notes:
1. "@" represents unaudited.
2. "Earnings per share" was computed including gains from divestment of non-core assets.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

S$ million	2011	2010	+/(-) %	4Q11@	4Q10@	+/(-) %	3Q11@	+/(-) %
Profit for the year/period	**2,479**	2,447	1	**631**	554	14	548	15
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the year/period	**(157)**	119	(232)	**30**	(113)	126	(228)	113
Reclassification of (gains)/losses to income statement								
– on disposal	**(120)**	(152)	21	**(22)**	(11)	(97)	(44)	48
– on impairment	**(8)**	(23)	66	**0**	(18)	103	(9)	106
Tax on net movements	**26**	(54)	148	**(10)**	5	(297)	33	(131)
Exchange differences on translating foreign operations	**(3)**	(54)	95	**6**	(87)	107	95	(94)
Other comprehensive income of associates and joint ventures	**6**	(4)	237	**1**	(1)	169	5	(83)
Total other comprehensive income, net of tax	**(256)**	(168)	(52)	**5**	(225)	102	(148)	103
Total comprehensive income for the period, net of tax	**2,223**	2,279	(2)	**636**	329	93	400	59
Total comprehensive income attributable to:								
Equity holders of the Bank	**2,074**	2,065	–	**599**	293	104	369	62
Non-controlling interests	**149**	214	(30)	**37**	36	3	31	19
	2,223	2,279	(2)	**636**	329	93	400	59

Note:
1. "@" represents unaudited.

AUDITED BALANCE SHEETS

S$ million	GROUP 31 Dec 2011	GROUP 31 Dec 2010	GROUP 30 Sep 2011 @	BANK 31 Dec 2011	BANK 31 Dec 2010	BANK 30 Sep 2011 @
EQUITY						
Attributable to equity holders of the Bank						
Share capital	**9,023**	8,211	8,603	**9,023**	8,211	8,603
Capital reserves	**279**	613	376	**90**	432	186
Fair value reserves	**1,125**	1,374	1,128	**510**	606	531
Revenue reserves	**12,144**	10,592	11,503	**7,722**	6,605	7,213
	22,571	20,790	21,610	**17,345**	15,854	16,533
Non-controlling interests	**2,819**	2,855	2,787	**–**	–	–
Total equity	**25,390**	23,645	24,397	**17,345**	15,854	16,533
LIABILITIES						
Deposits of non-bank customers	**154,555**	123,300	145,258	**109,827**	88,891	102,639
Deposits and balances of banks	**21,653**	16,508	22,630	**18,881**	13,811	21,127
Due to subsidiaries	**–**	–	–	**5,913**	4,624	5,366
Due to associates	**178**	139	169	**164**	118	155
Trading portfolio liabilities	**1,655**	1,734	1,723	**1,655**	1,734	1,723
Derivative payables	**6,113**	4,563	8,957	**5,782**	4,222	8,248
Other liabilities	**4,024**	3,187	4,318	**1,459**	1,063	1,914
Current tax	**800**	745	746	**304**	311	268
Deferred tax	**1,123**	1,127	1,026	**121**	131	115
Debt issued	**13,063**	6,854	9,832	**13,797**	7,887	10,445
	203,164	158,157	194,659	**157,903**	122,792	152,000
Life assurance fund liabilities	**49,204**	47,481	47,882	**–**	–	–
Total liabilities	**252,368**	205,638	242,541	**157,903**	122,792	152,000
Total equity and liabilities	**277,758**	229,283	266,938	**175,248**	138,646	168,533
ASSETS						
Cash and placements with central banks	**12,897**	11,493	10,199	**6,986**	6,787	4,702
Singapore government treasury bills and securities	**13,250**	11,156	11,740	**12,592**	10,485	11,037
Other government treasury bills and securities	**7,397**	5,944	6,450	**3,988**	3,174	3,689
Placements with and loans to banks	**28,615**	18,569	29,927	**20,654**	13,612	21,346
Loans and bills receivable	**133,557**	104,989	127,760	**97,787**	75,877	93,022
Debt and equity securities	**15,081**	14,255	14,929	**9,721**	9,836	9,960
Assets pledged	**1,839**	746	1,031	**1,329**	708	836
Assets held for sale	**6**	4	2	**–**	2	–
Derivative receivables	**5,899**	4,837	7,719	**5,462**	4,462	7,033
Other assets	**3,191**	3,116	3,269	**1,187**	828	978
Deferred tax	**44**	79	92	**4**	6	6
Associates and joint ventures	**361**	255	349	**215**	113	173
Subsidiaries	**–**	–	–	**12,462**	9,934	12,891
Property, plant and equipment	**1,664**	1,625	1,656	**425**	401	425
Investment property	**922**	733	738	**569**	554	568
Goodwill and intangible assets	**3,947**	3,996	3,968	**1,867**	1,867	1,867
	228,670	181,797	219,829	**175,248**	138,646	168,533
Life assurance fund investment assets	**49,088**	47,486	47,109	**–**	–	–
Total assets	**277,758**	229,283	266,938	**175,248**	138,646	168,533
Net Asset Value Per Ordinary Share @ (before valuation surplus – S$)	**6.02**	5.66	5.82	**4.49**	4.18	4.32
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	**10,345**	8,513	10,095	**7,577**	6,835	7,296
Commitments	**64,892**	55,073	62,475	**44,780**	40,143	44,122
Derivative financial instruments	**545,502**	423,149	552,603	**492,372**	391,147	493,609

Note:
1. "@" represents unaudited.

AUDITED STATEMENT OF CHANGES IN EQUITY – GROUP
For the financial year ended 31 December 2011

	Attributable to equity holders of the Bank						
S$ million	**Share capital**	**Capital reserves**	**Fair value reserves**	**Revenue reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2011	**8,211**	**613**	**1,374**	**10,592**	**20,790**	**2,855**	**23,645**
Total comprehensive income for the year	**–**	**–**	**(249)**	**2,323**	**2,074**	**149**	**2,223**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	**13**	**(345)**	**–**	**332**	**–**	**–**	**–**
Distributions and dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(187)**	**(187)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**4**	**4**	**–**	**4**
Ordinary and preference dividends paid in cash	**–**	**–**	**–**	**(275)**	**(275)**	**–**	**(275)**
Share-based staff costs capitalised	**–**	**10**	**–**	**–**	**10**	**–**	**10**
Share buyback held in treasury	**(92)**	**–**	**–**	**–**	**(92)**	**–**	**(92)**
Shares issued in-lieu of ordinary dividends	**824**	**–**	**–**	**(824)**	**–**	**–**	**–**
Shares issued to non-executive directors	**0**	**–**	**–**	**–**	**0**	**–**	**0**
Shares purchased by DSP Trust	**–**	**(4)**	**–**	**–**	**(4)**	**–**	**(4)**
Shares vested under DSP Scheme	**–**	**29**	**–**	**–**	**29**	**–**	**29**
Treasury shares transferred/sold	**67**	**(24)**	**–**	**–**	**43**	**–**	**43**
Total contributions by and distributions to owners	**812**	**(334)**	**–**	**(763)**	**(285)**	**(187)**	**(472)**
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	**–**	**–**	**–**	**(8)**	**(8)**	**2**	**(6)**
Total changes in ownership interests in subsidiaries	**–**	**–**	**–**	**(8)**	**(8)**	**2**	**(6)**
Balance at 31 December 2011	**9,023**	**279**	**1,125**	**12,144**	**22,571**	**2,819**	**25,390**
Included: Share of reserves of associates and joint ventures	**–**	**–**	**(0)**	**32**	**32**	**(4)**	**28**
Balance at 1 January 2010	7,376	986	1,506	9,103	18,971	2,808	21,779
Total comprehensive income for the year	–	–	(132)	2,197	2,065	214	2,279
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	10	(360)	–	350	–	–	–
Divestment of an associate	–	–	–	0	0	(0)	–
Dividends to non-controlling interests	–	–	–	–	–	(133)	(133)
DSP reserve from dividends on unvested shares	–	–	–	5	5	–	5
Ordinary and preference dividends paid in cash	–	–	–	(279)	(279)	–	(279)
Share-based staff costs capitalised	–	14	–	–	14	–	14
Share buyback held in treasury	(42)	–	–	–	(42)	–	(42)
Shares issued in-lieu of ordinary dividends	757	–	–	(757)	–	–	–
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(4)	–	–	(4)	–	(4)
Shares vested under DSP Scheme	–	8	–	–	8	–	8
Treasury shares transferred/sold	109	(31)	–	–	78	–	78
Total contributions by and distributions to owners	835	(373)	–	(681)	(219)	(133)	(352)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	(27)	(27)	(34)	(61)
Total changes in ownership interests in subsidiaries	–	–	–	(27)	(27)	(34)	(61)
Balance at 31 December 2010	8,211	613	1,374	10,592	20,790	2,855	23,645
Included: Share of reserves of associates and joint ventures	–	–	0	26	26	(4)	22

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 December 2011

S$ million	Attributable to equity holders of the Bank						
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
Balance at 1 October 2011	**8,603**	**376**	**1,128**	**11,503**	**21,610**	**2,787**	**24,397**
Total comprehensive income for the period	**–**	**–**	**(3)**	**602**	**599**	**37**	**636**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	**13**	**(97)**	**–**	**84**	**–**	**–**	**–**
Dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(0)**	**(0)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**2**	**2**	**–**	**2**
Ordinary and preference dividends	**–**	**–**	**–**	**(46)**	**(46)**	**–**	**(46)**
Share-based staff costs capitalised	**–**	**2**	**–**	**–**	**2**	**–**	**2**
Share buyback held in treasury	**(3)**	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Shares issued in-lieu of ordinary dividends	**409**	**–**	**–**	**–**	**409**	**–**	**409**
Shares purchased by DSP Trust	**–**	**(2)**	**–**	**–**	**(2)**	**–**	**(2)**
Treasury shares transferred/sold	**1**	**0**	**–**	**–**	**1**	**–**	**1**
Total contributions by and distributions to owners	**420**	**(97)**	**–**	**40**	**363**	**(0)**	**363**
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	**–**	**–**	**–**	**(1)**	**(1)**	**(5)**	**(6)**
Total changes in ownership interests in a subsidiary	**–**	**–**	**–**	**(1)**	**(1)**	**(5)**	**(6)**
Balance at 31 December 2011	**9,023**	**279**	**1,125**	**12,144**	**22,571**	**2,819**	**25,390**
Included: Share of reserves of associates and joint ventures	**–**	**–**	**(0)**	**32**	**32**	**(4)**	**28**
Balance at 1 October 2010	7,817	710	1,510	10,119	20,156	2,806	22,962
Total comprehensive income for the period	–	–	(136)	429	293	36	329
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	10	(98)	–	88	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(0)	(0)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(46)	(46)	–	(46)
Share-based staff costs capitalised	–	2	–	–	2	–	2
Share buyback held in treasury	(33)	–	–	–	(33)	–	(33)
Shares issued in-lieu of ordinary dividends	398	–	–	–	398	–	398
Shares purchased by DSP Trust	–	(1)	–	–	(1)	–	(1)
Treasury shares transferred/sold	19	(0)	–	–	19	–	19
Total contributions by and distributions to owners	394	(97)	–	44	341	(0)	341
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	–	–	13	13
Total changes in ownership interests in subsidiaries	–	–	–	–	–	13	13
Balance at 31 December 2010	8,211	613	1,374	10,592	20,790	2,855	23,645
Included: Share of reserves of associates and joint ventures	–	–	0	26	26	(4)	22

AUDITED STATEMENT OF CHANGES IN EQUITY – BANK
For the financial year ended 31 December 2011

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2011	**8,211**	**432**	**606**	**6,605**	**15,854**
Total comprehensive income for the year	**–**	**–**	**(96)**	**1,743**	**1,647**
Transfers	**13**	**(352)**	**–**	**339**	**–**
Arising from merger of subsidiaries	**–**	**–**	**–**	**130**	**130**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**4**	**4**
Ordinary and preference dividends paid in cash	**–**	**–**	**–**	**(275)**	**(275)**
Share-based staff costs capitalised	**–**	**10**	**–**	**–**	**10**
Share buyback held in treasury	**(92)**	**–**	**–**	**–**	**(92)**
Shares issued in-lieu of ordinary dividends	**824**	**–**	**–**	**(824)**	**–**
Shares issued to non-executive directors	**0**	**–**	**–**	**–**	**0**
Treasury shares transferred/sold	**67**	**–**	**–**	**–**	**67**
Balance at 31 December 2011	**9,023**	**90**	**510**	**7,722**	**17,345**
Balance at 1 January 2010	7,376	768	603	5,716	14,463
Total comprehensive income for the year	–	–	3	1,580	1,583
Transfers	10	(350)	–	340	–
DSP reserve from dividends on unvested shares	–	–	–	5	5
Ordinary and preference dividends paid in cash	–	–	–	(279)	(279)
Share-based staff costs capitalised	–	14	–	–	14
Share buyback held in treasury	(42)	–	–	–	(42)
Shares issued in-lieu of ordinary dividends	757	–	–	(757)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	109	–	–	–	109
Balance at 31 December 2010	8,211	432	606	6,605	15,854

For the three months ended 31 December 2011 (Unaudited)

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 October 2011	**8,603**	**186**	**531**	**7,213**	**16,533**
Total comprehensive income for the period	**–**	**–**	**(21)**	**468**	**447**
Transfers	**13**	**(98)**	**–**	**85**	**–**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**2**	**2**
Ordinary and preference dividends	**–**	**–**	**–**	**(46)**	**(46)**
Share-based staff costs capitalised	**–**	**2**	**–**	**–**	**2**
Shares issued in-lieu of ordinary dividends	**409**	**–**	**–**	**–**	**409**
Share buyback held in treasury	**(3)**	**–**	**–**	**–**	**(3)**
Treasury shares transferred/sold	**1**	**–**	**–**	**–**	**1**
Balance at 31 December 2011	**9,023**	**90**	**510**	**7,722**	**17,345**
Balance at 1 October 2010	7,817	525	748	6,226	15,316
Total comprehensive income for the period	–	–	(142)	338	196
Transfers	10	(95)	–	85	–
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(46)	(46)
Share-based staff costs capitalised	–	2	–	–	2
Shares issued in-lieu of ordinary dividends	398	–	–	–	398
Share buyback held in treasury	(33)	–	–	–	(33)
Treasury shares transferred/sold	19	–	–	–	19
Balance at 31 December 2010	8,211	432	606	6,605	15,854

AUDITED CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2011

S$ million	2011	2010	4Q11 @	4Q10 @
Cash flows from operating activities				
Profit before income tax	**2,956**	2,880	**757**	644
Adjustments for non-cash items				
Amortisation of intangible assets	**61**	55	**16**	16
Allowances for loans and impairment of other assets	**221**	134	**78**	48
Change in fair value for hedging transactions and trading securities	**69**	(54)	**5**	(8)
Depreciation of property, plant and equipment and investment property	**166**	152	**44**	38
Net gain on disposal of property, plant and equipment and investment property	**(43)**	(23)	**(1)**	(0)
Net gain on disposal of government, debt and equity securities	**(120)**	(153)	**(22)**	(12)
Net gain on disposal/liquidation of subsidiaries and associates	**(1)**	(38)	**(0)**	(35)
Share-based staff costs	**10**	12	**2**	3
Share of results of associates and joint ventures	**(7)**	2	**26**	1
Items relating to life assurance fund				
Surplus before income tax	**532**	703	**169**	199
Surplus transferred from life assurance fund	**(382)**	(437)	**(51)**	(66)
Operating profit before change in operating assets and liabilities	**3,462**	3,233	**1,023**	828
Change in operating assets and liabilities				
Deposits of non-bank customers	**31,294**	16,688	**9,305**	7,319
Deposits and balances of banks	**5,145**	5,316	**(977)**	(350)
Derivative payables and other liabilities	**2,158**	399	**(2,695)**	(1,060)
Trading portfolio liabilities	**(79)**	(282)	**(68)**	(724)
Government securities and treasury bills	**(3,116)**	358	**(2,181)**	569
Trading securities	**(272)**	(730)	**48**	(87)
Placements with and loans to banks	**(10,660)**	(937)	**782**	(1,731)
Loans and bills receivable	**(28,789)**	(19,527)	**(5,867)**	(4,730)
Derivative receivables and other assets	**(1,378)**	(1,046)	**1,914**	866
Net change in investment assets and liabilities of life assurance fund	**59**	(181)	**(654)**	(52)
Cash (used in)/from operating activities	**(2,176)**	3,291	**630**	848
Income tax paid	**(409)**	(419)	**(45)**	(84)
Net cash (used in)/from operating activities	**(2,585)**	2,872	**585**	764
Cash flows from investing activities				
Dividends from associates	**6**	4	**5**	0
Decrease/(increase) in associates and joint ventures	**(107)**	(49)	**(43)**	4
Net cash outflow from acquisition of a business/subsidiaries	**(103)**	(2,003)	**(113)**	–
Purchases of debt and equity securities	**(6,371)**	(6,357)	**(1,624)**	(1,157)
Purchases of property, plant and equipment and investment property	**(251)**	(183)	**(66)**	(49)
Proceeds from disposal of debt and equity securities	**4,798**	4,018	**856**	579
Proceeds from disposal of interest in a subsidiary	**82**	–	**–**	–
Proceeds from disposal of associates	**2**	14	**0**	–
Proceeds from disposal of property, plant and equipment and investment property	**49**	29	**3**	3
Net cash used in investing activities	**(1,895)**	(4,527)	**(982)**	(620)
Cash flows from financing activities				
Changes in non-controlling interests	**(6)**	(64)	**(6)**	12
Dividends paid to equity holders of the Bank	**(275)**	(279)	**(145)**	(140)
Distributions and dividends paid to non-controlling interests	**(187)**	(133)	**(0)**	(0)
Redemption of subordinated debt issued	**(2,467)**	–	**(120)**	–
Issue of subordinated debt	**399**	985	**–**	–
Increase/(decrease) in other debt issued	**8,468**	(589)	**3,357**	297
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**43**	78	**1**	18
Share buyback held in treasury	**(92)**	(42)	**(3)**	(33)
Net cash from/(used in) financing activities	**5,883**	(44)	**3,084**	154
Net currency translation adjustments	**1**	21	**11**	(50)
Net change in cash and cash equivalents	**1,404**	(1,678)	**2,698**	248
Cash and cash equivalents at beginning of year/period	**11,493**	13,171	**10,199**	11,245
Cash and cash equivalents at end of year/period	**12,897**	11,493	**12,897**	11,493

Note:
1. "@" represents unaudited.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

The following table shows movements in the issued ordinary shares of the Bank:

	Financial year ended 31 Dec		Three months ended 31 Dec	
Number of Shares	**2011**	**2010**	**2011**	**2010**
Issued ordinary shares				
Balance at beginning of year/period	**3,341,044,969**	3,245,120,283	**3,390,371,001**	3,290,465,030
Shares issued to non-executive directors	**48,000**	60,000	**–**	–
Shares issued pursuant to Scrip Dividend Scheme	**99,950,207**	95,864,686	**50,672,175**	50,579,939
Balance at end of year/period	**3,441,043,176**	3,341,044,969	**3,441,043,176**	3,341,044,969
Treasury shares				
Balance at beginning of year/period	**(3,269,326)**	(14,781,749)	**(3,874,107)**	(3,192,767)
Share buyback	**(10,078,000)**	(4,439,000)	**(340,000)**	(3,405,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	**2,723,126**	8,969,522	**239,502**	3,106,748
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	**4,071,126**	3,508,329	**8,812**	221,693
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	**2,587,281**	3,469,655	**–**	–
Shares sold for cash	**–**	3,917	**–**	–
Balance at end of year/period	**(3,965,793)**	(3,269,326)	**(3,965,793)**	(3,269,326)
Total	**3,437,077,383**	3,337,775,643	**3,437,077,383**	3,337,775,643

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 15 April 2011, the Bank purchased a total of 340,000 ordinary shares in the fourth quarter ended 31 December 2011. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$7.77 to S$7.98 per share and the total consideration paid was S$2,680,971 (including transaction costs).

From 1 October 2011 to 31 December 2011 (both dates inclusive), the Bank utilised 239,502 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As of 31 December 2011, the number of options outstanding under the OCBC SOS 2001 was 32,836,463 (31 December 2010: 33,106,004).

From 1 October 2011 to 31 December 2011 (both dates inclusive), the Bank utilised 8,812 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As of 31 December 2011, the number of acquisition rights outstanding under the OCBC ESPP was 10,524,336 (31 December 2010: 9,158,682).

50,672,175 ordinary shares were issued on 7 October 2011 pursuant to the OCBC Scrip Dividend Scheme in-lieu of cash for the interim tax exempt dividend of 15 cents per ordinary shares in the capital of OCBC Bank for the financial year ended 31 December 2011.

No new preference shares were allotted and issued by the Bank in the fourth quarter ended 31 December 2011.

OTHER MATTERS

1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.

2. Pursuant to Rule 704(13) of the Listing Manual, for the financial year ended 31 December 2011, there was no person occupying managerial position in the Bank or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Bank.

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

INDEPENDENT AUDITORS' REPORT
To The Members of Oversea-Chinese Banking Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Oversea-Chinese Banking Corporation Limited (the "Bank") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Bank as at 31 December 2011, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Bank and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 129.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of *FRS 39 Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by Notice to Banks No. 612 'Credit Files, Grading and Provisioning' issued by the Monetary Authority of Singapore, to give a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2011, the results and changes in equity of the Group and of the Bank and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

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

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
17 February 2012