

Management Discussion and Analysis

FINANCIAL SUMMARY

	2006 S\$ million	2005 S\$ million	+ / (-) %
Selected Income Statement Items			
Net interest income	1,794	1,597	12
Non-interest income	2,045	1,289	59
Total income	3,840	2,887	33
Operating expenses	(1,331)	(1,145)	16
Operating profit before allowances and amortisation	2,508	1,742	44
Amortisation of intangible assets	(44)	(40)	10
Allowances for loans and other assets	(2)	(12)	(79)
Share of results of associated and joint venture companies	14	15	(8)
Profit before income tax	2,476	1,706	45
Net profit attributable to shareholders	2,002	1,298	54
Cash basis net profit attributable to shareholders ⁽¹⁾	2,046	1,338	53
Selected Balance Sheet Items			
Ordinary equity	12,508	11,442	9
Total equity (excluding minority interests)	13,404	12,338	9
Total assets	151,220	134,710	12
Assets excluding life assurance fund investment assets	112,796	98,853	14
Loans and bills receivable (net of allowances)	59,309	55,134	8
Deposits of non-bank customers	75,115	64,088	17
Key Financial Ratios (%)			
Return on equity ⁽²⁾	16.6	11.4	
Return on equity – Cash basis	16.9	11.7	
Return on assets ⁽³⁾	1.92	1.30	
Return on assets – Cash basis ⁽³⁾	1.96	1.34	
Net interest margin	2.00	1.84	
Net interest income-to-total income ⁽⁴⁾	55.3	55.3	
Non-interest income-to-total income ⁽⁴⁾	44.7	44.7	
Cost-to-income ⁽³⁾	41.1	39.6	
Loans-to-deposits	79.0	86.0	
NPL ratio	3.0	4.1	
Total capital adequacy ratio	15.8	17.3	
Tier 1 ratio	13.1	13.2	
Per ordinary share data			
Basic earnings per share (cents) ⁽⁵⁾	63.4	40.1	
Basic earnings per share – Cash basis (cents) ⁽⁵⁾	64.8	41.4	
Diluted earnings per share (cents) ⁽⁵⁾	63.2	39.9	
Net asset value per share (S\$)			
Before valuation surplus	4.07	3.67	
After valuation surplus	5.55	4.91	

⁽¹⁾ Excludes amortisation of intangible assets.

⁽²⁾ Calculated after deducting preference dividends (paid and estimated to be due as at the end of the financial period) from earnings (including divestment gains). Preference equity and minority interests are excluded from equity. Excluding divestment gains of S\$559 million (net), return on equity for 2006 would be 11.8% on GAAP basis.

⁽³⁾ Return on assets is calculated based on assets excluding life assurance fund investment assets.

⁽⁴⁾ Ratios for 2006 excluded the pre-tax divestment gains of S\$598 million.

⁽⁵⁾ The computation for earnings per share is based on weighted average number of ordinary shares (excluding treasury shares), and after deducting preference dividends (paid and estimated to be due as at the end of the financial period) from earnings (including divestment gains). Excluding divestment gains, basic EPS would be 45.4 cents for 2006.

Management Discussion and Analysis

Group net profit attributable to shareholders ("net profit") for the financial year ended 31 December 2006 ("2006") rose 54% to S\$2,002 million, from S\$1,298 million in 2005. This included net gains of S\$559 million from the divestments of a residential development site at Kim Seng Road and shareholdings in Robinson and Company, Limited, The Straits Trading Company Limited, Southern Bank Berhad and Raffles Holdings Limited.

Excluding the non-core divestment gains, net profit grew by 11% to S\$1,443 million, driven by higher interest and non-interest revenues across the Group's key markets of Singapore, Malaysia, Indonesia as well as its overseas branches. Operating profit before allowances and amortisation of intangibles rose 10% to S\$1,911 million.

Net interest income rose 12% to S\$1,794 million, led by growth in interest earning assets and better interest margins. Gross customer loans grew 7% during the year to S\$61.1 billion as at 31 December 2006. Net interest margin improved from 1.84% in 2005 to 2.00% in 2006, as higher yields on loans and interbank placements more than offset the rise in borrowing costs.

Non-interest income grew 12% to S\$1,448 million (excluding divestment gains), driven by higher fee and commission income, life assurance profits and foreign exchange income. Fees and commissions rose 18% to S\$597 million, with strong contributions from stock-broking, loan-related, trade-related, investment banking and fund management activities. Profits from the life assurance business grew 34% to S\$376 million, underpinned by new business growth, healthy underwriting profits and strong investment gains. Income from foreign exchange dealing jumped 81% to S\$144 million.

Operating expenses rose 16% to S\$1,331 million, attributed mainly to higher staff costs from increased headcount, higher business promotion expenses, accelerated depreciation and write-offs of fixed assets and software applications, and the twelve months' consolidation of Bank NISP's expenses. Excluding Bank NISP's expenses and the accelerated depreciation and write-offs, operating expenses would show an increase of 10%. The cost-to-income ratio (excluding divestment gains) was 41.1%, compared with 39.6% in 2005.

Improved asset quality and continued successes in loan recovery efforts kept the Group's allowances low at S\$2 million for the year, compared with allowances of S\$12 million in 2005.

The net profit contribution of 86.9%-owned insurance subsidiary Great Eastern Holdings ("GEH"), after taking into account amortisation of intangible assets and minority interests, was S\$357 million in 2006 (including S\$40 million in divestment gains), up from S\$251 million in 2005.

The 2006 results included a full year's consolidation of the results of 72.3%-owned Bank NISP, compared with nine months' consolidation in 2005. From January to March 2005, Bank NISP was equity accounted for as an associated company of the Group. Bank NISP's net profit contribution in 2006 was S\$31 million, similar to 2005.

The Group's return on equity for 2006 was 16.6%, or 11.8% excluding divestment gains, up from 11.4% for 2005. Earnings per share grew 58% to 63.4 cents, and 13% to 45.4 cents if divestment gains were excluded.

The Board of Directors is recommending a final tax-exempt dividend of 12 cents per share for ordinary shareholders, bringing the total dividends for financial year 2006 to 23 cents, an increase of 25% over the 18.4 cents (net of tax) paid for financial year 2005. The estimated total net dividends of S\$709 million for 2006 represent 49% of the Group's core net profit of S\$1,443 million (excluding the divestment gains). This is in line with the Group's dividend policy which targets a minimum payout of 45% of core earnings.

Management Discussion and Analysis

NET INTEREST INCOME

Net interest income increased by 12% to S\$1,794 million in 2006, driven by a 3% growth in average interest earning assets, better interest margins as well as a full year's contribution from Bank NISP. Net interest margin improved from 1.84% in 2005 to 2.00% in 2006, as higher yields on loans and interbank placements more than offset the rise in borrowing costs. Interest margins improved in Singapore, Malaysia and Indonesia.

Average Balance Sheet	2006			2005		
	Average Balance S\$ million	Interest S\$ million	Average Rate %	Average Balance S\$ million	Interest S\$ million	Average Rate %
Interest earning assets						
Loans and advances to non-bank customers	55,782	3,109	5.57	53,438	2,401	4.49
Placements with and loans to banks	17,655	744	4.22	15,866	468	2.95
Other interest earning assets ⁽¹⁾	16,371	663	4.05	17,650	601	3.41
Total	89,808	4,516	5.03	86,954	3,470	3.99
Interest bearing liabilities						
Deposits of non-bank customers	68,062	1,966	2.89	62,072	1,252	2.02
Deposits and balances of banks	10,722	473	4.41	14,318	403	2.82
Other borrowings ⁽²⁾	5,810	283	4.87	6,309	218	3.46
Total	84,594	2,722	3.22	82,698	1,873	2.26
Net interest income/ margin ⁽³⁾		1,794	2.00		1,597	1.84

⁽¹⁾ Comprise corporate debt and government securities.

⁽²⁾ Comprise mainly debts issued, including upper tier 2 subordinated debt, floating rate notes and Euro commercial papers.

⁽³⁾ Net interest margin is net interest income as a % of total average interest earning assets.

Volume and Rate Analysis

Increase/ (Decrease) for 2006 over 2005 (S\$ million)	Volume	Rate	Total
Interest income			
Loans and advances to non-bank customers	105	603	708
Placement with and loans to banks	53	224	276
Other interest earning assets	(44)	105	61
Total	114	931	1,046
Interest expense			
Deposits of non-bank customers	121	594	715
Deposits and balances of banks	(101)	171	70
Other borrowings	(17)	82	65
Total	2	847	849
Net interest income	112	84	197

Management Discussion and Analysis

NON-INTEREST INCOME

	2006 S\$ million	2005 S\$ million	+ / (-) %
Fees and commissions			
Brokerage	72	48	51
Wealth management	129	137	(6)
Fund management	72	64	11
Credit card	48	42	16
Loan-related	81	60	34
Trade-related and remittances	92	77	20
Guarantees	24	20	19
Investment banking	31	21	45
Service charges	33	31	7
Others	16	7	137
	597	507	18
Dividends	129	130	(1)
Rental income	78	72	8
Profit from life assurance	376	281	34
Premium income from general insurance	59	61	(3)
Other income			
Net dealing income:			
Foreign exchange	144	80	81
Securities and derivatives	1	17	(96)
Net income from non-trading investments:			
Government & investment securities	324	83	290
Properties	276	3	n.m.
Subsidiary companies	(6)	1	n.m.
Others	67	57	18
	806	239	237
Total non-interest income	2,045	1,289	59
Fees and commissions/ Total income ⁽¹⁾	18.4%	17.6%	
Non-interest income/ Total income ⁽¹⁾	44.7%	44.7%	

⁽¹⁾ For 2006, the ratios excluded divestment gains of S\$598 million.

Total non-interest income increased by S\$756 million or 59% to S\$2,045 million in 2006. This included gains of S\$598 million from the divestments of a property at Kim Seng Road and shareholdings in Robinson & Company, Limited, The Straits Trading Company Limited, Southern Bank Berhad and Raffles Holdings Limited. Excluding the divestment gains, non-interest income grew 12% to S\$1,448 million, driven by higher fee and commission income, life assurance profits and foreign exchange income. Fees and commissions rose 18% to S\$597 million, with strong contributions from stock-broking, loan-related, trade-related, investment banking and fund management activities. Profits from life assurance grew 34% to S\$376 million, underpinned by new business growth, healthy underwriting profits and strong investment gains. Income from foreign exchange dealing jumped 81% to S\$144 million. Non-interest income accounted for 44.7% of the Group's total income in 2006 (excluding divestment gains).

Management Discussion and Analysis

OPERATING EXPENSES

	2006 S\$ million	2005 S\$ million	+ / (-) %
Staff costs			
Salaries and other costs	659	571	15
Share-based expenses	9	13	(27)
Employer's contribution to defined contribution plans	53	50	7
	722	634	14
Premises and equipment			
Depreciation	104	88	18
Maintenance and hire of property, plant and equipment	61	55	11
Rental expenses	24	23	5
Others	88	66	33
	277	233	19
Other operating expenses	332	278	19
Total operating expenses	1,331	1,145	16
Group staff strength – period end	15,858	14,662	8
Group staff strength – average	15,270	13,434	14
Cost-to-income ratio ⁽¹⁾	41.1%	39.6%	

⁽¹⁾ For 2006, the ratio excluded divestment gains.

The Group's operating expenses increased by 16% to S\$1,331 million in 2006, attributed mainly to a 14% increase in staff costs arising from increased headcount, higher business promotion expenses, consolidation of one-year's operating expenses of Bank NISP as well as accelerated depreciation and write-offs of fixed assets and software applications. Excluding Bank NISP's expenses and the S\$28 million in accelerated depreciation and write-offs, expenses increased by 10%.

Group headcount was 15,858 as at 31 December 2006, an increase of 8% year-on-year, with most of the increase coming from Malaysia and Indonesia. The cost-to-income ratio (excluding divestment gains) was 41.1% in 2006, compared to 39.6% in 2005.

Management Discussion and Analysis

ALLOWANCES FOR LOANS AND OTHER ASSETS

	2006 S\$ million	2005 S\$ million	+ / (-) %
Specific allowances/ (write-back) for loans			
Singapore	(1)	24	(102)
Malaysia	22	11	92
Others	#	16	(99)
	21	51	(58)
Portfolio allowances/ (write-back) for loans	-	-	-
Write-back for securities and other assets	(19)	(39)	52
Total allowances for loans and impairment of other assets	2	12	(79)

Amounts less than S\$0.5 million

Total allowances declined from S\$12 million in 2005 to S\$2 million in 2006. Specific allowances for loans fell from S\$51 million to S\$21 million as a result of improved asset quality and continued recoveries of non-performing loans. Increased specific loan allowances for Malaysia were more than offset by lower net allowances in Singapore and other regions. No new portfolio allowances were made in 2006.

The write-back of impairment charges for securities and other assets of S\$19 million in 2006 resulted mainly from higher valuations of the Group's properties (for which earlier impairment charges had been made), while the write-back of S\$39 million in 2005 was mainly from recoveries in loan-related securities in Malaysia.

LOANS AND ADVANCES

Gross loans to customers increased 7% year-on-year to S\$61.1 billion. Growth was contributed by Singapore corporate and SME loans, and broad-based growth in Malaysia and Indonesia loans. Singapore-dollar loans increased 7% to S\$37.1 billion, boosted partly by the buoyant real estate sector. OCBC Bank (Malaysia) Berhad's loans grew 10% to RM23.9 billion, while Bank NISP's loans grew by 26% to IDR15.6 trillion.

By industry, the increase in Group loans was mainly to the building and construction, transport and communications, manufacturing and general commerce sectors, as well as to non-bank financial institutions, investment and holding companies. Housing loans were flat year-on-year as buoyant growth in new private housing loan approvals in Singapore were offset by repayments as well as lower demand in the HDB segment. Loans to professionals and individuals declined during the year due mainly to lower outstanding car loans in Singapore.

Management Discussion and Analysis

LOANS AND ADVANCES (continued)

	31 Dec 2006		31 Dec 2005	
	S\$ million	%	S\$ million	%
Gross loans by industry				
Agriculture, mining & quarrying	986	2	791	1
Manufacturing	5,043	8	4,455	8
Building and construction	9,332	15	7,278	13
Housing loans	18,149	30	18,087	32
General commerce	5,812	10	5,315	9
Transport, storage and communications	2,537	4	1,853	3
Financial institutions, investment and holding companies	8,416	14	7,621	13
Professionals and individuals	7,330	12	8,316	15
Others	3,528	6	3,477	6
	61,132	100	57,193	100
Gross loans by currency				
Singapore Dollar	37,114	61	34,844	61
United States Dollar	7,990	13	8,152	14
Malaysian Ringgit	9,044	15	7,978	14
Indonesia Rupiah	2,323	4	1,856	3
Others	4,662	8	4,363	8
	61,132	100	57,193	100

DEPOSITS

S\$ million	31 Dec 2006	31 Dec 2005
Deposits of non-bank customers	75,115	64,088
Deposits and balances of banks	11,869	10,307
Total deposits	86,984	74,395
Non-bank deposits by product		
Fixed deposits	50,197	40,549
Savings deposits	11,215	11,043
Current account	10,035	9,070
Others	3,668	3,426
	75,115	64,088
Loans-to-deposits ratio (net non-bank loans / non-bank deposits)	79.0%	86.0%

As at 31 December 2006, total deposits were S\$87.0 billion, an increase of 17% year-on-year. Non-bank customer deposits increased by 17% to S\$75.1 billion, mainly from fixed and current account deposits. Deposits and balances of banks increased 15% to S\$11.9 billion.

The Group's loans-to-deposits ratio was 79.0% as at 31 December 2006, down from 86.0% in December 2005.

Management Discussion and Analysis

NON-PERFORMING LOANS

NPLs by grading, security coverage and countries

	Total NPLs ⁽¹⁾ S\$ million	Substandard NPLs S\$ million	Doubtful NPLs S\$ million	Loss NPLs S\$ million	Secured NPLs as % of total NPLs %	Non-bank NPLs as % of non-bank loans ⁽²⁾ %
Singapore 31 Dec 2006 31 Dec 2005	951 1,416	382 759	336 352	233 304	60.6 66.1	2.4 3.7
Malaysia 31 Dec 2006 31 Dec 2005	652 708	401 487	143 136	108 84	57.9 64.8	6.0 6.8
Others 31 Dec 2006 31 Dec 2005	226 269	72 68	103 140	51 61	42.0 38.8	2.0 2.9
Group Total 31 Dec 2006 31 Dec 2005	1,829 2,392	854 1,315	583 629	392 449	57.3 62.7	3.0 4.1

⁽¹⁾ Comprises non-bank loans, debt securities and contingent facilities.

⁽²⁾ Exclude debt securities.

The Group's asset quality remained strong. As at 31 December 2006, total NPLs were S\$1.83 billion, 24% lower than at 31 December 2005. Singapore NPLs amounted to S\$0.95 billion, while Malaysia NPLs were S\$0.65 billion. These accounted for 52% and 36% of the Group's total NPLs respectively. Of the total NPLs, 47% were in the substandard category while 57% were secured by collateral.

The Group's NPL ratio was 3.0% in December 2006, an improvement over the 4.1% in December 2005.

	31 Dec 2006		31 Dec 2005	
	S\$ million	% of Gross Loans	S\$ million	% of Gross Loans
NPLs by industry				
Loans and advances				
Agriculture, mining & quarrying	14	1.4	28	3.6
Manufacturing	365	7.2	390	8.8
Building and construction	251	2.7	491	6.7
Housing loans	380	2.1	399	2.2
General commerce	304	5.2	377	7.1
Transport, storage and communication	20	0.8	19	1.0
Financial institutions, investment and holding companies	155	1.8	198	2.6
Professionals and individuals	253	3.4	322	3.9
Others	63	1.8	109	3.1
Sub-total	1,804	3.0	2,334	4.1
Debt securities	25		58	
	1,829		2,392	

Management Discussion and Analysis

CUMULATIVE ALLOWANCES FOR LOANS

	Total cumulative allowances ⁽¹⁾ S\$ million	Specific allowances S\$ million	Portfolio allowances S\$ million	Specific allowances as % of total NPLs %	Cumulative allowances as % of total NPLs %
Singapore					
31 Dec 2006	1,025	397	628	41.8	107.8
31 Dec 2005	1,251	578	673	40.8	88.3
Malaysia					
31 Dec 2006	472	310	163	47.5	72.5
31 Dec 2005	493	350	142	49.5	69.6
Others					
31 Dec 2006	348	178	170	78.6	153.7
31 Dec 2005	370	223	147	82.9	137.5
Group Total					
31 Dec 2006	1,845	884	961	48.4	100.9
31 Dec 2005	2,113	1,151	962	48.1	88.3

⁽¹⁾ Include allowances for classified debt securities.

As at 31 December 2006, the Group's total cumulative allowances for loans amounted to S\$1.85 billion, comprising S\$0.88 billion in cumulative specific allowances and S\$0.96 billion in cumulative portfolio allowances. Cumulative allowances were 100.9% of total NPLs at 31 December 2006, higher than the coverage of 88.3% at 31 December 2005.

VALUATION SURPLUS

S\$ million	31 Dec 2006	31 Dec 2005
Properties ⁽¹⁾	1,600	1,522
Equity securities ⁽²⁾	2,962	2,332
Total	4,562	3,854

⁽¹⁾ Includes properties classified as assets held for sale.

⁽²⁾ Comprise investments in associated companies and quoted subsidiaries.

The Group's unrealised valuation surplus amounted to S\$4.56 billion as at 31 December 2006, an increase of 18% compared to 31 December 2005. The surplus for properties amounted to S\$1.60 billion. The surplus of S\$2.96 billion for equity securities was primarily from the Group's holding of GEH shares.

Management Discussion and Analysis

CAPITAL ADEQUACY RATIOS

S\$ million	31 Dec 2006	31 Dec 2005
Tier 1 Capital		
Paid-up ordinary and preference shares ⁽¹⁾	5,481	1,561
Disclosed reserves / others	8,136	11,124
Goodwill / Others	(3,560)	(3,383)
	10,057	9,302
Tier 2 Capital		
Cumulative portfolio allowances	704	714
Subordinated term notes	3,112	3,872
Revaluation surplus on equity securities	205	157
	4,021	4,743
Capital investments in insurance subsidiaries	(1,889)	(1,466)
Others	(85)	(359)
Total Capital	12,105	12,219
Risk weighted assets including market risk	76,514	70,708
Tier 1 ratio	13.1%	13.2%
Total capital adequacy ratio	15.8%	17.3%

Note:

Capital adequacy ratio is calculated in accordance with the MAS Notice 637 to Banks.

⁽¹⁾ In accordance with the Companies (Amendment) Act 2005 which came into effect on 30 January 2006, "share capital" now includes share premium and capital redemption reserves (previously included in capital reserves).

As at 31 December 2006, the Group's total capital adequacy ratio was 15.8% and its Tier-1 ratio was 13.1%, lower than the respective ratios of 17.3% and 13.2% in December 2005. The decline was due to the following reasons:

- Increase in the Group's risk weighted assets
- Addition of retained earnings to Tier 1 capital was partly offset by share buybacks and deduction of additional goodwill and intangible assets relating to the Bank's increased stake in GEH. The Bank raised its shareholding in GEH from 82.3% to 86.9% following a voluntary cash offer in August 2006 and other purchases of GEH shares during the year.
- Tier 2 capital fell by S\$722 million from December 2005 due to the commencement of 20% annual amortisation of the Bank's outstanding S\$3.8 billion subordinated term notes which will mature in September 2011.
- There was a higher deduction from total capital for capital investments in insurance subsidiaries following the Bank's increased stake in GEH.

In 2006, the Bank bought back approximately 65.7 million of its ordinary shares for S\$436 million, with shares purchased since February 2006 held as treasury shares. As at 31 December 2006, the Bank held approximately 51.7 million treasury shares.

Management Discussion and Analysis

PERFORMANCE BY BUSINESS SEGMENT

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

Net Profit by Business Segment

	2006 S\$ million	2005 S\$ million	+ / (-) %
Consumer Banking	380	342	11
Business Banking	628	562	12
Treasury	145	133	9
Insurance ⁽¹⁾	429	327	31
Others ⁽²⁾	510	18	n.m.
Net profit before equity accounting	2,092	1,382	51
Share of results of associated and joint venture companies	14	15	(8)
Minority interests	(104)	(99)	4
Group	2,002	1,298	54

⁽¹⁾ 2006 included S\$40 million divestments gains attributable to GEH.

⁽²⁾ 2006 included S\$519 million divestment gains.

Consumer Banking

Consumer Banking comprises the 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).

For 2006, net profit of the consumer segment increased by 11% to S\$380 million, largely as a result of revenue growth of 10%, partly offset by higher expenses arising mainly from the accelerated depreciation and write-offs of fixed assets and software applications.

Business Banking

Business Banking provides a full range of financial services to 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, trustee and custodian services.

Business Banking's net profit increased by 12% to S\$628 million in 2006. This was due to strong fee and net interest income, supported by buoyant loan growth, and partly offset by higher operating expenses.

Treasury

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.

Treasury's profit grew by 9% to S\$145 million in 2006. This was a result of higher income from dealing in foreign exchange, and improved contributions from money market activities.

Insurance

The Group's insurance business, including its fund management activities, is carried out by subsidiary Great Eastern Holdings ("GEH"), which provides both life and general insurance products to its customers mainly in Singapore and Malaysia.

Profit contribution before minority interests from GEH increased by 31% to S\$429 million. This was mainly due to business growth and strong investment performance. After minority interests, GEH's contribution to Group net profit was S\$357 million in 2006 (including S\$40 million in divestment gains), up from S\$251 million in 2005.

Others

The "Others" segment comprises Bank NISP, corporate finance, capital markets, property holding, stock brokerage and investment holding, support units, other investments, items not attributed to business segments, and one-time divestment gains.

Management Discussion and Analysis

PERFORMANCE BY GEOGRAPHY

	2006		2005	
	S\$ million	%	S\$ million	%
Total income				
Singapore ⁽¹⁾	2,714	71	1,949	68
Malaysia	747	19	662	23
Other ASEAN	239	6	148	5
Asia Pacific	104	3	90	3
Rest of the World	36	1	38	1
	3,840	100	2,887	100
Profit before tax				
Singapore ⁽¹⁾	1,842	74	1,093	64
Malaysia	498	20	507	30
Other ASEAN	71	3	61	4
Asia Pacific	42	2	21	1
Rest of the World	23	1	24	1
	2,476	100	1,706	100

⁽¹⁾ Total income and profit before tax for 2006 included pre-tax divestment gains of S\$598 million.

	31 Dec 2006		31 Dec 2005	
	S\$ million	%	S\$ million	%
Total assets				
Singapore	105,706	70	96,712	72
Malaysia	31,275	21	26,859	20
Other ASEAN	5,126	3	4,381	3
Asia Pacific	6,349	4	4,669	3
Rest of the World	2,764	2	2,089	2
	151,220	100	134,710	100

The geographical segment analysis is based on the location where the assets or transactions are booked. For 2006, Singapore accounted for 71% of total income and 74% of profit before tax, while Malaysia accounted for 19% of total income and 20% of profit before tax. Excluding divestment gains of S\$598 million, Singapore would have accounted for 65% of total income and 66% of profit before tax, while Malaysia would have accounted for 23% of total income and 27% of profit before tax.