

Media Release

OCBC Group Reports First Quarter 2013 Net Profit After Tax of S\$696 million

Core net profit 12% lower from a year ago, and 5% higher quarter-on-quarter

Singapore, 30 April 2013 - Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$696 million for the first quarter of 2013 (“1Q13”), 16% lower than S\$832 million a year ago (“1Q12”), and 5% higher than S\$663 million the previous quarter (“4Q12”). Year-on-year, core net profit after tax, excluding gains from the divestment of non-core assets, was 12% lower as compared to S\$790 million in 1Q12, which included significantly higher trading income and mark-to-market investment gains from the insurance business.

Net interest income of S\$912 million declined 4% from S\$951 million a year ago, as revenue from asset growth was offset by the impact of lower net interest margin. Non-bank customer loans grew 10% from a year ago, with broad-based growth across consumer, corporate and SME segments in most key markets. Net interest margin fell 22 basis points from 1.86% to 1.64%, attributed to the persistently low interest rate environment, much reduced gapping opportunities in the interbank market, and re-pricing of existing housing loans in Singapore in response to market competition. The ratio of current and savings deposits to total non-bank deposits increased for the fourth successive quarter, rising to 51.1% from 45.6% a year ago.

Fee and commission income rose 15% to S\$316 million, from S\$274 million a year ago, boosted by growth in wealth management, loan-related and fund management income. Trading income was lower as compared to the strong 1Q12 performance, declining 65% to S\$56 million. Great Eastern Holdings’ (“GEH”) continued to record sound business growth, as reflected by a 17% rise in new business sales, driven by growth across its key markets, as well as from higher underwriting profits. Life assurance profit, however, declined 19% to S\$178 million, from S\$221 million a year ago, as mark-to-market investment gains in GEH’s Non-Participating Fund were lower as compared to 1Q12. As a result, core non-interest income, excluding divestment gains in 1Q12, was 14% lower at S\$676 million as compared to S\$790 million the previous year.

Operating expenses rose 8% to S\$672 million, from S\$625 million a year ago. Staff-related costs increased 10% from S\$382 million in 1Q12 to S\$421 million. The year-on-year increase was largely attributed to a 7% growth in staff strength to support the expansion of the Group’s regional franchise, increases in base salaries and variable compensation, as well as higher business volume-driven costs. Total allowances for loans and other assets were S\$21 million, lower compared with S\$96 million a year ago as asset quality further improved. The Group’s non-performing loans (“NPL”) ratio was 0.7%, down from 1.0% a year ago.

Compared with the previous quarter's net profit of S\$663 million, net profit for 1Q13 rose 5%. Net interest income was relatively unchanged quarter-on-quarter. Non-interest income fell 11%, primarily from lower trading income and profit contribution from life assurance, moderated by higher fee and investment income. Operating expenses declined 7%, contributed by lower staff costs, property-related and other expenses, while allowances for loans and other assets were 70% lower.

Annualised return on equity, based on core earnings, was 11.7%, compared to 14.7% in 1Q12 and 11.2% the previous quarter. Annualised core earnings per share was 79.1 cents, lower than 89.8 cents a year ago, but higher than 73.1 cents in 4Q12.

The Group's 1Q13 revenue from overall wealth management activities (comprising insurance, private banking, asset management, stockbroking and sales of other wealth management products), was stable year-on-year at S\$520 million. As a share of total revenue, wealth management contributed 33%. OCBC's private banking business continued to expand, with assets under management increasing 27% to US\$44 billion (S\$55 billion) as at 31 March 2013, up from US\$35 billion (S\$44 billion) the previous year.

Allowances and Asset Quality

Effective credit portfolio management kept net allowances low at S\$21 million, a 79% decline from S\$96 million a year ago. Specific allowances for loans, net of recoveries and write-backs were S\$2 million, a significant reduction from S\$43 million the previous year. Specific allowances represented an annualised 1 basis point of loans for the quarter. Portfolio allowances were 61% lower at S\$17 million, down from S\$45 million in 1Q12.

The Group's asset quality and coverage ratios remained strong. As at 31 March 2013, total non-performing assets ("NPAs") fell 26% year-on-year and 5% quarter-on-quarter to S\$1.12 billion. The NPL ratio as at 31 March 2013 was 0.7%, an improvement as compared to 0.8% in 4Q12 and 1.0% a year ago. Total cumulative allowances represented 149% of total NPAs and 350% of unsecured NPAs, a higher coverage ratio as compared with 142% and 333% respectively as at 31 December 2012.

Capital Position

The Group is subject to MAS' Basel III capital adequacy requirements which came into effect on 1 January 2013, and are being progressively phased in between 1 January 2013 and 1 January 2019. As at 31 March 2013, based on MAS' transitional Basel III rules for 2013, the Group's Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") was 16.2%, with Tier 1 and total CAR of 16.2% and 18.1% respectively. These ratios were well above the regulatory minima of 4.5%, 6% and 10%, respectively, for 2013.

The Group's transitional Basel III Tier 1 and total CAR as at 31 March 2013 were lower than the 31 December 2012 Tier 1 and total CAR of 16.6% and 18.5% respectively, which were computed on a Basel II basis. This was largely attributable to higher risk weights for exposures to financial institutions, equities and over-the-counter derivatives, partly offset by an increase in Tier 1 and total eligible capital from the full recognition of revaluation surplus on all available-for-sale securities as CET1 capital, and lower regulatory adjustments.

CEO's Comments

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

"We are pleased with the continued underlying strength of our customer franchise in both banking and insurance, as demonstrated during the first quarter. Business momentum is strong, and asset quality remains sound. With our solid capital and stable funding base, we will devote additional resources to strengthen the Group's regional franchise to tap on the higher economic growth potential in our key overseas markets."

About OCBC Bank

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

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

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

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which continued to gain industry recognition including being voted "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 2013

For the first quarter ended 31 March 2013, Group reported net profit after tax was S\$696 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 2013.

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% (2012: 5.1%) per annum; Class G Preference Shares at 4.2% (2012: 4.2%) per annum and Class M Preference Shares at 4.0% (2012: 4.0%) per annum. These semi-annual dividends, computed for the period 20 December 2012 to 19 June 2013 (both dates inclusive) will be paid on 20 June 2013. Total amounts of dividend payable for the Class B, Class G and Class M Preference Shares are S\$25.4 million, S\$8.3 million and S\$19.9 million respectively.

Notice is hereby given that the Transfer Books and the Registers of Preference Shareholders will be closed from 6 June 2013 to 7 June 2013 (both dates inclusive). Duly completed transfers received by the Bank's Share Registrar, M & C Services Private Limited of 112 Robinson Road #05-01 Singapore 068902 up to 5.00 p.m. on 5 June 2013 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividends.

Peter Yeoh
Secretary

Singapore, 30 April 2013

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

Oversea-Chinese Banking Corporation Limited
First Quarter 2013 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 2013:

FRS 1 (Amendments):	Presentation of Items of Other Comprehensive Income
FRS 19 (Amendments):	Employee Benefits
FRS 107 (Amendments):	Disclosures: Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurement
Improvements to FRSs 2012	

FRS 113 replaces the fair value measurement guidance contained in individual FRSs with a single source of fair value measurement guidance. It provides a definition of fair value, establishes a framework for measuring fair value and sets out the disclosure requirements for fair value measurements. FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

Financial Results

Group net profit after tax was S\$696 million for the first quarter ended 31 March 2013 (“1Q13”), a decline of 16% from S\$832 million a year ago (“1Q12”). Excluding a S\$42 million gain from the divestment of a property in 1Q12, core net profit after tax in 1Q13 was 12% lower, as compared to S\$790 million in 1Q12.

Net interest income declined by 4% to S\$912 million, from S\$951 million a year ago, as asset growth was more than offset by lower net interest margin. Fees and commissions rose 15% from S\$274 million a year ago to S\$316 million, led by higher wealth management and fund management income, and loan-related fees. Trading income was S\$56 million, compared with S\$160 million in 1Q12, while profit from life assurance declined 19% to S\$178 million, from S\$221 million a year ago. As a result, core non-interest income of S\$676 million, was 14% lower year-on-year from S\$790 million in 1Q12.

Operating expenses rose by 8% year-on-year to S\$672 million, largely from an increase in staff costs arising from headcount growth and higher base salaries and variable compensation, as well as higher business volume-related costs. Allowances for loans and other assets were lower at S\$21 million, compared to S\$96 million a year ago. The Group’s non-performing loans (“NPL”) ratio was 0.7%, down from 1.0% a year ago.

Compared to the fourth quarter of 2012 (“4Q12”), Group net profit after tax was 5% higher, mainly attributable to lower operating expenses and allowances. Net interest income was stable quarter-on-quarter, while non-interest income declined 11%, as higher fee and investment income were offset by lower trading and insurance income contributions.

Annualised return on equity, based on core earnings was 11.7% in 1Q13, compared with 14.7% in 1Q12 and 11.2% the previous quarter. Annualised core earnings per share was 79.1 cents, lower than 89.8 cents a year ago, but higher than 73.1 cents in 4Q12.

FINANCIAL SUMMARY (continued)

S\$ million	1Q13	1Q12	+ / (-) %	4Q12	+ / (-) %
Selected Income Statement Items					
Net interest income	912	951	(4)	921	(1)
Non-interest income	676	790	(14)	757	(11)
Total core income	1,588	1,741	(9)	1,678	(5)
Operating expenses	(672)	(625)	8	(724)	(7)
Operating profit before allowances and amortisation	916	1,116	(18)	954	(4)
Amortisation of intangible assets	(14)	(15)	(3)	(15)	(3)
Allowances for loans and impairment of other assets	(21)	(96)	(79)	(68)	(70)
Operating profit after allowances and amortisation	881	1,005	(12)	871	1
Share of results of associates and joint ventures	13	6	106	5	207
Profit before income tax	894	1,011	(12)	876	2
Core net profit attributable to shareholders	696	790	(12)	663	5
Divestment gain, net of tax	–	42	(100)	–	–
Reported net profit attributable to shareholders	696	832	(16)	663	5
Cash basis net profit attributable to shareholders ^{1/}	710	847	(16)	678	5

Selected Balance Sheet Items

Ordinary equity	23,696	21,726	9	22,909	3
Total equity (excluding non-controlling interests)	26,091	23,622	10	25,804	1
Total assets	308,824	283,337	9	295,943	4
Assets excluding life assurance fund investment assets	255,481	232,911	10	243,672	5
Loans and bills receivable (net of allowances)	146,839	132,968	10	142,376	3
Deposits of non-bank customers	168,818	157,541	7	165,139	2

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	1Q13	1Q12	4Q12
Key Financial Ratios			
- based on core earnings			
Performance ratios (% p.a.)			
Return on equity ^{1/2/}			
SFRS ^{3/} basis	11.7	14.7	11.2
Cash basis	12.0	15.0	11.5
Return on assets ^{4/}			
SFRS ^{3/} basis	1.12	1.38	1.10
Cash basis	1.14	1.40	1.12
Revenue mix/efficiency ratios (%)			
Net interest margin (annualised)	1.64	1.86	1.70
Net interest income to total income	57.4	54.6	54.9
Non-interest income to total income	42.6	45.4	45.1
Cost to income	42.3	35.9	43.1
Loans to deposits	87.0	84.4	86.2
NPL ratio	0.7	1.0	0.8
Earnings per share ^{2/} (annualised - cents)			
Basic earnings	79.1	89.8	73.1
Basic earnings (cash basis)	80.8	91.6	74.8
Diluted earnings	78.9	89.7	72.9
Net asset value per share (S\$)			
Before valuation surplus	6.90	6.32	6.68
After valuation surplus	8.40	7.41	7.95
Capital adequacy ratios (%)			
Common Equity Tier 1 ^{5/}	16.2	na	na
Tier 1	16.2	14.7	16.6
Total	18.1	16.1	18.5

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.
5. The Group's Common Equity Tier 1 ratio is computed based on MAS' transitional Basel III rules for 2013, which took effect on 1 January 2013.
6. "na" denotes not applicable.

NET INTEREST INCOME

Average Balance Sheet

S\$ million	1Q13			1Q12			4Q12		
	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	144,794	1,056	2.96	132,684	1,027	3.11	140,166	1,070	3.04
Placements with and loans to banks	44,268	178	1.63	40,066	267	2.68	39,223	181	1.83
Other interest earning assets ^{1/}	36,937	224	2.45	32,490	208	2.58	35,902	215	2.38
Total	225,999	1,458	2.62	205,240	1,502	2.94	215,291	1,466	2.71
Interest bearing liabilities									
Deposits of non-bank customers	167,971	420	1.02	154,417	423	1.10	161,523	422	1.04
Deposits and balances of banks	23,750	45	0.76	20,606	45	0.87	22,651	43	0.75
Other borrowings ^{2/}	17,973	81	1.83	16,800	83	1.99	14,968	80	2.13
Total	209,694	546	1.06	191,823	551	1.16	199,142	545	1.09
Net interest income/margin^{3/}		912	1.64		951	1.86		921	1.70

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 was S\$912 million in 1Q13, 4% lower as compared to S\$951 million a year ago, as 10% growth in interest earning assets was more than offset by a 22 basis points decline in net interest margin from 1.86% to 1.64%. The margin compression was largely attributable to lower asset yields in a persistently low interest rate environment, much reduced gapping opportunities in the interbank market and from the re-pricing of existing housing loans in Singapore in response to market competition.

Compared with 4Q12, net interest income was relatively unchanged, as a 5% increase in interest earning assets was offset by a 6 basis points decline in net interest margin.

NET INTEREST INCOME *(continued)*

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	1Q13 vs 1Q12			1Q13 vs 4Q12		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Loans and advances to non-bank customers	93	(52)	41	35	(26)	9
Placements with and loans to banks	28	(114)	(86)	23	(21)	2
Other interest earning assets	28	(11)	17	6	7	13
Total	149	(177)	(28)	64	(40)	24
Interest expense						
Deposits of non-bank customers	37	(35)	2	16	(9)	7
Deposits and balances of banks	7	(7)	0	2	1	3
Other borrowings	6	(7)	(1)	16	(13)	3
Total	50	(49)	1	34	(21)	13
Impact on net interest income	99	(128)	(29)	30	(19)	11
Due to change in number of days			(10)			(20)
Net interest income			(39)			(9)

NON-INTEREST INCOME

S\$ million	1Q13	1Q12	+ / (-) %	4Q12	+ / (-) %
Fees and commissions					
Brokerage	19	17	14	14	32
Wealth management	105	74	41	89	17
Fund management	24	21	14	23	1
Credit card	13	11	22	14	(1)
Loan-related	60	55	10	70	(14)
Trade-related and remittances	48	49	(4)	50	(4)
Guarantees	4	4	5	5	(21)
Investment banking	17	15	7	14	22
Service charges	19	21	(8)	19	(2)
Others	7	7	12	6	39
Sub-total	316	274	15	304	4
Dividends	8	29	(71)	6	51
Rental income	17	18	(5)	18	(2)
Profit from life assurance	178	221	(19)	210	(15)
Premium income from general insurance	37	32	12	40	(8)
Other income					
Net trading income	56	160	(65)	136	(59)
Net gain from investment securities	47	43	9	13	258
Net gain from disposal of properties	3	1	522	6	(43)
Others	14	12	19	24	(46)
Sub-total	120	216	(44)	179	(33)
Total core non-interest income	676	790	(14)	757	(11)
Divestment gain	–	56	(100)	–	–
Total non-interest income	676	846	(20)	757	(11)
Fees and commissions/Total income ^{1/}	19.9%	15.7%		18.1%	
Non-interest income/Total income ^{1/}	42.6%	45.4%		45.1%	

Note:

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

Non-interest income declined 20% year-on-year to S\$676 million, from S\$846 million in 1Q12. Excluding the divestment gain of S\$56 million from the disposal of a non-core property in 1Q12, core non-interest income was 14% lower from a year ago. Fees and commissions rose 15% from S\$274 million in 1Q12 to S\$316 million, driven by strong wealth management, loan-related and fund management income. Net gains from investment securities increased 9% to S\$47 million, from S\$43 million the previous year, while net trading income was lower as compared to the strong performance in 1Q12, declining 65% to S\$56 million. Profit from life assurance was S\$178 million, 19% lower compared with S\$221 million a year ago, largely attributable to lower mark-to-market investment gains in Great Eastern Holdings' ("GEH") Non-Participating Fund².

Compared to 4Q12, non-interest income was lower by 11%, as higher fee and commission income, led by growth in wealth management and brokerage income, was more than offset by lower trading and insurance 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	1Q13	1Q12	+ / (-) %	4Q12	+ / (-) %
Staff costs					
Salaries and other costs	385	349	10	397	(3)
Share-based expenses	3	2	32	3	–
Contribution to defined contribution plans	33	31	7	34	(4)
	421	382	10	434	(3)
Property and equipment					
Depreciation	50	43	16	50	–
Maintenance and hire of property, plant & equipment	19	23	(18)	24	(20)
Rental expenses	18	17	6	18	2
Others	38	36	8	42	(9)
	125	119	5	134	(6)
Other operating expenses	126	124	1	156	(20)
Total operating expenses	672	625	8	724	(7)
Group staff strength					
Period end	24,856	23,277	7	24,628	1
Average	24,758	23,134	7	24,514	1
Cost to income ratio ^{1/}	42.3%	35.9%		43.1%	

Note:

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

Operating expenses were 8% higher year-on-year at S\$672 million, compared with S\$625 million a year ago, largely attributable to staff-related costs associated with headcount growth to support the Group's regional expansion, higher base salaries and variable compensation, as well as from an increase in business volume-driven costs.

Compared with 4Q12, operating expenses declined 7% from S\$724 million, as a result of lower staff costs, property-related costs, and lower communication, business promotion and professional expenses.

The cost-to-income ratio was 42.3% for 1Q13, as compared to 43.1% in 4Q12 and 35.9% in 1Q12.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	1Q13	1Q12	+/(-) %	4Q12	+/(-) %
Specific allowances/(write-back) for loans					
Singapore	13	41	(68)	29	(54)
Malaysia	(8)	2	(511)	4	(279)
Others	(3)	0	nm	2	(262)
	2	43	(96)	35	(95)
Portfolio allowances for loans	17	45	(61)	43	(60)
Allowances and impairment charges/(write-back) for other assets	2	8	(82)	(10)	114
Allowances for loans and impairment of other assets	21	96	(79)	68	(70)

Allowances for loans and other assets were S\$21 million in 1Q13, significantly lower than the S\$68 million in the previous quarter and S\$96 million in 1Q12, as asset quality improved.

Specific allowances for loans, net of recoveries and writebacks were S\$2 million, a decline of 96% from S\$43 million a year ago, and 95% lower than S\$35 million in 4Q12, reflecting lower allowances for new and existing non-performing loans. Specific allowances were 1 basis point of loans on an annualised basis, as compared to 8 basis points of loans in the previous quarter.

Portfolio allowances for loans were S\$17 million for the quarter, compared with S\$45 million in 1Q12 and S\$43 million in 4Q12.

LOANS AND ADVANCES

S\$ million	31 Mar 2013	31 Dec 2012	31 Mar 2012
Loans to customers	137,862	134,156	125,331
Bills receivable	10,640	9,874	9,273
Gross loans to customers	148,502	144,030	134,604
Allowances			
Specific allowances	(289)	(303)	(330)
Portfolio allowances	(1,374)	(1,351)	(1,261)
	146,839	142,376	133,013
Less: assets pledged	–	–	(45)
Loans net of allowances	146,839	142,376	132,968
By Maturity			
Within 1 year	53,491	52,656	51,291
1 to 3 years	25,688	25,425	24,933
Over 3 years	69,323	65,949	58,380
	148,502	144,030	134,604
By Industry			
Agriculture, mining and quarrying	5,176	4,863	4,095
Manufacturing	8,651	8,197	8,543
Building and construction	22,697	22,388	20,366
Housing loans	39,474	37,809	33,840
General commerce	18,803	17,502	18,967
Transport, storage and communication	10,033	9,106	8,756
Financial institutions, investment and holding companies	21,411	22,456	19,225
Professionals and individuals	15,004	14,272	13,547
Others	7,253	7,437	7,265
	148,502	144,030	134,604
By Currency			
Singapore Dollar	71,165	70,141	62,912
United States Dollar	34,815	31,680	33,843
Malaysian Ringgit	19,082	18,404	17,088
Indonesian Rupiah	5,189	4,989	4,399
Others	18,251	18,816	16,362
	148,502	144,030	134,604
By Geography ^{1/}			
Singapore	78,040	75,215	69,690
Malaysia	23,908	23,157	20,938
Indonesia	11,005	10,679	9,327
Greater China	16,997	17,379	17,938
Other Asia Pacific	8,135	8,253	8,071
Rest of the World	10,417	9,347	8,640
	148,502	144,030	134,604

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 increased by 10% to S\$149 billion as of 31 March 2013, from S\$135 billion a year ago, and by 3% from S\$144 billion the previous quarter. Year-on-year, broad-based loan growth was achieved across most key sectors and geographies, with the largest increases coming from housing loans, and loans to building and construction, and financial institutions, investment and holding companies.

NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs ^{2/}	NPL Ratio ^{2/} %
Singapore							
31 Mar 2013	264	105	106	53	61.4	264	0.3
31 Dec 2012	258	91	119	48	55.2	258	0.3
31 Mar 2012	379	177	163	39	60.3	320	0.5
Malaysia							
31 Mar 2013	430	247	137	46	52.9	407	1.7
31 Dec 2012	432	251	134	47	55.7	409	1.8
31 Mar 2012	636	515	67	54	70.2	560	2.7
Indonesia							
31 Mar 2013	55	6	5	44	60.8	55	0.5
31 Dec 2012	60	6	3	51	47.8	60	0.6
31 Mar 2012	72	7	5	60	51.0	72	0.8
Greater China							
31 Mar 2013	21	16	–	5	93.2	21	0.1
31 Dec 2012	33	28	0	5	87.9	33	0.2
31 Mar 2012	28	27	1	–	96.9	28	0.2
Other Asia Pacific							
31 Mar 2013	243	201	42	–	71.3	242	3.0
31 Dec 2012	281	242	39	–	73.7	281	3.4
31 Mar 2012	311	227	84	–	81.3	307	3.8
Rest of the World							
31 Mar 2013	106	96	8	2	24.4	102	1.0
31 Dec 2012	108	99	7	2	23.3	104	1.1
31 Mar 2012	87	75	10	2	77.8	82	1.0
Group							
31 Mar 2013	1,119	671	298	150	57.4	1,091	0.7
31 Dec 2012	1,172	717	302	153	57.4	1,145	0.8
31 Mar 2012	1,513	1,028	330	155	70.0	1,369	1.0

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 strong. Non-performing loans ("NPLs") were S\$1.09 billion as at 31 March 2013, a 5% decline from S\$1.15 billion the previous quarter. By geography, the quarter-on-quarter decline was largely from Other Asia Pacific and Greater China. By industry segment, the decrease was mainly from manufacturing, general commerce, financial institutions, investment and holding companies, building and construction.

The Group's NPL ratio was 0.7%, an improvement from 0.8% in the previous quarter, and from 1.0% a year ago.

Total non-performing assets ("NPAs") as at 31 March 2013, which include classified debt securities and contingent liabilities, were S\$1.12 billion, a fall of 5% from S\$1.17 billion in the previous quarter. Of the total NPAs, 60% were in the substandard category and 57% were secured by collateral.

	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	6	0.1	6	0.1	6	0.1
Manufacturing	356	4.1	366	4.5	307	3.6
Building and construction	186	0.8	199	0.9	297	1.5
Housing loans	200	0.5	192	0.5	187	0.6
General commerce	92	0.5	105	0.6	221	1.2
Transport, storage and communication	79	0.8	77	0.8	121	1.4
Financial institutions, investment and holding companies	58	0.3	88	0.4	91	0.5
Professionals and individuals	91	0.6	87	0.6	110	0.8
Others	23	0.3	25	0.3	29	0.4
Total NPLs	1,091	0.7	1,145	0.8	1,369	1.0
Classified debt securities	4		4		10	
Classified contingent liabilities	24		23		134	
Total NPAs	1,119		1,172		1,513	

	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	S\$ million	%	S\$ million	%	S\$ million	%
NPAs by Period Overdue						
Over 180 days	339	30	328	28	409	27
Over 90 to 180 days	116	10	81	7	194	13
30 to 90 days	133	12	160	14	154	10
Less than 30 days	10	1	10	1	24	2
Not overdue	521	47	593	50	732	48
	1,119	100	1,172	100	1,513	100

	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	175	26	173	10	279	26
Doubtful	18	17	22	33	28	22
Loss	1	1	0	0	1	1
	194	44	195	43	308	49

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 2013	702	105	597	39.6	265.6
31 Dec 2012	696	105	591	40.8	269.5
31 Mar 2012	643	100	543	26.6	169.8
Malaysia					
31 Mar 2013	452	127	325	29.6	105.1
31 Dec 2012	450	133	317	30.8	104.4
31 Mar 2012	460	167	293	26.3	72.3
Indonesia					
31 Mar 2013	163	29	134	53.5	296.5
31 Dec 2012	164	39	125	66.2	273.2
31 Mar 2012	151	44	107	61.2	209.2
Greater China					
31 Mar 2013	170	2	168	9.4	796.4
31 Dec 2012	170	4	166	10.7	508.9
31 Mar 2012	176	5	171	16.7	635.4
Other Asia Pacific					
31 Mar 2013	109	20	89	8.2	45.1
31 Dec 2012	112	20	92	7.1	40.0
31 Mar 2012	100	16	84	5.1	32.0
Rest of the World					
31 Mar 2013	71	10	61	9.8	67.1
31 Dec 2012	70	10	60	8.8	64.0
31 Mar 2012	73	10	63	11.3	84.0
Group					
31 Mar 2013	1,667	293	1,374	26.2	149.0
31 Dec 2012	1,662	311	1,351	26.6	141.8
31 Mar 2012	1,603	342	1,261	22.6	106.0

As at 31 March 2013, the Group's total cumulative allowances for assets were S\$1.67 billion, comprising S\$293 million in specific allowances and S\$1.37 billion in portfolio allowances. Total cumulative allowances were 149% of total NPAs and 350% of unsecured NPAs, an increase compared to the respective ratios of 142% and 333% as at 31 December 2012.

DEPOSITS

S\$ million	31 Mar 2013	31 Dec 2012	31 Mar 2012
Deposits of non-bank customers	168,818	165,139	157,541
Deposits and balances of banks	24,967	25,656	18,912
	193,785	190,795	176,453
Loans to deposits ratio (net non-bank loans/non-bank deposits)	87.0%	86.2%	84.4%

S\$ million	31 Mar 2013	31 Dec 2012	31 Mar 2012
Total Deposits By Maturity			
Within 1 year	190,832	188,220	172,697
1 to 3 years	1,729	1,441	2,959
Over 3 years	1,224	1,134	797
	193,785	190,795	176,453
Non-Bank Deposits By Product			
Fixed deposits	67,162	67,263	72,934
Savings deposits	32,256	30,614	28,828
Current account	53,973	52,904	42,995
Others	15,427	14,358	12,784
	168,818	165,139	157,541
Non-Bank Deposits By Currency			
Singapore Dollar	84,294	82,095	80,316
United States Dollar	30,691	31,455	23,091
Malaysian Ringgit	21,709	20,739	21,715
Indonesian Rupiah	5,536	5,835	5,158
Others	26,588	25,015	27,261
	168,818	165,139	157,541

Non-bank customer deposits increased 7% to S\$169 billion as of 31 March 2013, from S\$158 billion a year ago and by 2% from S\$165 billion the previous quarter. The year-on-year growth was underpinned by a 26% increase in current account deposits to S\$54.0 billion, from S\$43.0 billion in 1Q12, and from a 12% rise in savings deposits to S\$32.3 billion, from S\$28.8 billion a year ago. The ratio of current and savings deposits to total non-bank deposits was 51.1%, up from 45.6% a year ago.

The Group's loans-to-deposits ratio was 87.0%, compared with 86.2% in the previous quarter and 84.4% a year ago.

DEBT ISSUED

S\$ million	31 Mar 2013	31 Dec 2012	31 Mar 2012
Subordinated debt (unsecured)	4,684	5,127	4,039
Fixed and floating rate notes (unsecured)	3,596	3,022	2,830
Commercial papers (unsecured)	11,483	2,832	9,727
Structured notes (unsecured)	550	443	121
Total	20,313	11,424	16,717
Debt Issued By Maturity			
Within one year	12,884	3,673	9,786
Over one year	7,429	7,751	6,931
Total	20,313	11,424	16,717

During the quarter, the Group had S\$11.5 billion of commercial papers outstanding, higher from a year ago and the previous quarter. The commercial papers form part of the Group's diversified funding sources.

CAPITAL ADEQUACY RATIOS

S\$ million	Basel III	Basel II	
	31 Mar 2013	31 Dec 2012	31 Mar 2012
Ordinary shares	7,060	7,057	7,119
Disclosed reserves/others	16,865	15,770	13,972
Regulatory adjustments	(1,131)		
Common Equity Tier 1 Capital	22,794		
Additional Tier 1 capital	4,457	4,955	3,959
Regulatory adjustments	(4,457)	(6,191)	(6,026)
Tier 1 Capital	22,794	21,591	19,024
Tier 2 capital	4,173	4,586	3,468
Revaluation surplus on available-for-sale equity securities	–	236	405
Regulatory adjustments	(1,446)	(2,303)	(2,066)
Total Eligible Capital	25,521	24,110	20,831
Risk Weighted Assets	140,395	129,647	129,183
Capital Adequacy Ratios			
Common Equity Tier 1	16.2%	na	na
Tier 1	16.2%	16.6%	14.7%
Total	18.1%	18.5%	16.1%

Note:

1. "na" denotes not applicable.

The Group is subject to MAS' Basel III capital adequacy requirements which came into effect on 1 January 2013, and are being progressively phased in between 1 January 2013 and 1 January 2019. As at 31 March 2013, based on MAS' transitional Basel III rules for 2013, the Group's Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") was 16.2%, with Tier 1 and total CAR of 16.2% and 18.1% respectively. These ratios were well above the regulatory minima of 4.5%, 6% and 10%, respectively, for 2013.

The Group's transitional Basel III Tier 1 and total CAR as at 31 March 2013 were lower than the 31 December 2012 Tier 1 and total CAR of 16.6% and 18.5% respectively, which were computed on a Basel II basis. This was largely attributable to higher risk weights for exposures to financial institutions, equities and over-the-counter derivatives, partly offset by an increase in Tier 1 and total eligible capital from the full recognition of revaluation surplus on all available-for-sale securities as CET1 capital², and lower regulatory adjustments.

The capital adequacy information of the Group's significant banking subsidiaries as at 31 March 2013 were:

S\$ million	Total Risk Weighted Assets	Capital Adequacy Ratios		
		Common Equity Tier 1	Tier 1	Total
OCBC Bank (Malaysia) Berhad	13,702	13.4%	15.5%	17.4%
Bank OCBC NISP	7,989	14.2%	14.2%	16.6%

The capital adequacy ratios of 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.

² Under Basel II, only 45% of the revaluation surplus on listed available-for-sale equity securities was recognised as Tier 2 capital.

UNREALISED VALUATION SURPLUS

S\$ million	31 Mar 2013	31 Dec 2012	31 Mar 2012
Properties ^{1/}	3,125	3,117	2,823
Equity securities ^{2/}	2,035	1,245	916
Total	5,160	4,362	3,739

Notes:

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

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

The valuation surplus as at 31 March 2013 was S\$5.16 billion, an increase of 18% as compared to S\$4.36 billion as at 31 December 2012, mainly 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.

Operating Profit by Business Segment

S\$ million	1Q13	1Q12	+/(-) %	4Q12	+/(-) %
Global Consumer/Private Banking	186	152	23	149	25
Global Corporate/Investment Banking	428	420	2	418	2
Global Treasury and Markets	87	183	(52)	127	(32)
Insurance	226	279	(19)	243	(7)
Others ^{1/}	(46)	(29)	57	(66)	(30)
Operating profit after allowances and amortisation	881	1,005	(12)	871	1

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 23% year-on-year to S\$186 million, from S\$152 million in 1Q12. Higher fee income and a decline in allowances more than offset an increase in expenses. Compared with 4Q12, operating profit in 1Q13 rose 25% to S\$186 million from S\$149 million, led by higher fees and commissions 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 1Q13 grew 2% year-on-year to S\$428 million, from S\$420 million in 1Q12, largely attributable to lower allowances which more than offset an increase in expenses.

1Q13 operating profit rose 2% quarter-on-quarter to S\$428 million from S\$418 million. Lower expenses and allowances were partly offset by a decline in net interest income and fee income.

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 was lower as compared to the strong 1Q12 performance, declining 52% to S\$87 million in 1Q13. Compared with 4Q12, operating profit was 32% lower at S\$87 million, largely attributable to lower trading income.

Insurance

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

GEH's operating profit in 1Q13 was S\$226 million, down 19% from S\$279 million a year ago and 7% lower from S\$243 million in 4Q12, primarily from lower mark-to-market investment gains. This was largely attributable to the comparatively stronger investment performance of the Non-Participating Fund in the respective periods of 2012.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$169 million in 1Q13, compared with S\$219 million in 1Q12 and S\$185 million in 4Q12.

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury and Markets	Insurance	Others	Group
1Q13						
Total income	525	640	146	289	(12)	1,588
Operating profit before allowances and amortisation	211	430	90	238	(53)	916
Amortisation of intangible assets	(2)	–	–	(12)	–	(14)
Write-back/(allowances and impairment) for loans and other assets	(23)	(2)	(3)	(0)	7	(21)
Operating profit after allowances and amortisation	186	428	87	226	(46)	881
Other information:						
Capital expenditure	6	2	0	13	56	77
Depreciation	10	3	0	1	36	50
1Q12						
Total income ^{1/}	480	636	237	335	53	1,741
Operating profit before allowances and amortisation ^{1/}	191	443	184	291	7	1,116
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Allowances and impairment for loans and other assets	(36)	(23)	(1)	(0)	(36)	(96)
Operating profit after allowances and amortisation ^{1/}	152	420	183	279	(29)	1,005
Other information:						
Capital expenditure	8	0	0	11	44	63
Depreciation	8	2	0	1	32	43
4Q12						
Total income	507	676	191	299	5	1,678
Operating profit before allowances and amortisation	164	444	128	255	(37)	954
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Write-back/(allowances and impairment) for loans and other assets	(12)	(26)	(1)	0	(29)	(68)
Operating profit after allowances and amortisation	149	418	127	243	(66)	871
Other information:						
Capital expenditure	5	2	0	19	55	81
Depreciation	9	3	1	1	36	50

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 2013						
Segment assets	69,024	97,418	71,039	61,899	18,855	318,235
Unallocated assets						118
Elimination						(9,529)
Total assets						308,824
Segment liabilities	76,041	86,752	44,706	54,297	25,424	287,220
Unallocated liabilities						2,134
Elimination						(9,529)
Total liabilities						279,825
Other information:						
Gross non-bank loans	58,026	88,096	1,287	487	606	148,502
NPAs	278	828	–	4	9	1,119
At 31 December 2012						
Segment assets	66,779	92,223	67,871	60,617	19,030	306,520
Unallocated assets						90
Elimination						(10,667)
Total assets						295,943
Segment liabilities	73,837	84,507	48,148	53,226	16,124	275,842
Unallocated liabilities						2,067
Elimination						(10,667)
Total liabilities						267,242
Other information:						
Gross non-bank loans	55,384	86,133	1,495	398	620	144,030
NPAs	267	887	–	3	15	1,172
At 31 March 2012						
Segment assets	59,424	92,709	63,667	58,093	18,707	292,600
Unallocated assets						68
Elimination						(9,331)
Total assets						283,337
Segment liabilities	68,834	85,201	36,128	51,238	22,648	264,049
Unallocated liabilities						2,154
Elimination						(9,331)
Total liabilities						256,872
Other information:						
Gross non-bank loans	50,287	82,101	1,209	271	736	134,604
NPAs	282	1,215	–	3	13	1,513

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	1Q13		1Q12		4Q12	
	S\$ million	%	S\$ million	%	S\$ million	%
Total core income						
Singapore	995	63	1,140	66	1,074	64
Malaysia	329	21	320	18	329	20
Indonesia	119	7	114	7	122	7
Greater China	85	5	112	6	95	6
Other Asia Pacific	43	3	35	2	39	2
Rest of the World	17	1	20	1	19	1
	1,588	100	1,741	100	1,678	100
Profit before income tax						
Singapore	531	60	652	64	547	63
Malaysia	226	25	213	21	203	23
Indonesia	44	5	37	4	43	5
Greater China	46	5	73	7	47	5
Other Asia Pacific	35	4	24	3	24	3
Rest of the World	12	1	12	1	12	1
	894	100	1,011	100	876	100

	31 Mar 2013		31 Dec 2012		31 Mar 2012	
	S\$ million	%	S\$ million	%	S\$ million	%
Total assets						
Singapore	192,547	62	181,385	61	175,396	62
Malaysia	58,014	19	58,030	20	56,037	20
Indonesia	10,568	4	10,162	3	8,908	3
Greater China	27,948	9	28,083	9	28,283	10
Other Asia Pacific	10,205	3	10,426	4	9,904	3
Rest of the World	9,542	3	7,857	3	4,809	2
	308,824	100	295,943	100	283,337	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 1Q13, Singapore accounted for 63% of total income and 60% of pre-tax profit, while Malaysia accounted for 21% of total income and 25% of pre-tax profit.

Pre-tax profit for Singapore declined 19% to S\$531 million in 1Q13, from S\$652 million a year ago, as growth in fees and commissions was offset by lower net interest income, insurance profit contributions and trading income, and higher operating expenses. Malaysia's pre-tax profit was 6% higher year-on-year at S\$226 million, from S\$213 million in 1Q12, underpinned by higher net interest income.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	1Q13	1Q12	+ / (-)	4Q12	+ / (-)
			%		%
Interest income	1,458	1,502	(3)	1,466	(1)
Interest expense	(546)	(551)	(1)	(545)	–
Net interest income	912	951	(4)	921	(1)
Premium income	1,530	1,384	11	1,838	(17)
Investment income	813	814	–	679	20
Net claims, surrenders and annuities	(1,059)	(1,345)	(21)	(1,260)	(16)
Change in life assurance fund contract liabilities	(717)	(274)	162	(690)	4
Commission and others	(389)	(358)	9	(357)	9
Profit from life assurance	178	221	(19)	210	(15)
Premium income from general insurance	37	32	12	40	(8)
Fees and commissions (net)	316	274	15	304	4
Dividends	8	29	(71)	6	51
Rental income	17	18	(5)	18	(2)
Other income	120	272	(56)	179	(33)
Non-interest income	676	846	(20)	757	(11)
Total income	1,588	1,797	(12)	1,678	(5)
Staff costs	(421)	(382)	10	(434)	(3)
Other operating expenses	(251)	(243)	3	(290)	(13)
Total operating expenses	(672)	(625)	8	(724)	(7)
Operating profit before allowances and amortisation	916	1,172	(22)	954	(4)
Amortisation of intangible assets	(14)	(15)	(3)	(15)	(3)
Allowances for loans and impairment of other assets	(21)	(96)	(79)	(68)	(70)
Operating profit after allowances and amortisation	881	1,061	(17)	871	1
Share of results of associates and joint ventures	13	6	106	5	207
Profit before income tax	894	1,067	(16)	876	2
Income tax expense	(142)	(171)	(17)	(156)	(9)
Profit for the period	752	896	(16)	720	4
Profit attributable to:					
Equity holders of the Bank	696	832	(16)	663	5
Non-controlling interests	56	64	(13)	57	(2)
	752	896	(16)	720	4
Earnings per share (for the period – cents)					
Basic	20.2	24.2		17.5	
Diluted	20.2	24.2		17.4	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	1Q13	1Q12	+ / (-) %	4Q12	+ / (-) %
Profit for the period	752	896	(16)	720	4
Other comprehensive income:					
Available-for-sale financial assets					
Gains for the period	57	364	(84)	323	(82)
Reclassification of (gains)/losses to income statement					
– on disposal	(47)	(43)	(9)	(13)	(258)
– on impairment	(0)	1	(109)	3	(102)
Tax on net movements	(4)	(45)	92	(33)	89
Exchange differences on translating foreign operations	38	(83)	146	(22)	269
Actuarial gains on defined benefit plans ^{1/}	–	–	–	1	(100)
Other comprehensive income of associates and joint ventures	9	5	78	3	208
Total other comprehensive income, net of tax	53	199	(73)	262	(80)
Total comprehensive income for the period, net of tax	805	1,095	(26)	982	(18)
Total comprehensive income attributable to:					
Equity holders of the Bank	745	1,022	(27)	913	(18)
Non-controlling interests	60	73	(17)	69	(13)
	805	1,095	(26)	982	(18)

Note:

- Item that will not be reclassified to income statement.

BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP			BANK		
	31 Mar 2013 [@]	31 Dec 2012	31 Mar 2012 [@]	31 Mar 2013 [@]	31 Dec 2012	31 Mar 2012 [@]
EQUITY						
Attributable to equity holders of the Bank						
Share capital	9,456	9,953	9,014	9,456	9,953	9,014
Capital reserves	415	376	361	99	96	93
Fair value reserves	906	895	1,394	318	321	670
Revenue reserves	15,314	14,580	12,853	9,719	9,214	8,108
	26,091	25,804	23,622	19,592	19,584	17,885
Non-controlling interests	2,908	2,897	2,843	–	–	–
Total equity	28,999	28,701	26,465	19,592	19,584	17,885
LIABILITIES						
Deposits of non-bank customers	168,818	165,139	157,541	117,758	115,325	110,450
Deposits and balances of banks	24,967	25,656	18,912	23,293	21,539	17,565
Due to subsidiaries	–	–	–	7,322	8,258	6,153
Due to associates	163	161	176	149	149	163
Trading portfolio liabilities	678	1,083	1,484	678	1,083	1,484
Derivative payables	4,717	5,001	4,970	4,352	4,620	4,771
Other liabilities	4,584	4,324	4,625	1,572	1,543	1,397
Current tax	974	897	930	415	367	363
Deferred tax	1,161	1,170	1,224	66	65	140
Debt issued	20,313	11,424	16,717	20,488	11,919	17,442
	226,375	214,855	206,579	176,093	164,868	159,928
Life assurance fund liabilities	53,450	52,387	50,293	–	–	–
Total liabilities	279,825	267,242	256,872	176,093	164,868	159,928
Total equity and liabilities	308,824	295,943	283,337	195,685	184,452	177,813
ASSETS						
Cash and placements with central banks	16,228	16,397	12,040	10,046	9,382	5,303
Singapore government treasury bills and securities	12,979	13,141	14,155	11,918	11,962	13,482
Other government treasury bills and securities	10,170	9,157	5,608	6,490	6,098	2,452
Placements with and loans to banks	34,288	29,811	35,572	27,844	21,018	27,261
Loans and bills receivable	146,839	142,376	132,968	106,795	104,157	97,450
Debt and equity securities	17,449	14,932	14,870	11,195	9,348	9,415
Assets pledged	1,861	2,056	1,641	1,645	1,946	1,424
Assets held for sale	1	5	6	–	–	–
Derivative receivables	4,724	5,155	5,009	4,288	4,693	4,716
Other assets	4,094	3,845	4,189	1,188	1,148	1,233
Deferred tax	51	43	30	31	26	3
Associates and joint ventures	377	355	357	192	191	200
Subsidiaries	–	–	–	11,136	11,577	12,004
Property, plant and equipment	1,725	1,703	1,674	486	474	442
Investment property	879	878	892	564	565	561
Goodwill and intangible assets	3,816	3,818	3,900	1,867	1,867	1,867
	255,481	243,672	232,911	195,685	184,452	177,813
Life assurance fund investment assets	53,343	52,271	50,426	–	–	–
Total assets	308,824	295,943	283,337	195,685	184,452	177,813
Net Asset Value Per Ordinary Share[@]						
(before valuation surplus – S\$)	6.90	6.68	6.32	5.01	4.86	4.65
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	9,561	9,100	9,477	7,236	6,980	7,491
Commitments	72,188	67,040	65,568	46,452	42,667	44,420
Derivative financial instruments	540,026	560,734	562,353	454,065	481,216	500,671

Note:

1. “@” represents unaudited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 March 2013

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 2013	9,953	376	895	14,580	25,804	2,897	28,701
Total comprehensive income for the period	–	–	11	734	745	60	805
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends and liquidation distribution to non-controlling interests	–	–	–	–	–	(49)	(49)
DSP reserve from dividends on unvested shares	–	–	–	0	0	–	0
Redemption of preference shares	(500)	–	–	(0)	(500)	–	(500)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(26)	–	–	–	(26)	–	(26)
Shares vested under DSP Scheme	–	36	–	–	36	–	36
Treasury shares transferred/sold	29	–	–	–	29	–	29
Total contributions by and distributions to owners	(497)	39	–	0	(458)	(49)	(507)
Balance at 31 March 2013	9,456	415	906	15,314	26,091	2,908	28,999
Included:							
Share of reserves of associates and joint ventures	–	–	11	61	72	(5)	67
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

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the three months ended 31 March 2013

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2013	9,953	96	321	9,214	19,584
Total comprehensive income for the period	–	–	(3)	505	502
DSP reserve from dividends on unvested shares	–	–	–	0	0
Redemption of preference shares	(500)	–	–	(0)	(500)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(26)	–	–	–	(26)
Treasury shares transferred/sold	29	–	–	–	29
Balance at 31 March 2013	9,456	99	318	9,719	19,592
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

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the three months ended 31 March 2013

S\$ million	1Q13	1Q12
Cash flows from operating activities		
Profit before income tax	894	1,067
Adjustments for non-cash items		
Amortisation of intangible assets	14	15
Allowances for loans and impairment of other assets	21	96
Change in fair value for hedging transactions and trading securities	51	(28)
Depreciation of property, plant and equipment and investment property	50	43
Net gain on disposal of property, plant and equipment and investment property	(3)	(58)
Net gain on disposal of government, debt and equity securities	(47)	(43)
Share-based staff costs	3	2
Share of results of associates and joint ventures	(13)	(6)
Items relating to life assurance fund		
Surplus before income tax	236	333
Surplus transferred from life assurance fund	(178)	(221)
Operating profit before change in operating assets and liabilities	1,028	1,200
Change in operating assets and liabilities		
Deposits of non-bank customers	3,681	2,984
Deposits and balances of banks	(689)	(2,741)
Derivative payables and other liabilities	60	(539)
Trading portfolio liabilities	(405)	(171)
Government securities and treasury bills	(1,137)	803
Trading securities	(1,188)	409
Placements with and loans to banks	(4,236)	(6,877)
Loans and bills receivable	(4,482)	508
Derivative receivables and other assets	60	281
Net change in investment assets and liabilities of life assurance fund	(57)	(231)
Cash used in operating activities	(7,365)	(4,374)
Income tax paid	(81)	(88)
Net cash used in operating activities	(7,446)	(4,462)
Cash flows from investing activities		
Dividends from associates	1	–
Decrease/(increase) in associates and joint ventures	(5)	17
Purchases of debt and equity securities	(2,820)	(1,438)
Purchases of property, plant and equipment and investment property	(78)	(63)
Proceeds from disposal of debt and equity securities	1,842	1,479
Proceeds from disposal of property, plant and equipment and investment property	8	5
Net cash used in investing activities	(1,052)	(0)
Cash flows from financing activities		
Dividends paid to equity holders of the Bank	(2)	–
Distributions and dividends paid to non-controlling interests	(49)	(49)
Redemption of subordinated debt issued	(478)	–
Increase in other debt issued	9,331	3,710
Redemption of preference shares	(500)	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	29	15
Share buyback held in treasury	(26)	(24)
Net cash from financing activities	8,305	3,652
Net currency translation adjustments	24	(47)
Net change in cash and cash equivalents	(169)	(857)
Cash and cash equivalents at beginning of period	16,397	12,897
Cash and cash equivalents at end of period	16,228	12,040

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	
	2013	2012
Issued ordinary shares		
Balance at beginning/end of period	3,441,099,691	3,441,043,176
Treasury shares		
Balance at beginning of period	(10,158,830)	(3,965,793)
Share buyback	(2,570,000)	(2,770,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	4,754,453	2,558,700
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	364,401	43,073
Shares sold for cash	3,000	–
Balance at end of period	(7,606,976)	(4,134,020)
Total	3,433,492,715	3,436,909,156

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 25 April 2012, the Bank purchased a total of 2,570,000 ordinary shares in the first quarter ended 31 March 2013. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$9.96 to S\$10.57 per share and the total consideration paid was S\$26,408,292 (including transaction costs).

From 1 January 2013 to 31 March 2013 (both dates inclusive), the Bank utilised 4,754,453 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 March 2013, the number of options outstanding under the OCBC SOS 2001 was 25,843,906 (31 March 2012: 30,239,549).

From 1 January 2013 to 31 March 2013 (both dates inclusive), the Bank utilised 364,401 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As of 31 March 2013, the number of acquisition rights outstanding under the OCBC ESPP was 11,696,528 (31 March 2012: 10,209,762).

The S\$500,000,000 4.5% Class E Preference Shares was fully redeemed on 28 January 2013, as announced to the SGX-ST. No new preference shares were allotted and issued by the Bank in the first quarter ended 31 March 2013.


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 2013 to be false or misleading.

On behalf of the Board of Directors



Cheong Choong Kong
Chairman



Bobby Chin Yoke Choong
Director

29 April 2013