

Media Release

OCBC Group Full Year 2012 Net Profit After Tax Up 73% to S\$3.99 billion

Record 2012 core earnings driven by broad-based income growth

Singapore, 15 February 2013 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") reported a net profit after tax of S\$3.99 billion for the financial year ended 31 December 2012 ("FY12"), an increase of 73% from S\$2.31 billion in 2011 ("FY11"). Core net profit after tax, which excludes gains from the divestment of non-core assets, grew 24% to a record S\$2.83 billion, as compared to S\$2.28 billion a year ago. The results were driven by a combination of record net interest income, fee income and net trading income as well as significantly higher contributions from Great Eastern Holdings ("GEH").

Net interest income grew to a record S\$3.75 billion, a 10% increase from S\$3.41 billion in 2011, driven by strong asset growth which more than offset a reduction in net interest margin. Average balances of non-bank customer loans grew 15% year-on-year, across various industry sectors in Singapore and key overseas markets. Net interest margin, however, narrowed 9 basis points to 1.77%, due to the continued low interest rate environment, limited gapping opportunities and the re-pricing of mortgage loans in response to market competition. The ratio of current and savings deposits to total non-bank deposits increased further to 50.6%, up from 46.4% a year ago, while our loans-to-deposits ratio was maintained at 86.2%, a level comparable to a year ago. Non-interest income, excluding divestment gains, was 31% higher at S\$2.90 billion as compared to S\$2.21 billion a year ago. Fee and commission income reached a new high of S\$1.20 billion, driven by the sustained growth of the Group's wealth management franchise, including Bank of Singapore, and supported by higher loan-related and trade-related fees. Net trading income increased to S\$515 million from S\$217 million in the previous year, largely from securities and derivatives trading. Life assurance profit from Great Eastern Holdings increased 81% to S\$692 million, from S\$383 million in 2011, led by continued underwriting income growth and improved investment performance. The Group's divestment gains of S\$1.32 billion (S\$1.17 billion post-tax) during the year were largely attributable to the sale of its stakes in Fraser and Neave, Limited ("F&N") and Asia Pacific Breweries Limited ("APB") in August 2012.

Compared with total core income, which grew 18% to S\$6.65 billion, operating expenses rose 11% to S\$2.70 billion, from S\$2.43 billion a year ago. This generated a 24% increase in operating profit, to S\$3.95 billion for the year. Staff costs grew 14% to S\$1.65 billion, from S\$1.45 billion in 2011, largely from headcount growth of 8% to support the Group's expansion in Singapore and overseas markets. The increase in staff costs was also attributable to salary increments, higher incentive compensation and sales commissions associated with stronger business volumes. The cost-to-income ratio of 40.6% improved from 43.2% in the previous year. Net allowances of S\$271 million were 23% higher as compared to S\$221 million in 2011, while the non-performing loans ("NPL") ratio improved to 0.8%, from 0.9% a year ago.

Return on equity, based on core earnings, of 12.5% was higher as compared to 11.1% in 2011. Core earnings per share rose 22% to 79.1 cents, from 64.8 cents a year ago.

The Group's revenue from various wealth management activities (comprising insurance, private banking, asset management, stockbroking and sales of other wealth management products), grew to S\$1.84 billion for 2012, a 43% increase from S\$1.29 billion a year ago. As a share of total revenue, wealth management contributed 28%, compared with 23% in 2011. OCBC's private banking business maintained its strong growth momentum, with assets under management increasing 35% to US\$43 billion (S\$52 billion) as at 31 December 2012, up from US\$32 billion (S\$41 billion) the previous year.

Fourth Quarter Performance

Net profit after tax for the fourth quarter of 2012 ("4Q12") was S\$663 million, 12% higher from S\$594 million a year ago ("4Q11"). Net interest income of S\$921 million was relatively unchanged year-on-year. The positive impact arising from loan growth was reduced by a 15 basis point decline in net interest margin, attributed to pricing competition and limited interbank gapping opportunities in a flat yield curve environment. Non-interest income grew 32% to S\$757 million from S\$572 million in 4Q11. Fee income of S\$304 million was 18% higher year-on-year, led by strong growth in wealth management income and loan-related fees. Net trading income declined 17% to S\$136 million from S\$163 million a year ago, while profit from life assurance more than quadrupled to S\$210 million, boosted by strong underwriting profits and improved investment performance of GEH's Non-Participating Fund. Operating expenses of S\$724 million increased 17% as compared to S\$620 million the previous year, mainly from higher staff costs and other expenses linked to higher business volumes. Allowances of S\$68 million were 14% lower than S\$78 million a year ago, as decline in specific allowances was partly offset by higher portfolio allowances.

4Q12's core net profit was 8% lower than the previous quarter, as lower net interest income and higher expenses more than offset an increase in fee income and profit from life assurance.

Allowances and Asset Quality

The Group's asset quality and coverage ratios remained strong. As at 31 December 2012, total non-performing assets ("NPAs") declined 18% year-on-year and 7% quarter-on-quarter to S\$1.17 billion. The NPL ratio as at 31 December 2012 was 0.8%, an improvement from 0.9% a year ago, and stable quarter-on-quarter.

Net allowances increased 23% to S\$271 million, higher as compared to S\$221 million in 2011. Specific allowances for loans, net of recoveries and write-backs amounted to S\$115 million, 46% higher than S\$79 million a year ago. Specific allowances remained at a low level of 8 basis points of loans for the full year. Portfolio allowances grew 16% to S\$148 million, from S\$127 million in 2011, in line with strong loan growth. Total cumulative allowances represented 142% of total NPAs and 333% of unsecured NPAs, a higher coverage ratio as compared with 107% and 326% respectively of the prior year-end, 31 December 2011.

Subsidiaries' Results

GEH reported a net profit after tax for the year of S\$1.19 billion, which included divestment gains of S\$422 million from the sale of its stakes in F&N and APB. Excluding the divestment gains, net profit reached a record of S\$768 million for the year, as compared to S\$386 million in 2011. This was underpinned by double-digit growth in underwriting profit, increased net investment income and higher mark-to-market gains. GEH's underlying insurance business continued to register sound growth, with new business weighted premiums increasing 5% year-on-year, driven by increased demand for regular premium products. In particular, the Group's bancassurance channel reported strong growth across our key markets, reflecting the increased collaboration efforts within the Group.

GEH's contribution to the Group's core net profit after tax, excluding divestment gains and after deducting amortisation of intangible assets and non-controlling interests, increased 109% to S\$622 million, from S\$297 million the previous year, contributing 22% of the Group's core earnings in 2012.

OCBC Bank (Malaysia) Berhad reported a 4% increase in full year net profit to MYR811 million (S\$328 million). Broad-based revenue growth was driven by a 2% rise in net interest income, healthy Islamic Financing income growth of 34% and an increase in non-interest income of 12%. Expenses increased 14% as compared to the previous year, and net allowances fell 13%. Loans grew 12% year-on-year, while the NPL ratio improved to 2.1%, from 2.6% a year ago.

Bank OCBC NISP's net profit rose 22% to IDR915 billion (S\$122 million) from IDR753 billion (S\$108 million) a year ago. Net interest income increased 14% from 2011, underpinned by broad-based loan growth of 28%, and non-interest income was 28% higher year-on-year. Expenses grew 14% for the year; while net allowances increased 17%. Asset quality remained healthy, with the NPL ratio improving to 0.9% from 1.3% a year ago, while the coverage ratio was in excess of 200%.

Capital Position

OCBC Group continues to be strongly capitalised, with a Tier 1 capital adequacy ratio ("CAR") of 16.6% and total CAR of 18.5% as at 31 December 2012. These ratios were well above the regulatory minimum of 6% and 10%, respectively. The Group's core Tier 1 ratio, which excludes Tier 1 preference shares, was 12.8% as at 31 December 2012, compared with 11.4% in December 2011. The ratios were higher than the previous year, largely as a result of higher earnings and retention of the realised gains from the divestment of the Group's shareholdings in F&N and APB, and from the issuance of preference shares and subordinated notes during the year. With the increase in capital, the Group is comfortably positioned to meet MAS' capital requirements under Basel III.

Final Dividend

The Board has proposed a final tax-exempt dividend of 17 cents per share, bringing the FY12 total dividend to 33 cents per share, an increase from 30 cents in FY11. The estimated total net dividend of S\$1.13 billion for 2012 represents 40% of the Group's core net profit after tax of S\$2.83 billion.

CEO's Comments

Commenting on the Group's performance and outlook, CEO Samuel Tsien said:

"Despite 2012 being a challenging year which saw lower GDP growth in Singapore and continued structural weaknesses in major economies, the consistent execution of our focused strategy has served us well. We achieved record earnings, grew our businesses across all customer sectors and further strengthened our financial position with strong capital ratios, a high level of liquidity and sound asset quality. Although the market outlook remains uncertain, we expect the global economy to post low-to-moderate growth in the year ahead. We are well-positioned to continue to drive sustainable growth in our key geographies and businesses, and are well-placed to pursue new opportunities."

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. It is ranked by Bloomberg Markets as the world's strongest bank in 2011 and 2012.

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

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 470 branches and representative offices in 15 countries and territories, including about 350 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

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

For more information, please visit www.ocbc.com

For more information, please contact:

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

Collins Chin
Head, Investor Relations
Tel: (65) 6530 1592
Fax: (65) 6532 6001

To Our Shareholders

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

Audited Financial Results for the Financial Year Ended 31 December 2012

For the financial year ended 31 December 2012, Group reported net profit after tax was S\$3.99 billion. Details of the audited financial results are in the accompanying Group Financial Report.

Ordinary Dividend

A final tax exempt dividend of 17 cents per share has been recommended for the financial year 2012. Including the interim net dividend of 16 cents per share paid in August 2012, total dividends for financial year 2012 would amount to 33 cents per share, an increase of 10% over the 30 cents paid for financial year 2011.

Closure of Books

The books closure date is 3 May 2013. Please refer to the separate announcement titled “Notice of Books Closure and Payment of Final One-Tier Tax-Exempt Dividend On Ordinary Shares For The Financial Year Ended 31 December 2012” released by the Bank today.

Scrip Dividend Scheme

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

Preference Dividends

On 20 December 2012, 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% (2011: 5.1%) per annum; Class E Preference Shares at 4.5% (2011: 4.5%) per annum, Class G Preference Shares at 4.2% (2011: 4.2%) per annum and Class M Preference Shares at 4.0% per annum (2011: not applicable). Total amount of dividends paid for the Class B, Class E, Class G and Class M Preference Shares were S\$25.6 million, S\$11.3 million, S\$8.3 million and S\$17.1 million respectively.

The S\$500,000,000 4.5% Class E Preference Shares was fully redeemed on 28 January 2013, as announced to the SGX-ST.

Peter Yeoh
Secretary

Singapore, 15 February 2013

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

Oversea-Chinese Banking Corporation Limited
Financial Year 2012 Group Financial Report



Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Financial Summary	2
Financial Review	
Net Interest Income	5
Non-Interest Income	7
Operating Expenses	8
Allowances for Loans and Other Assets	9
Loans and Advances	10
Non-Performing Assets	11
Cumulative Allowances for Assets	13
Deposits	14
Debt Issued	14
Capital Adequacy Ratios	15
Unrealised Valuation Surplus	16
Performance by Business Segment	17
Performance by Geographical Segment	22
Half-Yearly Income and Profit	22
Financial Statements	
Audited Consolidated Income Statement	23
Audited Consolidated Statement of Comprehensive Income	24
Audited Balance Sheets	25
Audited Statement of Changes in Equity – Group	
For the financial year ended 31 December 2012	26
For the three months ended 31 December 2012 (Unaudited)	27
Audited Statement of Changes in Equity – Bank	
For the financial year ended 31 December 2012	28
For the three months ended 31 December 2012 (Unaudited)	28
Audited Consolidated Cash Flow Statement	29
Share Capital and Options on Shares in the Bank	30
Other Matters	31
Attachment: Independent Auditors' Report	

Notes:

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

FINANCIAL SUMMARY

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

The following revised financial reporting standards and interpretations were applied with effect from 1 January 2012:

FRS 12 (Amendments):	Deferred Tax: Recovery of Underlying Assets
FRS 107 (Amendments):	Disclosures: Transfers of Financial Assets

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 after tax for the financial year ended 31 December 2012 (“FY12”) was S\$3.99 billion, an increase of 73% compared with S\$2.31 billion a year ago (“FY11”). Excluding divestment gains, core net profit after tax grew 24% year-on-year to S\$2.83 billion, from S\$2.28 billion in FY11, led by record net interest income, fee and trading income, as well as significantly higher insurance income contributions.

Net interest income rose 10% to S\$3.75 billion, from S\$3.41 billion in FY11, underpinned by strong asset growth which outpaced the decline in net interest margin. Core non-interest income, excluding divestment gains of S\$1.17 billion from the sale of non-core assets, grew 31% to S\$2.90 billion, from S\$2.21 billion a year ago. Fees and commissions increased by 5% to S\$1.20 billion, from S\$1.14 billion in FY11, largely attributable to higher wealth management and loan-related fee income. Net trading income increased to S\$515 million from S\$217 million in the previous year, largely from securities and derivatives trading. Profit from life assurance increased by 81% to S\$692 million, compared with S\$383 million a year ago.

Operating expenses increased 11% to S\$2.70 billion, from S\$2.43 billion in FY11, largely from higher staff costs and expenses associated with stronger business volumes. Allowances for loans and other assets were S\$271 million, an increase of 23% compared with S\$221 million in FY11. The Group’s non-performing loans (“NPL”) ratio was 0.8%, an improvement from 0.9% a year ago.

Return on equity, based on core earnings, was 12.5% in FY12, compared with 11.1% in FY11. Core earnings per share for the year was 79.1 cents, an increase of 22% compared with 64.8 cents a year ago.

Group net profit after tax for the fourth quarter of 2012 (“4Q12”) was S\$663 million, an increase of 12% year-on-year from S\$594 million, and 8% lower quarter-on-quarter from S\$724 million. The year-on-year increase was underpinned by strong growth in non-interest income, largely from higher wealth management and loan-related fees.

FINANCIAL SUMMARY (continued)

S\$ million	2012	2011	+/(-) %	4Q12	4Q11	+/(-) %	3Q12	+/(-) %
Selected Income Statement Items								
Net interest income	3,748	3,410	10	921	925	–	944	(2)
Non-interest income	2,897	2,212	31	757	572	32	754	–
Total core income	6,645	5,622	18	1,678	1,497	12	1,698	(1)
Operating expenses	(2,695)	(2,430)	11	(724)	(620)	17	(685)	6
Operating profit before allowances and amortisation	3,950	3,192	24	954	877	9	1,013	(6)
Amortisation of intangible assets	(60)	(61)	(2)	(15)	(16)	(3)	(15)	–
Allowances for loans and impairment of other assets	(271)	(221)	23	(68)	(78)	(14)	(70)	(3)
Operating profit after allowances and amortisation	3,619	2,910	24	871	783	11	928	(6)
Share of results of associates and joint ventures	27	7	271	5	(26)	116	4	7
Profit before income tax	3,646	2,917	25	876	757	16	932	(6)
Core net profit attributable to shareholders	2,825	2,280	24	663	594	12	724	(8)
Divestment gain, net of tax	1,168	32	nm	–	–	–	1,126	(100)
Reported net profit attributable to shareholders	3,993	2,312	73	663	594	12	1,850	(64)
Cash basis net profit attributable to shareholders ^{1/}	4,053	2,373	71	678	610	11	1,865	(64)

Selected Balance Sheet Items

Ordinary equity	22,909	20,675	11	22,909	20,675	11	22,062	4
Total equity (excluding non-controlling interests)	25,804	22,571	14	25,804	22,571	14	24,958	3
Total assets	295,943	277,758	7	295,943	277,758	7	288,314	3
Assets excluding life assurance fund investment assets	243,672	228,670	7	243,672	228,670	7	237,029	3
Loans and bills receivable (net of allowances)	142,376	133,557	7	142,376	133,557	7	138,140	3
Deposits of non-bank customers	165,139	154,555	7	165,139	154,555	7	157,528	5

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY (continued)

	2012	2011	4Q12	4Q11	3Q12
Key Financial Ratios					
- based on core earnings					
Performance ratios (% p.a.)					
Return on equity ^{1/2/}					
SFRS ^{3/} basis	12.5	11.1	11.2	11.2	12.8
Cash basis	12.8	11.4	11.5	11.5	13.0
Return on assets ^{4/}					
SFRS ^{3/} basis	1.19	1.09	1.10	1.05	1.21
Cash basis	1.22	1.12	1.12	1.08	1.23
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	1.77	1.86	1.70	1.85	1.75
Net interest income to total income	56.4	60.7	54.9	61.8	55.6
Non-interest income to total income	43.6	39.3	45.1	38.2	44.4
Cost to income	40.6	43.2	43.1	41.4	40.3
Loans to deposits	86.2	86.4	86.2	86.4	87.7
NPL ratio	0.8	0.9	0.8	0.9	0.8
Earnings per share ^{2/} (annualised - cents)					
Basic earnings	79.1	64.8	73.1	66.0	80.7
Basic earnings (cash basis)	80.8	66.7	74.8	67.8	82.4
Diluted earnings	78.9	64.7	72.9	65.8	80.5
Net asset value per share (S\$)					
Before valuation surplus	6.68	6.02	6.68	6.02	6.43
After valuation surplus	7.95	7.04	7.95	7.04	7.63
Capital adequacy ratios (%)					
Tier 1	16.6	14.4	16.6	14.4	15.9
Total	18.5	15.7	18.5	15.7	18.0

Notes:

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

NET INTEREST INCOME

Average Balance Sheet

S\$ million	2012			2011		
	Average Balance	Interest	Average Rate %	Average Balance	Interest	Average Rate %
Interest earning assets						
Loans and advances to non-bank customers	136,137	4,173	3.07	118,744	3,675	3.10
Placements with and loans to banks	41,890	962	2.30	34,207	850	2.48
Other interest earning assets ^{1/}	33,716	833	2.47	29,979	795	2.65
Total	211,743	5,968	2.82	182,930	5,320	2.91
Interest bearing liabilities						
Deposits of non-bank customers	158,564	1,715	1.08	136,485	1,444	1.06
Deposits and balances of banks	21,346	189	0.88	22,365	187	0.83
Other borrowings ^{2/}	17,134	316	1.84	11,262	279	2.48
Total	197,044	2,220	1.13	170,112	1,910	1.12
Net interest income/margin ^{3/}		3,748	1.77		3,410	1.86

S\$ million	4Q12			4Q11			3Q12		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets									
Loans and advances to non-bank customers	140,166	1,070	3.04	130,340	992	3.02	137,530	1,045	3.02
Placements with and loans to banks	39,223	181	1.83	36,599	263	2.85	43,309	241	2.21
Other interest earning assets ^{1/}	35,902	215	2.38	31,850	208	2.60	34,114	215	2.51
Total	215,291	1,466	2.71	198,789	1,463	2.92	214,953	1,501	2.78
Interest bearing liabilities									
Deposits of non-bank customers	161,523	422	1.04	150,724	419	1.10	159,330	428	1.07
Deposits and balances of banks	22,651	43	0.75	20,745	47	0.90	21,043	52	0.98
Other borrowings ^{2/}	14,968	80	2.13	13,516	72	2.13	19,151	77	1.60
Total	199,142	545	1.09	184,985	538	1.15	199,524	557	1.11
Net interest income/margin ^{3/}		921	1.70		925	1.85		944	1.75

Notes:

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

NET INTEREST INCOME *(continued)*

Net interest income increased 10% to S\$3.75 billion, from S\$3.41 billion in FY11, led by a 16% increase in interest earning assets, which more than offset a decline in net interest margin of 9 basis points to 1.77%, from 1.86% a year ago. The margin compression was largely attributable to the continued low interest rate environment, limited gapping opportunities and the re-pricing of mortgage loans in response to market competition.

Net interest income for 4Q12 was stable year-on-year, as asset growth was offset by a 15 basis point decline in net interest margin, primarily from pricing competition and limited interbank gapping opportunities in a flat yield curve environment. Compared with 3Q12, net interest income declined marginally by 2% to S\$921 million, from S\$944 million the previous quarter.

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	2012 vs 2011			4Q12 vs 4Q11			4Q12 vs 3Q12		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
Interest income									
Loans and advances to non-bank customers	540	(52)	488	75	3	78	20	5	25
Placements with and loans to banks	192	(82)	110	19	(101)	(82)	(23)	(37)	(60)
Other interest earning assets	99	(64)	35	27	(20)	7	12	(12)	(0)
Total	831	(198)	633	121	(118)	3	9	(44)	(35)
Interest expense									
Deposits of non-bank customers	234	34	268	30	(27)	3	6	(12)	(6)
Deposits and balances of banks	(8)	10	2	5	(9)	(4)	4	(13)	(9)
Other borrowings	146	(111)	35	8	(0)	8	(17)	20	3
Total	372	(67)	305	43	(36)	7	(7)	(5)	(12)
Impact on net interest income	459	(131)	328	78	(82)	(4)	16	(39)	(23)
Due to change in number of days			10			-			-
Net interest income			338			(4)			(23)

NON-INTEREST INCOME

S\$ million	2012	2011	+ / (-) %	4Q12	4Q11	+ / (-) %	3Q12	+ / (-) %
Fees and commissions								
Brokerage	60	69	(13)	14	13	8	16	(8)
Wealth management	322	252	28	89	56	61	82	9
Fund management	86	101	(15)	23	24	(3)	21	9
Credit card	51	48	6	14	13	1	13	5
Loan-related	251	216	16	70	57	23	64	9
Trade-related and remittances	213	208	2	50	49	1	55	(10)
Guarantees	18	21	(17)	5	5	(9)	5	4
Investment banking	91	95	(4)	14	12	11	21	(35)
Service charges	78	94	(17)	19	18	14	18	9
Others	28	33	(12)	6	10	(43)	8	(26)
Sub-total	1,198	1,137	5	304	257	18	303	1
Dividends	88	88	-	6	7	(15)	14	(60)
Rental income	72	76	(5)	18	19	(6)	18	(1)
Profit from life assurance	692	383	81	210	51	313	190	11
Premium income from general insurance	146	125	17	40	34	17	36	10
Other income								
Net trading income	515	217	137	136	163	(17)	144	(6)
Net gain from investment securities	91	120	(25)	13	22	(42)	13	(1)
Net gain from disposal/liquidation of subsidiaries and associates	-	1	(100)	-	0	(100)	-	-
Net gain from disposal of properties	25	4	497	6	2	214	18	(70)
Others	70	61	16	24	17	45	18	42
Sub-total	701	403	74	179	204	(12)	193	(7)
Total core non-interest income	2,897	2,212	31	757	572	32	754	-
Divestment gain	1,316	39	nm	-	-	-	1,260	(100)
Total non-interest income	4,213	2,251	87	757	572	32	2,014	(62)
Fees and commissions/Total income ^{1/}	18.0%	20.2%		18.1%	17.2%		17.8%	
Non-interest income/Total income ^{1/}	43.6%	39.3%		45.1%	38.2%		44.4%	

Note:

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

Core non-interest income, excluding gains from the divestment of non-core assets, grew 31% to S\$2.90 billion in FY12, from S\$2.21 billion a year ago. Fees and commissions rose 5% year-on-year to S\$1.20 billion, from S\$1.14 billion in FY11, led by higher wealth management income, loan-related and trade-related fees. Net trading income increased to S\$515 million from S\$217 million in the previous year, largely from securities and derivatives trading, while net gains from investment securities declined 25% to S\$91 million, as compared with S\$120 million in FY11. Profit from life assurance was S\$692 million, an increase of 81% from S\$383 million in FY11, underpinned by continued growth in underwriting profits and the strong investment performance of Great Eastern Holdings' ("GEH") Non-Participating Fund¹.

Non-interest income for 4Q12 rose 32% to S\$757 million, from S\$572 million in FY11. Fees and commissions grew 18% to S\$304 million, compared with S\$257 million a year ago, underpinned by higher wealth management income and loan-related fees. Profit from life assurance more than quadrupled year-on-year to S\$210 million, from S\$51 million in 4Q11, while net trading income declined 17% to S\$136 million from S\$163 million. Compared to the previous quarter, non-interest income was marginally higher at S\$757 million, from S\$754 million in 3Q12 largely from higher life assurance profits.

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.

OPERATING EXPENSES

S\$ million	2012	2011	+ / (-) %	4Q12	4Q11	+ / (-) %	3Q12	+ / (-) %
Staff costs								
Salaries and other costs	1,516	1,338	13	397	340	17	399	(1)
Share-based expenses	10	10	(2)	3	2	32	2	26
Contribution to defined contribution plans	124	100	24	34	20	76	32	8
	1,650	1,448	14	434	362	20	433	-
Property and equipment								
Depreciation	184	166	11	50	44	13	47	6
Maintenance and hire of property, plant & equipment	87	75	16	24	21	10	21	15
Rental expenses	70	68	3	18	17	4	17	4
Others	150	142	6	42	38	12	37	15
	491	451	9	134	120	11	122	10
Other operating expenses	554	531	4	156	138	13	130	20
Total operating expenses	2,695	2,430	11	724	620	17	685	6
Group staff strength								
Period end	24,628	22,892	8	24,628	22,892	8	24,189	2
Average	23,917	22,371	7	24,514	22,849	7	24,154	1
Cost to income ratio ^{1/}	40.6%	43.2%		43.1%	41.4%		40.3%	

Note:

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

Operating expenses increased 11% to S\$2.70 billion, from S\$2.43 billion a year ago. Staff costs rose 14% to S\$1.65 billion from S\$1.45 billion in FY11, reflecting the impact of an increase in headcount of 8% to support business growth in Singapore and overseas markets, as well as higher base salaries and incentive compensation associated with stronger business volumes. Property and equipment related expenses were 9% higher year-on-year at S\$491 million, compared with S\$451 million in FY11, largely from an increase in depreciation expenses.

Operating expenses of S\$724 million in 4Q12 were 17% higher compared with S\$620 million a year ago, mainly contributed by higher staff costs and other expenses to support increased business volumes. Compared to the previous quarter, operating expenses rose 6%.

The cost-to-income ratio was 40.6% for FY12, an improvement compared with 43.2% a year ago.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	2012	2011	+ / (-) %	4Q12	4Q11	+ / (-) %	3Q12	+ / (-) %
Specific allowances/ (write-back) for loans								
Singapore	87	47	86	29	33	(15)	22	30
Malaysia	14	10	48	4	(1)	646	1	885
Others	14	22	(38)	2	16	(86)	1	84
	115	79	46	35	48	(27)	24	49
Portfolio allowances for loans	148	127	16	43	21	111	31	40
Allowances and impairment charges/(write-back) for other assets	8	15	(43)	(10)	9	(215)	15	(170)
Allowances for loans and impairment of other assets	271	221	23	68	78	(14)	70	(3)

Allowances for loans and other assets were S\$271 million in FY12, higher as compared with S\$221 million.

Specific allowances for loans, net of recoveries and writebacks were S\$115 million, up 46% from S\$79 million a year ago, with the increase coming mainly from Singapore. Specific allowances remained low at 8 basis points of loans. Portfolio allowances for loans increased 16% year-on-year to S\$148 million, from S\$127 million in FY11, in line with strong loan growth.

For 4Q12, net allowances were S\$68 million, a decline of 14% from S\$78 million a year ago and lower by 3% than the S\$70 million in 3Q12.

LOANS AND ADVANCES

S\$ million	31 Dec 2012	31 Dec 2011	30 Sep 2012
Loans to customers	134,156	123,817	130,161
Bills receivable	9,874	11,315	9,583
Gross loans to customers	144,030	135,132	139,744
Allowances			
Specific allowances	(303)	(302)	(293)
Portfolio allowances	(1,351)	(1,220)	(1,311)
	142,376	133,610	138,140
Less: assets pledged	–	(53)	–
Loans net of allowances	142,376	133,557	138,140
By Maturity			
Within 1 year	52,656	52,023	52,499
1 to 3 years	25,425	22,817	24,120
Over 3 years	65,949	60,292	63,125
	144,030	135,132	139,744
By Industry			
Agriculture, mining and quarrying	4,863	4,042	4,704
Manufacturing	8,197	8,424	8,546
Building and construction	22,388	20,365	21,254
Housing loans	37,809	32,076	36,243
General commerce	17,502	20,347	17,401
Transport, storage and communication	9,106	9,208	9,351
Financial institutions, investment and holding companies	22,456	18,792	20,823
Professionals and individuals	14,272	13,952	13,869
Others	7,437	7,926	7,553
	144,030	135,132	139,744
By Currency			
Singapore Dollar	70,141	61,198	66,952
United States Dollar	31,680	35,716	30,807
Malaysian Ringgit	18,404	16,724	18,010
Indonesian Rupiah	4,989	4,465	4,760
Others	18,816	17,029	19,215
	144,030	135,132	139,744
By Geography ^{1/}			
Singapore	75,215	68,260	73,527
Malaysia	23,157	21,064	22,562
Indonesia	10,679	9,383	10,164
Greater China	17,379	19,952	16,144
Other Asia Pacific	8,253	7,873	8,373
Rest of the World	9,347	8,600	8,974
	144,030	135,132	139,744

Note:

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

Gross loans to customers grew by 7% to S\$144 billion as of 31 December 2012, from S\$135 billion a year ago and by 3% from S\$140 billion in the previous quarter. Loan growth was achieved across various industry sectors in Singapore and key overseas markets, with the largest contributions coming from housing loans, and loans to building and construction, and financial institutions, investment and holding companies.

NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs ^{2/}	NPL Ratio ^{2/} %
Singapore							
31 Dec 2012	258	91	119	48	55.2	258	0.3
30 Sep 2012	313	145	125	43	64.5	313	0.4
31 Dec 2011	390	205	151	34	61.7	330	0.5
Malaysia							
31 Dec 2012	432	251	134	47	55.7	409	1.8
30 Sep 2012	521	373	102	46	57.9	438	1.9
31 Dec 2011	580	462	72	46	67.0	486	2.3
Indonesia							
31 Dec 2012	60	6	3	51	47.8	60	0.6
30 Sep 2012	67	9	3	55	47.5	67	0.7
31 Dec 2011	77	9	10	58	50.6	77	0.8
Greater China							
31 Dec 2012	33	28	0	5	87.9	33	0.2
30 Sep 2012	38	32	6	0	80.5	38	0.2
31 Dec 2011	42	39	3	–	73.1	42	0.2
Other Asia Pacific							
31 Dec 2012	281	242	39	–	73.7	281	3.4
30 Sep 2012	270	229	41	–	83.2	270	3.2
31 Dec 2011	240	183	57	–	75.6	135	1.7
Rest of the World							
31 Dec 2012	108	99	7	2	23.3	104	1.1
30 Sep 2012	47	38	7	2	64.9	43	0.5
31 Dec 2011	108	94	12	2	80.5	102	1.2
Group							
31 Dec 2012	1,172	717	302	153	57.4	1,145	0.8
30 Sep 2012	1,256	826	284	146	65.4	1,169	0.8
31 Dec 2011	1,437	992	305	140	67.3	1,172	0.9

Notes:

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

NON-PERFORMING ASSETS (continued)

The Group's asset quality remained healthy. Non-performing loans ("NPLs") declined 2% to S\$1.15 billion as of 31 December 2012, compared with S\$1.17 billion a year ago. By geography, the decrease was mainly from Singapore and Malaysia, partly offset by an increase in Other Asia Pacific. By industry segment, the decrease was mainly from transport, storage and communication, financial institutions, investment and holding companies, and general commerce.

The Group's NPL ratio was 0.8%, an improvement from 0.9% a year ago, and was unchanged from the previous quarter.

Total non-performing assets ("NPAs") as at 31 December 2012, which include classified debt securities and contingent liabilities, were S\$1.17 billion, a decline of 18% from S\$1.44 billion a year ago, and 7% lower from S\$1.26 billion in the previous quarter. Of the total NPAs, 61% were in the substandard category and 57% were secured by collateral.

	31 Dec 2012		31 Dec 2011		30 Sep 2012	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	6	0.1	6	0.1	17	0.4
Manufacturing	366	4.5	294	3.5	297	3.5
Building and construction	199	0.9	149	0.7	287	1.4
Housing loans	192	0.5	188	0.6	195	0.5
General commerce	105	0.6	133	0.7	111	0.6
Transport, storage and communication	77	0.8	128	1.4	83	0.9
Financial institutions, investment and holding companies	88	0.4	130	0.7	64	0.3
Professionals and individuals	87	0.6	114	0.8	87	0.6
Others	25	0.3	30	0.4	28	0.4
Total NPLs	1,145	0.8	1,172	0.9	1,169	0.8
Classified debt securities	4		111		4	
Classified contingent liabilities	23		154		83	
Total NPAs	1,172		1,437		1,256	

	31 Dec 2012		31 Dec 2011		30 Sep 2012	
	S\$ million	%	S\$ million	%	S\$ million	%
NPAs by Period Overdue						
Over 180 days	328	28	512	36	410	33
Over 90 to 180 days	81	7	85	6	88	7
30 to 90 days	160	14	204	14	166	13
Less than 30 days	10	1	25	2	13	1
Not overdue	593	50	611	42	579	46
	1,172	100	1,437	100	1,256	100

	31 Dec 2012		31 Dec 2011		30 Sep 2012	
	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	173	10	186	11	250	8
Doubtful	22	33	19	16	18	32
Loss	0	0	2	2	1	1
	195	43	207	29	269	41

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 2012	696	105	591	40.8	269.5
30 Sep 2012	667	89	578	28.8	213.5
31 Dec 2011	608	71	537	18.1	155.9
Malaysia					
31 Dec 2012	450	133	317	30.8	104.4
30 Sep 2012	446	134	312	25.7	85.6
31 Dec 2011	454	165	289	28.4	78.3
Indonesia					
31 Dec 2012	164	39	125	66.2	273.2
30 Sep 2012	157	43	114	63.5	233.0
31 Dec 2011	138	45	93	58.4	180.1
Greater China					
31 Dec 2012	170	4	166	10.7	508.9
30 Sep 2012	164	4	160	9.4	428.1
31 Dec 2011	162	3	159	7.7	383.0
Other Asia Pacific					
31 Dec 2012	112	20	92	7.1	40.0
30 Sep 2012	106	17	89	6.3	39.4
31 Dec 2011	97	15	82	6.2	40.4
Rest of the World					
31 Dec 2012	70	10	60	8.8	64.0
30 Sep 2012	68	10	58	21.7	144.8
31 Dec 2011	73	13	60	12.8	67.6
Group					
31 Dec 2012	1,662	311	1,351	26.6	141.8
30 Sep 2012	1,608	297	1,311	23.7	128.1
31 Dec 2011	1,532	312	1,220	21.7	106.6

As at 31 December 2012, the Group's total cumulative allowances for assets were S\$1.66 billion, comprising S\$311 million in specific allowances and S\$1.35 billion in portfolio allowances. Total cumulative allowances were 142% of total NPAs and 333% of unsecured NPAs, up from 107% and 326%, respectively, as at 31 December 2011.

DEPOSITS

S\$ million	31 Dec 2012	31 Dec 2011	30 Sep 2012
Deposits of non-bank customers	165,139	154,555	157,528
Deposits and balances of banks	25,656	21,653	21,240
	190,795	176,208	178,768
Loans to deposits ratio (net non-bank loans/non-bank deposits)	86.2%	86.4%	87.7%

S\$ million	31 Dec 2012	31 Dec 2011	30 Sep 2012
Total Deposits By Maturity			
Within 1 year	188,220	173,432	176,237
1 to 3 years	1,441	2,116	1,418
Over 3 years	1,134	660	1,113
	190,795	176,208	178,768
Non-Bank Deposits By Product			
Fixed deposits	67,263	70,984	70,580
Savings deposits	30,614	28,536	29,556
Current account	52,904	43,118	44,809
Others	14,358	11,917	12,583
	165,139	154,555	157,528
Non-Bank Deposits By Currency			
Singapore Dollar	82,095	80,236	81,765
United States Dollar	31,455	21,969	25,544
Malaysian Ringgit	20,739	19,128	21,285
Indonesian Rupiah	5,835	5,158	5,192
Others	25,015	28,064	23,742
	165,139	154,555	157,528

Non-bank customer deposits grew 7% year-on-year to S\$165 billion as at 31 December 2012, from S\$155 billion a year ago, and 5% quarter-on-quarter from S\$158 billion as at 30 September 2012. The year-on-year increase was driven by 23% growth in current account deposits to S\$52.9 billion, from S\$43.1 billion in FY11, as well as a 7% rise in savings deposits to S\$30.6 billion, from S\$28.5 billion a year ago. The ratio of current and savings deposits to total non-bank deposits was 50.6%, an improvement compared with 46.4% a year ago.

The Group's loans-to-deposits ratio was 86.2%, compared with 87.7% in the previous quarter and 86.4% a year ago.

DEBT ISSUED

S\$ million	31 Dec 2012	31 Dec 2011	30 Sep 2012
Subordinated debt (unsecured)	5,127	4,080	5,474
Fixed and floating rate notes (unsecured)	3,022	659	2,994
Commercial papers (unsecured)	2,832	8,293	8,673
Structured notes (unsecured)	443	31	269
Total	11,424	13,063	17,410
Debt Issued By Maturity			
Within one year	3,673	8,319	8,951
Over one year	7,751	4,744	8,459
Total	11,424	13,063	17,410

CAPITAL ADEQUACY RATIOS

S\$ million	31 Dec 2012	31 Dec 2011	30 Sep 2012
Tier 1 Capital			
Ordinary and preference shares	9,953	9,023	9,956
Disclosed reserves/others	17,829	15,202	17,152
Goodwill/others	(6,191)	(5,613)	(6,174)
Eligible Tier 1 Capital	21,591	18,612	20,934
Tier 2 Capital			
Subordinated term notes	4,418	3,343	4,755
Revaluation surplus on available-for-sale equity securities	236	361	167
Others	(2,135)	(2,130)	(2,103)
Total Eligible Capital	24,110	20,186	23,753
Risk Weighted Assets	129,647	128,507	131,263
Tier 1 capital adequacy ratio	16.6%	14.4%	15.9%
Total capital adequacy ratio	18.5%	15.7%	18.0%

As at 31 December 2012, the Group's Tier 1 ratio and total capital adequacy ratio ("CAR") were 16.6% and 18.5% respectively. These were well above the regulatory minimums of 6% and 10%, respectively. The Group's core Tier 1 ratio, which excludes Tier 1 preference shares, was 12.8% as compared with 11.4% as at 31 December 2011. The Group's Tier 1 ratios improved from their end-2011 levels, primarily attributable to higher earnings, the retention of the realised gains from the divestment of the Group's shareholdings in Fraser and Neave, Limited and Asia Pacific Breweries Limited, and from the issuance of preference shares and subordinated notes during the year. The Group is comfortably positioned to meet MAS' capital requirements under Basel III.

UNREALISED VALUATION SURPLUS

S\$ million	31 Dec 2012	31 Dec 2011	30 Sep 2012
Properties ^{1/}	3,117	2,877	2,845
Equity securities ^{2/}	1,245	636	1,277
Total	4,362	3,513	4,122

Notes:

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

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

The valuation surplus as at 31 December 2012 was S\$4.36 billion, an increase of 24% from S\$3.51 billion a year ago. The surplus for properties rose by 8% to S\$3.12 billion, from S\$2.88 billion in FY11 largely as a result of higher property values in Singapore. The surplus in equity securities valuation increased 96% year-on-year to S\$1.25 billion, from S\$636 million a year ago mainly attributable to the Group's equity stakes in GEH and Bank OCBC NISP.

PERFORMANCE BY BUSINESS SEGMENT

OCBC Group's businesses are presented in the following customer segments and business activities: Global Consumer/Private Banking, Global Corporate/Investment Banking, Global Treasury and Markets, and Insurance.

Operating Profit by Business Segment

S\$ million	2012	2011	+/(-) %	4Q12	4Q11	+/(-) %	3Q12	+/(-) %
Global Consumer/Private Banking	589	489	20	149	109	37	156	(4)
Global Corporate/Investment Banking	1,745	1,389	26	418	320	31	420	–
Global Treasury and Markets	617	479	29	127	231	(45)	178	(29)
Insurance	825	437	89	243	85	185	213	14
Others ^{1/}	(157)	116	(236)	(66)	38	(271)	(39)	70
Operating profit after allowances and amortisation	3,619	2,910	24	871	783	11	928	(6)

Note:

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

Global Consumer/Private Banking

Global Consumer/Private Banking provides a full range of products and services to individual customers. At Global Consumer Banking, the products and services offered include deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards, wealth management products (unit trusts, bancassurance products and structured deposits) and brokerage services. Private Banking caters to the specialised banking needs of high net worth individuals, offering wealth management expertise, including investment advice and portfolio management services, estate and trust planning, and wealth structuring.

Operating profit after allowances increased 20% to S\$589 million from S\$489 million in 2011, driven by higher net interest income and fee income, which offset an increase in expenses and allowances. For 4Q12, operating profit rose 37% year-on-year to S\$149 million from S\$109 million, led by broad-based revenue growth which more than compensated for an increase in expenses.

Global Corporate/Investment Banking

Global Corporate/Investment Banking serves institutional 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. Investment Banking comprises a comprehensive range of financing solutions, syndicated loans and advisory services, corporate finance services for initial public offerings, secondary fund-raising, takeovers and mergers, as well as customised and structured equity-linked financing.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's operating profit after allowances grew 26% to S\$1.75 billion, from S\$1.39 billion a year ago, underpinned by higher net interest income arising from robust loan growth, as well as lower net allowances. Compared with 4Q11, operating profit after allowances in 4Q12 rose 31% to S\$418 million, from S\$320 million, driven by strong growth in revenue and a decline in allowances.

Global Treasury and Markets

Global Treasury and Markets is responsible for the management of the Group's asset and liability interest rate positions, engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and offers structured treasury products and financial solutions to meet customers' investment and hedging needs. Income from treasury products and services offered to customers of other business segments, such as Global Consumer/Private Banking and Global Corporate/Investment Banking, is reflected in the respective business segments.

Global Treasury's operating profit increased by 29% year-on-year to S\$617 million, from S\$479 million, largely attributable to an increase in trading income. 4Q12 operating profit fell 45% year-on-year to S\$127 million from S\$231 million, mainly from a decline in net interest income as a result of limited gapping opportunities, as well as lower trading income.

Insurance

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

GEH reported significant growth in operating profit in 2012 as a result of the strong investment performance in its Non-Participating Fund and higher underwriting profits. Operating profit rose 89% year-on-year to S\$825 million in 2012, from S\$437 million. In 4Q12, operating profit more than doubled to S\$243 million from S\$85 million a year ago.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$622 million in 2012 and S\$185 million in 4Q12, higher than the S\$297 million in 2011 and S\$49 million in 4Q11.

Others

Others comprise mainly property holding, investment holding and items not attributable to the business segments described above.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	Others	Group
2012						
Total income ^{1/}	1,949	2,658	842	1,063	133	6,645
Operating profit before allowances and amortisation ^{1/}	697	1,813	619	872	(51)	3,950
Amortisation of intangible assets	(13)	–	–	(47)	–	(60)
Allowances and impairment for loans and other assets	(95)	(68)	(2)	(0)	(106)	(271)
Operating profit after allowances and amortisation ^{1/}	589	1,745	617	825	(157)	3,619
Other information:						
Capital expenditure	26	4	0	52	221	303
Depreciation	34	10	2	3	135	184
2011						
Total income ^{1/}	1,698	2,336	693	672	223	5,622
Operating profit before allowances and amortisation ^{1/}	574	1,554	484	488	92	3,192
Amortisation of intangible assets	(14)	–	–	(47)	–	(61)
Write-back/(allowances and impairment) for loans and other assets	(71)	(165)	(5)	(4)	24	(221)
Operating profit after allowances and amortisation ^{1/}	489	1,389	479	437	116	2,910
Other information:						
Capital expenditure	23	2	0	42	184	251
Depreciation	31	9	1	3	122	166

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	Others	Group
4Q12						
Total income	507	676	190	299	6	1,678
Operating profit before allowances and amortisation	164	444	128	255	(37)	954
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Write-back/(allowances and impairment) for loans and other assets	(12)	(26)	(1)	0	(29)	(68)
Operating profit after allowances and amortisation	149	418	127	243	(66)	871
Other information:						
Capital expenditure	5	2	0	19	55	81
Depreciation	9	3	1	1	36	50
4Q11						
Total income	434	595	282	143	43	1,497
Operating profit before allowances and amortisation	134	390	232	100	21	877
Amortisation of intangible assets	(4)	–	–	(12)	–	(16)
Write-back/(allowances and impairment) for loans and other assets	(21)	(70)	(1)	(3)	17	(78)
Operating profit after allowances and amortisation	109	320	231	85	38	783
Other information:						
Capital expenditure	6	1	0	15	44	66
Depreciation	6	0	0	1	37	44
3Q12						
Total income ^{1/}	494	652	233	275	44	1,698
Operating profit before allowances and amortisation ^{1/}	182	439	179	225	(12)	1,013
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Allowances and impairment for loans and other assets	(23)	(19)	(1)	(0)	(27)	(70)
Operating profit after allowances and amortisation ^{1/}	156	420	178	213	(39)	928
Other information:						
Capital expenditure	7	1	0	14	63	85
Depreciation	10	3	0	0	34	47

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	Others	Group
At 31 December 2012						
Segment assets	66,779	93,494	66,600	60,617	19,030	306,520
Unallocated assets						90
Elimination						(10,667)
Total assets						295,943
Segment liabilities	73,848	88,563	43,268	53,226	16,937	275,842
Unallocated liabilities						2,067
Elimination						(10,667)
Total liabilities						267,242
Other information:						
Gross non-bank loans	55,384	86,188	1,440	398	620	144,030
NPAs	267	887	–	3	15	1,172
At 31 December 2011						
Segment assets	57,331	94,630	60,684	56,579	17,203	286,427
Unallocated assets						71
Elimination						(8,740)
Total assets						277,758
Segment liabilities	65,592	87,064	37,935	50,227	18,367	259,185
Unallocated liabilities						1,923
Elimination						(8,740)
Total liabilities						252,368
Other information:						
Gross non-bank loans	48,810	83,952	1,287	373	710	135,132
NPAs	292	1,121	–	3	21	1,437
At 30 September 2012						
Segment assets	63,300	92,559	65,855	59,030	16,754	297,498
Unallocated assets						65
Elimination						(9,249)
Total assets						288,314
Segment liabilities	71,726	83,347	39,275	51,774	21,610	267,732
Unallocated liabilities						2,050
Elimination						(9,249)
Total liabilities						260,533
Other information:						
Gross non-bank loans	52,842	84,086	1,524	698	594	139,744
NPAs	270	967	–	4	15	1,256

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	2012		2011		4Q12		4Q11		3Q12	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total core income										
Singapore ^{1/}	4,214	63	3,405	60	1,074	64	902	60	1,096	65
Malaysia ^{1/}	1,305	20	1,220	22	329	20	316	21	320	19
Indonesia	466	7	417	7	122	7	115	8	116	7
Greater China ^{1/}	431	7	387	7	95	6	112	8	106	6
Other Asia Pacific	150	2	140	3	39	2	36	2	39	2
Rest of the World	79	1	53	1	19	1	16	1	21	1
	6,645	100	5,622	100	1,678	100	1,497	100	1,698	100
Profit before income tax										
Singapore ^{1/}	2,264	62	1,710	59	547	63	474	62	589	63
Malaysia ^{1/}	812	22	773	26	203	23	209	28	193	21
Indonesia	159	4	125	4	43	5	29	4	43	5
Greater China ^{1/}	264	7	195	7	47	5	47	6	68	7
Other Asia Pacific	94	3	92	3	24	3	17	2	28	3
Rest of the World	53	2	22	1	12	1	(19)	(2)	11	1
	3,646	100	2,917	100	876	100	757	100	932	100

Note:

- Gains from divestment of non-core assets of S\$1.26 billion in 3Q12, S\$56 million in 1Q12 and S\$39 million in 1Q11 were not included in total core income and profit before income tax.

	31 Dec 2012		31 Dec 2011		30 Sep 2012	
	S\$ million	%	S\$ million	%	S\$ million	%
Total assets						
Singapore	181,385	61	173,522	62	178,857	62
Malaysia	58,030	20	53,327	19	57,145	20
Indonesia	10,162	3	8,832	3	9,300	3
Greater China	28,083	9	28,878	10	25,864	9
Other Asia Pacific	10,426	4	8,984	4	10,531	4
Rest of the World	7,857	3	4,215	2	6,617	2
	295,943	100	277,758	100	288,314	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 2012, Singapore accounted for 63% of total income and 62% of pre-tax profit, while Malaysia accounted for 20% of total income and 22% of pre-tax profit.

Pre-tax profit for Singapore rose 32% year-on-year to S\$2.26 billion, from S\$1.71 billion in FY11 as higher net interest income, insurance and net trading income more than offset an increase in expenses. Malaysia's pre-tax profit was 5% higher at S\$812 million in FY12, from S\$773 million a year ago, as higher net interest income and trading income was offset by an increase in operating expenses.

HALF-YEARLY INCOME AND PROFIT

S\$ million	2012	2011	+/(-) %
Total income			
First half year	3,324	2,854	16
Second half year	4,637	2,807	65
	7,961	5,661	41
Profit for the year			
First half year	1,583	1,299	22
Second half year	2,680	1,180	127
	4,263	2,479	72

AUDITED CONSOLIDATED INCOME STATEMENT

S\$ million	2012	2011	+/(-)@ %	4Q12@	4Q11@	+/(-)@ %	3Q12@	+/(-)@ %
Interest income	5,968	5,320	12	1,466	1,463	–	1,501	(2)
Interest expense	(2,220)	(1,910)	16	(545)	(538)	1	(557)	(2)
Net interest income	3,748	3,410	10	921	925	–	944	(2)
Premium income	6,254	6,106	2	1,838	1,597	15	1,578	16
Investment income	4,246	1,676	153	679	533	27	2,329	(71)
Net claims, surrenders and annuities	(5,376)	(4,531)	19	(1,260)	(1,187)	6	(1,393)	(10)
Change in life assurance fund contract liabilities	(3,066)	(1,697)	81	(690)	(480)	44	(1,903)	(64)
Commission and others	(1,366)	(1,171)	17	(357)	(412)	(13)	(421)	(15)
Profit from life assurance	692	383	81	210	51	313	190	11
Premium income from general insurance	146	125	17	40	34	17	36	10
Fees and commissions (net)	1,198	1,137	5	304	257	18	303	1
Dividends	88	88	–	6	7	(15)	14	(60)
Rental income	72	76	(5)	18	19	(6)	18	(1)
Other income	2,017	442	357	179	204	(12)	1,453	(88)
Non-interest income	4,213	2,251	87	757	572	32	2,014	(62)
Total income	7,961	5,661	41	1,678	1,497	12	2,958	(43)
Staff costs	(1,650)	(1,448)	14	(434)	(362)	20	(433)	–
Other operating expenses	(1,045)	(982)	6	(290)	(258)	12	(252)	15
Total operating expenses	(2,695)	(2,430)	11	(724)	(620)	17	(685)	6
Operating profit before allowances and amortisation	5,266	3,231	63	954	877	9	2,273	(58)
Amortisation of intangible assets	(60)	(61)	(2)	(15)	(16)	(3)	(15)	–
Allowances for loans and impairment of other assets	(271)	(221)	23	(68)	(78)	(14)	(70)	(3)
Operating profit after allowances and amortisation	4,935	2,949	67	871	783	11	2,188	(60)
Share of results of associates and joint ventures	27	7	271	5	(26)	116	4	7
Profit before income tax	4,962	2,956	68	876	757	16	2,192	(60)
Income tax expense	(699)	(477)	47	(156)	(126)	24	(233)	(33)
Profit for the period	4,263	2,479	72	720	631	14	1,959	(63)
Profit attributable to:								
Equity holders of the Bank	3,993	2,312	73	663	594	12	1,850	(64)
Non-controlling interests	270	167	62	57	37	51	109	(48)
	4,263	2,479	72	720	631	14	1,959	(63)
Earnings per share (for the period – cents)								
Basic	113.1	65.8		17.5	16.0		53.9	
Diluted	112.9	65.6		17.4	15.9		53.8	

Note:

1. “@” represents unaudited.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

S\$ million	2012	2011	+/(-) [@] %	4Q12 [@]	4Q11 [@]	+/(-) [@] %	3Q12 [@]	+/(-) [@] %
Profit for the year/period	4,263	2,479	72	720	631	14	1,959	(63)
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the year/period	1,012	(157)	745	323	30	989	235	38
Reclassification of (gains)/losses to income statement								
– on disposal	(1,351)	(120)	nm	(13)	(22)	42	(1,273)	99
– on impairment	18	(8)	332	3	0	413	15	(82)
Tax on net movements	71	26	177	(33)	(10)	(226)	153	(122)
Exchange differences on translating foreign operations	(288)	(3)	nm	(22)	6	(488)	(105)	79
Actuarial (losses)/gains on defined benefit plans	(8)	–	–	1	–	–	(10)	115
Other comprehensive income of associates and joint ventures	(0)	6	(103)	3	1	210	(7)	138
Total other comprehensive income, net of tax	(546)	(256)	(113)	262	5	nm	(992)	126
Total comprehensive income for the period, net of tax	3,717	2,223	67	982	636	54	967	2
Total comprehensive income attributable to:								
Equity holders of the Bank	3,488	2,074	68	913	599	52	906	1
Non-controlling interests	229	149	54	69	37	87	61	14
	3,717	2,223	67	982	636	54	967	2

Note:

1. “@” represents unaudited.

AUDITED BALANCE SHEETS

S\$ million	GROUP			BANK		
	31 Dec 2012	31 Dec 2011	30 Sep 2012 [@]	31 Dec 2012	31 Dec 2011	30 Sep 2012 [@]
EQUITY						
Attributable to equity holders of the Bank						
Share capital	9,953	9,023	9,956	9,953	9,023	9,956
Capital reserves	376	279	329	96	90	98
Fair value reserves	895	1,125	628	321	510	224
Revenue reserves	14,580	12,144	14,045	9,214	7,722	8,923
	25,804	22,571	24,958	19,584	17,345	19,201
Non-controlling interests	2,897	2,819	2,823	–	–	–
Total equity	28,701	25,390	27,781	19,584	17,345	19,201
LIABILITIES						
Deposits of non-bank customers	165,139	154,555	157,528	115,325	109,827	109,531
Deposits and balances of banks	25,656	21,653	21,240	21,539	18,881	18,656
Due to subsidiaries	–	–	–	8,258	5,913	7,300
Due to associates	161	178	178	149	164	165
Trading portfolio liabilities	1,083	1,655	1,078	1,083	1,655	1,078
Derivative payables	5,001	6,113	5,461	4,620	5,782	5,103
Other liabilities	4,324	4,024	4,516	1,543	1,459	1,529
Current tax	897	800	985	367	304	289
Deferred tax	1,170	1,123	1,065	65	121	52
Debt issued	11,424	13,063	17,410	11,919	13,797	17,797
	214,855	203,164	209,461	164,868	157,903	161,500
Life assurance fund liabilities	52,387	49,204	51,072	–	–	–
Total liabilities	267,242	252,368	260,533	164,868	157,903	161,500
Total equity and liabilities	295,943	277,758	288,314	184,452	175,248	180,701
ASSETS						
Cash and placements with central banks	16,397	12,897	12,312	9,382	6,986	6,442
Singapore government treasury bills and securities	13,141	13,250	13,654	11,962	12,592	12,660
Other government treasury bills and securities	9,157	7,397	10,090	6,098	3,988	6,751
Placements with and loans to banks	29,811	28,615	30,882	21,018	20,654	22,767
Loans and bills receivable	142,376	133,557	138,140	104,157	97,787	100,735
Debt and equity securities	14,932	15,081	13,751	9,348	9,721	8,822
Assets pledged	2,056	1,839	1,787	1,946	1,329	1,548
Assets held for sale	5	6	7	–	–	2
Derivative receivables	5,155	5,899	5,724	4,693	5,462	5,294
Other assets	3,845	3,191	3,903	1,148	1,187	1,239
Deferred tax	43	44	21	26	4	3
Associates and joint ventures	355	361	352	191	215	190
Subsidiaries	–	–	–	11,577	12,462	11,350
Property, plant and equipment	1,703	1,664	1,690	474	425	467
Investment property	878	922	879	565	569	564
Goodwill and intangible assets	3,818	3,947	3,837	1,867	1,867	1,867
	243,672	228,670	237,029	184,452	175,248	180,701
Life assurance fund investment assets	52,271	49,088	51,285	–	–	–
Total assets	295,943	277,758	288,314	184,452	175,248	180,701
Net Asset Value Per Ordinary Share[@]						
(before valuation surplus – S\$)	6.68	6.02	6.43	4.86	4.49	4.75
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	9,100	10,345	8,530	6,980	7,577	6,507
Commitments	67,040	64,892	64,932	42,667	44,780	42,404
Derivative financial instruments	560,734	545,502	597,885	481,216	492,372	524,189

Note:

1. “@” represents unaudited.

AUDITED STATEMENT OF CHANGES IN EQUITY – GROUP

For the financial year ended 31 December 2012

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
Balance at 1 January 2012	9,023	279	1,125	12,144	22,571	2,819	25,390
Total comprehensive income for the year	–	–	(230)	3,718	3,488	229	3,717
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	5	87	–	(92)	–	–	–
Acquisition of a subsidiary	–	–	–	–	–	3	3
Distributions and dividends to non-controlling interests	–	–	–	–	–	(206)	(206)
DSP reserve from dividends on unvested shares	–	–	–	4	4	–	4
Ordinary and preference dividends	–	–	–	(1,176)	(1,176)	–	(1,176)
Preference shares issued	1,000	–	–	–	1,000	–	1,000
Preference shares issue expense	(0)	–	–	–	(0)	–	(0)
Share-based staff costs capitalised	–	11	–	–	11	–	11
Share buyback held in treasury	(163)	–	–	–	(163)	–	(163)
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(4)	–	–	(4)	–	(4)
Shares vested under DSP Scheme	–	39	–	–	39	–	39
Treasury shares transferred/sold	87	(36)	–	–	51	–	51
Total contributions by and distributions to owners	930	97	–	(1,264)	(237)	(203)	(440)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	(18)	(18)	52	34
Total changes in ownership interests in subsidiaries	–	–	–	(18)	(18)	52	34
Balance at 31 December 2012	9,953	376	895	14,580	25,804	2,897	28,701
Included:							
Share of reserves of associates and joint ventures	–	–	6	45	51	(5)	46
Balance at 1 January 2011	8,211	613	1,374	10,592	20,790	2,855	23,645
Total comprehensive income for the year	–	–	(249)	2,323	2,074	149	2,223
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	13	(345)	–	332	–	–	–
Distributions and dividends to non-controlling interests	–	–	–	–	–	(187)	(187)
DSP reserve from dividends on unvested shares	–	–	–	4	4	–	4
Ordinary and preference dividends paid in cash	–	–	–	(275)	(275)	–	(275)
Share-based staff costs capitalised	–	10	–	–	10	–	10
Share buyback held in treasury	(92)	–	–	–	(92)	–	(92)
Shares issued in-lieu of ordinary dividends	824	–	–	(824)	–	–	–
Shares issued to non-executive directors	0	–	–	–	0	–	0
Shares purchased by DSP Trust	–	(4)	–	–	(4)	–	(4)
Shares vested under DSP Scheme	–	29	–	–	29	–	29
Treasury shares transferred/sold	67	(24)	–	–	43	–	43
Total contributions by and distributions to owners	812	(334)	–	(763)	(285)	(187)	(472)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	(8)	(8)	2	(6)
Total changes in ownership interests in subsidiaries	–	–	–	(8)	(8)	2	(6)
Balance at 31 December 2011	9,023	279	1,125	12,144	22,571	2,819	25,390
Included:							
Share of reserves of associates and joint ventures	–	–	(0)	32	32	(4)	28

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 December 2012

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
Balance at 1 October 2012	9,956	329	628	14,045	24,958	2,823	27,781
Total comprehensive income for the period	–	–	267	646	913	69	982
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	5	44	–	(49)	–	–	–
Acquisition of a subsidiary	–	–	–	–	–	3	3
Distributions and dividends to non-controlling interests	–	–	–	–	–	0	0
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(65)	(65)	–	(65)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(14)	–	–	–	(14)	–	(14)
Treasury shares transferred/sold	6	–	–	–	6	–	6
Total contributions by and distributions to owners	(3)	47	–	(112)	(68)	3	(65)
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	–	–	–	1	1	2	3
Total changes in ownership interests in a subsidiary	–	–	–	1	1	2	3
Balance at 31 December 2012	9,953	376	895	14,580	25,804	2,897	28,701
Included:							
Share of reserves of associates and joint ventures	–	–	6	45	51	(5)	46
Balance at 1 October 2011	8,603	376	1,128	11,503	21,610	2,787	24,397
Total comprehensive income for the period	–	–	(3)	602	599	37	636
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	13	(97)	–	84	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(0)	(0)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(46)	(46)	–	(46)
Share-based staff costs capitalised	–	2	–	–	2	–	2
Share buyback held in treasury	(3)	–	–	–	(3)	–	(3)
Shares issued in-lieu of ordinary dividends	409	–	–	–	409	–	409
Shares purchased by DSP Trust	–	(2)	–	–	(2)	–	(2)
Treasury shares transferred/sold	1	0	–	–	1	–	1
Total contributions by and distributions to owners	420	(97)	–	40	363	(0)	363
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	–	–	–	(1)	(1)	(5)	(6)
Total changes in ownership interests in a subsidiary	–	–	–	(1)	(1)	(5)	(6)
Balance at 31 December 2011	9,023	279	1,125	12,144	22,571	2,819	25,390
Included:							
Share of reserves of associates and joint ventures	–	–	(0)	32	32	(4)	28

AUDITED STATEMENT OF CHANGES IN EQUITY – BANK

For the financial year ended 31 December 2012

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2012	9,023	90	510	7,722	17,345
Total comprehensive income for the year	–	–	(189)	2,664	2,475
Transfers	5	(5)	–	–	–
DSP reserve from dividends on unvested shares	–	–	–	4	4
Ordinary and preference dividends	–	–	–	(1,176)	(1,176)
Preference shares issued	1,000	–	–	–	1,000
Preference shares issue expense	(0)	–	–	–	(0)
Share-based staff costs capitalised	–	11	–	–	11
Share buyback held in treasury	(163)	–	–	–	(163)
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	87	–	–	–	87
Balance at 31 December 2012	9,953	96	321	9,214	19,584
Balance at 1 January 2011	8,211	432	606	6,605	15,854
Total comprehensive income for the year	–	–	(96)	1,743	1,647
Transfers	13	(352)	–	339	–
Arising from merger of subsidiaries	–	–	–	130	130
DSP reserve from dividends on unvested shares	–	–	–	4	4
Ordinary and preference dividends paid in cash	–	–	–	(275)	(275)
Share-based staff costs capitalised	–	10	–	–	10
Share buyback held in treasury	(92)	–	–	–	(92)
Shares issued in-lieu of ordinary dividends	824	–	–	(824)	–
Shares issued to non-executive directors	0	–	–	–	0
Treasury shares transferred/sold	67	–	–	–	67
Balance at 31 December 2011	9,023	90	510	7,722	17,345

For the three months ended 31 December 2012 (Unaudited)

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 October 2012	9,956	98	224	8,923	19,201
Total comprehensive income for the period	–	–	97	354	451
Transfers	5	(5)	–	–	–
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(65)	(65)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(14)	–	–	–	(14)
Treasury shares transferred/sold	6	–	–	–	6
Balance at 31 December 2012	9,953	96	321	9,214	19,584
Balance at 1 October 2011	8,603	186	531	7,213	16,533
Total comprehensive income for the period	–	–	(21)	468	447
Transfers	13	(98)	–	85	–
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(46)	(46)
Share-based staff costs capitalised	–	2	–	–	2
Shares issued in-lieu of ordinary dividends	409	–	–	–	409
Share buyback held in treasury	(3)	–	–	–	(3)
Treasury shares transferred/sold	1	–	–	–	1
Balance at 31 December 2011	9,023	90	510	7,722	17,345

AUDITED CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2012

S\$ million	2012	2011	4Q12 [@]	4Q11 [@]
Cash flows from operating activities				
Profit before income tax	4,962	2,956	876	757
Adjustments for non-cash items				
Amortisation of intangible assets	60	61	15	16
Allowances for loans and impairment of other assets	271	221	68	78
Change in fair value for hedging transactions and trading securities	(90)	69	(42)	5
Depreciation of property, plant and equipment and investment property	184	166	50	44
Net gain on disposal of property, plant and equipment and investment property	(81)	(43)	(5)	(1)
Net gain on disposal of government, debt and equity securities	(1,351)	(120)	(13)	(22)
Net gain on disposal/liquidation of subsidiaries and associates	-	(1)	-	(0)
Share-based staff costs	10	10	3	2
Share of results of associates and joint ventures	(27)	(7)	(5)	26
Items relating to life assurance fund				
Surplus before income tax	1,000	532	252	169
Surplus transferred from life assurance fund	(692)	(382)	(210)	(51)
Operating profit before change in operating assets and liabilities	4,246	3,462	989	1,023
Change in operating assets and liabilities				
Deposits of non-bank customers	10,574	31,294	7,601	9,305
Deposits and balances of banks	4,002	5,145	4,415	(977)
Derivative payables and other liabilities	(960)	2,158	(664)	(2,695)
Trading portfolio liabilities	(572)	(79)	5	(68)
Government securities and treasury bills	(1,587)	(3,116)	1,355	(2,181)
Trading securities	34	(272)	(55)	48
Placements with and loans to banks	(1,811)	(10,660)	695	782
Loans and bills receivable	(9,030)	(28,789)	(4,315)	(5,867)
Derivative receivables and other assets	612	(1,378)	865	1,914
Net change in investment assets and liabilities of life assurance fund	(90)	59	296	(654)
Cash from/(used in) operating activities	5,418	(2,176)	11,187	630
Income tax paid	(640)	(409)	(182)	(45)
Net cash from/(used in) operating activities	4,778	(2,585)	11,005	585
Cash flows from investing activities				
Dividends from associates	8	6	5	5
Decrease/(increase) in associates and joint ventures	30	(107)	(4)	(43)
Net cash outflow from acquisition of a subsidiary/business	(12)	(103)	(12)	(113)
Purchases of debt and equity securities	(5,695)	(6,371)	(1,980)	(1,624)
Purchases of property, plant and equipment and investment property	(303)	(251)	(82)	(66)
Proceeds from disposal of debt and equity securities	6,707	4,798	1,193	856
Proceeds from disposal of interest in a subsidiary	-	82	-	-
Proceeds from disposal of an associate	-	2	-	0
Proceeds from disposal of property, plant and equipment and investment property	127	49	14	3
Net cash from/(used in) investing activities	862	(1,895)	(866)	(982)
Cash flows from financing activities				
Changes in non-controlling interests	34	(6)	3	(6)
Dividends paid to equity holders of the Bank	(1,173)	(275)	(62)	(145)
Distributions and dividends paid to non-controlling interests	(206)	(187)	0	(0)
Redemption of subordinated debt issued	(385)	(2,467)	(385)	(120)
Issue of subordinated debt	1,472	399	-	-
Increase/(decrease) in other debt issued	(2,573)	8,468	(5,588)	3,357
Net proceeds from issue of preference shares	1,000	-	-	-
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	51	43	6	1
Share buyback held in treasury	(163)	(92)	(14)	(3)
Net cash (used in)/from financing activities	(1,943)	5,883	(6,040)	3,084
Net currency translation adjustments	(197)	1	(14)	11
Net change in cash and cash equivalents	3,500	1,404	4,085	2,698
Cash and cash equivalents at beginning of year/period	12,897	11,493	12,312	10,199
Cash and cash equivalents at end of year/period	16,397	12,897	16,397	12,897

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:

Number of Shares	Financial year ended 31 Dec		Three months ended 31 Dec	
	2012	2011	2012	2011
Issued ordinary shares				
Balance at beginning of year/period	3,441,043,176	3,341,044,969	3,441,099,691	3,390,371,001
Shares issued to non-executive directors	56,515	48,000	–	–
Shares issued pursuant to Scrip Dividend Scheme	–	99,950,207	–	50,672,175
Balance at end of year/period	3,441,099,691	3,441,043,176	3,441,099,691	3,441,043,176
Treasury shares				
Balance at beginning of year/period	(3,965,793)	(3,269,326)	(9,733,621)	(3,874,107)
Share buyback	(18,242,000)	(10,078,000)	(1,490,000)	(340,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	6,247,357	2,723,126	959,423	239,502
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	1,715,860	4,071,126	105,368	8,812
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	4,085,746	2,587,281	–	–
Balance at end of year/period	(10,158,830)	(3,965,793)	(10,158,830)	(3,965,793)
Total	3,430,940,861	3,437,077,383	3,430,940,861	3,437,077,383

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 25 April 2012, the Bank purchased a total of 1,490,000 ordinary shares in the fourth quarter ended 31 December 2012. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$8.90 to S\$9.48 per share and the total consideration paid was S\$13,876,363 (including transaction costs).

From 1 October 2012 to 31 December 2012 (both dates inclusive), the Bank utilised 959,423 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As of 31 December 2012, the number of options outstanding under the OCBC SOS 2001 was 30,910,785 (31 December 2011: 32,836,463).

From 1 October 2012 to 31 December 2012 (both dates inclusive), the Bank utilised 105,368 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As of 31 December 2012, the number of acquisition rights outstanding under the OCBC ESPP was 12,292,163 (31 December 2011: 10,524,336).

No new preference shares were allotted and issued by the Bank in the fourth quarter ended 31 December 2012.

OTHER MATTERS

1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.
2. Pursuant to Rule 704(13) of the Listing Manual, for the financial year ended 31 December 2012, there was no person occupying managerial position in the Bank or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Bank.



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

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

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

Report on the financial statements

We have audited the accompanying financial statements of Oversea-Chinese Banking Corporation Limited (the "Bank") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Bank as at 31 December 2012, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Bank and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 129.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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



Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of *FRS 39 Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by Notice to Banks No. 612 'Credit Files, Grading and Provisioning' issued by the Monetary Authority of Singapore, to give a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2012, 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
*Public Accountants and
Certified Public Accountants*

Singapore
14 February 2013
