Media Release

OCBC Group Achieves Record Full Year Net Profit of S$2,253 million for 2010

15% earnings growth was driven by non-interest income and lower credit losses

Singapore, 18 February 2011 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") achieved record full year net profit of S$2,253 million for the financial year ended 31 December 2010 ("FY10"), an increase of 15% from 2009. Robust growth in fee and commission income and other non-interest income, and a significant reduction in credit losses, were the key drivers. The full year results included the consolidation of Bank of Singapore (formerly ING Asia Private Bank) from 29 January 2010.

Net interest income for the year increased by 4%, with strong asset growth largely offset by narrower interest margins. Loan growth was 29% for the year and 5% in the fourth quarter, with broad-based contributions across key geographies as well as customer and industry segments. Fee and commission income surged 36%, led by wealth management, trade-related, loan-related and investment banking income. Trading and investment income were also higher, while life assurance profit was lower, resulting in a 20% increase in total non-interest income. Operating expenses rose 25%, reflecting the consolidation of Bank of Singapore, the Group's renewed investments in key markets, and business volume-related costs. The increase was also due to stringent cost controls in 2009 when expenses were held 3% lower than 2008. Allowances for loans and other assets were reduced from S$429 million in 2009 to S$134 million in 2010. The non-performing loans ("NPL") ratio improved from 1.7% to 0.9%.

Net profit for the fourth quarter of 2010 ("4Q10") was S$505 million, a 1% increase from a year ago, but down 11% from the previous quarter. Key revenue items showed steady trends, with net interest income rising 12% year-on-year and 2% quarter-on-quarter, while fee income grew 33% year-on-year and was marginally lower than the previous quarter. Life assurance profit, however, fell 48% year-on-year and 58% quarter-on-quarter to S$66 million, largely the result of rising long-term interest rates which affected the valuation of fixed income assets of the Non-Participating Fund[1]. Expenses for the quarter were inflated by a one-time charge of S$31 million related to the merger of the Bank's Indonesian subsidiaries, Bank OCBC NISP and Bank OCBC Indonesia ("BOI"), which was completed on 1 January 2011. Excluding this item, expenses were 3% higher than the previous quarter.

[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.

Return on equity was 12.1% in 2010 compared to 12.2% in 2009. Earnings per share for the year was 66.1 cents, up 11% from 2009.

Net Interest Income

Net interest income increased 4% to S$2,947 million in 2010, with interest-earning asset growth of 18% partly offset by lower net interest margin. Customer loans grew by a robust 29% year-on-year (23% excluding the consolidation effect of Bank of Singapore), and 5% from the previous quarter, to S$106 billion. By industry, the largest increases came from loans to the housing, general commerce and building and construction sectors, which grew by 26%, 52% and 18%, respectively.

Net interest margin fell 25 basis points from 2.23% to 1.98%. Six basis points of the decline was due to the inclusion of Bank of Singapore's lower-yielding, well-collateralised assets which contributed to the Group's net interest income but reduced its overall net interest margin. Excluding this consolidation effect, net interest margin fell 19 basis points to 2.04%, attributable to lower average asset yields as a result of the continuing low interest rate environment, and lower gapping income.

For 4Q10, net interest income rose 12% year-on-year and 2% from the previous quarter to S$769 million, supported by higher loan volumes. Net interest margin was 1.96%, compared to 1.98% in the previous quarter and 2.08% a year ago.

Non-Interest Income

Non-interest income grew 20% to S$2,378 million, accounting for 45% of the Group's revenue. Fees and commissions increased 36% to S$994 million. The largest increase came from wealth management income which tripled from S$65 million to S$189 million, driven mainly by contributions from Bank of Singapore, as well as stronger bancassurance sales. Fee income from trade-related, loan-related and investment banking activities also registered significant growth. Net trading income rose 14% to S$391 million, while net gains from disposal of investment securities tripled from S$50 million to S$153 million.

Profit from life assurance was S$437 million, a decline of 17%, excluding the prior year's non-recurring gains. The investment performance of the Non-Participating Fund was weaker as compared to the previous year's results, which were helped by the strong rebound in equity and bond markets from the lows of the global financial crisis.

For 4Q10, non-interest income grew 13% year-on-year to S$560 million, contributed by higher fees and commissions and net trading income, and a S$35 million gain (S$22 million after non-controlling interests) from the sale of Pacific Insurance Berhad by the Bank's 63.5%-owned subsidiary, PacificMas Berhad. Compared to 3Q10, non-interest income declined 10% mainly because of weaker insurance results.

Operating Expenses

Operating expenses increased 25% to S$2,254 million, contributed by the consolidation of Bank of Singapore, the stepping up of investments following a period of cost restraint during the 2008-2009 financial crisis, and business volume-related costs. Excluding the consolidation of Bank of Singapore, expenses increased by 13% over the two year period from 2008 to 2010.

Staff costs rose 29%, reflecting increases in headcount, base salaries and variable compensation, with the consolidation of Bank of Singapore being the largest contributor. Group headcount grew 9% during the year, with more than 80% of the increase coming from the Group's overseas markets, including Indonesia, China, Malaysia, and from the consolidation of Bank of Singapore.

Operating expenses of S$620 million in 4Q10 included a one-time cost of S$31 million related to the merger of Bank OCBC NISP and BOI. Excluding this one-time charge, operating expenses would have increased by 26% year-on-year and by 3% over the previous quarter, compared to the reported increase of 33% and 8%, respectively.

The cost-to-income ratio increased to 42.3% from 37.3% in 2009.

Allowances and Asset Quality

Net allowances fell from S$429 million in 2009 to S$134 million in 2010, contributed by lower specific allowances for loans and investments, and net writebacks of allowances for CDOs. Higher portfolio allowances of S$98 million were set aside for strong loan growth during the year. For 4Q10, net allowances were S$48 million, down from S$77 million in 4Q09 and slightly above the S$43 million in 3Q10.

The Group's asset quality and coverage ratios remained healthy. Absolute NPLs fell 28% during the year, and 11% from the previous quarter, to S$995 million. The NPL ratio improved to 0.9% from 1.1% in the previous quarter and 1.7% a year ago. Total cumulative allowances represented 119% of total non-performing assets ("NPAs") and 271% of unsecured NPAs.

Subsidiaries' Results

Great Eastern Holdings ("GEH") achieved healthy growth in its underlying insurance business in 2010, with new business weighted premiums increasing by 20% and new business embedded value climbing 30%. These results were driven by GEH's strategy of focusing on regular premium and protection products, which will improve longer term profitability. GEH's net profit for the year was S$507 million, a marginal decline of 2% from 2009, as the previous year's results were boosted by the strong recovery in credit markets after the global financial crisis.

GEH's contribution to the Group's net profit, after deducting amortisation of intangible assets and non-controlling interests, fell 2% from S$412 million to S$405 million, contributing 18% of the Group's earnings in 2010.

OCBC Bank (Malaysia) Berhad achieved 16% growth in full year net profit to MYR 706 million (S$299 million). Revenue growth was broad-based, with net interest income, Islamic Banking income and non-interest income registering growth rates of 9%, 10% and 8% respectively. Net interest margin improved from 2.35% to 2.42%, partially benefiting from the policy rate hikes in Malaysia. Expenses grew 10% while allowances fell 30%. Loans grew 10% during the year, and the NPL ratio improved from 3.8% to 2.8%.

Bank OCBC NISP in Indonesia recorded a 26% decline in full year net profit to IDR 321 billion (S$48 million), contributed mainly by the one-time expense of IDR 188 billion relating to its merger with BOI. Net interest income grew 5% as a result of assets growth which offset a fall in net interest margin from 5.53% to 5.14%, while non-interest income fell 3%. Expenses excluding the one-time charge rose 8%, while allowances fell 16%. Loans grew 28% for the year, and its NPL ratio improved from 3.2% to 2.0%. Following the completion of the merger on 1 January 2011, Bank OCBC NISP's total assets increased 13% to IDR 50.1 trillion, its total equity rose 29% to IDR 5.8 trillion, and OCBC Bank's stake in the enlarged entity increased from 81.9% to 85.06%.

Bank of Singapore was consolidated from 29 January 2010 and has achieved healthy results for the year. Its assets under management grew strongly in the second half of 2010, with 18% growth achieved for the full year. Earning asset base, which includes loans, grew 20% to US$32 billion. Bank of Singapore's global branding campaign, launched in early 2010, has been successful in building name recognition, helping retain existing customers and attract new customers while enhancing its ability to bring in talent from global private bank competitors. More than 200 new staff were hired during the year, including 60 relationship managers. In addition to growing its business in existing markets, Bank of Singapore increased its assets from customers based in Europe and the Middle East, markets which were previously the purview of a separate unit under the ING organisation. Cross-sell and referral efforts between OCBC Bank and Bank of Singapore have also been successful, covering the areas of property and business financing, deposits, insurance sales and customer acquisition.

Capital Position

OCBC Group continues to maintain a strong capital position, with a Tier 1 capital adequacy ratio ("CAR") of 16.3% and total CAR of 17.6% as at 31 December 2010. These ratios were slightly above the levels a year ago, and well above the regulatory minimum of 6% and 10% respectively. The Group's core Tier 1 ratio, which excludes perpetual and innovative preference shares, was 12.5%.

Final Dividend

A final tax-exempt dividend of 15 cents per share has been proposed, bringing the FY10 total dividend to 30 cents per share, up from 28 cents for FY09. The Scrip Dividend Scheme will be applicable to the final dividend, giving shareholders the option to receive the dividend in the form of shares. The issue price of the shares will be set at a 10% discount to the average of the daily volume weighted average prices during the price determination period from 19 April to 21 April 2011, both dates inclusive.

CEO's Comments

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

"Our results for 2010 underscore the strengths of our customer franchise in both lending and fee-based businesses. While mindful of commodity price increases and other factors causing inflationary pressures, on balance, we are optimistic for the outlook for 2011 given the healthy economic growth prospects in Asia."

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.

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 530 branches and representative offices in 15 countries and territories, including 413 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 has been ranked among the top five global private banks in Asia.

For more information, please visit www.ocbc.com

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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 2010

For the financial year ended 31 December 2010, Group reported net profit was S$2,253 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 2010. Including the interim net dividend of 15 cents per share paid in November 2010, total dividends for financial year 2010 would amount to 30 cents per share, an increase of 7% over the 28 cents paid for financial year 2009.

Closure of Books

The books closure date is 21 April 2011. Please refer to the separate announcement titled "Notice of Books Closure Date and Application of Scrip Dividend Scheme to the FY10 Final Dividend" released by the Bank today.

Scrip Dividend Scheme

The Scrip Dividend Scheme will be applicable to the final dividend. The issue price for the new shares to be allotted to shareholders who have elected to receive scrip for the final dividend will be set at a 10% discount to the average of the daily volume weighted average prices of the shares for each of the market days during the price determination period from 19 April 2011 (the ex-dividend date) to 21 April 2011 (the books closure date). Further details can be found in a separate announcement titled "Application of Scrip Dividend Scheme to the FY10 Final Dividend" released by the Bank today.

Preference Dividends

On 20 December 2010, 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% (2009: 5.1% tax-exempt) per annum; Class E Preference Shares at 4.5% (2009: 4.5% tax-exempt) per annum and Class G Preference Shares at 4.2% (2009: 4.2% tax-exempt) 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, 18 February 2011

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

Oversea-Chinese Banking Corporation Limited

Financial Year 2010 Group Financial Report

Incorporated in Singapore
Company Registration Number: 193200032W

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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 2010:

FRS 27 (Revised):	Consolidated and Separate Financial Statements
FRS 103 (Revised):	Business Combinations
FRS 39 (Amendments):	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
FRS 102 (Amendments):	Share-based Payment – Group Cash-settled Share-based Payment Transactions
INT FRS 117:	Distributions of Non-cash Assets to Owners
Improvements to FRSs 2008	
Improvements to FRSs 2009	

The revised FRS 27 requires that changes in a parent's ownership interests in a subsidiary which do not result in a loss of control be accounted for as equity transactions, with resulting gains and losses taken to equity and not to the income statement. The standard also requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control.

Under the revised FRS 103, the Group has to expense costs incurred in the acquisition of a business in the period in which it was incurred or when the service was received. Where an acquirer obtains control of a business through step acquisition, any previously held equity interests shall be measured at fair value on the date that control is attained, with resulting gains and losses taken to the income statement.

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 15% to S$2,253 million for the financial year ended 31 December 2010, driven by strong growth in non-interest income, higher net interest income and lower allowances. The full year results included 11 months' contribution from 100%-owned Bank of Singapore (formerly ING Asia Private Bank), which was consolidated from 29 January 2010.

Net interest income grew 4% to S$2,947 million, underpinned by 18% growth in interest earning assets which was partly offset by a decline in net interest margin from 2.23% to 1.98%. Loans grew 29%, with broad-based growth across different geographies, customer and industry segments. Non-interest income rose 20% to S$2,378 million, led by strong growth in fees and commissions and higher trading and investment income, while profit from life assurance was lower. Operating expenses increased 25% to S$2,254 million, contributed mainly by the consolidation of Bank of Singapore, stepping up of investments in key markets, and higher business volume-driven costs. Allowances for loans and other assets fell significantly to S$134 million, from S$429 million in 2009.

Return on equity was 12.1% in 2010, compared to 12.2% in 2009. Earnings per share rose 11% to 66.1 cents.

For the fourth quarter of 2010 ("4Q10"), net profit of S$505 million was marginally higher by 1% from a year ago. It was 11% lower than the previous quarter, mainly as a result of lower profit from life assurance.

FINANCIAL SUMMARY *(continued)*

S$ million	2010	2009	+/(-) %	4Q10	4Q09	+/(-) %	3Q10	+/(-) %
Selected Income Statement Items								
Net interest income	**2,947**	2,825	4	**769**	687	12	754	2
Non-interest income	**2,378**	1,990	20	**560**	497	13	621	(10)
Total income	**5,325**	4,815	11	**1,329**	1,184	12	1,375	(3)
Operating expenses	**(2,254)**	(1,796)	25	**(620)**	(466)	33	(573)	8
Operating profit before allowances and amortisation	**3,071**	3,019	2	**709**	718	(1)	802	(12)
Amortisation of intangible assets	**(55)**	(47)	18	**(16)**	(12)	35	(16)	(1)
Allowances for loans and impairment of other assets	**(134)**	(429)	(69)	**(48)**	(77)	(37)	(43)	9
Operating profit after allowances and amortisation	**2,882**	2,543	13	**645**	629	3	743	(13)
Share of results of associates and joint ventures	**(2)**	(0)	NM	**(1)**	(2)	(32)	0	(338)
Profit before income tax	**2,880**	2,543	13	**644**	627	3	743	(13)
Net profit attributable to shareholders	**2,253**	1,962	15	**505**	502	1	570	(11)
Cash basis net profit attributable to shareholders [1/]	**2,308**	2,009	15	**521**	514	1	586	(11)
Selected Balance Sheet Items								
Ordinary equity	**18,894**	17,075	11	**18,894**	17,075	11	18,260	3
Total equity *(excluding non-controlling interests)*	**20,790**	18,971	10	**20,790**	18,971	10	20,156	3
Total assets	**229,283**	194,300	18	**229,283**	194,300	18	223,516	3
Assets excluding life assurance fund investment assets	**181,797**	151,223	20	**181,797**	151,223	20	176,248	3
Loans and bills receivable *(net of allowances)*	**104,989**	80,876	30	**104,989**	80,876	30	100,338	5
Deposits of non-bank customers	**123,300**	100,633	23	**123,300**	100,633	23	115,997	6

Note:
1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	2010	2009	4Q10	4Q09	3Q10
Key Financial Ratios					
Performance ratios (% p.a.)					
Return on equity [1/ 2/]					
SFRS[3/] basis	**12.1**	12.2	**10.3**	11.6	12.0
Cash basis	**12.4**	12.5	**10.6**	11.8	12.3
Return on assets [4/]					
SFRS[3/] basis	**1.32**	1.35	**1.12**	1.32	1.31
Cash basis	**1.35**	1.38	**1.15**	1.35	1.34
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	**1.98**	2.23	**1.96**	2.08	1.98
Net interest income to total income	**55.3**	58.7	**57.9**	58.0	54.9
Non-interest income to total income	**44.7**	41.3	**42.1**	42.0	45.1
Cost to income	**42.3**	37.3	**46.6**	39.4	41.7
Loans to deposits	**85.1**	80.4	**85.1**	80.4	86.5
NPL ratio	**0.9**	1.7	**0.9**	1.7	1.1
Earnings per share [2/] (annualised - cents)					
Basic earnings	**66.1**	59.4	**57.6**	59.1	66.1
Basic earnings (cash basis)	**67.8**	60.9	**59.5**	60.5	68.0
Diluted earnings	**65.9**	59.3	**57.4**	58.8	65.8
Net asset value per share (S$)					
Before valuation surplus	**5.66**	5.29	**5.66**	5.29	5.55
After valuation surplus	**7.09**	6.33	**7.09**	6.33	7.03
Capital adequacy ratios (%)					
Tier 1	**16.3**	15.9	**16.3**	15.9	15.2
Total	**17.6**	16.4	**17.6**	16.4	15.5

Notes:
1. Preference equity and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on net profit less preference dividends paid and estimated to be due as 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	2010 Average Balance	2010 Interest	2010 Average Rate %	2009 Average Balance	2009 Interest	2009 Average Rate %
Interest earning assets						
Loans and advances to non-bank customers	**94,022**	**3,201**	**3.40**	78,056	3,043	3.90
Placements with and loans to banks	**26,722**	**423**	**1.58**	23,450	432	1.84
Other interest earning assets [1/]	**28,029**	**739**	**2.63**	25,055	709	2.83
Total	**148,773**	**4,363**	**2.93**	126,561	4,184	3.31
Interest bearing liabilities						
Deposits of non-bank customers	**112,591**	**1,061**	**0.94**	95,905	1,036	1.08
Deposits and balances of banks	**14,942**	**103**	**0.69**	11,777	96	0.82
Other borrowings [2/]	**8,962**	**252**	**2.82**	7,204	227	3.14
Total	**136,495**	**1,416**	**1.04**	114,886	1,359	1.18
Net interest income/margin [3/]		**2,947**	**1.98**		2,825	2.23

S$ million	4Q10 Average Balance	4Q10 Interest	4Q10 Average Rate [4/] %	4Q09 Average Balance	4Q09 Interest	4Q09 Average Rate [4/] %	3Q10 Average Balance	3Q10 Interest	3Q10 Average Rate [4/] %
Interest earning assets									
Loans and advances to non-bank customers	**102,093**	**850**	**3.30**	78,339	730	3.70	96,912	833	3.41
Placements with and loans to banks	**25,101**	**124**	**1.96**	26,982	93	1.36	25,889	107	1.63
Other interest earning assets [1/]	**28,699**	**188**	**2.61**	25,796	168	2.60	28,487	188	2.62
Total	**155,893**	**1,162**	**2.96**	131,117	991	3.00	151,288	1,128	2.96
Interest bearing liabilities									
Deposits of non-bank customers	**118,652**	**298**	**0.99**	98,933	229	0.92	114,855	280	0.97
Deposits and balances of banks	**16,218**	**29**	**0.70**	12,099	18	0.58	14,284	28	0.78
Other borrowings [2/]	**9,351**	**66**	**2.82**	7,959	57	2.89	8,967	66	2.89
Total	**144,221**	**393**	**1.08**	118,991	304	1.01	138,106	374	1.07
Net interest income/margin [3/]		**769**	**1.96**		687	2.08		754	1.98

Notes:
1. Comprise corporate debts and government securities.
2. Mainly debts 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 4% to S$2,947 million in 2010. Strong growth of 18% in interest earning assets was partly offset by a 25 basis points decline in net interest margin from 2.23% to 1.98%. The consolidation of Bank of Singapore's lower margin, well-collateralised assets contributed 6 basis points of the margin decline. Excluding the consolidation effect, the Group's net interest margin would have declined 19 basis points, attributed mainly to lower asset yields as a result of the continuing low interest rate environment, and lower gapping income.

Net interest income for 4Q10 rose 12% year-on-year and 2% from the previous quarter to S$769 million, underpinned by assets growth. Net interest margin was 1.96%, down from 2.08% a year ago and 1.98% in the previous quarter.

Volume and Rate Analysis

	2010 vs 2009			4Q10 vs 4Q09			4Q10 vs 3Q10		
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	623	(464)	159	221	(101)	120	45	(28)	17
Placements with and loans to banks	60	(69)	(9)	(7)	38	31	(3)	20	17
Other interest earning assets	84	(55)	29	19	1	20	1	(0)	1
Total	767	(588)	179	233	(62)	171	43	(8)	35
Interest expense									
Deposits of non-bank customers	180	(155)	25	46	23	69	9	9	18
Deposits and balances of banks	26	(19)	7	6	5	11	4	(3)	1
Other borrowings	55	(30)	25	10	(1)	9	3	(2)	1
Total	261	(204)	57	62	27	89	16	4	20
Impact on net interest income	506	(384)	122	171	(89)	82	27	(12)	15
Due to change in number of days			–			–			–
Net interest income			122			82			15

NON-INTEREST INCOME

S$ million	2010	2009	+/(-) %	4Q10	4Q09	+/(-) %	3Q10	+/(-) %
Fees and commissions								
Brokerage	**86**	96	(10)	**23**	20	14	21	10
Wealth management	**189**	65	192	**54**	18	207	50	8
Fund management	**83**	70	18	**23**	20	16	20	12
Credit card	**46**	45	4	**13**	14	(3)	11	12
Loan-related	**208**	172	20	**49**	48	2	56	(12)
Trade-related and remittances	**172**	124	39	**49**	36	34	45	9
Guarantees	**21**	23	(9)	**5**	4	26	5	5
Investment banking	**80**	54	48	**12**	11	8	26	(54)
Service charges	**70**	53	32	**16**	12	32	17	(1)
Others	**39**	28	37	**12**	9	34	9	30
Sub-total	**994**	730	36	**256**	192	33	260	(1)
Dividends	**63**	57	10	**6**	4	51	9	(28)
Rental income	**77**	78	(1)	**18**	20	(10)	20	(11)
Profit from life assurance	**437**	727	(40)	**66**	127	(48)	156	(58)
Premium income from general insurance	**149**	122	22	**40**	26	54	35	13
Other income								
Net trading income	**391**	344	14	**114**	78	47	82	40
Net gain from investment securities	**153**	50	204	**11**	30	(62)	23	(50)
Net gain/(loss) from disposal of subsidiaries and associates	**38**	(0)	NM	**35**	0	NM	0	NM
Net gain from disposal of properties	**22**	8	161	**1**	5	(87)	21	(97)
Loss from redemption of GLC [1/] units	**–**	(213)	–	**–**	–	–	–	–
Others	**54**	87	(37)	**13**	15	(17)	15	(20)
Sub-total	**658**	276	138	**174**	128	35	141	23
Total non-interest income	**2,378**	1,990	20	**560**	497	13	621	(10)
Fees and commissions/Total income	**18.7%**	15.2%		**19.3%**	16.2%		18.9%	
Non-interest income/Total income	**44.7%**	41.3%		**42.1%**	42.0%		45.1%	

Note:
1. "GLC" refers to GreatLink Choice, a series of investment-linked insurance policies.

Non-interest income rose 20% in 2010 to S$2,378 million, accounting for 45% of the Group's revenue. The increase was led by higher fees and commissions, net trading income and investment gains, which more than offset a decline in profit from life assurance. Non-interest income in 2009 included non-recurring gains of S$201 million (classified under life assurance profit) and a one-time loss of S$213 million from the redemption of GreatLink Choice ("GLC") insurance policies (classified under other income).

Fees and commissions increased 36% to S$994 million. The largest increase came from wealth management income which tripled from S$65 million to S$189 million, driven mainly by contributions from Bank of Singapore, as well as stronger bancassurance sales. Fee income from investment banking, trade-related and loan-related activities also registered significant growth. Net trading income rose 14% to S$391 million, and net gains from disposal of investment securities tripled from S$50 million to S$153 million.

Profit from life assurance was S$437 million for the year, representing a decline of 17%, excluding the non-recurring gains in 2009. The overall investment performance of the Non-Participating Fund was weaker as compared to the previous year's results, which were helped by the strong recovery in credit markets from the lows of the global financial crisis.

Non-interest income for 4Q10 rose by 13% year-on-year to S$560 million, contributed by growth in fees and commissions and net trading income, and a gain of S$35 million (S$22 million after non-controlling interests) from the sale of Pacific Insurance Berhad by the Bank's 63.5%-owned subsidiary, PacificMas Berhad. Compared to the previous quarter, non-interest income fell 10% as insurance results were weaker. Life assurance profit declined 58% from the previous quarter, and 48% from a year ago, to S$66 million, largely the result of rising long-term interest rates which impacted the valuation of the fixed income assets of the Non-Participating Fund.

OPERATING EXPENSES

S$ million	2010	2009	+/(-) %	4Q10	4Q09	+/(-) %	3Q10	+/(-) %
Staff costs								
Salaries and other costs	**1,177**	910	29	**308**	242	28	306	1
Share-based expenses	**12**	9	29	**3**	4	(26)	2	96
Contribution to defined contribution plans	**94**	76	25	**25**	19	29	24	4
	1,283	995	29	**336**	265	27	332	1
Property and equipment								
Depreciation	**152**	135	12	**38**	36	8	38	1
Maintenance and hire of property, plant & equipment	**70**	62	14	**20**	14	42	18	14
Rental expenses	**59**	46	28	**15**	12	22	15	–
Others	**126**	106	19	**34**	25	35	33	1
	407	349	17	**107**	87	23	104	3
Other operating expenses	**564**	452	25	**177**	114	54	137	28
Total operating expenses	**2,254**	1,796	25	**620**	466	33	573	8
Group staff strength								
Period end	**21,585**	19,792	9	**21,585**	19,792	9	21,555	–
Average	**21,126**	19,661	7	**21,662**	19,750	10	21,409	1
Cost to income ratio	**42.3%**	37.3%		**46.6%**	39.4%		41.7%	

Operating expenses increased 25% to S$2,254 million in 2010, contributed by the consolidation of Bank of Singapore, the stepping up of business expansion following a period of cost restraint during the 2008-2009 financial crisis, and higher business volume-related costs. Excluding the consolidation of Bank of Singapore, expenses increased by 13% over the two-year period from 2008 to 2010.

Staff costs rose 29% to S$1,283 million, reflecting the increases in headcount, base salaries and variable compensation, with the consolidation of Bank of Singapore being the largest contributor. Group headcount rose 9% during the year, with more than 80% of the increase coming from the Group's overseas markets, including Indonesia, China, Malaysia, and from the consolidation of Bank of Singapore. Non-staff expenses rose 21%, attributable to higher general insurance claims, communication and IT expenses, depreciation, rentals and professional fees.

Operating expenses of S$620 million in 4Q10 include a one-time cost of S$31 million related to the merger of the Bank's Indonesian subsidiaries, Bank OCBC NISP and Bank OCBC Indonesia. Excluding this one-time charge, operating expenses would have increased by 26% year-on-year and by 3% over the previous quarter, compared to the reported increase of 33% and 8%, respectively. The year-on-year increase was driven by the consolidation of Bank of Singapore and higher staff costs, IT expenses and insurance claims. The sequential increase was led by higher variable and incentive compensation, IT costs and professional fees.

The cost-to-income ratio was 42.3% for 2010, compared with 37.3% in 2009.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	2010	2009	+/(-) %	4Q10	4Q09	+/(-) %	3Q10	+/(-) %
Specific allowances/ (write-back) for loans								
Singapore	**(11)**	63	(117)	**(5)**	(5)	–	(9)	42
Malaysia	**32**	62	(48)	**4**	18	(75)	16	(71)
Others	**36**	116	(69)	**26**	48	(46)	9	178
	57	241	(76)	**25**	61	(59)	16	53
Portfolio allowances for loans	**98**	23	327	**34**	11	196	29	15
Allowances/(write-back) for CDOs	**(26)**	86	(131)	**(18)**	(1)	NM	(0)	NM
Allowances and impairment charges/(write-back) for other assets	**5**	79	(93)	**7**	6	40	(2)	420
Allowances for loans and impairment of other assets	**134**	429	(69)	**48**	77	(37)	43	9

Allowances for loans and other assets declined significantly by 69% from S$429 million in 2009 to S$134 million in 2010. Specific allowances for loans, net of recoveries and write-backs, fell from S$241 million to S$57 million, with declines across major geographies. There were net allowance write-backs of S$26 million for CDOs (collateralised debt obligations) as compared to allowances of S$86 million in 2009. Allowances for other non-loan assets also fell from S$79 million to S$5 million.

Higher portfolio allowances of S$98 million were set aside for strong loan growth during the year, compared to S$23 million in 2009.

For 4Q10, net allowances amounted to S$48 million, down from S$77 million in 4Q09 and slightly above the S$43 million in the previous quarter. The year-on-year decline was due to lower specific allowances for loans and a net write-back of allowances for CDOs, partly offset by higher portfolio allowances of S$34 million.

LOANS AND ADVANCES

S$ million	31 Dec 2010	31 Dec 2009	30 Sep 2010
Loans to customers	**102,172**	80,439	98,052
Bills receivable	**4,277**	1,902	3,783
Gross loans to customers	**106,449**	82,341	101,835
Allowances			
Specific allowances	**(328)**	(454)	(391)
Portfolio allowances	**(1,094)**	(999)	(1,068)
	105,027	80,888	100,376
Less: assets pledged	**(38)**	(12)	(38)
Loans net of allowances	**104,989**	80,876	100,338
By Maturity			
Within 1 year	**39,053**	28,147	37,556
1 to 3 years	**17,515**	17,751	20,860
Over 3 years	**49,881**	36,443	43,419
	106,449	82,341	101,835
By Industry			
Agriculture, mining and quarrying	**2,909**	1,621	2,603
Manufacturing	**7,057**	5,828	6,752
Building and construction	**18,532**	15,643	17,373
Housing loans	**27,076**	21,460	25,903
General commerce	**11,793**	7,750	10,980
Transport, storage and communication	**6,447**	5,791	6,135
Financial institutions, investment and holding companies	**12,878**	10,032	12,771
Professionals and individuals	**13,573**	7,968	12,926
Others	**6,184**	6,248	6,392
	106,449	82,341	101,835
By Currency			
Singapore Dollar	**54,850**	46,022	52,330
United States Dollar	**18,937**	11,081	17,588
Malaysian Ringgit	**14,885**	13,239	14,468
Indonesian Rupiah	**3,551**	2,889	3,360
Others	**14,226**	9,110	14,089
	106,449	82,341	101,835
By Geography [1/]			
Singapore	**59,967**	48,457	57,367
Malaysia	**17,080**	15,322	16,842
Other ASEAN	**6,884**	4,986	6,216
Greater China	**11,079**	7,066	10,833
Other Asia Pacific	**5,311**	3,926	5,029
Rest of the World	**6,128**	2,584	5,548
	106,449	82,341	101,835

Note:
1. Loans by geography are based on where the credit risks reside, regardless of where the transactions are booked.

Gross loans grew 29% from a year ago, and 5% from the previous quarter, to S$106 billion as at 31 December 2010. The growth was partly due to the consolidation of Bank of Singapore, which contributed about 5% of gross loans, classified mainly under loans to professionals and individuals. Excluding Bank of Singapore, loans grew 23% year-on-year, with diversified contributions from different industries and geographies. The biggest contributions came from loans to the housing, general commerce, building and construction sectors, which grew by 26%, 52% and 18%, respectively.

NON-PERFORMING ASSETS

S$ million	Total NPAs [1]	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs	NPLs [2]	NPL Ratio [2]
					%		%
Singapore							
31 Dec 2010	**399**	**272**	**54**	**73**	**57.8**	**318**	**0.5**
30 Sep 2010	370	229	61	80	77.5	368	0.6
31 Dec 2009	417	163	164	90	65.2	416	0.9
Malaysia							
31 Dec 2010	**605**	**419**	**114**	**72**	**53.3**	**478**	**2.8**
30 Sep 2010	541	338	150	53	61.3	494	2.9
31 Dec 2009	635	427	155	53	61.1	582	3.8
Other ASEAN							
31 Dec 2010	**114**	**41**	**10**	**63**	**59.5**	**115**	**1.7**
30 Sep 2010	146	43	17	86	56.9	146	2.4
31 Dec 2009	213	95	23	95	59.9	212	4.3
Greater China							
31 Dec 2010	**24**	**10**	**14**	**–**	**29.1**	**24**	**0.2**
30 Sep 2010	54	11	43	–	15.3	54	0.5
31 Dec 2009	69	13	56	–	19.9	67	0.9
Other Asia Pacific							
31 Dec 2010	**–**	**–**	**–**	**–**	**–**	**–**	**–**
30 Sep 2010	18	18	0	–	47.1	18	0.4
31 Dec 2009	47	40	7	–	51.8	47	1.2
Rest of the World							
31 Dec 2010	**66**	**37**	**25**	**4**	**78.1**	**60**	**1.0**
30 Sep 2010	41	15	21	5	77.5	35	0.6
31 Dec 2009	67	18	46	3	40.3	60	2.3
Group							
31 Dec 2010	**1,208**	**779**	**217**	**212**	**56.2**	**995**	**0.9**
30 Sep 2010	1,170	654	292	224	64.1	1,115	1.1
31 Dec 2009	1,448	756	451	241	58.9	1,384	1.7

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") fell 28% to S$995 million as at 31 December 2010, compared to S$1,384 million in the year ago period. By geography, the decline was mainly from Malaysia, Singapore and Indonesia. By industry, the decrease was mainly from the building and construction, manufacturing and general commerce sectors.

The Group's NPL ratio continued to improve to 0.9%, from 1.1% in the previous quarter and 1.7% a year ago. The Singapore NPL ratio improved from 0.9% to 0.5%, while the Malaysia NPL ratio improved from 3.8% to 2.8%.

Including classified debt securities/CDOs and contingent liabilities, the Group's total non-performing assets ("NPAs") declined 17% during the year to S$1,208 million. Of the total NPAs, 64% were in the substandard category and 56% were secured by collateral. Compared with the previous quarter, NPAs rose 3% as the decrease in NPLs was more than offset by an increase in classified contingent liabilities. The contingent liabilities were guarantees and standby letters of credit related to a small number of customer accounts which were downgraded during the quarter from special mention to substandard.

	31 Dec 2010		31 Dec 2009		30 Sep 2010	
	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	**7**	**0.2**	14	0.8	9	0.3
Manufacturing	**299**	**4.2**	402	6.9	353	5.2
Building and construction	**97**	**0.5**	203	1.3	134	0.8
Housing loans	**190**	**0.7**	224	1.0	203	0.8
General commerce	**127**	**1.1**	218	2.8	133	1.2
Transport, storage and communication	**77**	**1.2**	109	1.9	98	1.6
Financial institutions, investment and holding companies	**7**	**0.1**	37	0.4	8	0.1
Professionals and individuals	**139**	**1.0**	140	1.8	143	1.1
Others	**52**	**0.8**	37	0.6	34	0.5
Total NPLs	**995**	**0.9**	1,384	1.7	1,115	1.1
Classified debt securities	**13**		31		13	
Classified contingent liabilities	**200**		33		42	
Total NPAs	**1,208**		1,448		1,170	

	31 Dec 2010		31 Dec 2009		30 Sep 2010	
	S$ million	%	S$ million	%	S$ million	%
NPAs by Period Overdue						
Over 180 days	**511**	**42**	639	44	569	49
Over 90 to 180 days	**98**	**8**	188	13	103	9
30 to 90 days	**166**	**14**	208	14	104	9
Less than 30 days	**20**	**2**	74	5	36	3
Not overdue	**413**	**34**	339	24	358	30
	1,208	**100**	1,448	100	1,170	100

	31 Dec 2010		31 Dec 2009		30 Sep 2010	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	**170**	**5**	45	2	182	7
Doubtful	**22**	**15**	30	29	26	23
Loss	**13**	**11**	15	4	9	7
	205	**31**	90	35	217	37

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 2010	**573**	**43**	**530**	**10.8**	**143.7**
30 Sep 2010	572	54	518	14.5	154.6
31 Dec 2009	588	76	512	18.2	140.9
Malaysia					
31 Dec 2010	**453**	**202**	**251**	**33.5**	**75.0**
30 Sep 2010	469	217	252	40.2	86.8
31 Dec 2009	463	233	230	36.6	72.8
Other ASEAN					
31 Dec 2010	**134**	**61**	**73**	**53.0**	**117.3**
30 Sep 2010	144	75	69	51.5	98.3
31 Dec 2009	177	111	66	52.3	83.4
Greater China					
31 Dec 2010	**147**	**19**	**128**	**79.6**	**608.9**
30 Sep 2010	166	46	120	84.7	308.5
31 Dec 2009	149	55	94	79.7	217.1
Other Asia Pacific					
31 Dec 2010	**63**	**–**	**63**	**–**	**–**
30 Sep 2010	61	–	61	–	337.1
31 Dec 2009	54	3	51	7.0	115.7
Rest of the World					
31 Dec 2010	**65**	**16**	**49**	**23.4**	**96.8**
30 Sep 2010	60	12	48	29.5	143.2
31 Dec 2009	52	6	46	9.4	76.9
Group					
31 Dec 2010	**1,435**	**341**	**1,094**	**28.2**	**118.8**
30 Sep 2010	1,472	404	1,068	34.5	125.8
31 Dec 2009	1,483	484	999	33.4	102.4

As at 31 December 2010, the Group's total cumulative allowances for assets were S$1,435 million, comprising S$341 million in specific allowances and S$1,094 million in portfolio allowances. Total cumulative allowances were 119% of total NPAs and 271% of unsecured NPAs, higher compared to the respective ratios of 102% and 249% at the end of 2009.

DEPOSITS

S$ million	31 Dec 2010	31 Dec 2009	30 Sep 2010
Deposits of non-bank customers	**123,300**	100,633	115,997
Deposits and balances of banks	**16,508**	10,958	16,858
	139,808	111,591	132,855
Loans to deposits ratio (net non-bank loans/non-bank deposits)	**85.1%**	80.4%	86.5%

S$ million	31 Dec 2010	31 Dec 2009	30 Sep 2010
Total Deposits By Maturity			
Within 1 year	**137,926**	109,486	130,685
1 to 3 years	**1,277**	1,742	1,716
Over 3 years	**605**	363	454
	139,808	111,591	132,855
Non-Bank Deposits By Product			
Fixed deposits	**58,602**	53,621	56,946
Savings deposits	**25,620**	21,753	24,651
Current account	**31,737**	20,762	28,460
Others	**7,341**	4,497	5,940
	123,300	100,633	115,997
Non-Bank Deposits By Currency			
Singapore Dollar	**66,934**	58,458	61,637
United States Dollar	**16,918**	11,144	17,433
Malaysian Ringgit	**17,097**	16,286	16,278
Indonesian Rupiah	**4,423**	3,735	4,023
Others	**17,928**	11,010	16,626
	123,300	100,633	115,997

Non-bank customer deposits rose 23% year-on-year and 6% from the previous quarter to S$123 billion, with Bank of Singapore's deposits accounting for about 6% of total customer deposits as at 31 December 2010. Current account and savings deposits grew by 53% and 18% respectively, while fixed deposits grew at a slower rate of 9%.

The Group's loans-to-deposits ratio was 85.1%, compared to 86.5% in the previous quarter and 80.4% a year ago.

DEBTS ISSUED

S$ million	31 Dec 2010	31 Dec 2009	30 Sep 2010
Subordinated debts (unsecured)	**6,339**	5,769	5,702
Commercial papers (unsecured)	**461**	1,061	1,025
Structured notes (unsecured)	**54**	33	40
Total	**6,854**	6,863	6,767
Debts Issued By Maturity			
Within one year	**3,105**	1,082	3,761
Over one year	**3,749**	5,781	3,006
Total	**6,854**	6,863	6,767

CAPITAL ADEQUACY RATIOS

S$ million	31 Dec 2010	31 Dec 2009	30 Sep 2010
Tier 1 Capital			
Ordinary and preference shares	**8,211**	7,376	7,817
Disclosed reserves/others	**14,057**	12,893	13,634
Goodwill/others	**(5,120)**	(4,307)	(5,232)
Eligible Tier 1 Capital	**17,148**	15,962	16,219
Tier 2 Capital			
Subordinated term notes	**3,467**	3,163	2,661
Others	**(2,107)**	(2,633)	(2,264)
Total Eligible Capital	**18,508**	16,492	16,616
Risk Weighted Assets	**105,062**	100,013	106,666
Tier 1 capital adequacy ratio	**16.3%**	15.9%	15.2%
Total capital adequacy ratio	**17.6%**	16.4%	15.5%

As at 31 December 2010, the Group's Tier 1 ratio and total capital adequacy ratio ("CAR") were 16.3% and 17.6% respectively. These were well above the regulatory minimums of 6% and 10% respectively.

The capital ratios improved from their end-2009 levels of 15.9% Tier 1 and 16.4% total CAR, contributed by the following factors: retained earnings for the year; the issue of approximately 95.9 million new shares to shareholders who participated in the Scrip Dividend Scheme for the FY09 final dividend and FY10 interim dividend; and the issue of approximately S$1 billion in Lower Tier 2 capital by the Bank and its Malaysian and Indonesian subsidiaries. These additions to capital were partly offset by the deduction of goodwill relating to the acquisition of ING Asia Private Bank (Bank of Singapore), the final year amortisation of the 2011 Upper Tier 2 subordinated bonds (issued in 2001), and growth in risk weighted assets during the year.

The Group's core Tier 1 ratio, which excludes perpetual and innovative preference shares, was 12.5% as at 31 December 2010, higher than the 11.5% in September 2010 and 12.0% in December 2009.

UNREALISED VALUATION SURPLUS

S$ million	31 Dec 2010	31 Dec 2009	30 Sep 2010
Properties [1/]	**2,549**	2,278	2,322
Equity securities [2/]	**2,216**	1,110	2,513
Total	**4,765**	3,388	4,835

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 associates and subsidiaries, which are valued based on their market prices at the end of each quarter.
3. 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 Group's unrealised valuation surplus represents the difference between the carrying values[3/] of its properties and investments in quoted subsidiaries and associates as compared to the property values and market prices of the quoted investments at the respective periods.

The valuation surplus as at 31 December 2010 was S$4.77 billion, up by 41% from S$3.39 billion at 31 December 2009. The increase was due to the surplus for equity securities, mainly from the Group's stake in Bank OCBC NISP and Great Eastern Holdings ("GEH").

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	2010	2009	+/(-) %	4Q10	4Q09	+/(-) %	3Q10	+/(-) %
Global Consumer Financial Services	**543**	572	(5)	**141**	138	2	135	5
Global Corporate Banking	**1,200**	830	45	**297**	216	37	326	(9)
Global Treasury	**570**	600	(5)	**133**	101	32	143	(7)
Insurance	**564**	579	(3)	**104**	163	(36)	186	(44)
Others	**455**	327	39	**71**	111	(36)	87	(18)
Operating profit after allowances and amortisation for total business segments	**3,332**	2,908	15	**746**	729	2	877	(15)
Add/(Less):								
- Joint income elimination [1/]	**(356)**	(305)	17	**(86)**	(81)	6	(107)	(20)
- Items not attributed to business segments	**(94)**	(60)	58	**(15)**	(19)	(23)	(27)	(44)
Operating profit after allowances and amortisation	**2,882**	2,543	13	**645**	629	3	743	(13)

Note:
1. These are joint income allocated to business segments to reward cross-selling activities.

Global Consumer Financial Services

Global Consumer Financial Services provides a full range of products and services 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 by 5% to S$543 million in 2010, mainly as a result of higher expenses. Revenue growth was led by healthy fee and commission income, which more than offset a decline in net interest income due to lower loan and deposit spreads. Operating profit in 4Q10 increased by 2% from a year ago to S$141 million, contributed by a decline in allowances.

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 45% to S$1,200 million in 2010, driven by higher net interest income, fee and commission income, and lower net allowances. The growth in net interest income was contributed by higher loan volumes in key markets, and generally wider loan spreads. For 4Q10, operating profit after allowances increased 37% year-on-year to S$297 million, contributed by higher net interest income and fee income, and a decline in net 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 2010 declined by 5% to S$570 million, largely because of increase in expenses. Operating profit in 4Q10 increased by 32% year-on-year to S$133 million, largely driven by an increase in net interest income from gapping activities, partly offset by higher expenses.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.1%-owned subsidiary GEH, which provides both life and general insurance products to its customers mainly in Singapore and Malaysia.

2010 operating profit from GEH was S$564 million, 3% lower compared to 2009, as the 2010 performance was impacted by volatile interest rate movements, while the previous year's results were underpinned by the strong recovery in credit markets after the global financial crisis. Operating profit in 4Q10 was S$104 million, a decline of 36% year-on-year, as rising long-term interest rates during the quarter impacted the valuation of fixed income assets of the Non-Participating Fund.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S$405 million in 2010 and S$64 million in 4Q10, as compared with S$412 million in 2009 and S$119 million in 4Q09.

Others

The "Others" segment comprises Bank OCBC NISP, PacificMas Berhad, Bank of Singapore, corporate finance, capital markets, property holding, stock brokerage and investment holding. Full year operating profit after allowances for this segment increased by 39% to S$455 million. The prior year period was impacted by allowances for the CDO portfolio and losses from the disposal of corporate bonds, which were not repeated in 2010. In addition, contribution from private banking and investment banking activities were higher in 2010.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Total Business Segments
2010						
- External customers	**1,151**	**1,755**	**807**	**774**	**1,230**	**5,717**
- Intersegment income	**–**	**–**	**–**	**–**	**84**	**84**
Total income	**1,151**	**1,755**	**807**	**774**	**1,314**	**5,801**
Operating profit before allowances and amortisation	**567**	**1,216**	**567**	**615**	**556**	**3,521**
Amortisation of intangible assets	**–**	**–**	**–**	**(47)**	**(8)**	**(55)**
Write-back/(allowances and impairment) for loans and other assets	**(24)**	**(16)**	**3**	**(4)**	**(93)**	**(134)**
Operating profit after allowances and amortisation	**543**	**1,200**	**570**	**564**	**455**	**3,332**
Other information:						
Capital expenditure	**10**	**7**	**0**	**38**	**128**	**183**
Depreciation	**17**	**10**	**1**	**2**	**122**	**152**
2009						
- External customers	1,142	1,477	816	758	928	5,121
- Intersegment income	–	–	–	–	84	84
Total income	1,142	1,477	816	758	1,012	5,205
Operating profit before allowances and amortisation	629	1,010	611	642	492	3,384
Amortisation of intangible assets	–	–	–	(47)	–	(47)
Allowances and impairment for loans and other assets	(57)	(180)	(11)	(16)	(165)	(429)
Operating profit after allowances and amortisation	572	830	600	579	327	2,908
Other information:						
Capital expenditure	24	8	1	24	143	200
Depreciation	16	9	1	2	107	135

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PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Total Business Segments
4Q10						
- External customers	**296**	**456**	**195**	**160**	**309**	**1,416**
- Intersegment income	**–**	**–**	**–**	**–**	**21**	**21**
Total income	**296**	**456**	**195**	**160**	**330**	**1,437**
Operating profit before allowances and amortisation	**145**	**315**	**131**	**116**	**103**	**810**
Amortisation of intangible assets	**–**	**–**	**–**	**(12)**	**(4)**	**(16)**
Write-back/(allowances and impairment) for loans and other assets	**(4)**	**(18)**	**2**	**0**	**(28)**	**(48)**
Operating profit after allowances and amortisation	**141**	**297**	**133**	**104**	**71**	**746**
Other information:						
Capital expenditure	**1**	**2**	**0**	**19**	**27**	**49**
Depreciation	**7**	**5**	**1**	**1**	**24**	**38**
4Q09						
- External customers	288	391	151	190	246	1,266
- Intersegment income	–	–	–	–	21	21
Total income	288	391	151	190	267	1,287
Operating profit before allowances and amortisation	148	265	101	184	120	818
Amortisation of intangible assets	–	–	–	(12)	–	(12)
Allowances and impairment for loans and other assets	(10)	(49)	–	(9)	(9)	(77)
Operating profit after allowances and amortisation	138	216	101	163	111	729
Other information:						
Capital expenditure	6	3	0	12	27	48
Depreciation	4	3	0	1	28	36
3Q10						
- External customers	292	465	205	234	298	1,494
- Intersegment income	–	–	–	–	21	21
Total income	292	465	205	234	319	1,515
Operating profit before allowances and amortisation	139	326	142	198	131	936
Amortisation of intangible assets	–	–	–	(12)	(4)	(16)
Write-back/(allowances and impairment) for loans and other assets	(4)	0	1	0	(40)	(43)
Operating profit after allowances and amortisation	135	326	143	186	87	877
Other information:						
Capital expenditure	2	1	0	8	43	54
Depreciation	3	1	0	0	34	38

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Group
At 31 December 2010						
Segment assets	**34,071**	**71,653**	**45,505**	**54,467**	**34,773**	**240,469**
Unallocated assets						**101**
Elimination						**(11,287)**
Total assets						**229,283**
Segment liabilities	**46,038**	**57,913**	**35,986**	**47,961**	**27,156**	**215,054**
Unallocated liabilities						**1,871**
Elimination						**(11,287)**
Total liabilities						**205,638**
Other information:						
Gross non-bank loans	**32,871**	**61,343**	**1,567**	**174**	**10,494**	**106,449**
NPAs	**232**	**839**	**–**	**7**	**130**	**1,208**
At 31 December 2009						
Segment assets	27,900	56,542	46,761	49,634	21,750	202,587
Unallocated assets						98
Elimination						(8,385)
Total assets						194,300
Segment liabilities	44,333	48,652	23,405	43,824	19,140	179,354
Unallocated liabilities						1,552
Elimination						(8,385)
Total liabilities						172,521
Other information:						
Gross non-bank loans	26,702	49,878	1,046	289	4,426	82,341
NPAs	280	1,018	–	7	143	1,448
At 30 September 2010						
Segment assets	32,543	67,381	46,830	54,190	33,736	234,680
Unallocated assets						89
Elimination						(11,253)
Total assets						223,516
Segment liabilities	46,444	51,617	37,404	47,808	26,735	210,008
Unallocated liabilities						1,799
Elimination						(11,253)
Total liabilities						200,554
Other information:						
Gross non-bank loans	31,357	59,094	1,364	261	9,759	101,835
NPAs	249	756	–	7	158	1,170

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	2010		2009		4Q10		4Q09		3Q10	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total income										
Singapore	**3,350**	**63**	2,912	60	**810**	**61**	778	66	866	63
Malaysia	**1,233**	**23**	1,239	26	**325**	**24**	246	21	310	23
Other ASEAN	**389**	**7**	370	8	**96**	**7**	91	7	102	7
Other Asia Pacific	**311**	**6**	242	5	**87**	**7**	59	5	87	6
Rest of the World	**42**	**1**	52	1	**11**	**1**	10	1	10	1
	5,325	**100**	4,815	100	**1,329**	**100**	1,184	100	1,375	100
Profit before income tax										
Singapore	**1,958**	**68**	1,594	63	**472**	**73**	488	78	494	67
Malaysia	**768**	**27**	800	31	**200**	**31**	132	21	187	25
Other ASEAN	**60**	**2**	125	5	**(6)**	**(1)**	23	4	17	2
Other Asia Pacific	**87**	**3**	41	2	**(20)**	**(3)**	22	3	43	6
Rest of the World	**7**	**–**	(17)	(1)	**(2)**	**–**	(38)	(6)	2	–
	2,880	**100**	2,543	100	**644**	**100**	627	100	743	100

	31 Dec 2010		31 Dec 2009		30 Sep 2010	
	S$ million	%	S$ million	%	S$ million	%
Total assets						
Singapore	**145,864**	**64**	125,001	64	142,471	64
Malaysia	**47,673**	**21**	43,070	22	46,885	21
Other ASEAN	**8,550**	**4**	6,922	4	7,536	3
Other Asia Pacific	**24,250**	**10**	15,754	8	23,305	10
Rest of the World	**2,946**	**1**	3,553	2	3,319	2
	229,283	**100**	194,300	100	223,516	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 2010, Singapore accounted for 63% of total income and 68% of pre-tax profit, while Malaysia accounted for 23% of total income and 27% of pre-tax profit.

Pre-tax profit for Singapore increased by 23% to S$1,958 million in 2010, contributed mainly by higher fee and commission income and gains from the sale of investment securities, which offset lower life assurance profit. In addition, the 2009 pre-tax profit for Singapore had included the GLC redemption loss of S$213 million. Malaysia's pre-tax profit in 2010 fell by 4% to S$768 million. Excluding the prior year's non-recurring insurance gains which were classified mainly under Malaysia, the pre-tax profit for Malaysia would be 28% higher in 2010, driven by higher foreign exchange and net interest income.

HALF-YEARLY INCOME AND PROFIT

S$ million	2010	2009	+/(-)
			%
Total income			
First half year	**2,621**	2,550	3
Second half year	**2,704**	2,265	19
	5,325	4,815	11
Profit for the year			
First half year	**1,273**	1,116	14
Second half year	**1,174**	1,038	13
	2,447	2,154	14

AUDITED CONSOLIDATED INCOME STATEMENT

S$ million	2010	2009	+/(-)	4Q10@	4Q09@	+/(-)	3Q10@	+/(-)
			%			%		%
Interest income	**4,363**	4,184	4	**1,162**	991	17	1,128	3
Interest expense	**(1,416)**	(1,359)	4	**(393)**	(304)	29	(374)	5
Net interest income	**2,947**	2,825	4	**769**	687	12	754	2
Premium income	**5,866**	5,589	5	**1,713**	1,561	10	1,575	9
Investment income	**2,440**	2,726	(10)	**796**	676	18	793	–
Net claims, surrenders and annuities	**(4,181)**	(4,471)	(6)	**(1,384)**	(1,149)	20	(1,074)	29
Change in life assurance fund contract liabilities	**(2,545)**	(2,007)	27	**(637)**	(617)	3	(838)	(24)
Commission and others	**(1,143)**	(1,110)	3	**(422)**	(344)	23	(300)	40
Profit from life assurance	**437**	727	(40)	**66**	127	(48)	156	(58)
Premium income from general insurance	**149**	122	22	**40**	26	54	35	13
Fees and commissions (net)	**994**	730	36	**256**	192	33	260	(1)
Dividends	**63**	57	10	**6**	4	51	9	(28)
Rental income	**77**	78	(1)	**18**	20	(10)	20	(11)
Other income	**658**	276	138	**174**	128	35	141	23
Non-interest income	**2,378**	1,990	20	**560**	497	13	621	(10)
Total income	**5,325**	4,815	11	**1,329**	1,184	12	1,375	(3)
Staff costs	**(1,283)**	(995)	29	**(336)**	(265)	27	(332)	1
Other operating expenses	**(971)**	(801)	21	**(284)**	(201)	41	(241)	17
Total operating expenses	**(2,254)**	(1,796)	25	**(620)**	(466)	33	(573)	8
Operating profit before allowances and amortisation	**3,071**	3,019	2	**709**	718	(1)	802	(12)
Amortisation of intangible assets	**(55)**	(47)	18	**(16)**	(12)	35	(16)	(1)
Allowances for loans and impairment of other assets	**(134)**	(429)	(69)	**(48)**	(77)	(37)	(43)	9
Operating profit after allowances and amortisation	**2,882**	2,543	13	**645**	629	3	743	(13)
Share of results of associates and joint ventures	**(2)**	(0)	NM	**(1)**	(2)	(32)	0	(338)
Profit before income tax	**2,880**	2,543	13	**644**	627	3	743	(13)
Income tax expense	**(433)**	(389)	12	**(90)**	(75)	20	(123)	(26)
Profit for the period	**2,447**	2,154	14	**554**	552	–	620	(11)
Profit attributable to:								
Equity holders of the Bank	**2,253**	1,962	15	**505**	502	1	570	(11)
Non-controlling interests	**194**	192	1	**49**	50	(3)	50	(3)
	2,447	2,154	14	**554**	552	–	620	(11)
Earnings per share (for the period – cents)								
Basic	**66.1**	59.4		**13.8**	14.2		17.3	
Diluted	**65.9**	59.3		**13.8**	14.1		17.3	

Note:
1. "@" represents unaudited.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

S$ million	2010	2009	+/(-) %	4Q10@	4Q09@	+/(-) %	3Q10@	+/(-) %
Profit for the year/period	**2,447**	2,154	14	**554**	552	–	620	(11)
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the year/period	**119**	1,306	(91)	**(113)**	423	(127)	357	(132)
Reclassification of (gains)/losses to income statement								
- on disposal	**(152)**	(50)	(204)	**(11)**	(30)	62	(23)	50
- on impairment	**(23)**	161	(114)	**(18)**	14	(223)	(0)	NM
Tax on net movements	**(54)**	(110)	51	**5**	(24)	122	(48)	111
Exchange differences on translating foreign operations	**(54)**	98	(155)	**(87)**	20	(533)	(110)	21
Other comprehensive income of associates and joint ventures	**(4)**	3	(245)	**(1)**	(0)	(415)	(4)	62
Total other comprehensive income, net of tax	**(168)**	1,408	(112)	**(225)**	403	(156)	172	(231)
Total comprehensive income for the period, net of tax	**2,279**	3,562	(36)	**329**	955	(66)	792	(58)
Total comprehensive income attributable to:								
Equity holders of the Bank	**2,065**	3,333	(38)	**293**	896	(67)	739	(60)
Non-controlling interests	**214**	229	(7)	**36**	59	(40)	53	(33)
	2,279	3,562	(36)	**329**	955	(66)	792	(58)

Note:
1. "@" represents unaudited.

AUDITED BALANCE SHEETS

S$ million	GROUP 31 Dec 2010	GROUP 31 Dec 2009	GROUP 30 Sep 2010 @	BANK 31 Dec 2010	BANK 31 Dec 2009	BANK 30 Sep 2010 @
EQUITY						
Attributable to equity holders of the Bank						
Share capital	**8,211**	7,376	7,817	**8,211**	7,376	7,817
Capital reserves	**613**	986	710	**432**	768	525
Fair value reserves	**1,374**	1,506	1,510	**606**	603	748
Revenue reserves	**10,592**	9,103	10,119	**6,605**	5,716	6,226
	20,790	18,971	20,156	**15,854**	14,463	15,316
Non-controlling interests	**2,855**	2,808	2,806	**–**	–	–
Total equity	**23,645**	21,779	22,962	**15,854**	14,463	15,316
LIABILITIES						
Deposits of non-bank customers	**123,300**	100,633	115,997	**88,891**	77,298	83,894
Deposits and balances of banks	**16,508**	10,958	16,858	**13,811**	9,674	14,342
Due to subsidiaries	**–**	–	–	**4,624**	1,369	4,279
Due to associates	**139**	119	124	**118**	118	111
Trading portfolio liabilities	**1,734**	2,016	2,459	**1,734**	2,016	2,459
Derivative payables	**4,563**	3,918	5,154	**4,222**	3,767	4,894
Other liabilities	**3,187**	3,215	4,144	**1,063**	1,011	1,600
Current tax	**745**	607	668	**311**	269	272
Deferred tax	**1,127**	946	1,130	**131**	120	132
Debts issued	**6,854**	6,863	6,767	**7,887**	8,230	7,987
	158,157	129,275	153,301	**122,792**	103,872	119,970
Life assurance fund liabilities	**47,481**	43,246	47,253	**–**	–	–
Total liabilities	**205,638**	172,521	200,554	**122,792**	103,872	119,970
Total equity and liabilities	**229,283**	194,300	223,516	**138,646**	118,335	135,286
ASSETS						
Cash and placements with central banks	**11,493**	13,171	11,245	**6,787**	8,160	7,216
Singapore government treasury bills and securities	**11,156**	10,922	11,333	**10,485**	10,550	10,692
Other government treasury bills and securities	**5,944**	5,564	6,094	**3,174**	2,744	3,306
Placements with and loans to banks	**18,569**	15,821	17,078	**13,612**	11,992	12,292
Loans and bills receivable	**104,989**	80,876	100,338	**75,877**	61,340	72,384
Debt and equity securities	**14,255**	11,680	14,117	**9,836**	7,786	9,901
Assets pledged	**746**	279	505	**708**	267	447
Assets held for sale	**4**	–	2	**2**	–	2
Derivative receivables	**4,837**	3,973	5,635	**4,462**	3,770	5,338
Other assets	**3,116**	2,911	3,168	**828**	689	701
Deferred tax	**79**	64	64	**6**	5	6
Associates and joint ventures	**255**	226	261	**113**	56	116
Subsidiaries	**–**	–	–	**9,934**	8,151	10,060
Property, plant and equipment	**1,625**	1,609	1,606	**401**	409	405
Investment property	**733**	765	767	**554**	549	553
Goodwill and intangible assets	**3,996**	3,362	4,035	**1,867**	1,867	1,867
	181,797	151,223	176,248	**138,646**	118,335	135,286
Life assurance fund investment assets	**47,486**	43,077	47,268	**–**	–	–
Total assets	**229,283**	194,300	223,516	**138,646**	118,335	135,286
Net Asset Value Per Ordinary Share (before valuation surplus – S$)	**5.66**	5.29	5.55	**4.18**	3.89	4.08
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	**8,513**	7,314	7,652	**6,835**	6,458	6,319
Commitments	**55,073**	42,843	54,119	**40,143**	34,653	39,488
Derivative financial instruments	**423,149**	355,210	427,387	**391,147**	335,535	401,081

Note:
1. "@" represents unaudited.

AUDITED STATEMENT OF CHANGES IN EQUITY – GROUP

For the financial year ended 31 December 2010

	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 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
Balance at 1 January 2009	6,638	1,329	222	7,685	15,874	2,686	18,560
Total comprehensive income for the period	–	–	1,284	2,049	3,333	229	3,562
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	2	(338)	–	336	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(115)	(115)
DSP reserve from dividends of unvested shares	–	–	–	3	3	–	3
Ordinary and preference dividends paid in cash	–	–	–	(286)	(286)	–	(286)
Share-based staff costs capitalised	–	11	–	–	11	–	11
Shares issued in lieu of ordinary dividends	684	–	–	(684)	–	–	–
Shares issued to non-executive directors	0	–	–	–	0	–	0
Shares purchased by DSP Trust	–	(3)	–	–	(3)	–	(3)
Shares vested under DSP Scheme	–	9	–	–	9	–	9
Treasury shares transferred/sold	52	(22)	–	–	30	–	30
Total contributions by and distributions to owners	738	(343)	–	(631)	(236)	(115)	(351)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	–	–	8	8
Total changes in ownership interests in subsidiaries	–	–	–	–	–	8	8
Balance at 31 December 2009	7,376	986	1,506	9,103	18,971	2,808	21,779
Included: Share of reserves of associates and joint ventures	–	3	0	32	35	(1)	34

OCBC Bank

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)
For the three months ended 31 December 2010

GROUP S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
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**
Balance at 1 October 2009	7,003	1,057	1,128	8,557	17,745	2,749	20,494
Total comprehensive income for the period	–	–	378	518	896	59	955
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	2	(74)	–	72	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(0)	(0)
DSP reserve from dividends on unvested shares	–	–	–	1	1	–	1
Ordinary and preference dividends	–	–	–	(45)	(45)	–	(45)
Shares issued in lieu of ordinary dividends	359	–	–	–	359	–	359
Shares purchased by DSP Trust	–	(1)	–	–	(1)	–	(1)
Share-based staff costs capitalised	–	4	–	–	4	–	4
Treasury shares transferred/sold	12	(0)	–	–	12	–	12
Total contributions by and distributions to owners	373	(71)	–	28	330	(0)	330
Balance at 31 December 2009	7,376	986	1,506	9,103	18,971	2,808	21,779
Included: Share of reserves of associates and joint ventures	–	3	0	32	35	(1)	34

AUDITED STATEMENT OF CHANGES IN EQUITY – BANK
For the financial year ended 31 December 2010

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2010	**7,376**	**768**	**603**	**5,716**	**14,463**
Total comprehensive income for the period	**–**	**–**	**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**
Balance at 1 January 2009	6,638	1,099	12	5,076	12,825
Total comprehensive income for the period	–	–	591	1,267	1,858
Transfers	2	(342)	–	340	–
DSP reserve from dividends on unvested shares	–	–	–	3	3
Ordinary and preference dividends paid in cash	–	–	–	(286)	(286)
Share-based staff costs capitalised	–	11	–	–	11
Shares issued in lieu of ordinary dividends	684	–	–	(684)	–
Shares issued to non-executive directors	0	–	–	–	0
Treasury shares transferred/sold	52	–	–	–	52
Balance at 31 December 2009	7,376	768	603	5,716	14,463

For the three months ended 31 December 2010 (Unaudited)

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
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**
Balance at 1 October 2009	7,003	851	492	5,375	13,721
Total comprehensive income for the period	–	–	111	300	411
Transfers	2	(87)	–	85	–
DSP reserve from dividends on unvested shares	–	–	–	1	1
Ordinary and preference dividends	–	–	–	(45)	(45)
Share-based staff costs capitalised	–	4	–	–	4
Shares issued in lieu of ordinary dividends	359	–	–	–	359
Treasury shares transferred/sold	12	–	–	–	12
Balance at 31 December 2009	7,376	768	603	5,716	14,463

AUDITED CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2010

S$ million	2010	2009	4Q10 @	4Q09 @
Cash flows from operating activities				
Profit before income tax	**2,880**	2,543	**644**	627
Adjustments for non-cash items				
Amortisation of intangible assets	**55**	47	**16**	12
Allowances for loans and impairment of other assets	**134**	429	**48**	77
Change in fair value for hedging transactions and trading securities	**(54)**	(297)	**(8)**	14
Depreciation of property, plant and equipment and investment property	**152**	135	**38**	36
Net gain on disposal of property, plant and equipment and investment property	**(23)**	(8)	**(0)**	(5)
Net gain on disposal of government, debt and equity securities	**(153)**	(50)	**(12)**	(30)
Net (gain)/loss on disposal/liquidation of subsidiaries and associates	**(38)**	0	**(35)**	–
Share-based staff costs	**12**	9	**3**	4
Share of results of associates and joint ventures	**2**	0	**1**	2
Items relating to life assurance fund				
Surplus before income tax	**703**	998	**199**	223
Surplus transferred from life assurance fund	**(437)**	(727)	**(66)**	(127)
Operating profit before change in operating assets and liabilities	**3,233**	3,079	**828**	833
Change in operating assets and liabilities				
Deposits of non-bank customers	**16,688**	6,580	**7,319**	3,754
Deposits and balances of banks	**5,316**	845	**(350)**	(873)
Derivative payables and other liabilities	**399**	(3,493)	**(1,060)**	(213)
Trading portfolio liabilities	**(282)**	905	**(724)**	459
Government securities and treasury bills	**358**	(2,736)	**569**	145
Trading securities	**(730)**	115	**(87)**	(66)
Placements with and loans to banks	**(937)**	80	**(1,731)**	2,674
Loans and bills receivable	**(19,527)**	(1,341)	**(4,730)**	(3,682)
Derivative receivables and other assets	**(1,046)**	2,235	**866**	452
Net change in investment assets and liabilities of life assurance fund	**(181)**	(521)	**(52)**	(306)
Cash from operating activities	**3,291**	5,748	**848**	3,177
Income tax paid	**(419)**	(342)	**(84)**	(36)
Net cash from operating activities	**2,872**	5,406	**764**	3,141
Cash flows from investing activities				
Dividends from associates	**4**	3	**0**	0
Decrease/(increase) in associates and joint ventures	**(49)**	(92)	**4**	(96)
Net cashflow from acquisition of subsidiaries	**(2,003)**	–	**–**	–
Purchases of debt and equity securities	**(6,357)**	(3,130)	**(1,157)**	(860)
Purchases of property, plant and equipment and investment property	**(183)**	(200)	**(49)**	(49)
Proceeds from disposal of debt and equity securities	**4,018**	3,392	**579**	608
Proceeds from disposal of interest in subsidiaries	**–**	8	**–**	0
Proceeds from disposal of associates	**14**	–	**–**	–
Proceeds from disposal of property, plant and equipment and investment property	**29**	20	**3**	13
Net cash (used in)/from investing activities	**(4,527)**	1	**(620)**	(384)
Cash flows from financing activities				
Changes in non-controlling interests	**(64)**	–	**12**	–
Dividends paid to equity holders of the Bank	**(279)**	(286)	**(140)**	(131)
Dividends paid to non-controlling interests	**(133)**	(115)	**(0)**	(0)
Increase in debts issued	**396**	1,054	**297**	1,064
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**78**	30	**18**	12
Share buyback	**(42)**	–	**(33)**	–
Net cash (used in)/from financing activities	**(44)**	683	**154**	945
Net currency translation adjustments	**21**	53	**(50)**	10
Net change in cash and cash equivalents	**(1,678)**	6,143	**248**	3,712
Cash and cash equivalents at beginning of year/period	**13,171**	7,028	**11,245**	9,459
Cash and cash equivalents at end of year/period	**11,493**	13,171	**11,493**	13,171

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	**2010**	**2009**	**2010**	**2009**
Issued ordinary shares				
Balance at beginning of year/period	**3,245,120,283**	3,126,565,512	**3,290,465,030**	3,193,938,485
Shares issued to non-executive directors	**60,000**	43,200	**–**	–
Shares issued pursuant to Scrip Dividend Scheme	**95,864,686**	118,511,571	**50,579,939**	51,181,798
Balance at end of year/period	**3,341,044,969**	3,245,120,283	**3,341,044,969**	3,245,120,283
Treasury shares				
Balance at beginning of year/period	**(14,781,749)**	(25,746,212)	**(3,192,767)**	(17,238,874)
Share buyback	**(4,439,000)**	–	**(3,405,000)**	–
Shares sold/transferred to employees pursuant to OCBC Share Option Schemes	**8,969,522**	6,043,567	**3,106,748**	2,434,335
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	**3,508,329**	22,790	**221,693**	22,790
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	**3,469,655**	4,898,106	**–**	–
Shares sold for cash	**3,917**	–	**–**	–
Balance at end of year/period	**(3,269,326)**	(14,781,749)	**(3,269,326)**	(14,781,749)
Total	**3,337,775,643**	3,230,338,534	**3,337,775,643**	3,230,338,534

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 16 April 2010, the Bank purchased a total of 3,405,000 ordinary shares in the fourth quarter ended 31 December 2010. The ordinary shares were purchased by way of market acquisitions at prices ranging from S$8.85 to S$10.00 per share and the total consideration paid was S$33,154,661 (including transaction costs).

From 1 October 2010 to 31 December 2010 (both dates inclusive), the Bank utilised 3,106,748 treasury shares upon the exercise of options by employees of the Group pursuant to OCBC Share Option Schemes 1994 and 2001. As at 31 December 2010, the number of options outstanding under the OCBC Share Options Schemes was 33,106,004 (31 December 2009: 39,746,960).

From 1 October 2010 to 31 December 2010 (both dates inclusive), the Bank utilised 221,693 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan ("ESPP"). As at 31 December 2010, the number of acquisition rights outstanding under the OCBC ESPP was 9,158,682 (31 December 2009: 8,452,191).

50,579,939 ordinary shares were issued pursuant to OCBC Scrip Dividend Scheme in lieu of cash for the interim one-tier tax exempt dividend of 15 cents per ordinary shares in the capital of OCBC for the year ended 31 December 2010.

No new preference shares were allotted and issued by the Bank in the fourth quarter ended 31 December 2010.

OTHER MATTERS / SUBSEQUENT EVENTS

1. On 1 January 2011, OCBC Bank has completed the merger of its two licensed bank subsidiaries in Indonesia, PT Bank OCBC Indonesia ("BOI") and PT Bank OCBC NISP TBK ("OCBC NISP"). From this date, both subsidiaries have been combined and are operating as a merged bank named PT Bank OCBC NISP TBK ("OCBC NISP").

   As a result of the merger, OCBC Bank's direct and indirect shareholding in OCBC NISP has increased from 81.9% to 85.06%.

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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 2010, 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.

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 2010, 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
18 February 2011