

Building on the success of our New Horizons and New Horizons II strategies, we launched our follow-on strategy, New Horizons III in 2011. Retaining the key pillars of our previous strategies, which remain relevant, we intend to continue to utilise our balanced business scorecard, and to accelerate our progress in delivering improved quality and a differentiated customer experience to gain a sustainable competitive advantage in the marketplace. The roll-out of the “FRANK by OCBC” banking programme and the FRANK retail stores is a good example of us leveraging customer insights to deliver a differentiated customer experience. FRANK, which was dubbed “maybe the coolest bank Gen-Y has ever seen” by TheFinancialBrand.com, was the result of in-depth market research to understand the banking needs of young adults. The market reception of FRANK has been strong since its launch, and we received the Financial Insights Innovation Award in recognition of our delivery of a superior customer experience.

GLOBAL CONSUMER FINANCIAL SERVICES

In a year marked by low interest rates and financial market volatility, our consumer banking business delivered a healthy set of operating results. Overall revenue increased by 5% to S\$1.2 billion led by robust loan growth of 19%, and higher fee and commission income from our bancassurance, unit trusts and credit card businesses. Home loans and personal loans, on a combined basis, registered double-digit growth in Singapore and Malaysia, while deposits rose 9% in Singapore and 13% in Malaysia, as we continued to strengthen our consumer banking franchises in both countries. Pre-tax profit nevertheless fell 11% to S\$452 million, mainly attributable to higher staff costs as we continued to invest in deepening our bench strength to grow our consumer banking business.

We launched several new products and services during the year, successfully deploying customer insights to drive innovation. In Singapore, we worked with Lion Global Investors to launch a new unit trust called the LionGlobal New Target Return Fund in October 2011. Based on our customer research findings, we focused our efforts on investors who had not invested in unit trusts before, and created a fund that addresses their fears of low or negative returns from unit trust investments resulting from low interest rates and continued market volatility. More than 40% of the customers who subsequently invested in the Fund were first time unit-trust investors, confirming the relevance of the Fund’s product features.

To attract the youth and young working adults segment, we launched “FRANK by OCBC”, an innovative banking programme that includes a customised suite of savings, debit and credit card offerings, a tailored cards rewards programme and unique internet banking capabilities. Three “FRANK by OCBC” stores were opened in the Singapore Management University and Nanyang Technological University campuses, and VivoCity, a shopping mall.

These stores feature a unique retail concept, with a contemporary layout and 130-card display stand that allows customers to browse, touch and ask questions as they would do when shopping. We transformed the experience for this group of customers by making banking easy, by enabling them to express themselves and by giving them better control over their finances. Providing a choice of 130 distinct debit and credit card designs is the first such initiative in the region. One limited-edition credit card design was sold for S\$1,000, which we matched, and we then donated the entire S\$2,000 to the Singapore Children’s Society.

In November 2011, we rolled out a new account-opening system that delivers an engaging and hassle-free experience for customers. Customers are no longer required to complete multiple forms when they apply for several products at one time. This has resulted in a 57% increase in requests for additional products and services, such as debit cards and internet banking.

Several innovative features were introduced on our mobile and internet banking platforms. In March 2011, we rolled out our mobile banking application for Android mobile phones that includes a unique “Scan and Pay” feature. This allows Android phone users to scan barcodes to obtain billing details and make payments from their OCBC Bank accounts using their phones. The billing organisations’ details can also be stored in the phones for making future payments. In October 2011, we also enhanced our on-line and mobile banking platforms with the intention of increasing the usage rate and customer stickiness. We received positive customer feedback on the new features and the simplified user interfaces. New features include a facility to create multiple on-line savings goals using one bank account, the ability to top up prepaid cards and make overseas remittances.

Operations Review

Our collaboration with the National Trades Union Congress (“NTUC”) reached another milestone in September 2011, with the opening of our first Plus! Lite Branch in a NTUC Fairprice supermarket, FairPrice Xtra Jurong Point. This branch, offering FairPrice customers banking services such as account enquiry and financial advisory services, is the first of its kind in the region. In October 2011, we also started a partnership with nEo, the junior membership arm of NTUC, by providing “FRANK by OCBC” products and services to nEo members. This collaboration was branded “FRANK for nEo”.

In both Singapore and Malaysia, we introduced home loans for residential properties in Australia and London. We were also the first financial institution to bundle renovation and refurbishment loans with home loans in Malaysia, a combined offering with more attractive interest rates than for standalone unsecured renovation loans.

We continued to leverage on our strategic partnership with Great Eastern to cross-sell products that meet the diverse needs of our customers. In Singapore, we continued to be the top bancassurance player with a market share of 34%. In April 2011, we added a new Universal Life insurance plan to complement our two existing popular offerings. With the new PremierLife Heritage (Enhanced) plan, insurance coverage is maintained even if the policy's account value falls to zero. This is an improvement over the classic plan, the PremierLife Heritage (Classic), which requires customers to top up the insurance premium if the account value falls to zero in order to maintain the insurance coverage. The new product helped to drive strong demand for Universal Life insurance plans among our high net worth customers. In Malaysia, we also grew bancassurance revenue by 53%.

We currently have a network of over 600 ATMs and 55 branches in Singapore, of which 21 branches provide full service banking on Sundays. During the year, we added two new Premier Banking Centres, one at Marina Bay Sands and the other at Marina Bay Financial Centre, bringing the total number of Premier Banking Centres to 15. In Malaysia, we have 79 ATMs and 36 branches. We opened a new branch in Ijok, Selangor, and joined the MEPS ATM network, which allows our customers to make cash withdrawals at 10,000 ATMs located across the country.

During the year, we won several awards for our products and service excellence. The OCBC YES! Card received the Product Excellence Award (Singapore) in the inaugural Banking and Payments Asia Trailblazers Awards, and the Gold Award in the Best Credit Card Category by *Asian Banking and Finance*. In the inaugural “We Welcome Families” Awards, we received the Achiever Award for our Hougang Mall branch and our Ang Mo Kio Central branch was the sole recipient of the Excellence Award in the Services category. Some 364 staff from our Consumer Financial Services unit received SPRING Singapore's Excellence Service Award for outstanding service. Out of the 364 staff, 51 received the top Star Award, 141 received the Gold Award, and 172 received the Silver Award.

We were recognised for our efforts to make banking information simple and easy for our customers and to enable them to make more informed financial decisions. We became the first financial institution in Singapore to receive Crystal Marks for Clarity from the UK Plain English Campaign for, among others, our Dual Currency Returns product marketing brochures, Financial Needs Analysis forms and for all our home loan documents.

GLOBAL CORPORATE BANK

At our Global Corporate Bank, revenue rose 23% to a record S\$2.1 billion, led by strong growth in net interest income and higher fee income from trade finance, cash management and treasury activities. Pre-tax profits increased 17% to S\$1.4 billion. Our core markets of Singapore and Malaysia remained our key revenue contributors, while our other overseas markets registered strong double-digit growth as our regional expansion efforts gathered pace.

We achieved 28% loan growth for the year, led by broad-based growth across all geographies. Notable corporate banking transactions in Singapore included our appointment as one of the lead arrangers for the S\$4.2 billion refinancing for Resorts World at Sentosa Pte Ltd; the US\$2.4 billion financing for BW Offshore – the world's second largest FPSO (floating, production, storage and offloading) owner and operator – and a S\$1.3 billion facility to Guocoland Limited. In Malaysia, we were the agent bank, and mandated lead arranger and lender, in the MYR1.4 billion syndicated term loan facility for Digi Telecommunications Sdn Bhd; and the MYR3.0 billion facility for Astro Malaysia Holdings Sdn Bhd.

In Singapore, we established a small and medium enterprises (“SME”) regional business team to support our customers as they build their regional presence in countries such as China, Malaysia and Indonesia. Our base of SME customers with regional operations doubled, and cross-border SME business revenue more than tripled. Our total SME customer base expanded by 10% overall.

Discovering and acting on customer insights remains a key driver of our innovation efforts as we continue to strive to make banking with OCBC “*simple, fast and convenient*” for SMEs. We implemented an integrated credit processing system which allows customers to submit fewer supporting documents and shortens the turnaround time for credit applications. For commercial property loans (“CPL”), we introduced “CPL 120 mins”, whereby customers are informed of the status of their loan applications within two hours of their submitting the documents.

In Malaysia, we launched OCBC Easi-2Pay, a real-time internet payment portal within the Financial Process Exchange (“FPX”) gateway. This service enables customers to receive payments via their own websites. We also enhanced our process to allow prompt issuance of cash-backed letters of credit and Islamic letters of credit, reducing turnaround to within two business days.

In recognition of our efforts to serve SMEs in 2011, we were named the Best ASEAN SME Bank by the *Asian Banking and Finance* magazine, and Best SME Bank in Singapore by the *Alpha Southeast Asia* magazine for the second year in a row.

Group Transaction Banking

Our Group Transaction Banking team had a record year in 2011, with strong growth in both the cash management and trade businesses. We secured a significant number of cash management mandates in Singapore, Malaysia and China. Our trade volumes increased strongly in Singapore and China, driven mainly by the growth of commodities trade finance and Renminbi trade-related activities.

Our customer base for Velocity@ocbc, our award-winning internet banking platform, grew 25% in Singapore, 28% in Malaysia and 66% in China. Our enhanced electronic mobile and email corporate notification service, eAlerts@ocbc, continued to be well-accepted by our customers, with the base of customers using the service expanding by 26%.

In Malaysia, leveraging on our expertise in trade finance and treasury products, we introduced a structured trade financing solution for customers exporting to China in Renminbi. In China, we introduced new trade finance and cash management products and services, including an Export LC Refinancing service and an Escrow Account Service. The expansion of our existing product suite has also helped to grow the number of Velocity@ocbc payment transactions by 87% and doubled the amount of trade settlement transactions.

We also garnered several industry accolades: we were named the Best Domestic Cash Management Bank (Singapore) and the Best Domestic Trade Finance Bank (Singapore) by *The Asian Banker*; the Best Trade Finance Bank in Singapore by *FinanceAsia*; the Best SME Bank (Cash Management) in Singapore, the Rising Star Cash Management Bank in Malaysia and the Best Trade Finance Bank in Malaysia (Foreign Bank category) for the second consecutive year, by *The Asset*; and awarded by *Alpha Southeast Asia* in Singapore; the Best Trade Solution of the Year in Southeast Asia and Best Yuan Trade Settlement Solution of the Year in Southeast Asia.

GLOBAL TREASURY

We registered positive growth amidst the uncertain macro-environment and challenging financial market conditions in 2011. Treasury revenue increased 28% to S\$1.1 billion, driven by contributions from overseas centres and strong customer sales activities. Sales revenue arising from strong cross-sell efforts grew 48%, and our pre-tax profits rose 34% to S\$780 million.

In line with our New Horizon III strategy of deepening our business presence in strategic overseas markets, revenue from overseas Treasury centres grew by 107%. While Singapore and Malaysia continued to be our largest geographical markets, combined revenue contributions from our overseas Treasury centres, mainly in the Greater China region, exceeded the contribution from

Malaysia. This performance is a result of the continuous efforts to diversify our revenue streams across geographies, business activities and asset classes.

We continued to receive market recognition for our product innovation, service excellence and market dominance in Asian currency products. We were ranked as the top provider of SGD, MYR and IDR-denominated currency and interest rate products by *Asia Risk*. In the *Asiamoney's FX Poll 2011*, we were voted by corporate organisations as the Best Domestic Provider of FX Services in Singapore, the Best Domestic Provider for Innovative FX Products & Structured Idea in Singapore and the Best Domestic Provider of FX Prime Broking Services in Singapore. We topped *Asiamoney's Fixed Income Poll 2011* for having the Most Innovative Trading Ideas and Best Pricing & Execution Capabilities in credit and interest rate sales in Singapore.

GROUP INVESTMENT BANKING

OCBC Bank was highly ranked in the Bloomberg 2011 mandated arranger league tables for syndicated loans. We topped the Singapore table with S\$4.3 billion from 32 deals and achieved a market share of 10.6%. We were also listed among the top ten arrangers in the Asia ex-Japan table, with US\$7.7 billion from 78 deals, representing a 2.4% market share in the region.

Notable deals we arranged included financings for the redevelopment of the landmark Capitol Theatre and the development of MGPA Asia Square Towers at the new Marina Bay downtown. We also arranged the only offshore syndicated loan in 2011 for Indonesia's Eximbank.

Our Capital Markets team also did well in 2011. We were ranked among the top five arrangers in the Bloomberg 2011 mandated arranger league table for Singapore dollar bonds. Key transactions included bond issuances for Hong Kong-based Henderson Land and JSC VTB Bank of Russia.

Our Corporate Finance team remained active in supporting our corporate customers in accessing equity capital markets in Singapore. During the year, the team lead-managed various equity deals and raised over S\$185 million. Key transactions included the IPOs of homegrown companies UE E&C and Sheng Siong, and a secondary placement for First Ship Lease Trust. We also co-managed various IPO offerings including Hutchison Port Holdings Trust, the largest IPO for the year, and Mapletree Commercial Trust. In addition, we provided advisory services to Pacific One Energy during its S\$393 million takeover bid for KS Energy.

Our Mezzanine Capital unit continued to provide private equity and customised equity-linked financing solutions to our corporate customers in Singapore, Malaysia, Greater China and Indonesia. One landmark transaction was the successful listing of Shindoo Chemical Industry Co, a company we have supported for three years, on the Shenzhen Stock Exchange in January 2011.

Operations Review

In line with our sponsorship of the Emerging Enterprise Awards, which has been recognising well-run small businesses in Singapore for four years, we extended interest-free loans to the winners of Emerging Enterprise 2011 to help them build their capabilities and grow their businesses.

In Malaysia, we topped the Thomson Reuters 2011 Malaysia syndicated loans bookrunner league table with a market share of 41.6%. Key transactions included a cross border plantation syndication of US\$240 million in Papua New Guinea arranged for London Stock Exchange-listed New Britain Palm Oil, a MYR4 billion dual currency privatisation financing package for Astro Malaysia Holdings, and a US\$265 million syndicated loan arrangement for Genting New York, for the construction of the city's first combined race track and casino. We were also the joint lead manager for several benchmark Malaysian capital market transactions, namely Khazanah's 20-year MYR1.0 billion Sukuk and Alliance Bank's MYR1.5 billion subordinated bond.

OCBC MALAYSIA

OCBC Malaysia registered a 6% increase in net profit to MYR749 million, supported by higher revenues. Customer loans grew 20% to MYR43.1 billion, driven by greater demand for home loans and corporate loans. In 2011, OCBC Malaysia maintained its ranking among the largest foreign banks by assets, deposits, loans, and branch network size. We now have five Islamic banking branches and, in January 2012, we opened our 31st conventional branch in Cheras. Our long-term financial institutional rating was reaffirmed at AAA and our short term financial institutional rating at P1, by RAM Rating Services Berhad.

We launched several new products and services during the year. In March 2011, we introduced the country's only commercial study loan programme for tertiary education, OCBC Secured Study Loan, offering each student a loan amount of up to MYR400,000. This study loan programme allows students to supplement the loan offered by the government-backed Perbadanan Tabung Pendidikan Nasional loan scheme and minimises the use of their parents' Employee Provident Funds. In the same month, OCBC Malaysia joined the Malaysian Electronic Payment System ("MEPS") network, thus enabling OCBC Premier Banking and Mass Affluent customers to make up to four free withdrawals every month at any ATM in the MEPS shared ATM network.

In July 2011, we became the first foreign bank in Malaysia to issue structured warrants. Our structured warrants on MSM Malaysia Holdings Berhad, the biggest sugar refiner in Malaysia, and Benalec Holdings Berhad, a marine construction specialist, received a healthy response from the growing pool of investors interested in sophisticated investment products. In August 2011, we issued a third structured warrant on Bumi Armada Berhad, an international offshore services provider for the oil and gas industry, which proved an equally popular issue among Malaysian investors.

In November 2011, we introduced the first Ringgit-based mortgage loan facility for the purchase of residential properties in Australia, focusing on the prime areas of Sydney and Melbourne. Denominating the home loan in Ringgit and not in Australian dollars will help customers with Ringgit-based cash flows mitigate the risks of foreign exchange fluctuations.

Our efforts to leverage on our strategic relationship with Great Eastern Life Assurance (Malaysia) continued with the launch of Premier Heritage, a single-premium Universal Life Insurance estate planning product developed by Great Eastern Life Assurance (Malaysia) for high net worth individuals seeking effective estate planning for wealth preservation and transfer.

In partnership with Credit Guarantee Corporation Malaysia Berhad ("CGC"), we launched what became the largest credit portfolio guarantee program for small and medium enterprises in Malaysia, with a total of MYR500 million unsecured loans. Under the scheme, CGC guarantees 70% of the approved loan amount. With pre-determined loan eligibility criteria established, loan applications are approved within three days compared to the industry standard of at least two weeks.

OCBC Malaysia was again recognised as a leading service provider of cash management and trade products and services when we were awarded the 2011 Rising Star Cash Management Bank and Best Trade Finance Bank (Foreign Bank Category) in Malaysia by *The Asset*.

BANK OCBC NISP

2011 was another year of solid financial performance for Bank OCBC NISP. Total assets registered 19% growth, underpinned by loan growth of 31%. Asset quality was maintained at a healthy level with a low non-performing loans ratio of 1.3%. Deposits rose 20% to IDR47.3 trillion.

The legal completion of the merger of our two licensed bank subsidiaries in Indonesia, Bank OCBC NISP and Bank OCBC Indonesia took place on 1 January 2011. Within two months, the businesses, operations, systems and people of both entities were fully integrated. This successful merger allows us to serve the Indonesia market with a single banking presence, expanded Bank OCBC NISP's customer segments to include more large corporate clients, and strengthened our corporate banking capability with a wider product range.

Over the year, Bank OCBC NISP worked closely with Great Eastern Holdings in the area of bancassurance, with a 25% increase in bancassurance revenue growth this year. Through its collaboration with OCBC's Capital Markets unit, Bank OCBC NISP also won mandates to lead-arrange or co-lead arrange four syndicated loan deals.

Bank OCBC NISP expanded its network to 352 branches and offices (excluding dedicated micro banking offices), and 652 ATMs during the year. A comprehensive performance measurement framework was put in place to manage branch performance which resulted in increased employee productivity and customer satisfaction.

Bank OCBC NISP continued to make good progress in process and service quality improvements. The Bank was named Indonesia's Retail Bank of The Year 2011 by *Asian Banking & Finance* and Brand Equity Champion by *MarkPlus Independent Research Institution*. For the 10th consecutive year, the bank was commended for Excellent Financial Performance by *Infobank Indonesia Magazine* and received the Banking Efficiency Award from *Bisnis Indonesia Magazine* and the Banking Service Excellence Awards from *Marketing Research Indonesia*.

OCBC CHINA

Our China operations doubled revenues in 2011, largely driven by strong growth in deposits which allowed us to grow our loan book and expand our interbank activities and placements, with an improved net interest margin. Total deposits surged 62%, with corporate customer deposits increasing 38%, and retail customer deposits growing by more than six times. Our total customer base grew 53% compared to a year ago. Total assets increased from RMB34 billion to RMB52 billion. Our staff strength in China grew 14% to 775.

We also expanded our suite of wealth management products to better serve the needs of our retail banking customers. Added to the existing suite of products were securities funds domiciled in Singapore under the Qualified Domestic Institutional Investors ("QDII") scheme, new structured investments and bancassurance products.

We continued to support our corporate customers from Singapore, Malaysia, Indonesia and other parts of the Greater China region who are expanding into China, as well as our China customers who are venturing overseas – particularly into the ASEAN region where OCBC has a strong presence. We leveraged our international network, and offered products such as cross border Renminbi trade financing to help these customers grow their businesses. Our Renminbi trade financing business in China more than doubled.

We further engaged our customers through several networking events. The inaugural OCBC China Spring Forum held in Shanghai in April 2011 was attended by more than 600 corporate and high net worth customers of OCBC China, OCBC Singapore and Bank of Singapore. Our speakers - who are all well-regarded and sought-after for their expertise and knowledge of the economic and business landscape in China – offered thought-provoking and useful insights about the Chinese economy. They included Mr Andy Xie, one of the top economists and financial investment advisers in China, Mr Ba Shusong – a well-known researcher with the Finance Development Research Centre of the State Council – and Professor Sun Li Jian, deputy dean of the School of Economics and Professor of Finance at the prestigious Fudan University in Shanghai. We received many positive comments from customers, local regulators and the media.

We expanded our footprint in China by opening new sub-branches in the following areas: Yubei in Chongqing, Daning in Shanghai and South Renmin Road in Chengdu; and upgraded our representative office in Qingdao to a branch. Our network thereby increased to a total of 16 main and sub-branches in eight major cities.

We were named the Best Foreign Bank in Chengdu by the *Chengdu Business Daily* newspaper for the third consecutive year. We received the 2011 Excellent Corporate Social Responsibility (CSR) Practical Financial Organization Award by the *Chinese Business Journal*, for our CSR efforts in China.

BANK OF SINGAPORE

Tapping the opportunities of the growing high net worth individual segment in Asia, as well as leveraging on OCBC's extensive network and products and services, Bank of Singapore registered a strong revenue increase of 20% – underpinned by the growth of assets under management ("AUM") of 19% to US\$31.5 billion and earning assets base ("EAB") growth of 23% to US\$39.6 billion. AUM growth was broad-based across the major markets of Southeast Asia, the Philippines, Greater China and for customers from the India Sub-continent. Additional customer mandates for our discretionary portfolio management service were secured during the year, resulting in 33% growth in AUM for that service. Including our advisory service, we recorded a net inflow of US\$6.5 billion of fresh funds in 2011. We also retained our Aa1 rating by Moody's.

Staff strength increased 20% in 2011 – to more than 850, of which 60% were client-facing – as the team of relationship managers was expanded to serve Asia's growing private banking customer segment.

Bank of Singapore continued to garner industry recognition, being named the 2011 Outstanding Private Bank in Asia Pacific by *Private Banker International*, the Best Private Bank in Singapore in 2010 and 2011 by *FinanceAsia*, and the Best Wealth Management Bank in Southeast Asia in 2010 and 2011 by *Alpha Southeast Asia*.

GREAT EASTERN HOLDINGS ("GEH")

Great Eastern Holdings' insurance business remained healthy in 2011, with strong growth in new business weighted sales, and higher long term profitability as measured by new business embedded value. Total weighted new business premiums for the year rose 10% to S\$798 million, led by 16% growth in regular premium products. New business embedded value grew 20% to S\$365 million, reflecting GEH's focus on higher sales of regular premium and protection products. Reported net profit for the year fell 24% to S\$386 million, largely attributable to weaker investment income in the challenging financial market conditions.

More details on GEH's financials and business operations can be found in their published annual report.

Operations Review

PARTNER BANKS

Bank of Ningbo, China

We continued to deepen our collaboration with Bank of Ningbo (“BON”) in the areas of product development, risk management, information technology and talent development.

BON reported a strong set of financial results, with net profit in 2011 growing 40% to RMB3,257 million (S\$634 million). Total loans grew 21%, driven by healthy loan demand and BON’s continuing business expansion in key cities in China. Its nationwide network increased from 110 to 146 branches and sub-branches, covering the cities of Ningbo, Suzhou, Shanghai, Hangzhou, Nanjing, Shenzhen, Wenzhou, Beijing and Wuxi.

VP Bank

VP Bank increased its charter capital from VND4,000 billion to VND5,050 billion through the distribution of share dividends and bonus shares. We were allotted approximately 15.6 million new shares, enabling us to maintain our shareholding at 15%. VP Bank has a network size of 199 branches and offices in Ho Chi Minh City and Hanoi.

GROUP OPERATIONS & TECHNOLOGY

Our Operations and Technology division continued to focus on enhancing our customers’ banking experience by standardising technology platforms across the region, improving our operational productivity and quality, and delivering capabilities for differentiated customer experience at branches and on-line.

Significant service improvements were realised through the completion of 37 process re-engineering projects, reaping more than S\$3 million in annualised savings. In Singapore, we streamlined the business debit card approval process – reducing the turnaround time from 4 weeks to 7 days – and improved the process for placing foreign currency fixed deposits, reducing the waiting time at branches from 30 minutes to 15 minutes. In Malaysia, the time required to obtain valuation reports for properties used as collateral for overdraft facilities was shortened from 53 days to 20 days, speeding up approvals and achieving cost savings.

We executed several technology projects during the year. We:

- Linked the ATMs of OCBC NISP in Indonesia, OCBC Singapore and OCBC Malaysia, allowing our customers to make cash withdrawals at any OCBC Bank-owned ATM in the three countries.
- Deployed a new on-line banking platform with more intuitive user interfaces and first-of-its-kind features. The latter included virtual savings jars that allow customers to set up different sub-saving accounts to meet different saving goals in one account, and a “Scan and Pay” feature that allows customers using Android devices or iPhones to scan barcodes, and pay their utility and telecommunications bills via their OCBC Bank accounts.

- Deployed a front-end paperless account opening system to enable the opening of personal banking accounts without multiple forms with multiple signatures.
- Rolled out a single technology platform in Singapore and Malaysia to support our treasury business, for better reporting and management of operational risk.
- Implemented a Credit Cards Global Rewards System allowing customers to transfer their reward points among their OCBC credit cards – and even to OCBC credit cards held by other customers. Rewards can now be redeemed in real time via mobile and internet banking, or at card merchants’ point of sale terminals.
- Implemented a new Wealth Management system in OCBC China to support the sale of investment products.

GROUP QUALITY & SERVICE EXCELLENCE

We continued our bank-wide quality efforts as an important dimension for delivering service excellence.

We executed 21 cross-functional process improvements projects across Singapore, Malaysia and Indonesia – delivering S\$26 million in potential margin improvements.

Our Private Banking business, Bank of Singapore, successfully executed their first two projects, which focused on enhancing their customers’ experience when starting a banking relationship with us, and the financing of properties. We were also pleased with the successful collaboration between Great Eastern and OCBC Malaysia in redesigning the bancassurance application process, resulting in a reduction in cycle time by more than 90% for our customers.

GROUP CUSTOMER EXPERIENCE

We continued to build up our Customer Experience capabilities and worked on three key areas to deliver a differentiated banking experience for our customers: obtaining better customer insights through customer research and experiential laboratory findings; adopting a Design Thinking methodology to improve the quality of experience at all customer touchpoints; and training employees in effective research and design thinking.

More than 30 customer insight studies were conducted during the year allowing us to gain a deeper understanding of the needs and expectations of our customers. These research studies have been instrumental in the development of our products and services. Notable new initiatives included the launch of the “FRANK by OCBC” banking programme, an innovative concept designed to get young working adults to bank with OCBC, and the LionGlobal New Target Return Fund – a new unit trust launched by Lion Global that aims to provide positive returns despite uncertain market conditions over an investment timeframe of five years.

We enhanced our customer satisfaction tracker, Customer Experience Radar ("CX Radar"). CX Radar is an on-line system that gathers feedback from thousands of customers each month across 28 customer touchpoints in Singapore and Malaysia. The information obtained by CX Radar helps us to continuously improve our customer service and experience.

As part of our commitment to provide our customers with clear, relevant and timely information to help them make informed financial decisions, in May 2011, we became the first financial institution in Southeast Asia to earn – for our HDB mortgage documents – the Crystal Mark, awarded by the well-known Plain English Campaign. We have since earned Crystal Marks for several other banking documents such as the Commercial Property Loan Letter of Offer and the marketing brochure for our Dual Currency Returns investment product.

OCBC PROPERTY MANAGEMENT

Our office and residential properties, which are held for own-use and investment purposes, remained full or near full occupancy during the year. These properties have an aggregate net lettable area of approximately two million square feet.

To support the expansion of our banking business in China, we acquired a completed six-storey office building located in Pudong, Shanghai, with an approximate gross floor area of 249,161 square feet.

The redevelopment of the former Specialists' Shopping Centre and Hotel Phoenix site at Orchard Road, which began in July 2010, is targeted for completion in 2013, culminating in a new shopping and hotel complex.

In addition to refurbishing 12 OCBC branches, we added seven new branches to our network in Singapore, Malaysia & China. These comprised three conventional branches, three "FRANK by OCBC" stores and a Plus! Lite branch. In addition, 160 off-site ATMs and three off-site eLobbies across Singapore were upgraded.

Renovation works were also carried out at the Bank of Singapore's new headquarters at 63 Market Street, now renamed Bank of Singapore Centre, and the offices of our subsidiaries, Great Eastern, Banking Computer Services and BCS Information Systems.

In recognition of our ongoing efforts to achieve higher energy efficiency and sustainability in our buildings, OCBC Centre and OCBC Centre South were both awarded the Building and Construction Authority Green Mark Gold Awards.

GROUP HUMAN RESOURCES

Our Group staff strength – including Bank of Singapore, Bank OCBC NISP and Great Eastern Holdings – increased 6% to 22,892. Most of the headcount increase came from our overseas markets, primarily Malaysia and China, reflecting our New Horizons III strategy of deepening market penetration in our core markets.

Employee development and engagement remained a key focus in our human resource management. We increased our training-related expenditure by 35%, and maintained the average man-days of training per employee at above seven days for the sixth consecutive year, once more exceeding our target of five days. We further strengthened our e-learning infrastructure to facilitate learning across different geographies and time zones, increasing the amount of training conducted via e-learning by 31%.

Our employee engagement score increased by four percentage points in 2011, marking a ninth year of consecutive improvement. Our score is now within Hewitt's High Performance/Best Employer Range, and above the Global Financial Norm engagement score.

To give deserving children of our employees the opportunity to pursue their aspirations, we increased the number of undergraduate scholarships for children of staff from six to 11, and extended the program to employees of OCBC China.

Our employee share ownership schemes continued to receive a high participation rate. 61% of bank employees were OCBC shareholders (including share options and deferred shares) at the end of 2011 – well above our target of 30%.