

Media Release

OCBC Group Reports First Quarter 2012 Net Profit of S\$832 million Up 32% Year-on-Year

Record results underpinned by broad-based revenue growth

Singapore, 11 May 2012 - Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a record quarterly net profit of S\$832 million for the first quarter of 2012 (“1Q12”), up 32% from a year ago and 40% from the previous quarter. Core net profit, which excludes gains from the divestment of non-core assets, was S\$790 million, up 33% year-on-year and 33% quarter-on-quarter. Performance during the quarter was underpinned by robust growth in the Group’s customer-related businesses and a strong increase in market-related income.

Compared with the first quarter of 2011 (“1Q11”), net interest income grew 21% to S\$951 million on broad-based loan growth of 21%. This was partly offset by a 4 basis point decline in net interest margin, largely attributable to the low interest rate environment and strong growth in lower-risk loans. Non-interest income, excluding the gain from property divestment of S\$56 million (S\$42 million post-tax), grew 28% to S\$790 million. Fees and commissions were largely unchanged at S\$274 million, as strong growth in wealth management and loan-related fees were offset by lower investment banking fees. Trading income surged 98% to S\$160 million, while gains from the sale of investment securities increased 85% to S\$43 million. Insurance income from Great Eastern Holdings (“GEH”) grew 41% to S\$253 million, as a result of an improved investment performance of GEH’s Non-Participating Fund¹. Operating expenses increased 8% to S\$625 million. Total allowances for loans and other assets were S\$96 million, compared with S\$49 million a year ago. Portfolio allowances and specific allowances for 1Q12 were S\$45 million and S\$43 million, respectively. The Group’s asset quality remained sound, with the non-performing loans (“NPL”) ratio at 1.0% at the end of 1Q12.

Compared with the previous quarter (“4Q11”), net interest income increased 3% on higher average asset volumes and a marginal increase in net interest margin. Non-interest income (excluding divestment gains) grew 38%, contributed by higher fees and commissions, increased gains from investment securities, and a significant increase in life assurance profit. Operating expenses were largely unchanged, while allowances for loans and other assets were higher as a result of an increase in portfolio allowances.

¹ The Non-Participating Fund is made up of insurance policies and riders which have fixed policyholder benefits, e.g. term insurance, critical illness, accident, medical and disability insurance, and in which the policyholders do not participate or share in the profits of the fund.

The Group's revenue from various wealth management activities, comprising revenue from insurance, private banking, asset management, stockbroking and sale of wealth management products, grew strongly to S\$527 million, up 39% from a year ago and 85% from the previous quarter. As a share of total revenue, wealth management contributed 30%, up from 27% in 1Q11 and 19% in 4Q11. OCBC's private banking franchise continued to expand, with assets under management increasing 25% year-on-year to US\$35 billion (S\$44 billion) as of 31 March 2012.

Annualised return on equity, based on core earnings, increased to 14.7%, from 12.2% in 1Q11 and 11.2% in 4Q11. Annualised core earnings per share rose 29% year-on-year to 89.8 cents.

Net Interest Income

Net interest income grew 21% year-on-year to S\$951 million, with robust loan growth partly offset by lower net interest margin. Customer loans grew 21% year-on-year to S\$135 billion, with broad based-contributions across consumer, corporate and SME customer segments in all key markets. The largest increases were contributed by housing loans, loans to the general commerce sector and to financial institutions.

Net interest margin declined 4 basis points to 1.86% in 1Q12 from 1.90% in 1Q11, as a result of the persistently low interest rate environment, robust growth in lower-yielding trade-linked loans, and price competition, particularly for housing loans. Risk-weighted assets ("RWA") grew 15%, versus loan growth of 21%, an indication of the relatively lower-risk loans being booked.

On a quarter-on-quarter basis, 1Q12 net interest income increased 3%, driven by higher average asset volumes and a 1 basis point improvement in net interest margin.

Non-Interest Income

Non-interest income (excluding divestment gains) for the quarter grew 28% to S\$790 million from S\$618 million a year ago. Fee and commission income was S\$274 million, unchanged from a year ago, as higher wealth management and loan-related fees were offset by lower brokerage fees and investment banking income. Treasury income from customer flows increased 26% year-on-year to S\$80 million, demonstrating continuing product innovation and success in cross-selling. Net trading income increased by 98% to S\$160 million, boosted by higher income from foreign exchange and gains from securities trading activities. Net gains from investment securities were S\$43 million, up from S\$23 million in 1Q11. Profit from life assurance grew 47% to S\$221 million, driven by improvement in investment performance of GEH's Non-Participating fund.

During the quarter, the Group recognised a gain of S\$56 million from the sale of property in Melbourne, Australia. In 1Q11, a gain of S\$39 million was recorded from the disposal of the Group's property at Bassein Road, Singapore. Including the gains from the sale of the properties, the Group's non-interest income rose 29% year-on-year to S\$846 million.

Compared with 4Q11, non-interest income (excluding divestment gains) grew 38%. Growth was driven by a significant increase in life assurance profit, which rose to S\$221 million from S\$51 million in the previous quarter. The quarter-on-quarter increase in non-interest income was also driven by higher wealth management fees and gains from investment securities.

Operating Expenses

Operating expenses increased 8% year-on-year to S\$625 million. The increase was largely attributable to higher staff costs, which rose 9% to S\$382 million. The higher staff costs reflected a 6% growth in staff strength to support the expansion of the Group's franchise; the balance was largely attributable to higher salaries and incentive compensation in line with stronger business volumes.

Compared with the previous quarter, expenses increased marginally by 1%, as higher staff costs were offset by lower communication, business promotion and professional expenses.

The cost-to-income ratio based on core earnings was 35.9% in 1Q12, compared with 41.5% in 1Q11 and 41.4% in 4Q11.

Allowances and Asset Quality

Net allowances for loans and other assets were S\$96 million for 1Q12, compared with S\$78 million in 4Q11 and S\$49 million in 1Q11. The quarter-on-quarter increase was attributable to portfolio allowances, which increased to S\$45 million from S\$21 million in 4Q11. Specific allowances decreased 10% from the previous quarter to S\$43 million, largely attributable to lower allowances for new and existing NPLs.

The Group's asset quality remained healthy. The NPL ratio remained relatively low at 1.0% as of 31 March 2012, a marginal increase from 0.9% in the previous quarter. Absolute non-performing assets ("NPAs") were S\$1,513 million as of 31 March 2012, compared with S\$1,437 million as of 31 December 2011. The quarter-on-quarter movement in NPAs was attributable to a small number of accounts that were classified as new NPAs during the quarter.

The Group's coverage ratios remained strong. Total cumulative allowances of S\$1,603 million represented 106% of total NPAs and 353% of unsecured NPAs.

Capital Position

The Group's capital position remained strong, with a Tier 1 capital adequacy ratio ("CAR") of 14.7% and total CAR of 16.1% as of 31 March 2012. These ratios remain well above the regulatory minimums of 6% and 10%, respectively. The Group's core Tier 1 ratio, the computation of which excludes Tier 1 preference shares, was 11.6%.

CEO's Comments

Commenting on the Group's performance, CEO Samuel Tsien remarked:

“Our first quarter performance reflects the strength of our customer franchise which enabled us to capture revenue opportunities in a generally improved market environment. Contribution from our insurance business was also higher as a result of improved investment performance. While the global economic outlook is still mixed, we expect the strength and further expansion of our customer franchise in our key markets will continue to provide us with significant growth opportunities.”

About OCBC Bank

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

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

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 500 branches and representative offices in 15 countries and territories, including about 400 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

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

For more information, please visit www.ocbc.com

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To Our Shareholders

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

Unaudited Financial Results for the First Quarter Ended 31 March 2012

For the first quarter ended 31 March 2012, Group reported net profit was S\$832 million. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend

No interim dividend on ordinary shares has been declared for the first quarter ended 31 March 2012.

Preference Dividend

The Board of Directors has declared payment of semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class B Preference Shares at 5.1% (2011: 5.1%) per annum; Class E Preference Shares at 4.5% (2011: 4.5%) per annum and Class G Preference Shares at 4.2% (2011: 4.2%) per annum. These semi-annual dividends, computed for the period 20 December 2011 to 19 June 2012 (both dates inclusive) will be paid on 20 June 2012. Total amounts of dividend payable for the Class B, Class E and Class G Preference Shares are S\$25.6 million, S\$11.3 million and S\$8.3 million respectively.

Notice is hereby given that the Transfer Books and the Registers of Preference Shareholders will be closed from 7 June 2012 to 8 June 2012 (both dates inclusive). Duly completed transfers received by the Bank's Share Registrar, M & C Services Private Limited of 138 Robinson Road #17-00 The Corporate Office Singapore 068906 up to 5.00 p.m. on 6 June 2012 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividends.

Peter Yeoh
Secretary

Singapore, 11 May 2012

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

Oversea-Chinese Banking Corporation Limited
First Quarter 2012 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 2012:

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

The initial application of the above standards and interpretations does not have any material impact on the Group’s financial statements.

Financial Results

Group net profit rose 32% year-on-year to a record S\$832 million for the first quarter of 2012 (“1Q12”), driven by higher net interest income, trading and investment income, as well as profit from life assurance. Core net profit, which excludes a S\$42 million gain from the divestment of a property, was S\$790 million, an increase of 33% from a year ago.

Net interest income increased 21% year-on-year to S\$951 million, led by broad-based loan growth across industry and geographical segments, which more than offset a decline in net interest margin. Non-interest income (excluding divestment gains) grew 28% to S\$790 million, underpinned by higher wealth management fees, trading income, gains from the sale of investment securities and insurance profit from Great Eastern Holdings (“GEH”). Group revenue from various wealth management activities, comprising revenue from insurance, private banking, asset management, stockbroking and sale of wealth management products, grew 39% to S\$527 million.

Operating expenses rose 8% to S\$625 million. The increase in expenses was attributable to higher staff costs arising from headcount growth, salary increments, as well as higher expenses linked to increased business volumes. Net allowances for loans and impairment of other assets were S\$96 million, up from S\$49 million a year ago, attributable to higher portfolio allowances in line with robust loan growth as well as higher specific allowances.

Compared with the fourth quarter of 2011 (“4Q11”), Group core net profit increased 33%. Net interest income grew 3% on higher average asset volumes. Non-interest income (excluding divestment gains) rose 38%, led by higher wealth management income and life assurance profits. Operating expenses were largely unchanged, while allowances for loans and other assets increased 23% as a result of an increase in portfolio allowances.

Annualised return on equity, based on core earnings, was 14.7% in 1Q12, compared with 12.2% in 1Q11. Annualised core earnings per share was 89.8 cents, an increase of 29% year-on-year.

FINANCIAL SUMMARY *(continued)*

S\$ million	1Q12	1Q11	+ / (-) %	4Q11	+ / (-) %
Selected Income Statement Items					
Net interest income	951	784	21	925	3
Non-interest income	790	618	28	572	38
Total core income	1,741	1,402	24	1,497	16
Operating expenses	(625)	(581)	8	(620)	1
Operating profit before allowances and amortisation	1,116	821	36	877	27
Amortisation of intangible assets	(15)	(15)	(3)	(16)	(3)
Allowances for loans and impairment of other assets	(96)	(49)	98	(78)	23
Operating profit after allowances and amortisation	1,005	757	33	783	28
Share of results of associates and joint ventures	6	12	(47)	(26)	124
Profit before income tax	1,011	769	32	757	33
Core net profit attributable to shareholders	790	596	33	594	33
Divestment gain, net of tax	42	32	30	–	–
Reported net profit attributable to shareholders	832	628	32	594	40
Cash basis net profit attributable to shareholders ^{1/}	847	643	32	610	39

Selected Balance Sheet Items

Ordinary equity	21,726	19,663	10	20,675	5
Total equity <i>(excluding non-controlling interests)</i>	23,622	21,559	10	22,571	5
Total assets	283,337	244,120	16	277,758	2
Assets excluding life assurance fund investment assets	232,911	195,716	19	228,670	2
Loans and bills receivable <i>(net of allowances)</i>	132,968	109,411	22	133,557	–
Deposits of non-bank customers	157,541	126,009	25	154,555	2

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	1Q12	1Q11	4Q11
Key Financial Ratios			
- based on core earnings			
Performance ratios (% p.a.)			
Return on equity ^{1/2/}			
SFRS ^{3/} basis	14.7	12.2	11.2
Cash basis	15.0	12.5	11.5
Return on assets ^{4/}			
SFRS ^{3/} basis	1.38	1.26	1.05
Cash basis	1.40	1.29	1.08
Revenue mix/efficiency ratios (%)			
Net interest margin (annualised)	1.86	1.90	1.85
Net interest income to total income	54.6	55.9	61.8
Non-interest income to total income	45.4	44.1	38.2
Cost to income	35.9	41.5	41.4
Loans to deposits	84.4	86.8	86.4
NPL ratio	1.0	0.9	0.9
Earnings per share ^{2/} (annualised - cents)			
Basic earnings	89.8	69.7	66.0
Basic earnings (cash basis)	91.6	71.6	67.8
Diluted earnings	89.7	69.5	65.8
Net asset value per share (S\$)			
Before valuation surplus	6.32	5.89	6.02
After valuation surplus	7.41	7.20	7.04
Capital adequacy ratios (%)			
Tier 1	14.7	15.5	14.4
Total	16.1	17.3	15.7

Notes:

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

NET INTEREST INCOME

Average Balance Sheet

S\$ million	1Q12			1Q11			4Q11		
	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	132,684	1,027	3.11	107,393	855	3.23	130,340	992	3.02
Placements with and loans to banks	40,066	267	2.68	31,128	144	1.88	36,599	263	2.85
Other interest earning assets ^{1/}	32,490	208	2.58	28,877	192	2.69	31,850	208	2.60
Total	205,240	1,502	2.94	167,398	1,191	2.88	198,789	1,463	2.92
Interest bearing liabilities									
Deposits of non-bank customers	154,417	423	1.10	125,091	298	0.97	150,724	419	1.10
Deposits and balances of banks	20,606	45	0.87	21,120	43	0.82	20,745	47	0.90
Other borrowings ^{2/}	16,800	83	1.99	8,978	66	2.98	13,516	72	2.13
Total	191,823	551	1.16	155,189	407	1.06	184,985	538	1.15
Net interest income/margin^{3/}		951	1.86		784	1.90		925	1.85

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 increased 21% year-on-year to S\$951 million, driven by robust loan growth. Net interest margin declined by 4 basis points to 1.86% from 1.90%, mainly attributable to the persistently low interest rate environment, strong growth in lower-yielding trade-linked loans, and price competition, particularly for housing loans.

Compared with 4Q11, net interest income rose 3%, largely from higher average asset volumes and a 1 basis point improvement in net interest margin.

NET INTEREST INCOME *(continued)*

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	1Q12 vs 1Q11			1Q12 vs 4Q11		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Loans and advances to non-bank customers	204	(41)	163	17	28	45
Placements with and loans to banks	42	79	121	25	(18)	7
Other interest earning assets	24	(9)	15	4	(2)	2
Total	270	29	299	46	8	54
Interest expense						
Deposits of non-bank customers	71	51	122	10	(1)	9
Deposits and balances of banks	(1)	3	2	(0)	(2)	(2)
Other borrowings	58	(42)	16	17	(6)	11
Total	128	12	140	27	(9)	18
Impact on net interest income	142	17	159	19	17	36
Due to change in number of days			8			(10)
Net interest income			167			26

NON-INTEREST INCOME

S\$ million	1Q12	1Q11	+ / (-) %	4Q11	+ / (-) %
Fees and commissions					
Brokerage	17	20	(18)	13	26
Wealth management	74	68	10	56	33
Fund management	21	22	(4)	24	(13)
Credit card	11	10	6	13	(18)
Loan-related	55	45	21	57	(4)
Trade-related and remittances	49	48	2	49	1
Guarantees	4	6	(39)	5	(32)
Investment banking	15	29	(48)	12	26
Service charges	21	18	14	18	21
Others	7	8	(4)	10	(29)
Sub-total	274	274	-	257	7
Dividends	29	24	19	7	342
Rental income	18	20	(6)	19	(2)
Profit from life assurance	221	150	47	51	334
Premium income from general insurance	32	29	11	34	(5)
Other income					
Net trading income	160	81	98	163	(2)
Net gain from investment securities	43	23	85	22	91
Net gain from disposal/liquidation of subsidiaries and associates	-	1	(100)	0	(100)
Net gain from disposal of properties	1	1	11	2	(71)
Others	12	15	(25)	17	(33)
Sub-total	216	121	79	204	5
Total core non-interest income	790	618	28	572	38
Divestment gain	56	39	46	-	-
Total non-interest income	846	657	29	572	48
Fees and commissions/Total income ^{1/}	15.7%	19.6%		17.2%	
Non-interest income/Total income ^{1/}	45.4%	44.1%		38.2%	

Note:

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

Non-interest income (excluding divestment gains) grew 28% year-on-year to S\$790 million. Fee and commission income of S\$274 million in 1Q12 was stable year-on-year, as the increase in wealth management and loan-related fees was offset by lower investment banking and brokerage income. Net trading income increased 98% to S\$160 million, driven by higher income from foreign exchange and gains securities trading activities, while net gains from investment securities increased 85% to S\$43 million. Profit from life assurance rose 47% to S\$221 million, driven by improved investment performance of GEH's Non-participating fund².

In 1Q12, the Group recognised a S\$56 million divestment gain from the disposal of a non-core property in Melbourne, Australia. In 1Q11, a gain of S\$39 million was recorded from the disposal of the Group's property at Bassein Road, Singapore. Including gains from sale of properties, the Group's total non-interest income increased 29% year-on-year to S\$846 million.

Compared with 4Q11, non-interest income (excluding divestment gains) rose 38%, led by a significant increase in life assurance profits, which rose to S\$221 million from S\$51 million in the previous quarter. The quarter-on-quarter growth was also driven by a 33% increase in wealth management fees, higher gains from investment securities and higher dividend income.

² The Non-Participating Fund is made up of insurance policies and riders which have fixed policyholder benefits, e.g. term insurance, critical illness, accident, medical and disability insurance, and in which the policyholders do not participate or share in the profits of the fund.

OPERATING EXPENSES

S\$ million	1Q12	1Q11	+/(-) %	4Q11	+/(-) %
Staff costs					
Salaries and other costs	349	322	8	340	3
Share-based expenses	2	3	(25)	2	1
Contribution to defined contribution plans	31	26	19	20	59
	382	351	9	362	6
Property and equipment					
Depreciation	43	39	10	44	(3)
Maintenance and hire of property, plant & equipment	23	17	38	21	8
Rental expenses	17	17	–	17	–
Others	36	37	(5)	38	(5)
	119	110	8	120	(1)
Other operating expenses	124	120	3	138	(10)
Total operating expenses	625	581	8	620	1
Group staff strength					
Period end	23,277	21,932	6	22,892	2
Average	23,134	21,791	6	22,849	1
Cost to income ratio ^{1/}	35.9%	41.5%		41.4%	

Note:

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

Operating expenses rose 8% year-on-year to S\$625 million, largely attributable to higher staff costs. The 9% increase in staff costs reflected a 6% growth in headcount, as well as higher salaries and incentive compensation as a result of increased business volumes.

Compared with 4Q11, operating expenses were marginally higher by 1%. Staff costs increased quarter-on-quarter, largely attributable to higher payments to defined contribution plans for staff, but were offset by lower communication, business promotion and professional expenses.

The cost-to-income ratio, based on core earnings was 35.9% for 1Q12, compared with 41.5% in 1Q11 and 41.4% in 4Q11.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	1Q12	1Q11	+ / (-) %	4Q11	+ / (-) %
Specific allowances/(write-back) for loans					
Singapore	41	(2)	NM	33	23
Malaysia	2	9	(79)	(1)	337
Others	0	5	(100)	16	(100)
	43	12	266	48	(10)
Portfolio allowances for loans	45	30	52	21	120
Allowances and impairment charges for other assets	8	7	13	9	(14)
Allowances for loans and impairment of other assets	96	49	98	78	23

Allowances for loans and other assets were S\$96 million in 1Q12, up from S\$78 million in 4Q11 and S\$49 million in 1Q11.

Specific allowances for loans, net of recoveries and writebacks, were S\$43 million for the quarter, compared with S\$12 million a year ago. Compared with 4Q11, specific allowances were S\$5 million lower, reflecting lower allowances for new and existing non-performing loans.

Portfolio allowances for loans were S\$45 million for the quarter, compared with S\$30 million in 1Q11 and S\$21 million in 4Q11.

LOANS AND ADVANCES

S\$ million	31 Mar 2012	31 Dec 2011	31 Mar 2011
Loans to customers	125,331	123,817	105,012
Bills receivable	9,273	11,315	5,900
Gross loans to customers	134,604	135,132	110,912
Allowances			
Specific allowances	(330)	(302)	(335)
Portfolio allowances	(1,261)	(1,220)	(1,121)
	133,013	133,610	109,456
Less: assets pledged	(45)	(53)	(45)
Loans net of allowances	132,968	133,557	109,411
By Maturity			
Within 1 year	54,132	52,023	41,225
1 to 3 years	25,269	22,817	17,314
Over 3 years	55,203	60,292	52,373
	134,604	135,132	110,912
By Industry			
Agriculture, mining and quarrying	4,095	4,042	3,267
Manufacturing	8,543	8,424	6,963
Building and construction	20,366	20,365	18,030
Housing loans	33,840	32,076	27,883
General commerce	18,967	20,347	13,112
Transport, storage and communication	8,756	9,208	6,619
Financial institutions, investment and holding companies	19,225	18,792	16,626
Professionals and individuals	13,547	13,952	11,494
Others	7,265	7,926	6,918
	134,604	135,132	110,912
By Currency			
Singapore Dollar	62,912	61,198	56,123
United States Dollar	33,843	35,716	21,884
Malaysian Ringgit	17,088	16,724	15,111
Indonesian Rupiah	4,399	4,465	3,506
Others	16,362	17,029	14,288
	134,604	135,132	110,912
By Geography ^{1/}			
Singapore	69,690	68,260	61,606
Malaysia	20,938	21,064	17,812
Rest of Southeast Asia (SEA)	10,882	10,954	7,311
Greater China	17,938	19,952	12,365
Other Asia Pacific	6,516	6,302	5,402
Rest of the World	8,640	8,600	6,416
	134,604	135,132	110,912

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 of S\$135 billion as of 31 March 2012 were 21% higher than a year ago, but largely unchanged from the previous quarter. The year-on-year growth was broad-based across the consumer, corporate and SME customer segments in all key markets. The largest increases were contributed by housing loans, the general commerce sector, and loans to financial institutions.

NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs ^{2/}	NPL Ratio ^{2/} %
Singapore							
31 Mar 2012	379	177	163	39	60.3	320	0.5
31 Dec 2011	390	205	151	34	61.7	330	0.5
31 Mar 2011	355	253	62	40	54.4	270	0.4
Malaysia							
31 Mar 2012	636	515	67	54	70.2	560	2.7
31 Dec 2011	580	462	72	46	67.0	486	2.3
31 Mar 2011	587	406	115	66	51.4	463	2.6
Rest of SEA							
31 Mar 2012	152	11	81	60	56.6	148	1.4
31 Dec 2011	129	14	57	58	49.3	125	1.1
31 Mar 2011	113	16	35	62	52.6	113	1.6
Greater China							
31 Mar 2012	28	27	1	–	96.9	28	0.2
31 Dec 2011	42	39	3	–	73.1	42	0.2
31 Mar 2011	23	7	16	–	32.7	23	0.2
Other Asia Pacific							
31 Mar 2012	231	223	8	–	88.1	231	3.5
31 Dec 2011	188	178	10	–	83.4	87	1.4
31 Mar 2011	46	46	–	–	74.4	46	0.8
Rest of the World							
31 Mar 2012	87	75	10	2	77.8	82	1.0
31 Dec 2011	108	94	12	2	80.5	102	1.2
31 Mar 2011	67	39	24	4	81.9	61	0.9
Group							
31 Mar 2012	1,513	1,028	330	155	70.0	1,369	1.0
31 Dec 2011	1,437	992	305	140	67.3	1,172	0.9
31 Mar 2011	1,191	767	252	172	54.7	976	0.9

Notes:

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

NON-PERFORMING ASSETS (continued)

The Group's non-performing loans ("NPLs") were S\$1,369 million as of 31 March 2012, compared with S\$1,172 million as of 31 December 2011. By geography, the quarter-on-quarter increase was mainly from Other Asia Pacific and from Malaysia. By industry segment, the increases were mainly from the building and construction and general commerce sectors.

The Group's NPL ratio remained low at 1.0%, marginally higher than the 0.9% in the previous quarter and a year ago.

Total non-performing assets ("NPAs"), which include classified debt securities and contingent liabilities, were S\$1,513 million as of 31 March 2012, compared with S\$1,437 million in the previous quarter. Of the total NPAs, 68% were in the substandard category and 70% were secured by collateral.

	31 Mar 2012		31 Dec 2011		31 Mar 2011	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	6	0.1	6	0.1	7	0.2
Manufacturing	307	3.6	294	3.5	304	4.4
Building and construction	297	1.5	149	0.7	94	0.5
Housing loans	187	0.6	188	0.6	183	0.7
General commerce	221	1.2	133	0.7	122	0.9
Transport, storage and communication	121	1.4	128	1.4	72	1.1
Financial institutions, investment and holding companies	91	0.5	130	0.7	74	0.4
Professionals and individuals	110	0.8	114	0.8	90	0.8
Others	29	0.4	30	0.4	30	0.4
Total NPLs	1,369	1.0	1,172	0.9	976	0.9
Classified debt securities	10		111		13	
Classified contingent liabilities	134		154		202	
Total NPAs	1,513		1,437		1,191	

	31 Mar 2012		31 Dec 2011		31 Mar 2011	
	S\$ million	%	S\$ million	%	S\$ million	%
NPAs by Period Overdue						
Over 180 days	409	27	512	36	490	41
Over 90 to 180 days	194	13	85	6	86	7
30 to 90 days	154	10	204	14	141	12
Less than 30 days	24	2	25	2	19	2
Not overdue	732	48	611	42	455	38
	1,513	100	1,437	100	1,191	100

	31 Mar 2012		31 Dec 2011		31 Mar 2011	
	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	279	26	186	11	152	3
Doubtful	28	22	19	16	24	14
Loss	1	1	2	2	7	5
	308	49	207	29	183	22

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 Mar 2012	643	100	543	26.6	169.8
31 Dec 2011	608	71	537	18.1	155.9
31 Mar 2011	565	40	525	11.3	159.2
Malaysia					
31 Mar 2012	460	167	293	26.3	72.3
31 Dec 2011	454	165	289	28.4	78.3
31 Mar 2011	466	207	259	35.2	79.4
Rest of SEA					
31 Mar 2012	182	60	122	39.3	118.9
31 Dec 2011	167	60	107	46.3	129.6
31 Mar 2011	141	63	78	55.5	124.3
Greater China					
31 Mar 2012	176	5	171	16.7	635.4
31 Dec 2011	162	3	159	7.7	383.0
31 Mar 2011	159	18	141	78.9	696.4
Other Asia Pacific					
31 Mar 2012	69	–	69	–	30.1
31 Dec 2011	68	–	68	–	36.2
31 Mar 2011	69	4	65	9.7	151.4
Rest of the World					
31 Mar 2012	73	10	63	11.3	84.0
31 Dec 2011	73	13	60	12.8	67.6
31 Mar 2011	68	15	53	22.6	101.7
Group					
31 Mar 2012	1,603	342	1,261	22.6	106.0
31 Dec 2011	1,532	312	1,220	21.7	106.6
31 Mar 2011	1,468	347	1,121	29.2	123.2

As of 31 March 2012, the Group's total cumulative allowances for assets were S\$1,603 million, comprising S\$342 million in specific allowances and S\$1,261 million in portfolio allowances. Total cumulative allowances were 106% of total NPAs and 353% of unsecured NPAs, compared with 107% and 326% respectively, as of 31 December 2011.

DEPOSITS

S\$ million	31 Mar 2012	31 Dec 2011	31 Mar 2011
Deposits of non-bank customers	157,541	154,555	126,009
Deposits and balances of banks	18,912	21,653	24,912
	176,453	176,208	150,921
Loans to deposits ratio (net non-bank loans/non-bank deposits)	84.4%	86.4%	86.8%

S\$ million	31 Mar 2012	31 Dec 2011	31 Mar 2011
Total Deposits By Maturity			
Within 1 year	172,697	173,432	148,746
1 to 3 years	2,959	2,116	1,337
Over 3 years	797	660	838
	176,453	176,208	150,921
Non-Bank Deposits By Product			
Fixed deposits	72,934	70,984	56,645
Savings deposits	28,828	28,536	26,084
Current account	42,995	43,118	34,973
Others	12,784	11,917	8,307
	157,541	154,555	126,009
Non-Bank Deposits By Currency			
Singapore Dollar	80,316	80,236	68,268
United States Dollar	23,091	21,969	17,654
Malaysian Ringgit	21,715	19,128	17,087
Indonesian Rupiah	5,158	5,158	3,992
Others	27,261	28,064	19,008
	157,541	154,555	126,009

Non-bank customer deposits grew 25% year-on-year and 2% quarter-on-quarter to S\$158 billion as of 31 March 2012. The year-on-year growth was led by a 29% increase in fixed deposits and a 23% increase in current account deposits. The ratio of current and savings deposits to total non-bank deposits was 45.6%, compared with 48.5% a year ago.

The Group's loans-to-deposits ratio was 84.4%, compared with 86.4% in the previous quarter and 86.8% a year ago.

DEBT ISSUED

S\$ million	31 Mar 2012	31 Dec 2011	31 Mar 2011
Subordinated debt (unsecured)	4,039	4,080	6,673
Fixed and floating rate notes (unsecured)	2,830	659	–
Commercial papers (unsecured)	9,727	8,293	1,299
Structured notes (unsecured)	121	31	95
Total	16,717	13,063	8,067
Debt Issued By Maturity			
Within one year	9,786	8,319	4,101
Over one year	6,931	4,744	3,966
Total	16,717	13,063	8,067

CAPITAL ADEQUACY RATIOS

S\$ million	31 Mar 2012	31 Dec 2011	31 Mar 2011
Tier 1 Capital			
Ordinary and preference shares	9,015	9,023	8,218
Disclosed reserves/others	16,035	15,202	14,667
Goodwill/others	(6,026)	(5,613)	(5,416)
Eligible Tier 1 Capital	19,024	18,612	17,469
Tier 2 Capital			
Subordinated term notes	3,316	3,343	3,438
Revaluation surplus on available-for-sale equity securities	405	361	488
Others	(1,914)	(2,130)	(1,844)
Total Eligible Capital	20,831	20,186	19,551
Risk Weighted Assets	129,183	128,507	112,558
Tier 1 capital adequacy ratio	14.7%	14.4%	15.5%
Total capital adequacy ratio	16.1%	15.7%	17.3%

As of 31 March 2012, the Group's Tier 1 capital adequacy ratio ("CAR") and total CAR were 14.7% and 16.1%, respectively. Compared with the previous quarter, the Group's Tier 1 CAR and Total CAR improved by 0.3% points and 0.4% points, respectively, mainly driven by an increase in retained earnings. The Group's core Tier 1 ratio, the computation of which excludes perpetual and innovative preference shares, was 11.6%.

UNREALISED VALUATION SURPLUS

S\$ million	31 Mar 2012	31 Dec 2011	31 Mar 2011
Properties ^{1/}	2,823	2,877	2,534
Equity securities ^{2/}	916	636	1,836
Total	3,739	3,513	4,370

Notes:

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

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

The valuation surplus as of 31 March 2012 was S\$3.74 billion, compared with S\$3.51 billion as of 31 December 2011. The quarter-on-quarter increase was largely attributable to higher 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, and Insurance. The presentation has been revised in 2012 with the Global Consumer/Private Banking segment covering consumer banking, private banking and retail brokerage services, and Global Corporate/Investment Banking encompassing corporate banking, corporate finance and capital markets solutions. The Global Treasury and Markets segment reflects the management of the Group's asset and liability positions as well as trading activities, with income from products and services offered to customers reflected in the respective business segments. Comparative figures have been restated to conform to the current presentation.

Operating Profit by Business Segment

S\$ million	1Q12	1Q11	+/(-) %	4Q11	+/(-) %
Global Consumer/Private Banking	154	136	13	106	45
Global Corporate/Investment Banking	416	313	33	318	31
Global Treasury and Markets	182	109	67	231	(21)
Insurance	279	168	66	85	228
Others ^{1/}	(26)	31	(184)	43	(160)
Operating profit after allowances and amortisation	1,005	757	33	783	28

Note:

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

Global Consumer/Private Banking

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

Operating profit after allowances increased 13% from S\$136 million in 1Q11 to S\$154 million in 1Q12. Higher net interest income from loan growth as well as higher fee income more than offset increases in expenses and allowances. Compared with 4Q11, operating profit in 1Q12 rose 45% with strong revenue growth and lower expenses partly offset by an increase in allowances.

Global Corporate/Investment Banking

Global Corporate/Investment Banking serves institutional customers ranging from large corporates and the public sector to small and medium enterprises. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, deposit accounts and fee-based services such as cash management and custodian services. Investment Banking comprises a comprehensive range of financing solutions, syndicated loans and advisory services, corporate finance services for initial public offerings, secondary fund-raising, takeovers and mergers, as well as customised and structured equity-linked financing.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's operating profit after allowances for 1Q12 grew by 33% year-on-year to S\$416 million, driven by higher net interest income from robust loan growth partly offset by increase in expenses.

Compared with 4Q11, operating profit increased by 31%, reflecting strong growth in revenue and 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 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 and Markets' operating profit grew strongly by 67% year-on-year to S\$182 million in 1Q12 with sharp increases in net interest income and trading income. Compared with 4Q11, which registered comparatively higher trading income and net interest income, operating profit declined 21%.

Insurance

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

GEH's results in 1Q12 were underpinned by strong investment performance in its insurance business, recording year-on-year operating profit growth of 66% and quarter-on-quarter growth of 228% to S\$279 million.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$219 million in 1Q12, compared with S\$129 million in 1Q11 and S\$49 million in 4Q11.

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury and Markets	Insurance	Others	Group
1Q12						
- External customers	481	633	236	335	39	1,724
- Intersegment income	-	-	-	-	17	17
Total income ^{1/}	481	633	236	335	56	1,741
Operating profit before allowances and amortisation ^{1/}	192	441	182	291	10	1,116
Amortisation of intangible assets	(3)	-	-	(12)	-	(15)
Allowances and impairment for loans and other assets	(35)	(25)	0	(0)	(36)	(96)
Operating profit after allowances and amortisation ^{1/}	154	416	182	279	(26)	1,005
Other information:						
Capital expenditure	8	0	0	11	44	63
Depreciation	8	2	0	1	32	43
1Q11						
- External customers	420	534	162	221	45	1,382
- Intersegment income	-	-	-	-	20	20
Total income ^{1/}	420	534	162	221	65	1,402
Operating profit before allowances and amortisation ^{1/}	153	349	110	180	29	821
Amortisation of intangible assets	(3)	-	-	(12)	-	(15)
Write-back/(allowances and impairment) for loans and other assets	(14)	(36)	(1)	(0)	2	(49)
Operating profit after allowances and amortisation ^{1/}	136	313	109	168	31	757
Other information:						
Capital expenditure	6	0	0	8	44	58
Depreciation	8	3	0	1	27	39
4Q11						
- External customers	434	594	282	143	24	1,477
- Intersegment income	-	-	-	-	20	20
Total income	434	594	282	143	44	1,497
Operating profit before allowances and amortisation	131	388	232	100	26	877
Amortisation of intangible assets	(4)	-	-	(12)	-	(16)
Write-back/(allowances and impairment) for loans and other assets	(21)	(70)	(1)	(3)	17	(78)
Operating profit after allowances and amortisation	106	318	231	85	43	783
Other information:						
Capital expenditure	6	1	0	15	44	66
Depreciation	8	2	0	1	33	44

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury and Markets	Insurance	Others	Group
At 31 March 2012						
Segment assets	60,106	90,223	66,189	58,093	24,457	299,068
Unallocated assets						68
Elimination						(15,799)
Total assets						283,337
Segment liabilities	68,822	80,342	44,908	51,238	25,207	270,517
Unallocated liabilities						2,154
Elimination						(15,799)
Total liabilities						256,872
Other information:						
Gross non-bank loans	51,017	81,360	1,096	271	860	134,604
NPAs	282	1,215	–	3	13	1,513
At 31 December 2011						
Segment assets	57,305	92,476	63,959	56,579	22,912	293,231
Unallocated assets						71
Elimination						(15,544)
Total assets						277,758
Segment liabilities	65,584	82,467	47,366	50,227	20,345	265,989
Unallocated liabilities						1,923
Elimination						(15,544)
Total liabilities						252,368
Other information:						
Gross non-bank loans	48,805	83,952	1,287	373	715	135,132
NPAs	292	1,121	–	3	21	1,437
At 31 March 2011						
Segment assets	49,070	78,327	54,372	56,061	18,591	256,421
Unallocated assets						104
Elimination						(12,405)
Total assets						244,120
Segment liabilities	59,511	66,878	44,564	49,408	9,778	230,139
Unallocated liabilities						1,966
Elimination						(12,405)
Total liabilities						219,700
Other information:						
Gross non-bank loans	41,153	67,170	1,616	331	642	110,912
NPAs	265	902	–	7	17	1,191

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	1Q12		1Q11		4Q11	
	S\$ million	%	S\$ million	%	S\$ million	%
Total core income						
Singapore ^{1/}	1,140	66	891	64	902	60
Malaysia	320	18	298	21	316	21
Rest of SEA	116	7	99	7	120	8
Greater China ^{1/}	112	6	74	5	112	8
Other Asia Pacific	33	2	29	2	31	2
Rest of the World	20	1	11	1	16	1
	1,741	100	1,402	100	1,497	100
Profit before income tax						
Singapore ^{1/}	658	65	485	63	479	63
Malaysia	207	21	184	24	204	27
Rest of SEA	34	3	30	4	26	3
Greater China ^{1/}	73	7	38	5	47	6
Other Asia Pacific	27	3	21	3	20	3
Rest of the World	12	1	11	1	(19)	(2)
	1,011	100	769	100	757	100

Note:

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

	31 Mar 2012		31 Dec 2011		31 Mar 2011	
	S\$ million	%	S\$ million	%	S\$ million	%
Total assets						
Singapore	175,396	62	173,522	62	155,869	64
Malaysia	56,037	20	53,327	19	49,497	20
Rest of SEA	10,260	3	9,962	4	8,388	4
Greater China	28,283	10	28,878	10	20,016	8
Other Asia Pacific	8,552	3	7,854	3	7,022	3
Rest of the World	4,809	2	4,215	2	3,328	1
	283,337	100	277,758	100	244,120	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 1Q12, Singapore accounted for 66% of total income and 65% of pre-tax profit, while Malaysia accounted for 18% of total income and 21% of pre-tax profit.

The pre-tax profit for Singapore increased 36% from a year ago to S\$658 million, driven by higher net interest income, insurance and trading income. Malaysia's pre-tax profit increased 12% year-on-year to S\$207 million, mainly attributable to higher net interest income and investment income, as well as lower allowances.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	1Q12	1Q11	+/(-) %	4Q11	+/(-) %
Interest income	1,502	1,191	26	1,463	3
Interest expense	(551)	(407)	35	(538)	2
Net interest income	951	784	21	925	3
Premium income	1,384	1,387	–	1,597	(13)
Investment income	814	615	32	533	53
Net claims, surrenders and annuities	(1,345)	(1,035)	30	(1,187)	13
Change in life assurance fund contract liabilities	(274)	(536)	(49)	(480)	(43)
Commission and others	(358)	(281)	27	(412)	(13)
Profit from life assurance	221	150	47	51	334
Premium income from general insurance	32	29	11	34	(5)
Fees and commissions (net)	274	274	–	257	7
Dividends	29	24	19	7	342
Rental income	18	20	(6)	19	(2)
Other income	272	160	71	204	33
Non-interest income	846	657	29	572	48
Total income	1,797	1,441	25	1,497	20
Staff costs	(382)	(351)	9	(362)	6
Other operating expenses	(243)	(230)	5	(258)	(6)
Total operating expenses	(625)	(581)	8	(620)	1
Operating profit before allowances and amortisation	1,172	860	36	877	34
Amortisation of intangible assets	(15)	(15)	(3)	(16)	(3)
Allowances for loans and impairment of other assets	(96)	(49)	98	(78)	23
Operating profit after allowances and amortisation	1,061	796	33	783	35
Share of results of associates and joint ventures	6	12	(47)	(26)	124
Profit before income tax	1,067	808	32	757	41
Income tax expense	(171)	(131)	32	(126)	36
Profit for the period	896	677	32	631	42
Profit attributable to:					
Equity holders of the Bank	832	628	32	594	40
Non-controlling interests	64	49	30	37	70
	896	677	32	631	42
Earnings per share (for the period – cents) ^{1/}					
Basic	24.2	18.8		16.0	
Diluted	24.2	18.7		15.9	

Note:

1. "Earnings per share" was computed including gains from divestment of non-core assets.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	1Q12	1Q11	+ / (-) %	4Q11	+ / (-) %
Profit for the period	896	677	32	631	42
Other comprehensive income:					
Available-for-sale financial assets					
Gains/(losses) for the period	364	163	123	30	NM
Reclassification of (gains)/losses to income statement					
– on disposal	(43)	(23)	(85)	(22)	(91)
– on impairment	1	(1)	287	0	40
Tax on net movements	(45)	1	NM	(10)	(340)
Exchange differences on translating foreign operations	(83)	(11)	(649)	6	NM
Other comprehensive income of associates and joint ventures	5	(0)	NM	1	438
Total other comprehensive income, net of tax	199	129	55	5	NM
Total comprehensive income for the period, net of tax	1,095	806	36	636	72
Total comprehensive income attributable to:					
Equity holders of the Bank	1,022	758	35	599	71
Non-controlling interests	73	48	51	37	98
	1,095	806	36	636	72

BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP			BANK		
	31 Mar 2012	31 Dec 2011 [@]	31 Mar 2011	31 Mar 2012	31 Dec 2011 [@]	31 Mar 2011
EQUITY						
Attributable to equity holders of the Bank						
Share capital	9,014	9,023	8,218	9,014	9,023	8,218
Capital reserves	361	279	541	93	90	350
Fair value reserves	1,394	1,125	1,515	670	510	684
Revenue reserves	12,853	12,144	11,285	8,108	7,722	7,152
	23,622	22,571	21,559	17,885	17,345	16,404
Non-controlling interests	2,843	2,819	2,861	–	–	–
Total equity	26,465	25,390	24,420	17,885	17,345	16,404
LIABILITIES						
Deposits of non-bank customers	157,541	154,555	126,009	110,450	109,827	89,392
Deposits and balances of banks	18,912	21,653	24,912	17,565	18,881	22,462
Due to subsidiaries	–	–	–	6,153	5,913	5,293
Due to associates	176	178	128	163	164	115
Trading portfolio liabilities	1,484	1,655	1,644	1,484	1,655	1,644
Derivative payables	4,970	6,113	4,380	4,771	5,782	3,929
Other liabilities	4,625	4,024	4,151	1,397	1,459	1,385
Current tax	930	800	818	363	304	362
Deferred tax	1,224	1,123	1,148	140	121	134
Debt issued	16,717	13,063	8,067	17,442	13,797	8,703
	206,579	203,164	171,257	159,928	157,903	133,419
Life assurance fund liabilities	50,293	49,204	48,443	–	–	–
Total liabilities	256,872	252,368	219,700	159,928	157,903	133,419
Total equity and liabilities	283,337	277,758	244,120	177,813	175,248	149,823
ASSETS						
Cash and placements with central banks	12,040	12,897	13,675	5,303	6,986	9,127
Singapore government treasury bills and securities	14,155	13,250	11,391	13,482	12,592	10,661
Other government treasury bills and securities	5,608	7,397	5,796	2,452	3,988	2,982
Placements with and loans to banks	35,572	28,615	24,408	27,261	20,654	18,219
Loans and bills receivable	132,968	133,557	109,411	97,450	97,787	79,427
Debt and equity securities	14,870	15,081	14,617	9,415	9,721	9,974
Assets pledged	1,641	1,839	1,183	1,424	1,329	1,137
Assets held for sale	6	6	2	–	–	–
Derivative receivables	5,009	5,899	4,637	4,716	5,462	4,170
Other assets	4,189	3,191	3,862	1,233	1,187	864
Deferred tax	30	44	71	3	4	6
Associates and joint ventures	357	361	308	200	215	155
Subsidiaries	–	–	–	12,004	12,462	10,271
Property, plant and equipment	1,674	1,664	1,633	442	425	404
Investment property	892	922	745	561	569	559
Goodwill and intangible assets	3,900	3,947	3,977	1,867	1,867	1,867
	232,911	228,670	195,716	177,813	175,248	149,823
Life assurance fund investment assets	50,426	49,088	48,404	–	–	–
Total assets	283,337	277,758	244,120	177,813	175,248	149,823
Net Asset Value Per Ordinary Share (before valuation surplus – S\$)						
	6.32	6.02	5.89	4.65	4.49	4.35
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	9,477	10,345	9,194	7,491	7,577	7,369
Commitments	65,568	64,892	55,924	44,420	44,780	40,575
Derivative financial instruments	562,353	545,502	470,285	500,671	492,372	424,964

Note:

1. “@” represents audited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 March 2012

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
Balance at 1 January 2012	9,023	279	1,125	12,144	22,571	2,819	25,390
Total comprehensive income for the period	–	–	269	753	1,022	73	1,095
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	44	–	(44)	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(49)	(49)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(24)	–	–	–	(24)	–	(24)
Shares vested under DSP Scheme	–	35	–	–	35	–	35
Treasury shares transferred/sold	15	–	–	–	15	–	15
Total contributions by and distributions to owners	(9)	82	–	(44)	29	(49)	(20)
Balance at 31 March 2012	9,014	361	1,394	12,853	23,622	2,843	26,465
Included:							
Share of reserves of associates and joint ventures	–	–	6	37	43	(4)	39
Balance at 1 January 2011	8,211	613	1,374	10,592	20,790	2,855	23,645
Total comprehensive income for the period	–	–	141	617	758	48	806
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(83)	–	83	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(49)	(49)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(18)	–	–	–	(18)	–	(18)
Shares vested under DSP Scheme	–	28	–	–	28	–	28
Treasury shares transferred/sold	25	(20)	–	–	5	–	5
Total contributions by and distributions to owners	7	(72)	–	83	18	(49)	(31)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	(7)	(7)	7	–
Total changes in ownership interests in subsidiaries	–	–	–	(7)	(7)	7	–
Balance at 31 March 2011	8,218	541	1,515	11,285	21,559	2,861	24,420
Included:							
Share of reserves of associates and joint ventures	–	–	0	37	37	(3)	34

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the three months ended 31 March 2012

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2012	9,023	90	510	7,722	17,345
Total comprehensive income for the period	–	–	160	386	546
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(24)	–	–	–	(24)
Treasury shares transferred/sold	15	–	–	–	15
Balance at 31 March 2012	9,014	93	670	8,108	17,885
Balance at 1 January 2011	8,211	432	606	6,605	15,854
Total comprehensive income for the period	–	–	78	332	410
Transfers	–	(85)	–	85	–
Arising from merger of subsidiaries	–	–	–	130	130
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(18)	–	–	–	(18)
Treasury shares transferred/sold	25	–	–	–	25
Balance at 31 March 2011	8,218	350	684	7,152	16,404

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the three months ended 31 March 2012

S\$ million	1Q12	1Q11
Cash flows from operating activities		
Profit before income tax	1,067	808
Adjustments for non-cash items		
Amortisation of intangible assets	15	15
Allowances for loans and impairment of other assets	96	49
Change in fair value for hedging transactions and trading securities	(28)	(20)
Depreciation of property, plant and equipment and investment property	43	39
Net gain on disposal of property, plant and equipment and investment property	(58)	(39)
Net gain on disposal of government, debt and equity securities	(43)	(23)
Net gain on disposal of an associate	–	(1)
Share-based staff costs	2	3
Share of results of associates and joint ventures	(6)	(12)
Items relating to life assurance fund		
Surplus before income tax	333	201
Surplus transferred from life assurance fund	(221)	(150)
Operating profit before change in operating assets and liabilities	1,200	870
Change in operating assets and liabilities		
Deposits of non-bank customers	2,984	2,698
Deposits and balances of banks	(2,741)	8,404
Derivative payables and other liabilities	(539)	677
Trading portfolio liabilities	(171)	(91)
Government securities and treasury bills	803	(235)
Trading securities	409	(157)
Placements with and loans to banks	(6,877)	(6,032)
Loans and bills receivable	508	(4,472)
Derivative receivables and other assets	281	(494)
Net change in investment assets and liabilities of life assurance fund	(231)	40
Cash (used in)/from operating activities	(4,374)	1,208
Income tax paid	(88)	(63)
Net cash (used in)/from operating activities	(4,462)	1,145
Cash flows from investing activities		
Decrease/(increase) in associates and joint ventures	17	(41)
Net cashflow from acquisition of a business	–	9
Purchases of debt and equity securities	(1,438)	(1,292)
Purchases of property, plant and equipment and investment property	(63)	(58)
Proceeds from disposal of debt and equity securities	1,479	1,119
Proceeds from disposal of interest in a subsidiary	–	82
Proceeds from disposal of property, plant and equipment and investment property	5	3
Net cash used in investing activities	(0)	(178)
Cash flows from financing activities		
Dividends paid to non-controlling interests	(49)	(49)
Issue of subordinated debt	–	399
Increase in other debt issued	3,710	880
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	15	5
Share buyback held in treasury	(24)	(18)
Net cash from financing activities	3,652	1,217
Net currency translation adjustments	(47)	(2)
Net change in cash and cash equivalents	(857)	2,182
Cash and cash equivalents at beginning of period	12,897	11,493
Cash and cash equivalents at end of period	12,040	13,675

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	Three months ended 31 Mar	
	2012	2011
Issued ordinary shares		
Balance at beginning/end of period	3,441,043,176	3,341,044,969
Treasury shares		
Balance at beginning of period	(3,965,793)	(3,269,326)
Share buyback	(2,770,000)	(1,853,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	2,558,700	732,995
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	43,073	124,207
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	–	2,195,932
Balance at end of period	(4,134,020)	(2,069,192)
Total	3,436,909,156	3,338,975,777

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 15 April 2011, the Bank purchased a total of 2,770,000 ordinary shares in the first quarter ended 31 March 2012. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$7.91 to S\$8.98 per share and the total consideration paid was S\$24,072,056 (including transaction costs).

From 1 January 2012 to 31 March 2012 (both dates inclusive), the Bank utilised 2,558,700 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As at 31 March 2012, the number of options outstanding under the OCBC SOS 2001 was 30,239,549 (31 March 2011: 32,333,340).

From 1 January 2012 to 31 March 2012 (both dates inclusive), the Bank utilised 43,073 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As at 31 March 2012, the number of acquisition rights outstanding under the OCBC ESPP was 10,209,762 (31 March 2011: 8,874,117).

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

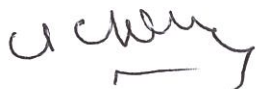
OTHER MATTERS

1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.

CONFIRMATION BY THE BOARD

We, Cheong Choong Kong and Bobby Chin Yoke Choong, being directors of Oversea-Chinese Banking Corporation Limited ("the Bank"), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Bank and of the Group for the quarter ended 31 March 2012 to be false or misleading.

On behalf of the Board of Directors



Cheong Choong Kong
Chairman



Bobby Chin Yoke Choong
Director

10 May 2012