
Media Release

OCBC Group Full Year 2015 Net Profit at S\$3.90 billion

Full Year core earnings increased 13% to a new record

Fourth Quarter net profit up 21% from a year ago and 6% from the previous quarter

Singapore, 17 February 2016 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$3.90 billion for the financial year ended 31 December 2015 (“FY15”). Excluding a one-off gain of S\$391 million in FY14, core net profit after tax rose 13% to a new record, underpinned by higher net interest income, fee and commission income growth, as well as improved trading and investment income. The Group’s results also included the full year earnings contribution of OCBC Wing Hang, which became a subsidiary in the third quarter of 2014.

Net interest income grew 10% to a new high of S\$5.19 billion, from S\$4.74 billion a year ago, largely driven by an 11% increase in average balances of customer loans, which included the full year consolidation of OCBC Wing Hang. Net interest margin was higher for the quarter and was stable at 1.67% for FY15 as compared with a year ago, reflecting improved customer loan yields, particularly in Singapore, which were offset by reduced returns from money market gapping activities.

Non-interest income, before one-off gains, grew 10% to S\$3.53 billion from S\$3.21 billion in FY14. Fee and commission income climbed 10% to a new record of S\$1.64 billion, mainly from growth in wealth management, brokerage and fund management fees. Net trading income, primarily treasury-related income from customer flows, rose 52% to S\$552 million, while net gains of S\$204 million from the sale of investment securities were 53% higher than the previous year. Life assurance profit from Great Eastern Holdings (“GEH”) of S\$630 million was 18% below the previous year, largely as a result of unrealised mark-to-market losses in its bond investment portfolio. The Group’s share of results of associates and joint ventures in 2015 was S\$353 million, up from S\$112 million a year ago, largely attributable to the full year consolidation of income contribution from Bank of Ningbo as an associated company of the Group.

Reflected in the previous year’s earnings was a one-off gain of S\$391 million that arose from the Group’s increased stake in Bank of Ningbo, which became a 20%-owned associated company on 30 September 2014. In accordance with accounting standards, the Group’s initial available-for-sale 15.3% investment was deemed disposed of and its related fair value reserve was recognised in the income statement as a one-off gain.

Operating expenses of S\$3.66 billion were 12% higher from S\$3.26 billion a year ago, after taking into account the full year impact of consolidating OCBC Wing Hang. Excluding OCBC Wing Hang, operating expenses rose 5%, primarily from an increase in staff costs commensurate with business volume growth. The cost-to-income ratio was 42.0% in FY15 as compared with 41.0% the previous year. Net allowances for loans and other assets amounted to S\$488 million and were higher than S\$357 million in FY14.

Full year core return on equity was 12.3% as compared with 13.2% a year ago. The year-on-year decline was attributable to the rights issue in September 2014 which resulted in an enlarged share base. Core earnings per share, on the other hand, increased to 95.2 cents from 91.9 cents in FY14.

Fourth Quarter Performance

Net profit after tax for the fourth quarter of 2015 (“4Q15”) of S\$960 million was 21% higher than S\$791 million a year ago (“4Q14”).

Net interest income was up 5% at S\$1.34 billion, reflecting interest earning assets growth and a 7 basis point rise in net interest margin to 1.74%, which was lifted by higher loan yields. Non-interest income climbed 26% to S\$960 million, driven by a 5% rise in fee and commission income, a 24% increase in profit from life assurance and significantly higher net trading income. Operating expenses rose 6% to S\$974 million, largely from higher staff and premises costs. Net allowances for loans and other assets for the quarter of S\$193 million were up 25% from S\$154 million in 4Q14.

Against the previous quarter (“3Q15”), core net profit for 4Q15 rose 6%, largely attributable to higher net interest income and non-interest income, primarily from an increase in life assurance profit.

Allowances and Asset Quality

Net allowances for loans and other assets for FY15 were S\$488 million, higher than S\$357 million a year ago. Specific allowances for loans, net of recoveries and write-backs, of S\$232 million were up from S\$196 million in FY14. Net specific allowances represented 11 basis points of loans as compared with 10 basis points a year ago. Portfolio allowances were S\$177 million as compared with S\$163 million the previous year. Allowances for other assets, mainly investments, were S\$79 million for the year.

The non-performing loan (“NPL”) ratio was 0.9% as at 31 December 2015, the same level as compared with the previous quarter but was higher than 0.6% a year ago. Absolute amount of NPLs of S\$1.97 billion in FY15 were up from S\$1.28 billion the previous year, largely arising from the classification of a few large corporate accounts associated with the oil and gas services sector. The overall quality of the Group’s loan portfolio remained sound and comfortable allowance coverage ratios were maintained, with total cumulative allowances covering 417% of unsecured non-performing assets (“NPAs”) and 120% of total NPAs.

Subsidiaries' Results

Great Eastern Holdings underlying insurance business continued to grow, with total weighted new sales up 8% from a year ago and new business embedded value growth of 3%. As a result of the close partnership with Great Eastern Holdings, OCBC remained the bancassurance market leader in Singapore for the 15th consecutive year. For FY15, Great Eastern Holdings reported a net profit after tax of S\$785 million which was 11% lower from a year ago, mainly as a result of unrealised mark-to-market losses in its bond investment portfolio. Its net profit after tax contribution to the Group was S\$639 million, which represented 16% of the Group's 2015 earnings.

OCBC Bank (Malaysia) Berhad reported a 6% rise in FY15 net profit after tax of RM883 million (S\$311 million), driven by 10% growth in Islamic Financing income and a 26% increase in non-interest income, mainly fee and commission income and net trading income. Customer loans grew 9% from a year ago and the NPL ratio was 2.1% as at 31 December 2015.

Bank OCBC NISP achieved a record net profit after tax of IDR1,501 billion (S\$153 million), 13% higher from IDR1,332 billion (S\$143 million) a year ago. Its full year performance was driven by broad-based income growth, with net interest income up 18% and non-interest income 15% higher than the previous year. Total customer loans grew 26% and the NPL ratio of 1.3% was unchanged from a year ago. Customer deposits increased 20% and the CASA ratio improved to 41.4% from 34.7% in FY14.

2015 marks the first full year since our acquisition of OCBC Wing Hang. The integration of OCBC Wing Hang is progressing well and according to plan. OCBC Wing Hang has leveraged on the strength and expertise of the OCBC Group to deliver positive synergistic value. OCBC Wing Hang's full year earnings contribution to the Group of HK\$1.73 billion (S\$307 million) accounted for 8% of the Group's net profit after tax. As at 31 December 2015, customer loans were HK\$154 billion (S\$28 billion) and customer deposits totaled HK\$188 billion (S\$34 billion). Including OCBC Wing Hang Bank, Greater China's contribution to the Group's profit before tax increased to 20%, from 12% in 2014. Greater China customer loans were S\$56 billion as at 31 December 2015 and the asset quality of the portfolio remained sound, with the NPL ratio at a low 0.4%.

Bank of Singapore's assets under management increased 7% to US\$55 billion (S\$77 billion) from US\$51 billion (S\$67 billion) a year ago. Its earnings asset base, which includes loans that are extended on a secured basis, rose 5% to US\$68 billion (S\$96 billion) from US\$65 billion (S\$86 billion) in 2014. The Group's FY15 wealth management income, comprising income from insurance, private banking, asset management, stockbroking and other wealth management products, rose 6% to a new high of S\$2.35 billion, an increase from S\$2.22 billion a year ago. As a proportion of the Group's total income, wealth management contributed 27%, as compared with 28% in FY14.

Funding and Capital Position

The Group's funding and capital position remained sound. As at the end of 31 December 2015, non-bank customer loans amounted to S\$211 billion, with customer deposits at S\$246 billion. The Group's loans-to-deposits ratio for FY15 was 84.5% and comparable to the previous year. The ratio of current and savings deposits to total non-bank deposits rose to 48.9%, up from 44.6% a year ago.

For 4Q15, the average Singapore dollar and all-currency liquidity coverage ratios for the Group (excluding OCBC Wing Hang) were 253% and 124% respectively, higher as compared to the respective regulatory ratios of 100% and 60%. OCBC Wing Hang's liquidity coverage ratios will be incorporated into the overall Group position in due course.

The Group's Common Equity Tier 1 capital adequacy ratio ("CAR") as at 31 December 2015, was 14.8% and Tier 1 CAR and Total CAR were 14.8% and 16.8% respectively. Based on Basel III transitional arrangements, these ratios were well above the respective regulatory minima of 6.5%, 8% and 10%. The Group's leverage ratio of 8.0% was higher than the 3% minimum requirement as guided by the Basel Committee.

Final Dividend

The Board has proposed a final tax exempt dividend of 18 cents per share, bringing the FY15 total dividend to 36 cents per share, unchanged from FY14. 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 daily volume-weighted average prices between 26 April 2016 (the ex-dividend date) and 28 April 2016 (the books closure date), both dates inclusive.

CEO's Comments

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

"The past year has been a challenging one for most industries. The ongoing economic transformation and slowdown in China have created contractionary pressure on regional economies. Global economic growth was slow and was dampened further by a series of geo-political events. Interest rates remained low for most of 2015 and its recent rise has prompted renewed volatilities in the capital and financial markets. Regulatory expectations have increased and banks are facing higher requirements for capital, liquidity and regulatory compliance.

Despite this backdrop, our well-positioned and diversified banking and insurance franchise has enabled us to continue to achieve sustained growth. We delivered record earnings and further strengthened our financial position with strong capital ratios, ample liquidity and comfortable allowance coverage ratios.

Looking ahead, we are positive on OCBC's continued ability to deliver sustainable growth, and will be conservative, prudent and focused on our long-term strategic priorities in the context of the current operating environment."

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. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the world's strongest and safest banks by leading market research firms and publications.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, 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 over 630 branches and representative offices in 18 countries and territories. These include the more than 330 branches and offices in Indonesia operated by subsidiary Bank OCBC NISP, and 94 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast 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 2015

For the financial year ended 31 December 2015, Group reported net profit after tax was S\$3.90 billion. Details of the audited financial results are in the accompanying Group Financial Report.

Ordinary Dividend

A final tax exempt dividend of 18 cents per share has been recommended for the financial year 2015. Including the interim net dividend of 18 cents per share paid in September 2015, total dividends for financial year 2015 would amount to 36 cents per share, unchanged from the 36 cents paid for financial year 2014.

Closure of Books

The books closure date is 28 April 2016. Please refer to the separate announcement titled “Notice of Books Closure and Application of Scrip Dividend Scheme to FY15 Final Dividend” 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 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 between 26 April 2016 (the ex-dividend date) to 28 April 2016 (the books closure date), both dates inclusive. Further details can be found in a separate announcement titled “Application of Scrip Dividend Scheme to FY15 Final Dividend” released by the Bank today.

Preference Dividends

On 21 December 2015, the Bank paid semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class G Preference Shares at 4.2% (2014: 4.2%) per annum and Class M Preference Shares at 4.0% (2014: 4.0%) per annum. Total amount of dividends paid for the Class G and Class M Preference Shares were S\$8.3 million and S\$20.1 million respectively.

The S\$395,830,884 4.2% Class G Preference Shares were fully redeemed on 20 December 2015, as announced to the SGX-ST.

Peter Yeoh
Secretary

Singapore, 17 February 2016

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

Oversea-Chinese Banking Corporation Limited
Financial Year 2015 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 2015:

FRS 19 (Amendments): *Defined Benefits Plans: Employee Contributions*
Improvements to FRSs 2014

The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group’s financial statements.

There are a number of new/revised financial reporting standards in issue but not yet effective. They are not expected to have a material impact on the Group’s financial statements when adopted except for FRS 109: *Financial Instruments*. FRS 109 is effective from 1 January 2018. The Group is currently assessing the impact of FRS 109 on its financial statements.

Financial Results

Group reported a net profit after tax of S\$3.90 billion for the financial year ended 31 December 2015 (“FY15”), higher from S\$3.84 billion a year ago (“FY14”). Excluding a one-off gain of S\$391 million realised a year ago from the remeasurement of the Group’s increased stake in Bank of Ningbo (“BON”), the Group’s core net profit grew 13% year-on-year from S\$3.45 billion, driven by broad-based income growth. The Group’s results also included the full year earnings contribution of OCBC Wing Hang, which became a subsidiary in the third quarter of 2014.

Net interest income grew 10% to S\$5.19 billion from S\$4.74 billion a year ago, mainly driven by asset growth. Non-interest income, before one-off gains, was 10% higher at S\$3.53 billion, as compared with S\$3.21 billion in FY14. Fee and commission income grew 10% year-on-year to S\$1.64 billion, underpinned by higher wealth management, brokerage and fund management fees. Net trading income of S\$552 million was 52% higher from a year ago, while net gains from the sale of investment securities rose 53% to S\$204 million. Profit from life assurance declined 18% to S\$630 million in FY15 from S\$768 million in FY14. Share of results of associates and joint ventures was higher at S\$353 million from S\$112 million a year ago, mainly attributable to the contribution from BON when it became a 20%-owned associated company of the Group on 30 September 2014.

Operating expenses rose 12% to S\$3.66 billion from S\$3.26 billion in FY14, mainly from higher staff costs. Allowances for loans and other assets amounted to S\$488 million, an increase from S\$357 million a year ago. The Group’s non-performing loans (“NPL”) ratio was 0.9% compared with 0.6% as at 31 December 2014.

Return on equity, based on core earnings, was 12.3% in FY15 compared with 13.2% a year ago, largely attributable to the enlarged share base after the rights issue in September 2014. Core earnings per share was 95.2 cents, up 4% from 91.9 cents in FY14.

Group net profit after tax for the fourth quarter of 2015 (“4Q15”) was S\$960 million, up 21% from S\$791 million a year ago, and 6% from S\$902 million the previous quarter. The year-on-year and quarter-on-quarter increase was driven by broad-based income growth, which more than offset the increase in operating expenses.

FINANCIAL SUMMARY (continued)

| S\$ million | 2015 | 2014 | + / (-) | 4Q15 | 4Q14 | + / (-) | 3Q15 | + / (-) |
|---|--------------|--------------|-----------|------------|------------|-----------|------------|----------|
| | | | % | | | % | | % |
| Selected Income Statement Items | | | | | | | | |
| Net interest income | 5,189 | 4,736 | 10 | 1,341 | 1,277 | 5 | 1,317 | 2 |
| Non-interest income | 3,533 | 3,213 | 10 | 960 | 762 | 26 | 775 | 24 |
| Total core income | 8,722 | 7,949 | 10 | 2,301 | 2,039 | 13 | 2,092 | 10 |
| Operating expenses | (3,664) | (3,258) | 12 | (974) | (922) | 6 | (900) | 8 |
| Operating profit before allowances and amortisation | 5,058 | 4,691 | 8 | 1,327 | 1,117 | 19 | 1,192 | 11 |
| Amortisation of intangible assets | (98) | (74) | 32 | (25) | (32) | (23) | (25) | – |
| Allowances for loans and impairment for other assets | (488) | (357) | 37 | (193) | (154) | 25 | (150) | 29 |
| Operating profit after allowances and amortisation | 4,472 | 4,260 | 5 | 1,109 | 931 | 19 | 1,017 | 9 |
| Share of results of associates and joint ventures | 353 | 112 | 215 | 63 | 64 | (1) | 99 | (36) |
| Profit before income tax | 4,825 | 4,372 | 10 | 1,172 | 995 | 18 | 1,116 | 5 |
| Core net profit attributable to shareholders | 3,903 | 3,451 | 13 | 960 | 791 | 21 | 902 | 6 |
| Gain on remeasurement | – | 391 | (100) | – | – | – | – | – |
| Reported net profit attributable to shareholders | 3,903 | 3,842 | 2 | 960 | 791 | 21 | 902 | 6 |
| Cash basis net profit attributable to shareholders ^{1/} | 4,001 | 3,916 | 2 | 985 | 823 | 20 | 927 | 6 |
| Selected Balance Sheet Items | | | | | | | | |
| Ordinary equity | 33,053 | 29,701 | 11 | 33,053 | 29,701 | 11 | 32,043 | 3 |
| Total equity (excluding non-controlling interests) | 34,553 | 31,097 | 11 | 34,553 | 31,097 | 11 | 33,939 | 2 |
| Total assets | 390,190 | 401,226 | (3) | 390,190 | 401,226 | (3) | 399,815 | (2) |
| Assets excluding life assurance fund investment assets | 333,207 | 343,940 | (3) | 333,207 | 343,940 | (3) | 345,233 | (3) |
| Loans and bills receivable (net of allowances) | 208,218 | 207,535 | – | 208,218 | 207,535 | – | 210,321 | (1) |
| Deposits of non-bank customers | 246,277 | 245,519 | – | 246,277 | 245,519 | – | 251,884 | (2) |

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY (continued)

| | 2015 | 2014 | 4Q15 | 4Q14 | 3Q15 |
|---|-------------|------|-------------|------|------|
| Key Financial Ratios | | | | | |
| - based on core earnings | | | | | |
| Performance ratios (% p.a.) | | | | | |
| Return on equity ^{1/2/} | | | | | |
| SFRS ^{3/} basis | 12.3 | 13.2 | 11.5 | 10.6 | 11.2 |
| Cash basis | 12.6 | 13.5 | 11.8 | 11.1 | 11.5 |
| Return on assets ^{4/} | | | | | |
| SFRS ^{3/} basis | 1.14 | 1.11 | 1.13 | 0.93 | 1.03 |
| Cash basis | 1.17 | 1.13 | 1.16 | 0.97 | 1.06 |
| Revenue mix/efficiency ratios (%) | | | | | |
| Net interest margin (annualised) | 1.67 | 1.68 | 1.74 | 1.67 | 1.66 |
| Net interest income to total income | 59.5 | 59.6 | 58.3 | 62.6 | 62.9 |
| Non-interest income to total income | 40.5 | 40.4 | 41.7 | 37.4 | 37.1 |
| Cost to income | 42.0 | 41.0 | 42.3 | 45.2 | 43.0 |
| Loans to deposits | 84.5 | 84.5 | 84.5 | 84.5 | 83.5 |
| NPL ratio | 0.9 | 0.6 | 0.9 | 0.6 | 0.9 |
| Earnings per share^{2/} (cents) | | | | | |
| Basic earnings | 95.2 | 91.9 | 90.7 | 77.4 | 86.8 |
| Basic earnings (cash basis) | 97.6 | 94.0 | 93.1 | 80.6 | 89.2 |
| Diluted earnings | 95.1 | 91.8 | 90.6 | 77.3 | 86.7 |
| Net asset value per share (S\$) | | | | | |
| Before valuation surplus | 8.03 | 7.46 | 8.03 | 7.46 | 7.78 |
| After valuation surplus | 9.59 | 9.53 | 9.59 | 9.53 | 9.38 |
| Capital adequacy ratios (%)^{5/} | | | | | |
| Common Equity Tier 1 | 14.8 | 13.8 | 14.8 | 13.8 | 14.5 |
| Tier 1 | 14.8 | 13.8 | 14.8 | 13.8 | 14.5 |
| Total | 16.8 | 15.9 | 16.8 | 15.9 | 16.6 |
| Leverage ratio (%)^{6/} | | | | | |
| | 8.0 | na | 8.0 | na | 7.6 |

Notes:

1. Preference equity, other equity instruments and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on core net profit less preference dividends and distributions on other equity instruments 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.
5. The Group's Capital adequacy ratios are computed based on Basel III transitional arrangements.
6. The Group's Leverage ratio is computed based on the revised MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore, which took effect on 1 January 2015.
7. Return on equity, return on assets, net interest margin and earnings per share for the quarters are computed on an annualised basis.
8. "na" denotes not applicable.

NET INTEREST INCOME

Average Balance Sheet

| S\$ million | 2015 | | | 2014 | | |
|---|-----------------|--------------|----------------|-----------------|--------------|----------------|
| | Average Balance | Interest | Average Rate % | Average Balance | Interest | Average Rate % |
| Interest earning assets | | | | | | |
| Loans and advances to non-bank customers | 208,012 | 6,501 | 3.13 | 187,261 | 5,493 | 2.93 |
| Placements with and loans to banks | 58,312 | 845 | 1.45 | 52,148 | 1,026 | 1.97 |
| Other interest earning assets ^{1/} | 44,101 | 1,140 | 2.59 | 41,958 | 1,088 | 2.59 |
| Total | 310,425 | 8,486 | 2.73 | 281,367 | 7,607 | 2.70 |
| Interest bearing liabilities | | | | | | |
| Deposits of non-bank customers | 249,966 | 2,731 | 1.09 | 215,779 | 2,313 | 1.07 |
| Deposits and balances of banks | 15,853 | 134 | 0.84 | 22,644 | 153 | 0.67 |
| Other borrowings ^{2/} | 27,017 | 432 | 1.60 | 28,803 | 405 | 1.41 |
| Total | 292,836 | 3,297 | 1.13 | 267,226 | 2,871 | 1.07 |
| Net interest income/margin ^{3/} | | 5,189 | 1.67 | | 4,736 | 1.68 |

| S\$ million | 4Q15 | | | 4Q14 | | | 3Q15 | | |
|---|-----------------|--------------|------------------------------|-----------------|--------------|------------------------------|-----------------|--------------|------------------------------|
| | 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 | 209,280 | 1,681 | 3.19 | 205,494 | 1,555 | 3.00 | 210,136 | 1,644 | 3.10 |
| Placements with and loans to banks | 53,625 | 189 | 1.40 | 53,993 | 248 | 1.82 | 59,145 | 201 | 1.35 |
| Other interest earning assets ^{1/} | 43,522 | 273 | 2.49 | 44,673 | 296 | 2.63 | 44,830 | 285 | 2.53 |
| Total | 306,427 | 2,143 | 2.77 | 304,160 | 2,099 | 2.74 | 314,111 | 2,130 | 2.69 |
| Interest bearing liabilities | | | | | | | | | |
| Deposits of non-bank customers | 248,256 | 655 | 1.05 | 238,429 | 678 | 1.13 | 250,800 | 668 | 1.06 |
| Deposits and balances of banks | 14,241 | 36 | 0.98 | 22,360 | 39 | 0.69 | 16,370 | 35 | 0.85 |
| Other borrowings ^{2/} | 25,120 | 111 | 1.76 | 28,219 | 105 | 1.47 | 28,661 | 110 | 1.52 |
| Total | 287,617 | 802 | 1.11 | 289,008 | 822 | 1.13 | 295,831 | 813 | 1.09 |
| Net interest income/margin ^{3/} | | 1,341 | 1.74 | | 1,277 | 1.67 | | 1,317 | 1.66 |

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\$5.19 billion in FY15, up from S\$4.74 billion a year ago, underpinned by growth in interest earning assets. Net interest margin for FY15 was relatively stable at 1.67% as compared with 1.68% a year ago. Customer loan yields improved, particularly in Singapore, but this was offset by reduced returns from money market gapping activities.

Net interest income for 4Q15 was S\$1.34 billion, up 5% from S\$1.28 billion a year ago, mainly attributable to a 7 basis point improvement in net interest margin to 1.74% from 1.67%, which was lifted by higher loan yields. Compared with 3Q15, net interest income was 2% higher, largely from improved net interest margin.

Volume and Rate Analysis

| Increase/(decrease) due to change in: S\$ million | 2015 vs 2014 | | | 4Q15 vs 4Q14 | | | 4Q15 vs 3Q15 | | |
|---|--------------|-------------|---------------|--------------|-------------|---------------|--------------|-----------|---------------|
| | Volume | Rate | Net change | Volume | Rate | Net change | Volume | Rate | Net change |
| Interest income | | | | | | | | | |
| Loans and advances to non-bank customers | 609 | 399 | 1,008 | 29 | 97 | 126 | (7) | 44 | 37 |
| Placements with and loans to banks | 121 | (302) | (181) | (2) | (57) | (59) | (19) | 7 | (12) |
| Other interest earning assets | 56 | (4) | 52 | (8) | (15) | (23) | (8) | (4) | (12) |
| Total | 786 | 93 | 879 | 19 | 25 | 44 | (34) | 47 | 13 |
| Interest expense | | | | | | | | | |
| Deposits of non-bank customers | 367 | 51 | 418 | 28 | (51) | (23) | (7) | (6) | (13) |
| Deposits and balances of banks | (46) | 27 | (19) | (14) | 11 | (3) | (4) | 5 | 1 |
| Other borrowings | (25) | 52 | 27 | (12) | 18 | 6 | (14) | 15 | 1 |
| Total | 296 | 130 | 426 | 2 | (22) | (20) | (25) | 14 | (11) |
| Impact on net interest income | 490 | (37) | 453 | 17 | 47 | 64 | (9) | 33 | 24 |
| Due to change in number of days | | | – | | | – | | | – |
| Net interest income | | | 453 | | | 64 | | | 24 |

NON-INTEREST INCOME

| S\$ million | 2015 | 2014 | + / (-) | 4Q15 | 4Q14 | + / (-) | 3Q15 | + / (-) |
|--|-------|-------|---------|-------|-------|---------|-------|---------|
| | | | % | | | % | | % |
| Fees and commissions | | | | | | | | |
| Brokerage | 87 | 64 | 37 | 17 | 20 | (16) | 22 | (22) |
| Wealth management | 506 | 467 | 8 | 118 | 111 | 6 | 124 | (5) |
| Fund management | 132 | 108 | 22 | 35 | 29 | 21 | 35 | – |
| Credit card | 138 | 100 | 39 | 39 | 32 | 21 | 35 | 10 |
| Loan-related | 311 | 300 | 4 | 76 | 77 | (1) | 77 | (2) |
| Trade-related and remittances | 224 | 237 | (6) | 54 | 62 | (14) | 55 | (3) |
| Guarantees | 21 | 21 | (1) | 5 | 6 | (5) | 5 | 1 |
| Investment banking | 86 | 86 | – | 19 | 16 | 17 | 18 | 7 |
| Service charges | 83 | 75 | 11 | 22 | 19 | 19 | 23 | (3) |
| Others | 55 | 37 | 46 | 17 | 11 | 54 | 14 | 29 |
| Sub-total | 1,643 | 1,495 | 10 | 402 | 383 | 5 | 408 | (1) |
| Dividends | 93 | 106 | (12) | 22 | 13 | 68 | 21 | 3 |
| Rental income | 100 | 76 | 31 | 23 | 23 | – | 26 | (12) |
| Profit from life assurance | 630 | 768 | (18) | 236 | 190 | 24 | 62 | 281 |
| Premium income from general insurance | 151 | 162 | (7) | 36 | 42 | (15) | 36 | – |
| Other income | | | | | | | | |
| Net trading income | 552 | 364 | 52 | 163 | 18 | 799 | 196 | (17) |
| Net gain/(loss) from investment securities | 204 | 134 | 53 | 7 | 65 | (89) | (12) | 159 |
| Net gain/(loss) from disposal of interests in subsidiaries, associates and joint venture | 3 | 31 | (91) | 3 | (0) | nm | – | – |
| Net gain from disposal of properties | 66 | 9 | 632 | 41 | 7 | 495 | 15 | 174 |
| Others | 91 | 68 | 33 | 27 | 21 | 27 | 23 | 13 |
| Sub-total | 916 | 606 | 51 | 241 | 111 | 117 | 222 | 8 |
| Total core non-interest income | 3,533 | 3,213 | 10 | 960 | 762 | 26 | 775 | 24 |
| Gain on remeasurement | – | 391 | (100) | – | – | – | – | – |
| Total non-interest income | 3,533 | 3,604 | (2) | 960 | 762 | 26 | 775 | 24 |
| Fees and commissions/Total income ^{1/} | 18.8% | 18.8% | | 17.5% | 18.8% | | 19.5% | |
| Non-interest income/Total income ^{1/} | 40.5% | 40.4% | | 41.7% | 37.4% | | 37.1% | |

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

Core non-interest income increased 10% to S\$3.53 billion in FY15 compared with S\$3.21 billion a year ago.

Fee and commission income for the year was S\$1.64 billion, representing a 10% increase from S\$1.50 billion in FY14, led by growth in wealth management, brokerage and fund management fees. Net trading income, primarily made up of treasury-related income from customer flows, was higher at S\$552 million as compared with S\$364 million a year ago. Net realised gains from the sale of investment securities increased to S\$204 million from S\$134 million in FY14, primarily attributed to the realisation of a S\$136 million gain from an investment in Great Eastern Holdings' ("GEH") equity portfolio. Profit from life assurance was S\$630 million for the year, 18% lower as compared with S\$768 million in FY14, mainly attributable to unrealised mark-to-market losses in GEH's bond investment portfolio.

Reflected in FY14 was a one-off gain of S\$391 million from the remeasurement of the Group's increased stake in BON, which became a 20%-owned associated company on 30 September 2014

Compared to 4Q14, non-interest income for the quarter was 26% higher at S\$960 million from S\$762 million, contributed by higher fee and commission income, net trading income and profit from life assurance.

OPERATING EXPENSES

| S\$ million | 2015 | 2014 | + / (-) % | 4Q15 | 4Q14 | + / (-) % | 3Q15 | + / (-) % |
|---|--------------|--------|--------------|------------|--------|--------------|--------|--------------|
| Staff costs | | | | | | | | |
| Salaries and other costs | 2,054 | 1,823 | 13 | 533 | 495 | 8 | 505 | 6 |
| Share-based expenses | 38 | 33 | 18 | 10 | 7 | 43 | 10 | - |
| Contribution to defined contribution plans | 162 | 147 | 10 | 37 | 39 | (6) | 41 | (10) |
| | 2,254 | 2,003 | 13 | 580 | 541 | 7 | 556 | 4 |
| Property and equipment | | | | | | | | |
| Depreciation | 293 | 248 | 18 | 77 | 77 | - | 72 | 6 |
| Maintenance and hire of property, plant & equipment | 112 | 94 | 19 | 31 | 32 | (2) | 29 | 10 |
| Rental expenses | 97 | 82 | 19 | 25 | 24 | 6 | 25 | (2) |
| Others | 235 | 195 | 20 | 73 | 60 | 22 | 54 | 36 |
| | 737 | 619 | 19 | 206 | 193 | 7 | 180 | 15 |
| Other operating expenses | 673 | 636 | 6 | 188 | 188 | - | 164 | 14 |
| Total operating expenses | 3,664 | 3,258 | 12 | 974 | 922 | 6 | 900 | 8 |
| Group staff strength | | | | | | | | |
| Period end | 29,847 | 29,512 | 1 | 29,847 | 29,512 | 1 | 29,603 | 1 |
| Average | 29,601 | 27,318 | 8 | 29,771 | 29,445 | 1 | 29,533 | 1 |
| Cost to income ratio ^{1/} | 42.0% | 41.0% | | 42.3% | 45.2% | | 43.0% | |

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

Operating expenses of S\$3.66 billion were 12% higher from S\$3.26 billion a year ago, mainly from the full year consolidation of OCBC Wing Hang. Staff costs were 13% higher at S\$2.25 billion from S\$2.00 billion in FY14. Property and equipment-related expenses were S\$737 million, up 19% from S\$619 million a year ago, primarily from higher depreciation expenses and technology-related costs. Other operating expenses were 6% higher year-on-year at S\$673 million as compared with S\$636 million in FY14.

Compared with 4Q14, operating expenses for the quarter were 6% higher at S\$974 million from S\$922 million, largely from staff costs and property and equipment-related expenses.

The cost-to-income ratio was 42.0% in FY15, as compared with 41.0% a year ago.

ALLOWANCES FOR LOANS AND OTHER ASSETS

| S\$ million | 2015 | 2014 | +/(-) % | 4Q15 | 4Q14 | +/(-) % | 3Q15 | +/(-) % |
|---|------------|------|------------|------------|------|------------|------|------------|
| Specific allowances/ (write-back) for loans | | | | | | | | |
| Singapore | 71 | 63 | 14 | 21 | 15 | 34 | 19 | 9 |
| Malaysia | 81 | 66 | 23 | 24 | 35 | (31) | 20 | 26 |
| Greater China | 37 | 45 | (18) | 16 | 12 | 34 | 9 | 78 |
| Others | 43 | 22 | 89 | 15 | 9 | 66 | 17 | (15) |
| | 232 | 196 | 18 | 76 | 71 | 6 | 65 | 17 |
| Portfolio allowances for loans | 177 | 163 | 8 | 74 | 73 | 1 | 50 | 48 |
| Allowances and impairment charges/(write-back) for other assets | 79 | (2) | nm | 43 | 10 | 361 | 35 | 22 |
| Allowances for loans and impairment for other assets | 488 | 357 | 37 | 193 | 154 | 25 | 150 | 29 |

Allowances for loans and other assets were S\$488 million in FY15 compared with S\$357 million a year ago.

Specific allowances for loans, net of recoveries and writebacks were S\$232 million for the year compared with S\$196 million in FY14, with the increase mainly from the loan portfolio of Malaysia and the Rest of the World. Net specific allowances remained low at 11 basis points of loans. Portfolio allowances for loans were S\$177 million in FY15, up 8% from S\$163 million a year ago. Net allowances for other assets were S\$79 million for the year, mainly for equity securities investments.

Net allowances were S\$193 million in 4Q15 compared with S\$154 million a year ago and S\$150 million the previous quarter.

LOANS AND ADVANCES

| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
|--|-------------|-------------|-------------|
| Loans to customers | 202,093 | 193,610 | 201,379 |
| Bills receivable | 8,572 | 16,212 | 11,303 |
| Gross loans to customers | 210,665 | 209,822 | 212,682 |
| Allowances | | | |
| Specific allowances | (360) | (332) | (350) |
| Portfolio allowances | (2,060) | (1,897) | (1,978) |
| | 208,245 | 207,593 | 210,354 |
| Less: assets pledged | (27) | (58) | (33) |
| Loans net of allowances | 208,218 | 207,535 | 210,321 |
| By Maturity | | | |
| Within 1 year | 78,167 | 80,265 | 80,886 |
| 1 to 3 years | 36,345 | 32,387 | 33,576 |
| Over 3 years | 96,153 | 97,170 | 98,220 |
| | 210,665 | 209,822 | 212,682 |
| By Industry | | | |
| Agriculture, mining and quarrying | 7,394 | 8,750 | 7,936 |
| Manufacturing | 13,222 | 12,746 | 12,905 |
| Building and construction | 34,407 | 32,175 | 34,028 |
| Housing loans | 56,058 | 54,207 | 55,523 |
| General commerce | 26,128 | 30,218 | 28,076 |
| Transport, storage and communication | 12,360 | 12,365 | 12,592 |
| Financial institutions, investment and holding companies | 27,463 | 25,360 | 27,722 |
| Professionals and individuals | 23,464 | 22,511 | 23,051 |
| Others | 10,169 | 11,490 | 10,849 |
| | 210,665 | 209,822 | 212,682 |
| By Currency | | | |
| Singapore Dollar | 80,496 | 76,613 | 78,212 |
| United States Dollar | 49,408 | 55,697 | 51,460 |
| Malaysian Ringgit | 21,273 | 23,040 | 20,659 |
| Indonesian Rupiah | 6,511 | 5,282 | 5,532 |
| Hong Kong Dollar | 29,457 | 25,770 | 29,654 |
| Chinese Renminbi | 7,509 | 10,229 | 9,297 |
| Others | 16,011 | 13,191 | 17,868 |
| | 210,665 | 209,822 | 212,682 |
| By Geography^{1/} | | | |
| Singapore | 87,540 | 86,700 | 86,883 |
| Malaysia | 28,599 | 28,909 | 27,841 |
| Indonesia | 17,216 | 13,982 | 16,097 |
| Greater China | 56,416 | 55,585 | 59,477 |
| Other Asia Pacific | 10,644 | 9,218 | 10,711 |
| Rest of the World | 10,250 | 15,428 | 11,673 |
| | 210,665 | 209,822 | 212,682 |

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 were S\$211 billion as at 31 December 2015 compared with S\$210 billion a year ago and lower from S\$213 billion the previous quarter. The year-on-year loan growth was diversified across major customer segments and key geographies, with average balances up 11% from a year ago.

NON-PERFORMING ASSETS

| S\$ million | Total NPAs ^{1/} | Substandard | Doubtful | Loss | Secured NPAs/ Total NPAs % | NPLs ^{2/} | NPL Ratio ^{2/} % |
|---------------------------|--------------------------|--------------|------------|------------|----------------------------------|--------------------|------------------------------|
| Singapore | | | | | | | |
| 31 Dec 2015 | 545 | 337 | 113 | 95 | 78.8 | 545 | 0.6 |
| 30 Sep 2015 | 516 | 318 | 110 | 88 | 85.1 | 516 | 0.6 |
| 31 Dec 2014 | 274 | 72 | 116 | 86 | 71.1 | 274 | 0.3 |
| Malaysia | | | | | | | |
| 31 Dec 2015 | 732 | 628 | 77 | 27 | 85.8 | 707 | 2.5 |
| 30 Sep 2015 | 720 | 619 | 77 | 24 | 86.0 | 699 | 2.5 |
| 31 Dec 2014 | 532 | 378 | 117 | 37 | 70.1 | 507 | 1.8 |
| Indonesia | | | | | | | |
| 31 Dec 2015 | 400 | 316 | 10 | 74 | 36.1 | 400 | 2.3 |
| 30 Sep 2015 | 305 | 233 | 25 | 47 | 27.8 | 305 | 1.9 |
| 31 Dec 2014 | 98 | 26 | 7 | 65 | 39.8 | 98 | 0.7 |
| Greater China | | | | | | | |
| 31 Dec 2015 | 241 | 74 | 112 | 55 | 80.5 | 207 | 0.4 |
| 30 Sep 2015 | 244 | 111 | 71 | 62 | 82.9 | 207 | 0.3 |
| 31 Dec 2014 | 185 | 101 | 27 | 57 | 81.2 | 185 | 0.3 |
| Other Asia Pacific | | | | | | | |
| 31 Dec 2015 | 80 | 80 | – | – | 61.9 | 80 | 0.7 |
| 30 Sep 2015 | 103 | 95 | 8 | – | 62.4 | 103 | 1.0 |
| 31 Dec 2014 | 180 | 168 | 12 | – | 77.2 | 180 | 2.0 |
| Rest of the World | | | | | | | |
| 31 Dec 2015 | 41 | 21 | 19 | 1 | 21.0 | 30 | 0.3 |
| 30 Sep 2015 | 44 | – | 44 | 0 | 12.9 | 32 | 0.3 |
| 31 Dec 2014 | 48 | 43 | 4 | 1 | 10.1 | 35 | 0.2 |
| Group | | | | | | | |
| 31 Dec 2015 | 2,039 | 1,456 | 331 | 252 | 71.3 | 1,969 | 0.9 |
| 30 Sep 2015 | 1,932 | 1,376 | 335 | 221 | 73.3 | 1,862 | 0.9 |
| 31 Dec 2014 | 1,317 | 788 | 283 | 246 | 68.4 | 1,279 | 0.6 |

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 sound. Non-performing assets ("NPAs") were S\$2.04 billion as at 31 December 2015, an increase of 55% compared with S\$1.32 billion a year ago and 6% from S\$1.93 billion the previous quarter. The year-on-year increase in NPAs was mainly from the classification of a few large corporate accounts associated with the oil and gas services sector.

The Group's NPL ratio was 0.9%, an increase from 0.6% a year ago and unchanged from the previous quarter. Of the total NPAs, 71% were in the substandard category and 71% were secured by collateral.

| | 31 Dec 2015 | | 31 Dec 2014 | | 30 Sep 2015 | |
|--|--------------|------------|--------------|------------|--------------|------------|
| | S\$ million | % of loans | S\$ million | % of loans | S\$ million | % of loans |
| NPLs by Industry | | | | | | |
| Loans and advances | | | | | | |
| Agriculture, mining and quarrying | 337 | 4.6 | 8 | 0.1 | 330 | 4.2 |
| Manufacturing ^{1/} | 428 | 3.2 | 302 | 2.4 | 449 | 3.5 |
| Building and construction ^{1/} | 105 | 0.3 | 173 | 0.5 | 107 | 0.3 |
| Housing loans | 278 | 0.5 | 274 | 0.5 | 281 | 0.5 |
| General commerce | 194 | 0.7 | 152 | 0.5 | 179 | 0.6 |
| Transport, storage and communication | 274 | 2.2 | 174 | 1.4 | 218 | 1.7 |
| Financial institutions, investment and holding companies | 197 | 0.7 | 24 | 0.1 | 158 | 0.6 |
| Professionals and individuals | 129 | 0.6 | 103 | 0.5 | 122 | 0.5 |
| Others | 27 | 0.3 | 69 | 0.6 | 18 | 0.2 |
| Total NPLs | 1,969 | 0.9 | 1,279 | 0.6 | 1,862 | 0.9 |
| Classified debt securities | 40 | | 5 | | 40 | |
| Classified contingent liabilities | 30 | | 33 | | 30 | |
| Total NPAs | 2,039 | | 1,317 | | 1,932 | |

| | 31 Dec 2015 | | 31 Dec 2014 | | 30 Sep 2015 | |
|-----------------------------------|--------------|------------|--------------|------------|--------------|------------|
| | S\$ million | % | S\$ million | % | S\$ million | % |
| NPAs by Period Overdue | | | | | | |
| Over 180 days | 590 | 29 | 476 | 36 | 585 | 30 |
| Over 90 to 180 days ^{1/} | 378 | 19 | 146 | 11 | 217 | 11 |
| 30 to 90 days ^{1/} | 284 | 14 | 122 | 9 | 172 | 9 |
| Less than 30 days ^{1/} | 206 | 10 | 22 | 2 | 222 | 12 |
| Not overdue ^{1/} | 581 | 28 | 551 | 42 | 736 | 38 |
| | 2,039 | 100 | 1,317 | 100 | 1,932 | 100 |

Note:

1. Comparative figures have been restated to conform with the current period's presentation.

| S\$ million | 31 Dec 2015 | | 31 Dec 2014 | | 30 Sep 2015 | |
|---------------------------|-------------|-----------|-------------|-----------|-------------|-----------|
| | Loan | Allowance | Loan | Allowance | Loan | Allowance |
| Restructured Loans | | | | | | |
| Substandard | 365 | 13 | 81 | 2 | 280 | 15 |
| Doubtful | 39 | 34 | 39 | 24 | 69 | 44 |
| Loss | 5 | 4 | 4 | 3 | 3 | 3 |
| | 409 | 51 | 124 | 29 | 352 | 62 |

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 2015 | 857 | 85 | 772 | 15.6 | 157.2 |
| 30 Sep 2015 | 796 | 81 | 715 | 15.6 | 154.3 |
| 31 Dec 2014 | 746 | 70 | 676 | 25.6 | 272.8 |
| Malaysia | | | | | |
| 31 Dec 2015 | 539 | 148 | 391 | 20.2 | 73.7 |
| 30 Sep 2015 | 507 | 126 | 381 | 17.6 | 70.5 |
| 31 Dec 2014 | 549 | 150 | 399 | 28.1 | 103.2 |
| Indonesia | | | | | |
| 31 Dec 2015 | 268 | 58 | 210 | 14.4 | 66.8 |
| 30 Sep 2015 | 234 | 56 | 178 | 18.2 | 76.6 |
| 31 Dec 2014 | 207 | 40 | 167 | 41.2 | 210.7 |
| Greater China | | | | | |
| 31 Dec 2015 | 581 | 70 | 511 | 29.1 | 240.8 |
| 30 Sep 2015 | 586 | 62 | 524 | 25.6 | 240.1 |
| 31 Dec 2014 | 528 | 62 | 466 | 33.6 | 285.0 |
| Other Asia Pacific | | | | | |
| 31 Dec 2015 | 98 | 1 | 97 | 1.2 | 123.1 |
| 30 Sep 2015 | 115 | 20 | 95 | 19.3 | 111.6 |
| 31 Dec 2014 | 115 | 24 | 91 | 13.3 | 63.6 |
| Rest of the World | | | | | |
| 31 Dec 2015 | 95 | 16 | 79 | 39.9 | 235.3 |
| 30 Sep 2015 | 104 | 19 | 85 | 43.8 | 234.6 |
| 31 Dec 2014 | 102 | 4 | 98 | 8.8 | 213.0 |
| Group | | | | | |
| 31 Dec 2015 | 2,438 | 378 | 2,060 | 18.6 | 119.6 |
| 30 Sep 2015 | 2,342 | 364 | 1,978 | 18.8 | 121.2 |
| 31 Dec 2014 | 2,247 | 350 | 1,897 | 26.6 | 170.6 |

As at 31 December 2015, the Group's total cumulative allowances for assets were S\$2.44 billion, comprising S\$378 million in specific allowances and S\$2.06 billion in portfolio allowances. Allowance coverage ratios remained at healthy levels, with total cumulative allowances at 417% of total unsecured NPAs and 120% of total NPAs, as compared with the respective ratios of 539% and 171% as at 31 December 2014.

DEPOSITS

| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
|---|----------------|-------------|-------------|
| Deposits of non-bank customers | 246,277 | 245,519 | 251,884 |
| Deposits and balances of banks | 12,047 | 20,503 | 16,101 |
| | 258,324 | 266,022 | 267,985 |
| Loans to deposits ratio (net non-bank loans/non-bank deposits) | 84.5% | 84.5% | 83.5% |
| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
| Total Deposits By Maturity | | | |
| Within 1 year | 253,338 | 261,000 | 262,751 |
| 1 to 3 years | 2,530 | 2,691 | 2,814 |
| Over 3 years | 2,456 | 2,331 | 2,420 |
| | 258,324 | 266,022 | 267,985 |
| Non-Bank Deposits By Product | | | |
| Fixed deposits | 106,375 | 109,104 | 110,608 |
| Savings deposits | 43,099 | 39,913 | 42,745 |
| Current account | 77,298 | 69,572 | 76,861 |
| Others | 19,505 | 26,930 | 21,670 |
| | 246,277 | 245,519 | 251,884 |
| Non-Bank Deposits By Currency | | | |
| Singapore Dollar | 88,905 | 91,520 | 87,016 |
| United States Dollar | 72,583 | 62,333 | 78,302 |
| Malaysian Ringgit | 22,616 | 25,583 | 22,716 |
| Indonesian Rupiah | 5,692 | 5,235 | 5,292 |
| Hong Kong Dollar | 23,692 | 22,120 | 25,466 |
| Chinese Renminbi | 10,501 | 13,689 | 11,579 |
| Others | 22,288 | 25,039 | 21,513 |
| | 246,277 | 245,519 | 251,884 |

Non-bank customer deposits as at 31 December 2015 were S\$246 billion, higher from a year ago and 2% lower from S\$252 billion the previous quarter. Year-on-year, current account deposits and savings deposits grew by 11% and 8% respectively, offset by declines in fixed deposits and other deposits. As a result, the ratio of current and savings deposits to total non-bank deposits increased to 48.9% as at 31 December 2015, from 44.6% a year ago. The Group's loan-to-deposit ratio was 84.5%, unchanged from a year ago and higher as compared with 83.5% in the previous quarter. For 4Q15, the average Singapore dollar and all-currency liquidity coverage ratios for the Group (excluding OCBC Wing Hang) were 253% and 124% respectively compared to the respective regulatory ratios of 100% and 60%. OCBC Wing Hang's liquidity coverage ratios will be incorporated in the overall Group position in due course.

DEBT ISSUED

| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
|---|---------------|-------------|-------------|
| Subordinated debt (unsecured) | 6,480 | 6,359 | 6,720 |
| Fixed and floating rate notes (unsecured) | 4,857 | 5,903 | 4,294 |
| Commercial papers (unsecured) | 10,879 | 15,598 | 12,368 |
| Structured notes (unsecured) | 1,263 | 999 | 1,128 |
| Total | 23,479 | 28,859 | 24,510 |
| Debt Issued By Maturity | | | |
| Within one year | 12,755 | 18,580 | 13,949 |
| Over one year | 10,724 | 10,279 | 10,561 |
| Total | 23,479 | 28,859 | 24,510 |

As at 31 December 2015, the Group had S\$10.9 billion of commercial papers outstanding. The commercial papers form part of the Group's diversified funding sources.

CAPITAL ADEQUACY RATIOS

| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
|-------------------------------------|----------------|-------------|-------------|
| Ordinary shares | 13,560 | 12,356 | 13,557 |
| Disclosed reserves/others | 19,655 | 17,512 | 18,633 |
| Regulatory adjustments | (4,577) | (3,889) | (4,146) |
| Common Equity Tier 1 Capital | 28,638 | 25,979 | 28,044 |
| Additional Tier 1 capital | 3,128 | 3,438 | 3,525 |
| Regulatory adjustments | (3,128) | (3,438) | (3,525) |
| Tier 1 Capital | 28,638 | 25,979 | 28,044 |
| Tier 2 capital | 6,151 | 5,963 | 6,177 |
| Regulatory adjustments | (2,334) | (2,015) | (2,267) |
| Total Eligible Capital | 32,455 | 29,927 | 31,954 |
| Risk Weighted Assets | 193,119 | 188,108 | 192,369 |
| Capital Adequacy Ratios | | | |
| Common Equity Tier 1 | 14.8% | 13.8% | 14.5% |
| Tier 1 | 14.8% | 13.8% | 14.5% |
| Total | 16.8% | 15.9% | 16.6% |

Note:

- Public disclosures required under MAS Notice 637 Part XI can be found in the Capital and Regulatory Disclosures section of the Bank's investor relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

The Group remained strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.8%, and Tier 1 and total CAR of 14.8% and 16.8% respectively. These ratios, based on Basel III transitional arrangements, were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2015.

The Group's CET1 CAR, based on Basel III rules which will be effective from 1 January 2018, was 11.8%.

The capital adequacy information of the Group's significant banking subsidiaries as at 31 December 2015 were:

| S\$ million | Total Risk Weighted Assets | Capital Adequacy Ratios | | |
|-----------------------------|----------------------------|-------------------------|--------|-------|
| | | Common Equity Tier 1 | Tier 1 | Total |
| OCBC Wing Hang Bank Limited | 19,483 | 12.7% | 12.7% | 16.1% |
| OCBC Bank (Malaysia) Berhad | 13,573 | 12.5% | 14.6% | 17.1% |
| Bank OCBC NISP | 10,401 | na | 16.1% | 17.3% |

Note:

- "na" denotes not applicable.

The capital adequacy ratios of OCBC Wing Hang Bank Limited are computed in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority, and the ratios for OCBC Bank (Malaysia) Berhad are computed in accordance with the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia. Bank OCBC NISP computes their ratios based on the standardised approach under the Basel II framework. The computed CET1 CAR as at 31 December 2015 for Bank OCBC NISP based on Basel II rules would be 16.1%.

LEVERAGE RATIO

| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
|-----------------|-------------|-------------|-------------|
| Tier 1 Capital | 28,638 | na | 28,044 |
| Total exposures | 357,971 | na | 368,501 |
| Leverage ratio | 8.0% | na | 7.6% |

Notes:

- Public disclosures required under MAS Notice 637 Part XI Division 3 Sub-division 11: Leverage ratio can be found in the Capital and Regulatory Disclosures section of the Bank's Investor Relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).
- "na" denotes not applicable.

In January 2014, the Basel Committee on Banking Supervision ("BCBS") issued the leverage ratio framework and its public disclosure requirements. In line with this, a revised MAS Notice 637 was issued in October 2014 requiring Singapore-incorporated banks to make leverage ratio disclosures with effect from 1 January 2015 to enhance the transparency and comparability of these disclosures across banks.

The leverage ratio is an indicator of capital strength to supplement the risk-based capital requirements and is the ratio of Tier 1 Capital to total exposures (comprising on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet items). As at 31 December 2015, the Group's leverage ratio was 8.0%, above the minimum requirement of 3% which is being tested by BCBS during the parallel run period from 2013 to 2017.

UNREALISED VALUATION SURPLUS

| S\$ million | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 |
|---------------------------------|-------------|-------------|-------------|
| Properties ^{3/} | 3,915 | 3,956 | 3,951 |
| Equity securities ^{4/} | 2,508 | 4,315 | 2,636 |
| Total | 6,423 | 8,271 | 6,587 |

Notes:

- 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.
- Comprises mainly investments in quoted subsidiaries and an associate, 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 an associate, and the market values of those properties and quoted investments at the respective periods. The carrying values of subsidiaries and associate 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 2015 was S\$6.42 billion, 22% lower from S\$8.27 billion as at 31 December 2014, mainly from lower equity securities valuation from the Group's equity stakes in GEH and Bank OCBC NISP.

PERFORMANCE BY BUSINESS SEGMENT

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

Operating Profit by Business Segment

| S\$ million | 2015 | 2014 | +/(-) % | 4Q15 | 4Q14 | +/(-) % | 3Q15 | +/(-) % |
|---|--------------|-------|---------|--------------|------|---------|-------|---------|
| Global Consumer/Private Banking | 980 | 750 | 31 | 275 | 172 | 60 | 233 | 18 |
| Global Corporate/Investment Banking | 1,902 | 1,946 | (2) | 478 | 425 | 12 | 440 | 9 |
| Global Treasury and Markets | 618 | 774 | (20) | 140 | 111 | 27 | 211 | (33) |
| Insurance | 853 | 946 | (10) | 229 | 230 | – | 87 | 163 |
| OCBC Wing Hang | 360 | 94 | 284 | 90 | 50 | 82 | 84 | 7 |
| Others ^{1/} | (241) | (250) | (4) | (103) | (57) | 82 | (38) | 170 |
| Operating profit after allowances and amortisation | 4,472 | 4,260 | 5 | 1,109 | 931 | 19 | 1,017 | 9 |

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

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 31% to S\$980 million from S\$750 million in FY14, driven by broad-based income growth, which more than offset an increase in expenses and allowances. 4Q15 operating profit of S\$275 million was 60% higher year-on-year and up 18% from the previous quarter. The increase in operating profit for both periods was led by higher net interest income and fee income.

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 FY15 operating profit after allowances declined 2% to S\$1.90 billion, down from S\$1.95 billion a year ago, mainly attributable to an increase in expenses and allowances which more than offset higher net interest income. 4Q15 operating profit after allowances rose 12% year-on-year to S\$478 million, driven by net interest income growth and lower allowances. Compared with 3Q15, operating profit after allowances in 4Q15 was up 9%, mainly from a decline in expenses and 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 in FY15 fell 20% year-on-year to S\$618 million, largely attributable to a decline in net interest income from limited gapping opportunities and from an increase in expenses. 4Q15 operating profit rose 27% year-on-year to S\$140 million from S\$111 million, led by higher net trading income and lower allowances. Quarter-on-quarter, 4Q15 operating profit was down 33%, mainly from a decline in net interest income and net trading income.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.6%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

GEH's FY15 operating profit after allowances was 10% lower at S\$853 million. This was mainly attributable to lower insurance income as a result of unrealised mark-to-market losses in GEH's bond investment portfolio and slightly increased allowances, which more than offset gains realised from the sale of an equity portfolio investment. Compared with 3Q15, operating profit more than doubled to S\$229 million in 4Q15, which was contributed by an increase in insurance income from GEH's Non-participating Fund.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$639 million in FY15 and S\$180 million in 4Q15.

OCBC Wing Hang

The Group acquired a majority stake in OCBC Wing Hang on 15 July 2014 and it became a wholly-owned subsidiary on 15 October 2014. OCBC Wing Hang offers a comprehensive range of commercial banking and related financial services such as consumer financing, share brokerage and insurance.

OCBC Wing Hang's contributed S\$360 million in FY15 and S\$90 million in 4Q15 to the Group's operating profit after allowances. 4Q15 operating profit rose 82% to S\$90 million from S\$50 million in 4Q14, mainly driven by higher net interest income and net trading income. 4Q15 operating profit was up 7% quarter-on-quarter, largely attributable to higher net trading income, and partly offset by an increase in allowances.

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 | OCBC Wing Hang | Others | Group |
|---|---|---|--------------------------------------|--------------|----------------------|--------------|--------------|
| 2015 | | | | | | | |
| Total income | 2,658 | 3,132 | 882 | 1,146 | 866 | 38 | 8,722 |
| Operating profit before allowances and amortisation | 1,097 | 2,137 | 619 | 928 | 427 | (150) | 5,058 |
| Amortisation of intangible assets | (9) | – | – | (47) | (42) | – | (98) |
| Allowances and impairment for loans and other assets | (108) | (235) | (1) | (28) | (25) | (91) | (488) |
| Operating profit after allowances and amortisation | 980 | 1,902 | 618 | 853 | 360 | (241) | 4,472 |
| Other information: | | | | | | | |
| Capital expenditure | 45 | 6 | 0 | 48 | 22 | 220 | 341 |
| Depreciation | 38 | 10 | 2 | 3 | 58 | 182 | 293 |
| 2014 | | | | | | | |
| Total income ^{1/} | 2,302 | 3,064 | 1,039 | 1,203 | 344 | (3) | 7,949 |
| Operating profit before allowances and amortisation ^{1/} | 843 | 2,122 | 785 | 993 | 152 | (204) | 4,691 |
| Amortisation of intangible assets | (10) | – | – | (46) | (18) | – | (74) |
| Allowances and impairment for loans and other assets | (83) | (176) | (11) | (1) | (40) | (46) | (357) |
| Operating profit after allowances and amortisation ^{1/} | 750 | 1,946 | 774 | 946 | 94 | (250) | 4,260 |
| Other information: | | | | | | | |
| Capital expenditure | 46 | 5 | 2 | 61 | 4 | 214 | 332 |
| Depreciation | 36 | 12 | 2 | 3 | 22 | 173 | 248 |

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

| S\$ million | Global Consumer/ Private Banking | Global Corporate/ Investment Banking | Global Treasury And Markets | Insurance | OCBC Wing Hang | Others | Group |
|---|---|---|--------------------------------------|------------|----------------------|--------------|--------------|
| 4Q15 | | | | | | | |
| Total income | 713 | 803 | 206 | 311 | 228 | 40 | 2,301 |
| Operating profit before allowances and amortisation | 309 | 561 | 138 | 254 | 114 | (49) | 1,327 |
| Amortisation of intangible assets | (2) | – | – | (12) | (11) | – | (25) |
| Write-back/(allowances and impairment) for loans and other assets | (32) | (83) | 2 | (13) | (13) | (54) | (193) |
| Operating profit after allowances and amortisation | 275 | 478 | 140 | 229 | 90 | (103) | 1,109 |
| Other information: | | | | | | | |
| Capital expenditure | 14 | 0 | 0 | 18 | 9 | 102 | 143 |
| Depreciation | 11 | 3 | 0 | 1 | 15 | 47 | 77 |
| 4Q14 | | | | | | | |
| Total income | 579 | 766 | 188 | 299 | 187 | 20 | 2,039 |
| Operating profit before allowances and amortisation | 199 | 524 | 121 | 242 | 78 | (47) | 1,117 |
| Amortisation of intangible assets | (3) | – | – | (11) | (18) | – | (32) |
| Allowances and impairment for loans and other assets | (24) | (99) | (10) | (1) | (10) | (10) | (154) |
| Operating profit after allowances and amortisation | 172 | 425 | 111 | 230 | 50 | (57) | 931 |
| Other information: | | | | | | | |
| Capital expenditure | 10 | 3 | 1 | 23 | 2 | 74 | 113 |
| Depreciation | 12 | 3 | 0 | 1 | 13 | 48 | 77 |
| 3Q15 | | | | | | | |
| Total income | 660 | 800 | 278 | 164 | 212 | (22) | 2,092 |
| Operating profit before allowances and amortisation | 265 | 544 | 212 | 113 | 99 | (41) | 1,192 |
| Amortisation of intangible assets | (2) | – | – | (12) | (11) | – | (25) |
| Write-back/(allowances and impairment) for loans and other assets | (30) | (104) | (1) | (14) | (4) | 3 | (150) |
| Operating profit after allowances and amortisation | 233 | 440 | 211 | 87 | 84 | (38) | 1,017 |
| Other information: | | | | | | | |
| Capital expenditure | 12 | 1 | 0 | 9 | 6 | 36 | 64 |
| Depreciation | 9 | 2 | 1 | 0 | 15 | 45 | 72 |

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

| S\$ million | Global Consumer/ Private Banking | Global Corporate/ Investment Banking | Global Treasury And Markets | Insurance | OCBC Wing Hang | Others | Group |
|-----------------------------|---|---|--------------------------------------|-----------|----------------------|--------|----------------|
| At 31 December 2015 | | | | | | | |
| Segment assets | 83,185 | 115,267 | 81,450 | 66,652 | 42,663 | 15,645 | 404,862 |
| Unallocated assets | | | | | | | 775 |
| Elimination | | | | | | | (15,447) |
| Total assets | | | | | | | 390,190 |
| Segment liabilities | 95,474 | 107,547 | 43,569 | 57,992 | 35,047 | 26,569 | 366,198 |
| Unallocated liabilities | | | | | | | 2,328 |
| Elimination | | | | | | | (15,447) |
| Total liabilities | | | | | | | 353,079 |
| Other information: | | | | | | | |
| Gross non-bank loans | 71,846 | 107,868 | 2,146 | 53 | 28,145 | 607 | 210,665 |
| NPAs | 366 | 1,504 | – | 6 | 157 | 6 | 2,039 |
| At 31 December 2014 | | | | | | | |
| Segment assets | 78,411 | 121,429 | 84,886 | 66,658 | 41,731 | 17,117 | 410,232 |
| Unallocated assets | | | | | | | 423 |
| Elimination | | | | | | | (9,429) |
| Total assets | | | | | | | 401,226 |
| Segment liabilities | 85,364 | 114,650 | 47,883 | 58,134 | 35,973 | 32,191 | 374,195 |
| Unallocated liabilities | | | | | | | 2,275 |
| Elimination | | | | | | | (9,429) |
| Total liabilities | | | | | | | 367,041 |
| Other information: | | | | | | | |
| Gross non-bank loans | 70,225 | 110,398 | 1,600 | 34 | 26,826 | 739 | 209,822 |
| NPAs | 342 | 867 | – | 5 | 94 | 9 | 1,317 |
| At 30 September 2015 | | | | | | | |
| Segment assets | 82,032 | 118,310 | 87,939 | 64,029 | 43,177 | 16,438 | 411,925 |
| Unallocated assets | | | | | | | 772 |
| Elimination | | | | | | | (12,882) |
| Total assets | | | | | | | 399,815 |
| Segment liabilities | 92,471 | 111,419 | 52,349 | 55,636 | 36,664 | 25,416 | 373,955 |
| Unallocated liabilities | | | | | | | 2,288 |
| Elimination | | | | | | | (12,882) |
| Total liabilities | | | | | | | 363,361 |
| Other information: | | | | | | | |
| Gross non-bank loans | 70,758 | 109,910 | 2,971 | 44 | 28,318 | 681 | 212,682 |
| NPAs | 359 | 1,392 | – | 6 | 168 | 7 | 1,932 |

AUDITED CONSOLIDATED INCOME STATEMENT

| S\$ million | 2015 | 2014 | +/(-)[@] | 4Q15[@] | 4Q14[@] | +/(-)[@] | 3Q15[@] | +/(-)[@] |
|--|----------------|-------------|--------------------------|-------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | | | % | | | % | | % |
| Interest income | 8,486 | 7,607 | 12 | 2,143 | 2,099 | 2 | 2,130 | 1 |
| Interest expense | (3,297) | (2,871) | 15 | (802) | (822) | (2) | (813) | (1) |
| Net interest income | 5,189 | 4,736 | 10 | 1,341 | 1,277 | 5 | 1,317 | 2 |
| Premium income | 7,947 | 7,808 | 2 | 2,424 | 2,160 | 12 | 2,017 | 20 |
| Investment income | 2,254 | 2,411 | (7) | 693 | 436 | 59 | (7) | nm |
| Net claims, surrenders and annuities | (4,880) | (5,309) | (8) | (1,201) | (1,271) | (6) | (1,212) | (1) |
| Change in life assurance fund contract liabilities | (3,349) | (2,779) | 20 | (1,259) | (776) | 62 | (516) | 144 |
| Commission and others | (1,342) | (1,363) | (2) | (421) | (359) | 18 | (220) | 92 |
| Profit from life assurance | 630 | 768 | (18) | 236 | 190 | 24 | 62 | 281 |
| Premium income from general insurance | 151 | 162 | (7) | 36 | 42 | (15) | 36 | – |
| Fees and commissions (net) | 1,643 | 1,495 | 10 | 402 | 383 | 5 | 408 | (1) |
| Dividends | 93 | 106 | (12) | 22 | 13 | 68 | 21 | 3 |
| Rental income | 100 | 76 | 31 | 23 | 23 | – | 26 | (12) |
| Other income | 916 | 997 | (8) | 241 | 111 | 117 | 222 | 8 |
| Non-interest income | 3,533 | 3,604 | (2) | 960 | 762 | 26 | 775 | 24 |
| Total income | 8,722 | 8,340 | 5 | 2,301 | 2,039 | 13 | 2,092 | 10 |
| Staff costs | (2,254) | (2,003) | 13 | (580) | (541) | 7 | (556) | 4 |
| Other operating expenses | (1,410) | (1,255) | 12 | (394) | (381) | 4 | (344) | 15 |
| Total operating expenses | (3,664) | (3,258) | 12 | (974) | (922) | 6 | (900) | 8 |
| Operating profit before allowances and amortisation | 5,058 | 5,082 | – | 1,327 | 1,117 | 19 | 1,192 | 11 |
| Amortisation of intangible assets | (98) | (74) | 32 | (25) | (32) | (23) | (25) | – |
| Allowances for loans and impairment for other assets | (488) | (357) | 37 | (193) | (154) | 25 | (150) | 29 |
| Operating profit after allowances and amortisation | 4,472 | 4,651 | (4) | 1,109 | 931 | 19 | 1,017 | 9 |
| Share of results of associates and joint ventures | 353 | 112 | 215 | 63 | 64 | (1) | 99 | (36) |
| Profit before income tax | 4,825 | 4,763 | 1 | 1,172 | 995 | 18 | 1,116 | 5 |
| Income tax expense | (717) | (687) | 4 | (160) | (146) | 10 | (181) | (11) |
| Profit for the period | 4,108 | 4,076 | 1 | 1,012 | 849 | 19 | 935 | 8 |
| Profit attributable to: | | | | | | | | |
| Equity holders of the Bank | 3,903 | 3,842 | 2 | 960 | 791 | 21 | 902 | 6 |
| Non-controlling interests | 205 | 234 | (12) | 52 | 58 | (11) | 33 | 57 |
| | 4,108 | 4,076 | 1 | 1,012 | 849 | 19 | 935 | 8 |
| Earnings per share (for the period – cents) | | | | | | | | |
| Basic | 95.3 | 102.5 | | 22.6 | 19.2 | | 22.3 | |
| Diluted | 95.2 | 102.4 | | 22.6 | 19.1 | | 22.2 | |

Note:

1. “@” represents unaudited.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| S\$ million | 2015 | 2014 | + / (-)[@] % | 4Q15[@] | 4Q14[@] | + / (-)[@] % | 3Q15[@] | + / (-)[@] % |
|--|--------------|-------------|--|-------------------------|-------------------------|--|-------------------------|--|
| Profit for the year/period | 4,108 | 4,076 | 1 | 1,012 | 849 | 19 | 935 | 8 |
| Other comprehensive income: | | | | | | | | |
| Available-for-sale financial assets | | | | | | | | |
| Gains/(losses) for the year/period | (73) | 428 | (117) | 103 | 141 | (27) | (448) | 123 |
| Reclassification of (gains)/losses to income statement | | | | | | | | |
| – on disposal ^{1/} | (204) | (501) | 59 | (7) | (64) | 89 | 12 | (159) |
| – on impairment | 71 | 1 | nm | 36 | 1 | nm | 35 | 3 |
| Tax on net movements | 19 | (54) | 135 | (20) | (21) | 5 | 51 | (138) |
| Exchange differences on translating foreign operations | (156) | 163 | (196) | 36 | 101 | (64) | (48) | 175 |
| Defined benefit plans remeasurements ^{2/} | 6 | (0) | nm | 2 | 2 | 5 | (0) | nm |
| Other comprehensive income of associates and joint ventures | 76 | 70 | 8 | (31) | 64 | (149) | 61 | (151) |
| Total other comprehensive income, net of tax | (261) | 107 | (344) | 119 | 224 | (47) | (337) | 135 |
| Total comprehensive income for the period, net of tax | 3,847 | 4,183 | (8) | 1,131 | 1,073 | 5 | 598 | 89 |
| Total comprehensive income attributable to: | | | | | | | | |
| Equity holders of the Bank | 3,684 | 3,913 | (6) | 1,062 | 1,004 | 6 | 604 | 76 |
| Non-controlling interests | 163 | 270 | (39) | 69 | 69 | (1) | (6) | nm |
| | 3,847 | 4,183 | (8) | 1,131 | 1,073 | 5 | 598 | 89 |

Notes:

1. Includes one-off gain from remeasurement of equity stake in an associate.
2. Item that will not be reclassified to income statement.
3. “@” represents unaudited.

AUDITED BALANCE SHEETS

| S\$ million | GROUP | | | BANK | | |
|---|----------------|----------------|--------------------------|----------------|----------------|--------------------------|
| | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 [@] | 31 Dec 2015 | 31 Dec 2014 | 30 Sep 2015 [@] |
| EQUITY | | | | | | |
| Attributable to equity holders of the Bank | | | | | | |
| Share capital | 14,560 | 13,752 | 14,953 | 14,560 | 13,752 | 14,953 |
| Other equity instruments | 499 | – | 499 | 499 | – | 499 |
| Capital reserves | 527 | 518 | 531 | 95 | 92 | 101 |
| Fair value reserves | 234 | 366 | 71 | 38 | 168 | (1) |
| Revenue reserves | 18,733 | 16,461 | 17,885 | 11,545 | 10,714 | 11,119 |
| | 34,553 | 31,097 | 33,939 | 26,737 | 24,726 | 26,671 |
| Non-controlling interests | 2,558 | 3,088 | 2,515 | – | – | – |
| Total equity | 37,111 | 34,185 | 36,454 | 26,737 | 24,726 | 26,671 |
| LIABILITIES | | | | | | |
| Deposits of non-bank customers | 246,277 | 245,519 | 251,884 | 154,168 | 154,466 | 159,177 |
| Deposits and balances of banks | 12,047 | 20,503 | 16,101 | 10,166 | 18,512 | 13,877 |
| Due to subsidiaries | – | – | – | 9,963 | 5,154 | 8,267 |
| Due to associates | 334 | 294 | 322 | 144 | 149 | 143 |
| Trading portfolio liabilities | 645 | 707 | 632 | 645 | 707 | 632 |
| Derivative payables | 6,069 | 6,632 | 7,441 | 4,740 | 5,642 | 5,714 |
| Other liabilities | 4,907 | 5,029 | 5,413 | 1,506 | 1,534 | 1,600 |
| Current tax | 1,000 | 898 | 1,033 | 403 | 387 | 406 |
| Deferred tax | 1,327 | 1,376 | 1,255 | 52 | 62 | 45 |
| Debt issued | 23,479 | 28,859 | 24,510 | 23,437 | 28,632 | 24,400 |
| | 296,085 | 309,817 | 308,591 | 205,224 | 215,245 | 214,261 |
| Life assurance fund liabilities | 56,994 | 57,224 | 54,770 | – | – | – |
| Total liabilities | 353,079 | 367,041 | 363,361 | 205,224 | 215,245 | 214,261 |
| Total equity and liabilities | 390,190 | 401,226 | 399,815 | 231,961 | 239,971 | 240,932 |
| ASSETS | | | | | | |
| Cash and placements with central banks | 21,180 | 25,314 | 23,371 | 15,646 | 18,792 | 16,264 |
| Singapore government treasury bills and securities | 8,635 | 10,100 | 9,983 | 8,339 | 9,424 | 9,127 |
| Other government treasury bills and securities | 12,366 | 12,149 | 11,587 | 6,794 | 4,944 | 6,382 |
| Placements with and loans to banks | 35,791 | 41,220 | 40,296 | 28,953 | 28,267 | 30,323 |
| Loans and bills receivable | 208,218 | 207,535 | 210,321 | 128,630 | 129,823 | 132,402 |
| Debt and equity securities | 22,786 | 23,466 | 23,211 | 11,355 | 13,184 | 12,329 |
| Assets pledged | 1,452 | 1,536 | 2,120 | 1,008 | 1,181 | 1,231 |
| Assets held for sale | 6 | 2 | 10 | 2 | – | 7 |
| Derivative receivables | 6,248 | 5,919 | 7,335 | 4,915 | 4,931 | 5,546 |
| Other assets | 4,342 | 4,772 | 4,646 | 1,487 | 1,615 | 1,596 |
| Deferred tax | 135 | 118 | 140 | 41 | 40 | 43 |
| Associates and joint ventures | 2,248 | 2,096 | 2,423 | 596 | 610 | 596 |
| Subsidiaries | – | – | – | 21,231 | 24,198 | 22,143 |
| Property, plant and equipment | 3,467 | 3,409 | 3,439 | 536 | 521 | 518 |
| Investment property | 1,138 | 1,147 | 1,124 | 561 | 574 | 558 |
| Goodwill and intangible assets | 5,195 | 5,157 | 5,227 | 1,867 | 1,867 | 1,867 |
| | 333,207 | 343,940 | 345,233 | 231,961 | 239,971 | 240,932 |
| Life assurance fund investment assets | 56,983 | 57,286 | 54,582 | – | – | – |
| Total assets | 390,190 | 401,226 | 399,815 | 231,961 | 239,971 | 240,932 |
| Net Asset Value Per Ordinary Share[@] | | | | | | |
| (before valuation surplus – S\$) | 8.03 | 7.46 | 7.78 | 6.13 | 5.86 | 6.02 |
| OFF-BALANCE SHEET ITEMS | | | | | | |
| Contingent liabilities | 9,610 | 12,072 | 9,433 | 6,705 | 8,494 | 6,742 |
| Commitments ^{2/} | 115,572 | 104,115 | 112,677 | 63,993 | 61,094 | 62,528 |
| Derivative financial instruments | 635,578 | 604,099 | 659,587 | 519,642 | 502,262 | 541,383 |

Notes:

1. “@” represents unaudited.
2. Comparative figures have been restated to conform with the current period's presentation.

AUDITED STATEMENT OF CHANGES IN EQUITY – GROUP

For the financial year ended 31 December 2015

| S\$ million | Attributable to equity holders of the Bank | | | | | Non-controlling interests | Total equity |
|--|--|------------------|---------------------|------------------|---------------|---------------------------|----------------|
| | Share capital and other equity | Capital reserves | Fair value reserves | Revenue reserves | Total | | |
| Balance at 1 January 2015 | 13,752 | 518 | 366 | 16,461 | 31,097 | 3,088 | 34,185 |
| Total comprehensive income for the year | – | – | (132) | 3,816 | 3,684 | 163 | 3,847 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | 9 | 15 | – | (24) | – | – | – |
| Dividends to non-controlling interests | – | – | – | – | – | (124) | (124) |
| DSP reserve from dividends on unvested shares | – | – | – | 5 | 5 | – | 5 |
| Redemption of preference shares issued by the Bank | (392) | – | – | (4) | (396) | – | (396) |
| Redemption of preference shares issued by subsidiaries | – | – | – | – | – | (543) | (543) |
| Ordinary and preference dividends | – | – | – | (333) | (333) | – | (333) |
| Share-based staff costs capitalised | – | 12 | – | – | 12 | – | 12 |
| Share buyback held in treasury | (118) | – | – | – | (118) | – | (118) |
| Shares issued in-lieu of ordinary dividends | 1,171 | – | – | (1,171) | – | – | – |
| Perpetual capital securities issued | 499 | – | – | – | 499 | – | 499 |
| Shares issued to non-executive directors | 1 | – | – | – | 1 | – | 1 |
| Shares transferred to DSP Trust | – | (4) | – | – | (4) | – | (4) |
| Shares vested under DSP Scheme | – | 39 | – | – | 39 | – | 39 |
| Treasury shares transferred/sold | 137 | (53) | – | – | 84 | – | 84 |
| Total contributions by and distributions to owners | 1,307 | 9 | – | (1,527) | (211) | (667) | (878) |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | |
| Changes in non-controlling interests | – | – | – | (17) | (17) | (26) | (43) |
| Total changes in ownership interests in subsidiaries | – | – | – | (17) | (17) | (26) | (43) |
| Balance at 31 December 2015 | 15,059 | 527 | 234 | 18,733 | 34,553 | 2,558 | 37,111 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 72 | 569 | 641 | (0) | 641 |
| Balance at 1 January 2014 | 9,448 | 418 | 493 | 14,756 | 25,115 | 2,964 | 28,079 |
| Total comprehensive income for the year | – | – | (127) | 4,040 | 3,913 | 270 | 4,183 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | 13 | 101 | – | (114) | – | – | – |
| Acquisition/establishment of subsidiaries | – | – | – | – | – | 2,108 | 2,108 |
| Dividends to non-controlling interests | – | – | – | – | – | (133) | (133) |
| DSP reserve from dividends on unvested shares | – | – | – | 4 | 4 | – | 4 |
| Ordinary and preference dividends | – | – | – | (255) | (255) | – | (255) |
| Share-based staff costs capitalised | – | 11 | – | – | 11 | – | 11 |
| Share buyback held in treasury | (162) | – | – | – | (162) | – | (162) |
| Shares issued in-lieu of ordinary dividends | 1,015 | – | – | (1,015) | – | – | – |
| Shares issued pursuant to Rights Issue | 3,307 | – | – | – | 3,307 | – | 3,307 |
| Shares issued to non-executive directors | 1 | – | – | – | 1 | – | 1 |
| Shares transferred to DSP Trust | – | (3) | – | – | (3) | – | (3) |
| Shares vested under DSP Scheme | – | 33 | – | – | 33 | – | 33 |
| Treasury shares transferred/sold | 130 | (42) | – | – | 88 | – | 88 |
| Total contributions by and distributions to owners | 4,304 | 100 | – | (1,380) | 3,024 | 1,975 | 4,999 |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | |
| Changes in non-controlling interests | – | – | – | (955) | (955) | (2,121) | (3,076) |
| Total changes in ownership interests in subsidiaries | – | – | – | (955) | (955) | (2,121) | (3,076) |
| Balance at 31 December 2014 | 13,752 | 518 | 366 | 16,461 | 31,097 | 3,088 | 34,185 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 29 | 257 | 286 | (3) | 283 |

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 December 2015

| S\$ million | Attributable to equity holders of the Bank | | | | | Non-controlling interests | Total equity |
|--|--|------------------|---------------------|------------------|---------------|---------------------------|---------------|
| | Share capital and other equity | Capital reserves | Fair value reserves | Revenue reserves | Total | | |
| Balance at 1 October 2015 | 15,452 | 531 | 71 | 17,885 | 33,939 | 2,515 | 36,454 |
| Total comprehensive income for the period | – | – | 163 | 899 | 1,062 | 69 | 1,131 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | 9 | (7) | – | (2) | – | – | – |
| DSP reserve from dividends on unvested shares | – | – | – | 1 | 1 | – | 1 |
| Redemption of preference shares issued by the Bank | (392) | – | – | (4) | (396) | – | (396) |
| Preference dividends | – | – | – | (29) | (29) | – | (29) |
| Share-based staff costs capitalised | – | 3 | – | – | 3 | – | 3 |
| Share buyback held in treasury | (19) | – | – | – | (19) | – | (19) |
| Shares vested under DSP Scheme | – | 0 | – | – | 0 | – | 0 |
| Treasury shares transferred/sold | 9 | (0) | – | – | 9 | – | 9 |
| Total contributions by and distributions to owners | (393) | (4) | – | (34) | (431) | – | (431) |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | |
| Changes in non-controlling interests | – | – | – | (17) | (17) | (26) | (43) |
| Total changes in ownership interests in subsidiaries | – | – | – | (17) | (17) | (26) | (43) |
| Balance at 31 December 2015 | 15,059 | 527 | 234 | 18,733 | 34,553 | 2,558 | 37,111 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 72 | 569 | 641 | (0) | 641 |
| Balance at 1 October 2014 | 13,253 | 470 | 306 | 15,742 | 29,771 | 3,129 | 32,900 |
| Total comprehensive income for the period | – | – | 60 | 944 | 1,004 | 69 | 1,073 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | 13 | 51 | – | (64) | – | – | – |
| Acquisition of a subsidiary | – | – | – | – | – | (86) | (86) |
| Dividends to non-controlling interests | – | – | – | – | – | (0) | (0) |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 | – | 2 |
| Ordinary and preference dividends | – | – | – | (29) | (29) | – | (29) |
| Shares issued in-lieu of ordinary dividends | 529 | – | – | – | 529 | – | 529 |
| Share-based staff costs capitalised | – | 1 | – | – | 1 | – | 1 |
| Share buyback held in treasury | (50) | – | – | – | (50) | – | (50) |
| Shares transferred to DSP Trust | – | (1) | – | – | (1) | – | (1) |
| Treasury shares transferred/sold | 7 | (3) | – | – | 4 | – | 4 |
| Total contributions by and distributions to owners | 499 | 48 | – | (91) | 456 | (86) | 370 |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | |
| Changes in non-controlling interests | – | – | – | (134) | (134) | (24) | (158) |
| Total changes in ownership interests in subsidiaries | – | – | – | (134) | (134) | (24) | (158) |
| Balance at 31 December 2014 | 13,752 | 518 | 366 | 16,461 | 31,097 | 3,088 | 34,185 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 29 | 257 | 286 | (3) | 283 |

AUDITED STATEMENT OF CHANGES IN EQUITY – BANK

For the financial year ended 31 December 2015

| S\$ million | Share capital and other equity | Capital reserves | Fair value reserves | Revenue reserves | Total equity |
|--|--------------------------------|------------------|---------------------|------------------|---------------|
| Balance at 1 January 2015 | 13,752 | 92 | 168 | 10,714 | 24,726 |
| Total comprehensive income for the year | – | – | (130) | 2,334 | 2,204 |
| Transfers | 9 | (9) | – | – | – |
| DSP reserve from dividends on unvested shares | – | – | – | 5 | 5 |
| Redemption of preference shares issued by the Bank | (392) | – | – | (4) | (396) |
| Ordinary and preference dividends | – | – | – | (333) | (333) |
| Share-based staff costs capitalised | – | 12 | – | – | 12 |
| Share buyback held in treasury | (118) | – | – | – | (118) |
| Shares issued in-lieu of ordinary dividends | 1,171 | – | – | (1,171) | – |
| Perpetual capital securities issued | 499 | – | – | – | 499 |
| Shares issued to non-executive directors | 1 | – | – | – | 1 |
| Treasury shares transferred/sold | 137 | – | – | – | 137 |
| Balance at 31 December 2015 | 15,059 | 95 | 38 | 11,545 | 26,737 |
| Balance at 1 January 2014 | 9,448 | 94 | 138 | 9,645 | 19,325 |
| Total comprehensive income for the year | – | – | 30 | 2,335 | 2,365 |
| Transfers | 13 | (13) | – | – | – |
| DSP reserve from dividends on unvested shares | – | – | – | 4 | 4 |
| Ordinary and preference dividends | – | – | – | (255) | (255) |
| Share-based staff costs capitalised | – | 11 | – | – | 11 |
| Share buyback held in treasury | (162) | – | – | – | (162) |
| Shares issued in-lieu of ordinary dividends | 1,015 | – | – | (1,015) | – |
| Shares issued pursuant to Rights Issue | 3,307 | – | – | – | 3,307 |
| Shares issued to non-executive directors | 1 | – | – | – | 1 |
| Treasury shares transferred/sold | 130 | – | – | – | 130 |
| Balance at 31 December 2014 | 13,752 | 92 | 168 | 10,714 | 24,726 |

For the three months ended 31 December 2015 (Unaudited)

| S\$ million | Share capital and other equity | Capital reserves | Fair value reserves | Revenue reserves | Total equity |
|---|--------------------------------|------------------|---------------------|------------------|---------------|
| Balance at 1 October 2015 | 15,452 | 101 | (1) | 11,119 | 26,671 |
| Total comprehensive income for the period | – | – | 39 | 458 | 497 |
| Transfers | 9 | (9) | – | – | – |
| DSP reserve from dividends on unvested shares | – | – | – | 1 | 1 |
| Redemption of preference shares | (392) | – | – | (4) | (396) |
| Preference dividends | – | – | – | (29) | (29) |
| Share-based staff costs capitalised | – | 3 | – | – | 3 |
| Share buyback held in treasury | (19) | – | – | – | (19) |
| Treasury shares transferred/sold | 9 | – | – | – | 9 |
| Balance at 31 December 2015 | 15,059 | 95 | 38 | 11,545 | 26,737 |
| Balance at 1 October 2014 | 13,253 | 104 | 212 | 10,379 | 23,948 |
| Total comprehensive income for the period | – | – | (44) | 362 | 318 |
| Transfers | 13 | (13) | – | – | – |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 |
| Ordinary and preference dividends | – | – | – | (29) | (29) |
| Share-based staff costs capitalised | – | 1 | – | – | 1 |
| Share buyback held in treasury | (50) | – | – | – | (50) |
| Shares issued in-lieu of ordinary dividends | 529 | – | – | – | 529 |
| Treasury shares transferred/sold | 7 | – | – | – | 7 |
| Balance at 31 December 2014 | 13,752 | 92 | 168 | 10,714 | 24,726 |

AUDITED CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2015

| S\$ million | 2015 | 2014 | 4Q15 [@] | 4Q14 [@] |
|---|----------------|----------------|-------------------|-------------------|
| Cash flows from operating activities | | | | |
| Profit before income tax | 4,825 | 4,763 | 1,172 | 995 |
| Adjustments for non-cash items: | | | | |
| Amortisation of intangible assets | 98 | 74 | 25 | 32 |
| Allowances for loans and impairment for other assets | 488 | 357 | 193 | 154 |
| Change in fair value for hedging transactions and trading and fair value through profit and loss securities | (12) | (21) | (10) | (2) |
| Depreciation of property, plant and equipment and investment property | 293 | 248 | 77 | 77 |
| Net gain on disposal of property, plant and equipment and investment property | (65) | (7) | (41) | (6) |
| Net gain on disposal of government, debt and equity securities | (204) | (524) | (7) | (65) |
| Net (gain)/loss on disposal of interests in subsidiaries, associates and joint venture | (3) | (31) | (3) | 0 |
| Share-based costs | 11 | 11 | 2 | 1 |
| Share of results of associates and joint ventures | (353) | (112) | (63) | (64) |
| Items relating to life assurance fund | | | | |
| Surplus before income tax | 790 | 968 | 284 | 220 |
| Surplus transferred from life assurance fund | (606) | (767) | (213) | (190) |
| Operating profit before change in operating assets and liabilities | 5,262 | 4,959 | 1,416 | 1,152 |
| Change in operating assets and liabilities: | | | | |
| Deposits of non-bank customers | 798 | 17,223 | (5,595) | 8,311 |
| Deposits and balances of banks | (8,456) | (1,213) | (4,054) | (2,367) |
| Derivative payables and other liabilities | (506) | 1,643 | (2,036) | 1,391 |
| Trading portfolio liabilities | (62) | (191) | 13 | (0) |
| Government securities and treasury bills | 1,376 | 105 | 879 | 799 |
| Restricted balances with central banks ^{1/} | 711 | (732) | (596) | (8) |
| Trading and fair value through profit and loss securities | 579 | (859) | 783 | (109) |
| Placements with and loans to banks | 5,307 | 3,729 | 4,324 | 1,834 |
| Loans and bills receivable | (1,057) | (16,713) | 1,962 | (4,993) |
| Derivative receivables and other assets | (10) | (1,856) | 1,902 | (1,740) |
| Net change in investment assets and liabilities of life assurance fund | (61) | 47 | (181) | 34 |
| Cash from/(used in) operating activities | 3,881 | 6,142 | (1,183) | 4,304 |
| Income tax paid | (660) | (715) | (192) | (209) |
| Net cash from/(used in) operating activities | 3,221 | 5,427 | (1,375) | 4,095 |
| Cash flows from investing activities | | | | |
| Dividends from associates | 72 | 11 | 6 | 10 |
| Decrease/(increase) in associates and joint ventures | (26) | (416) | 84 | (48) |
| Net cash outflow from acquisition/establishment of subsidiaries | – | (549) | – | – |
| Purchases of debt and equity securities | (12,536) | (11,375) | (3,501) | (3,172) |
| Purchases of property, plant and equipment and investment property | (341) | (332) | (143) | (113) |
| Proceeds from disposal of debt and equity securities | 12,806 | 11,216 | 3,423 | 3,021 |
| Proceeds from disposal of interests in associates and joint venture | 0 | 65 | 0 | 2 |
| Proceeds from disposal of property, plant and equipment and investment property | 85 | 18 | 43 | 3 |
| Net cash from/(used in) investing activities | 60 | (1,362) | (88) | (297) |
| Cash flows from financing activities | | | | |
| Changes in non-controlling interests | (43) | (3,076) | (43) | (158) |
| Dividends paid to equity holders of the Bank | (333) | (255) | (29) | (129) |
| Dividends paid to non-controlling interests | (124) | (133) | – | (0) |
| Redemption of subordinated debt issued | (163) | (1,358) | (163) | (646) |
| Issue of subordinated debt | – | 2,488 | – | – |
| Increase/(decrease) in other debt issued | (5,337) | 194 | (626) | 1,465 |
| Redemption of preference shares issued by subsidiaries | (543) | – | – | – |
| Redemption of preference shares issued by the Bank | (396) | – | (396) | – |
| Net proceeds from Rights Issue | – | 3,307 | – | – |
| Net proceeds from issue of perpetual capital securities | 499 | – | – | – |
| Proceeds from treasury shares transferred/sold under the Bank's employee share schemes | 84 | 88 | 9 | 4 |
| Share buyback held in treasury | (118) | (162) | (19) | (50) |
| Net cash (used in)/from financing activities | (6,474) | 1,093 | (1,267) | 486 |
| Net currency translation adjustments | (230) | 83 | (57) | 71 |
| Net change in cash and cash equivalents^{1/} | (3,423) | 5,241 | (2,787) | 4,355 |
| Cash and cash equivalents at beginning of year/period^{1/} | 19,324 | 14,083 | 18,688 | 14,969 |
| Cash and cash equivalents at end of year/period^{1/} | 15,901 | 19,324 | 15,901 | 19,324 |

Notes:

- Comparative figures have been restated to conform with the current period's presentation.
- "@" 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 | |
|--|-----------------------------|---------------|---------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Issued ordinary shares | | | | |
| Balance at beginning of year/period | 3,992,929,319 | 3,441,176,885 | 4,121,561,367 | 3,934,569,224 |
| Shares issued to non-executive directors | 67,694 | 76,191 | – | – |
| Shares issued pursuant to Scrip Dividend Scheme | 128,564,354 | 114,900,989 | – | 58,360,095 |
| Shares issued pursuant to Rights Issue | – | 436,775,254 | – | – |
| Balance at end of year/period | 4,121,561,367 | 3,992,929,319 | 4,121,561,367 | 3,992,929,319 |
| Treasury shares | | | | |
| Balance at beginning of year/period | (9,043,268) | (8,367,614) | (5,080,226) | (4,952,415) |
| Share buyback | (11,750,000) | (16,386,500) | (2,150,000) | (4,861,500) |
| Shares sold/transferred to employees pursuant to OCBC Share Option Scheme | 4,176,437 | 5,082,612 | 1,116,026 | 312,777 |
| Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan | 5,742,718 | 6,277,663 | 17,630 | 133,657 |
| Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan | 4,788,410 | 4,350,571 | 10,867 | 324,213 |
| Balance at end of year/period | (6,085,703) | (9,043,268) | (6,085,703) | (9,043,268) |
| Total | 4,115,475,664 | 3,983,886,051 | 4,115,475,664 | 3,983,886,051 |

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 28 April 2015, the Bank purchased a total of 2,150,000 ordinary shares in the fourth quarter ended 31 December 2015. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$8.51 to S\$9.21 per share and the total consideration paid was S\$19,121,712 (including transaction costs).

From 1 October 2015 to 31 December 2015 (both dates inclusive), the Bank utilised 1,116,026 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 2015, the number of options outstanding under the OCBC SOS 2001 was 34,806,479 (31 December 2014: 32,090,197).

From 1 October 2015 to 31 December 2015 (both dates inclusive), the Bank utilised 17,630 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 2015, the number of acquisition rights outstanding under the OCBC ESPP was 14,221,456 (31 December 2014: 13,681,668).

From 1 October 2015 to 31 December 2015 (both dates inclusive), the Bank transferred 10,867 treasury shares to the Trust administering the OCBC Deferred Share Plan following the Bank's award of deferred shares to employees of the Group.

The S\$395,830,884 4.2% Class G Preference Shares were fully redeemed on 20 December 2015, as announced to the SGX-ST. No new preference shares were allotted and issued by the Bank in the fourth quarter ended 31 December 2015.

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 2015, 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.

The extract of the auditors' report dated 16 February 2016, on the financial statements of Oversea-Chinese Banking Corporation Limited and its subsidiaries for the year ended 31 December 2015, is as follows:



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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 2015, 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 146.

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 financial statements 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, so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2015 and the financial performance 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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

A handwritten signature in blue ink, appearing to read 'Alan W.P.', written in a cursive style.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
16 February 2016
