Media Release

OCBC Group Reports Full Year 2007 Net Profit of S$2,071 million

Core Net profit rose 30% to S$1,878 million for the year

Singapore, 21 February 2008 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") today reported a net profit attributable to shareholders ("net profit") of S$2,071 million for the financial year ended 31 December 2007 ("FY07"), up from S$2,002 million in 2006. Core net profit, which excludes gains from the divestment of non-core assets and tax refunds, grew by 30% to S$1,878 million, driven by broad-based revenue growth across the Group's key markets and subsidiaries, particularly Great Eastern Holdings ("GEH"). Net interest income grew 25% on higher loan volumes and improved interest margins, while non-interest income rose 34%, led by strong contributions from fee-based activities and insurance profits.

Return on equity, based on core earnings, improved from 11.8% in 2006 to 13.4% in 2007. The Group's equity in the second half of 2007 was boosted by about S$1 billion mark-to-market gain on its 10% stake in Bank of Ningbo, which was listed in July 2007. Excluding this effect, adjusted return on equity would have been higher at 13.8% for 2007. Core earnings per share for 2007 grew by 32% to 59.7 cents.

Core earnings in FY07 exclude a S$90 million gain from the sale of an office property and S$104 million in tax refunds received during the year. In FY06, divestment gains amounted to S$559 million, from the sale of a residential property and shareholdings in Robinson and Company Limited, The Straits Trading Company, Southern Bank Berhad and Raffles Holdings Limited.

For the fourth quarter of 2007 ("4Q07"), core net profit was S$425 million (excluding S$4 million tax refund), marginally below the S$432 million in 4Q06. Revenue growth was largely offset by higher expenses. Compared to 3Q07, core net profit was unchanged, as higher net interest income and lower allowances were offset by increased expenses and lower non-interest income.

A final tax-exempt dividend of 14 cents per share has been proposed, bringing the full year dividend to 28 cents per share, up from 23 cents in FY06 and representing a payout of 46% of the Group's core earnings.

Revenue

Net interest income grew 25% to S$2,244 million in FY07, supported by growth in interest earning assets and improved interest margins. The Group's loan book increased by 19% to S$72.8 billion as at 31 December 2007, boosted by growth in corporate and SME loans in Singapore, Malaysia and other overseas markets. Housing loans in Singapore also picked up during the second half of the year. Net interest margin improved from 2.00% in FY06 to 2.10% in FY07, largely due to better margins in Singapore and Indonesia as the cost of funds fell faster than asset yields.

For 4Q07, net interest income increased by 25% year-on-year and 9% over the previous quarter. Loans grew 7% during the quarter, while net interest margin improved by 7 basis points from the previous quarter to 2.14%.

Non-interest income, excluding divestment gains, grew 34% to S$1,944 million in FY07, accounting for 46.4% of the Group's core revenue. Fees and commissions rose 35% to S$808 million, with the largest contributions coming from stockbroking, loan-related, wealth management and trade-related income. Profit from life assurance was 35% higher at S$509 million, due mainly to healthy underwriting profits and solid investment results. Foreign exchange income rose 29% to S$186 million, while net gains from investment securities increased from S$46 million to S$202 million.

For 4Q07, non-interest income increased by 12% year-on-year. Compared to 3Q07, it was 4% lower, largely due to derivatives trading losses and mark-to-market losses on credit default swaps linked to the Bank's synthetic corporate CDO portfolio.

Expenses

Operating expenses increased by 26% to S$1,680 million in FY07. Approximately 41% of the expense increase was associated with the Group's overseas business expansion, particularly in Indonesia and China, as well as business volume-related and performance incentive compensation costs.

Total staff costs rose 31% to S$946 million in FY07, due to higher base salaries, increased bonus accruals in tandem with the Group's better performance, and increased headcount. Group headcount rose 18% year-on-year, with more than 80% of the increase occurring in overseas markets, including Malaysia, Indonesia and China. Premises and equipment costs increased 9% to S$301 million, due mainly to higher IT hardware and software costs and premises rental costs. Other operating expenses rose 30% to S$433 million, contributed by increases in business promotion expenses, volume-related brokerage and processing fees, and legal and professional fees.

Expenses in 4Q07 rose 14% from 3Q07, due mainly to higher salaries and incentive compensation, business promotion expenses and legal and professional fees.

As revenue growth of 29% in FY07 exceeded the expenses increase of 26%, the cost-to-income ratio for FY07 fell slightly to 40.1%, from 41.1% in FY06.

Allowances

The Group made total allowances of S$231 million for its investments in collateralised debt obligations ("CDOs") in FY07, of which S$221 million were taken in the third quarter and S$10 million in the fourth quarter. Allowances of S$226 million (US$153 million) were made for the Bank's US$181 million investment in asset-backed securities ("ABS") CDOs, which have some exposure to US sub-prime mortgage assets, reducing the carrying value of the portfolio by 85% to S$41 million (US$28 million) as at end-2007. GEH provided an allowance of S$5 million in 4Q07 for the CDOs invested under its shareholders' funds, reducing their carrying value to S$13 million as at end-2007.

Loan recoveries, repayments, and upgrades resulted in a net write-back of S$108 million in specific allowances for loans. In addition, there was a net reversal of S$87 million in allowances for other assets, mainly office properties in Singapore. As a result, the Group's net allowances for the year remained low at S$36 million, although this was higher than the S$2 million in 2006.

In 4Q07, allowances amounted to S$13 million, comprising S$10 million for CDOs and S$8 million for other assets, mainly investment securities, partially offset by S$5 million write-back in specific allowances for loans.

Asset Quality

The Group's asset quality and coverage ratios continued to improve in FY07. Non-performing loans ("NPLs") fell 26% from S$1.83 billion in December 2006 to S$1.35 billion in December 2007, while the NPL ratio improved from 3.0% to 1.7%. Total cumulative specific and portfolio allowances amounted to S$1.57 billion, providing coverage of 116% of total NPLs, up from 101% in December 2006.

Subsidiaries' Results

Key subsidiaries of the Group reported healthy results for 2007. GEH achieved 15% increase in its net profit to S$547 million, underpinned by steady insurance underwriting results in Singapore and Malaysia, strong investment gains and increased contributions from Lion Capital Management. GEH contributed a significant S$449 million or 23.9% to the Group's core earnings, after deducting amortisation of intangible assets and minority interests.

OCBC Bank (Malaysia) Berhad's net profit rose 19% to RM512 million, led by growth in net interest income, Islamic Banking income and fees and commissions. Bank NISP's net profit grew by 5% to IDR250 billion, as strong revenue growth was offset to some extent by higher allowances and increased expenses related to its network and headcount expansion.

Capital Position

The Group's total capital adequacy ratio ("CAR") was 12.4% and Tier 1 CAR was 11.5% in December 2007, down from 15.8% and 13.1% respectively, in December 2006. The declines were mainly due to the strong growth in risk weighted assets. In addition, total CAR was impacted by the annual amortisation of the Bank's Tier 2 subordinated debt issued in 2001. The Group raised S$225 million of Lower Tier 2 capital during the year.

In 2007, the Bank bought back approximately 5.0 million of its ordinary shares for S$43 million. Shares bought back are held as treasury shares. Of the S$500 million share buyback programme which commenced in June 2006, S$269 million had been utilised as of the date of this announcement.

Dividends and Preferential Offer of Tier 2 Notes

The Board of Directors is recommending a final tax-exempt dividend of 14 cents per share for ordinary shareholders, bringing the total net dividend for financial year 2007 to 28 cents, a 22% increase over the 23 cents (net of tax) paid for financial year 2006. The estimated total net dividend of S$864 million for 2007 represents 46% of the Group's core net profit of S$1,878 million. This is in line with the Group's dividend policy which targets a minimum payout of 45% of core earnings.

Subject to relevant regulatory approvals being obtained, shareholders will be offered the option of receiving the final dividend in cash, or in the form of convertible Tier 2 subordinated notes which will pay an interest coupon and are convertible to OCBC Bank ordinary shares. Through this preferential offer to shareholders, the Bank intends to issue up to S$500 million of Tier 2 subordinated notes.

The proposed scheme is intended to serve two purposes:

- It will help to replace part of the Group's surplus Tier 1 capital with Tier 2 capital. Currently the Group's capital mix is heavily weighted towards Tier 1 capital, with the Tier 1 ratio of 11.5% well above the MAS minimum requirement of 6%.

- It will give shareholders an option to reinvest their dividends in an instrument offering reasonable interest rates, with the right to convert these to ordinary shares at a fixed price.

More details of the scheme can be found in a separate announcement issued by the Bank.

CEO's Comments

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

"We achieved strong results in 2007 in spite of the turbulence in global financial markets. Our core earnings growth of 30% is our best performance since 1999, while our ROE is at its highest since 1994. Given the ongoing concerns over the effects of the US sub-prime crisis and a possible US recession, the economic outlook for 2008 is uncertain. We will nevertheless continue to work hard to deliver growth by expanding our customer franchise throughout the region. "

About OCBC Bank

Singapore's longest established local bank, OCBC Bank currently has assets of S$175 billion and a network of more than 460 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 350 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to treasury and stock-broking services to meet the needs of its customers across communities.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia, in terms of assets and market share, and its asset management subsidiary, Lion Capital Management is one of the largest asset management companies in Southeast Asia. Additional information may be found at www.ocbc.com.

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To Our Shareholders

The Board of Directors of Oversea-Chinese Banking Corporation Limited wishes to announce the following:

Audited Financial Results for the Financial Year Ended 31 December 2007

For the year ended 31 December 2007, Group reported net profit was S$2,071 million. Details of the financial results are in the accompanying Group Financial Report.

A final tax-exempt dividend of 14 cents per share has been recommended for the financial year 2007. Including the interim net dividend of 14 cents per share paid in September 2007, total dividends for financial year 2007 would amount to 28 cents per share, an increase of 22% over the 23 cents paid for financial year 2006.

The books closure date will be announced.

Scrip Dividend Scheme

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

Preference Dividends

On 21 December 2007, the Bank paid the one-tier tax-exempt dividend on its non-cumulative non-convertible Class E Preference Shares, at 4.5% per annum (2006: 4.5% net of tax) and dividend on its Class G Preference Shares at 4.2% per annum net of Malaysia income tax (2006: 4.2% net of Singapore income tax). Total amount of dividends paid for the Class E and Class G Preference Shares were S$11.3 million and S$8.3 million respectively.

Peter Yeoh
Secretary

Singapore, 21 February 2008

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

Oversea-Chinese Banking Corporation Limited

Financial Year 2007 Group Financial Report

OCBC Bank

Incorporated in Singapore
Company Registration Number: 193200032W

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FINANCIAL SUMMARY

OCBC Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards, 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 accounting policies and methods of computation for the current financial year are consistent with those applied in the previous financial year, except for the following FRSs which were applied with effect from 1 January 2007:

FRS 40	Investment Property
INT FRS 108	Scope of FRS 102 Share-Based Payment
INT FRS 109	Reassessment of Embedded Derivatives
INT FRS 110	Interim Financial Reporting and Impairment

Under FRS 40, investment property may be measured using the fair value model or the cost model. The Group has adopted the fair value model for investment properties held under its life assurance funds, and the cost model for other investment properties. Other than the adjustments made on the life assurance funds on 1 January 2007, there is no overall impact to equity or profit and loss on adoption of the above models under FRS 40. Investment properties held under the life assurance funds are included as part of the life assurance fund investment assets, consistent with last year's presentation. Other investment properties are now shown separately from property, plant and equipment and the relevant amounts of cost, accumulated depreciation and impairment, including prior year comparatives, have been reclassified accordingly.

The INT FRS 108 and INT FRS 109 are mainly clarifications on the application of FRS 102 *Share-Based Payment* and FRS 39 *Financial Instruments: Recognition and Measurement* in respect of accounting for embedded derivatives and have no significant impact on the Group's financial statements.

The INT FRS 110 prohibits the reversal of an impairment loss recognised in an interim period during the financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. This standard does not have any significant impact on the Group's financial statements.

Valuation of CDO Portfolio

The Group generally uses market prices or counterparty quotes as the basis to determine the fair value of its CDO portfolio. Following the US sub-prime mortgage crisis, spreads for residential mortgage-backed securities have widened considerably. For certain ABS CDOs held by the Bank, counterparty quotations are no longer a reliable measure of fair value for the ABS CDOs. Therefore, a third party valuation model is used to estimate the fair value of these ABS CDOs, and to adjust the carrying value accordingly. Inputs to the model are based on observable US housing market data, including delinquency rates and foreclosures. For the other CDOs, the Group continues to use market prices or counterparty quotes to measure fair value.

Financial Results

Group net profit attributable to shareholders ("net profit") was S$2,071 million for the financial year ended 31 December 2007 ("FY07"), up from S$2,002 million in 2006. Core net profit, which excludes gains from the divestment of non-core assets and tax refunds, grew by 30% to S$1,878 million, driven by broad-based revenue growth across the Group's key markets and subsidiaries, particularly Great Eastern Holdings.

Return on equity, based on core earnings, improved from 11.8% in 2006 to 13.4% in 2007. The Group's equity in the second half of 2007 was boosted by about S$1 billion mark-to-market gain on its 10% stake in Bank of Ningbo, which was listed in July 2007. Excluding this effect, adjusted return on equity would have been higher at 13.8% for 2007. Core earnings per share for 2007 grew by 32% to 59.7 cents.

FINANCIAL SUMMARY *(continued)*

S$ million	2007	2006	+/(-) %	4Q07	4Q06	+/(-) %	3Q07	+/(-) %
Selected Income Statement Items								
Net interest income	**2,244**	1,794	25	**613**	491	25	565	9
Non-interest income	**1,944**	1,448	34	**464**	413	12	481	(4)
Total core income	**4,188**	3,242	29	**1,077**	903	19	1,047	3
Operating expenses	**(1,680)**	(1,331)	26	**(485)**	(342)	42	(427)	14
Operating profit before allowances and amortisation	**2,509**	1,911	31	**593**	561	6	620	(4)
Amortisation of intangible assets	**(46)**	(44)	6	**(12)**	(12)	–	(12)	–
(Allowances and impairment) for loans and other assets	**(36)**	(2)	n.m.	**(13)**	(12)	12	(39)	(66)
Operating profit after allowances and amortisation	**2,426**	1,864	30	**568**	538	6	570	–
Share of results of associates and joint ventures	**21**	14	53	**(1)**	5	(126)	2	(161)
Profit before income tax	**2,447**	1,878	30	**567**	543	4	572	(1)
Core net profit attributable to shareholders	**1,878**	1,443	30	**425**	432	(2)	425	–
Divestment gains (net of tax)	**90**	559	(84)	**–**	77	n.m.	–	–
Tax refund	**104**	–	n.m.	**4**	–	n.m.	38	(90)
Reported net profit attributable to shareholders	**2,071**	2,002	3	**428**	510	(16)	463	(8)
Cash basis net profit attributable to shareholders [1/]	**2,117**	2,046	3	**440**	521	(16)	475	(7)
Selected Balance Sheet Items								
Ordinary equity	**14,782**	12,508	18	**14,782**	12,508	18	14,559	2
Total equity *(excluding minority interests)*	**15,678**	13,404	17	**15,678**	13,404	17	15,455	1
Total assets	**174,607**	151,220	15	**174,607**	151,220	15	170,334	3
Assets excluding life assurance fund investment assets [4/]	**133,471**	113,607	17	**133,471**	113,607	17	129,495	3
Loans and bills receivable *(net of allowances)*	**71,316**	59,309	20	**71,316**	59,309	20	66,506	7
Deposits of non-bank customers	**88,788**	75,115	18	**88,788**	75,115	18	85,651	4

Notes:
1. Excludes amortisation of intangible assets.
2. "n.m." denotes not meaningful.
3. Certain figures may not add up to the relevant totals due to rounding.
4. 31 Dec 2006 comparatives have been restated for the reclassification of life assurance fund's property, plant and equipment from life assurance fund investment assets.

FINANCIAL SUMMARY *(continued)*

	2007	2006	4Q07	4Q06	3Q07
Key Financial Ratios - based on core earnings					
Performance ratios (% p.a.)					
Return on equity [1/]					
GAAP basis	**13.4**	11.8	**11.2**	13.8	11.5
Cash basis	**13.7**	12.2	**11.5**	14.2	11.8
Return on assets [2/]					
GAAP basis	**1.51**	1.38	**1.27**	1.55	1.33
Cash basis	**1.55**	1.42	**1.30**	1.59	1.37
Revenue mix / efficiency ratios (%)					
Net interest margin (annualised)	**2.10**	2.00	**2.14**	2.03	2.07
Net interest income to total income	**53.6**	55.3	**57.0**	54.3	54.0
Non-interest income to total income	**46.4**	44.7	**43.0**	45.7	46.0
Cost to income	**40.1**	41.1	**45.0**	37.9	40.8
Loans to deposits	**80.3**	79.0	**80.3**	79.0	77.6
NPL ratio	**1.7**	3.0	**1.7**	3.0	2.1
Earnings per share (annualised - cents)					
Basic earnings	**59.7**	45.4	**53.3**	54.5	53.4
Basic earnings (cash basis)	**61.2**	46.8	**54.8**	56.0	54.9
Diluted earnings	**59.3**	45.2	**53.1**	54.2	53.1
Net asset value (S$)					
Before valuation surplus	**4.79**	4.07	**4.79**	4.07	4.72
After valuation surplus	**6.46**	5.55	**6.46**	5.55	6.51
Capital adequacy ratios (%)					
Tier 1	**11.5**	13.1	**11.5**	13.1	11.9
Total	**12.4**	15.8	**12.4**	15.8	12.8

Notes:

1. Preference equity and minority interests are not included in the computation for return on equity. Computation of return on equity for 4Q07 and FY07 included the fair value reserve arising from the mark-to-market gain on the Group's investment in Bank of Ningbo following its listing on the Shenzhen Stock Exchange in July 2007. As at 31 December 2007, the gain was approximately S$1 billion. Excluding this fair value gain, return on equity on GAAP basis would have been 13.8% for FY07 and 12.1% for 4Q07.
2. The computation for return on assets does not include life assurance fund investment assets.
3. In computing return on equity and earnings per share, preference dividends paid and estimated to be due as at the end of the financial period are deducted from core earnings.

NET INTEREST INCOME

Full Year Trend

S$ million	2007 Average Balance	2007 Interest	2007 Average Rate	2006 Average Balance	2006 Interest	2006 Average Rate
			%			%
Interest earning assets						
Loans and advances to non-bank customers	**63,811**	**3,535**	**5.54**	55,782	3,109	5.57
Placements with and loans to banks	**22,441**	**863**	**3.84**	17,655	744	4.22
Other interest earning assets [1/]	**20,643**	**868**	**4.20**	16,371	663	4.05
Total	**106,895**	**5,265**	**4.93**	89,808	4,516	5.03
Interest bearing liabilities						
Deposits of non-bank customers	**82,080**	**2,175**	**2.65**	68,062	1,966	2.89
Deposits and balances of banks	**12,831**	**569**	**4.44**	10,722	473	4.41
Other borrowings [2/]	**5,543**	**277**	**5.00**	5,810	283	4.87
Total	**100,454**	**3,021**	**3.01**	84,594	2,722	3.22
Net interest income / margin [3/]		**2,244**	**2.10**		1,794	2.00

Quarterly Trend

S$ million	4Q07 Average Balance	4Q07 Interest	4Q07 Average Rate [4/]	4Q06 Average Balance	4Q06 Interest	4Q06 Average Rate [4/]	3Q07 Average Balance	3Q07 Interest	3Q07 Average Rate [4/]
			%			%			%
Interest earning assets									
Loans and advances to non-bank customers	**67,889**	**923**	**5.39**	57,965	849	5.81	64,596	892	5.48
Placements with and loans to banks	**23,053**	**211**	**3.64**	20,290	210	4.11	22,578	210	3.70
Other interest earning assets [1/]	**22,788**	**244**	**4.24**	17,472	183	4.15	21,006	218	4.11
Total	**113,730**	**1,378**	**4.81**	95,727	1,242	5.15	108,180	1,321	4.84
Interest bearing liabilities									
Deposits of non-bank customers	**87,560**	**552**	**2.50**	72,584	540	2.95	83,521	537	2.55
Deposits and balances of banks	**14,200**	**145**	**4.06**	11,960	138	4.58	12,602	152	4.78
Other borrowings [2/]	**5,452**	**67**	**4.87**	5,715	73	5.10	5,193	67	5.12
Total	**107,212**	**765**	**2.83**	90,259	752	3.30	101,316	755	2.96
Net interest income / margin [3/]		**613**	**2.14**		491	2.03		565	2.07

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

NET INTEREST INCOME *(continued)*

Net interest income grew 25% to S$2,244 million in FY07, supported by growth in interest earning assets and improved interest margins. Average interest earning assets grew 19% as loans, interbank placements and securities increased. Net interest margin improved from 2.00% in FY06 to 2.10% in FY07, largely due to better margins in Singapore and Indonesia where the cost of funds fell faster than asset yields.

For 4Q07, net interest income increased by 25% year-on-year and 9% over the previous quarter. Compared to 3Q07, average interest earnings assets grew by 5%, while net interest margin improved by 7 basis points to 2.14%.

Volume and Rate Analysis

	2007 vs 2006			4Q07 vs 4Q06			4Q07 vs 3Q07		
Increase / (decrease) due to change in: S$ million	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Interest income									
Loans and advances to non-bank customers	447	(22)	426	145	(72)	74	45	(15)	31
Placements with and loans to banks	202	(83)	119	29	(28)	1	4	(4)	1
Other interest earning assets	173	32	205	56	5	61	18	7	26
Total	822	(73)	749	230	(94)	136	68	(11)	57
Interest expense									
Deposits of non-bank customers	405	(196)	209	111	(99)	12	26	(10)	16
Deposits and balances of banks	93	3	96	26	(19)	7	19	(26)	(7)
Other borrowings	(13)	7	(5)	(3)	(3)	(6)	3	(3)	#
Total	485	(186)	299	134	(121)	13	49	(39)	9
Net interest income	337	113	450	96	27	123	20	28	48

Note:
1. "#" represents amounts less than S$0.5 million.

NON-INTEREST INCOME

S$ million	2007	2006	+/(-)	4Q07	4Q06	+/(-)	3Q07	+/(-)
			%			%		%
Fees and commissions								
Brokerage	**136**	72	89	**30**	18	64	40	(25)
Wealth management	**163**	129	27	**46**	29	58	41	10
Fund management	**86**	72	20	**20**	21	(9)	21	(6)
Credit card	**56**	48	17	**16**	13	18	14	11
Loan-related	**124**	81	53	**33**	22	49	33	–
Trade-related and remittances	**115**	92	25	**31**	24	29	31	–
Guarantees	**23**	24	(5)	**5**	6	(9)	6	(16)
Investment banking	**41**	31	34	**7**	9	(23)	9	(24)
Service charges	**44**	33	34	**10**	11	(7)	11	(4)
Others	**19**	16	20	**5**	7	(25)	5	1
Sub-total	**808**	597	35	**202**	161	26	211	(4)
Dividends	**55**	77	(28)	**9**	16	(45)	10	(14)
Rental income	**62**	78	(20)	**14**	19	(26)	15	(4)
Profit from life assurance	**509**	376	35	**180**	126	43	107	68
Premium income from general insurance	**65**	59	9	**17**	16	11	16	6
Other income								
Net dealing income:								
Foreign exchange	**186**	144	29	**45**	45	2	68	(33)
Securities and derivatives	**(12)**	1	n.m.	**(47)**	2	n.m.	3	n.m.
Net gains from investment securities	**202**	46	343	**27**	5	391	32	(16)
Net gains from disposal of properties	**5**	8	(41)	**#**	7	(93)	1	(23)
Net loss from disposal of subsidiaries	**–**	(6)	n.m.	**–**	#	n.m.	–	–
Others	**63**	67	(6)	**15**	17	(9)	18	(15)
Sub-total	**444**	260	71	**41**	75	(46)	121	(66)
Total core non-interest income	**1,944**	1,448	34	**464**	413	12	481	(4)
Divestment gains	**92**	598	(85)	**–**	83	n.m.	–	–
Total non-interest income	**2,036**	2,045	–	**464**	495	(6)	481	(4)
Fees and commissions / Total income [1/]	**19.3%**	18.4%		**18.8%**	17.8%		20.2%	
Non-interest income / Total income [1/]	**46.4%**	44.7%		**43.0%**	45.7%		46.0%	

Notes:
1. Pre-tax divestment gains are not included.
2. "n.m." denotes not meaningful.
3. "#" represents amounts less than S$0.5 million.

Non-interest income, excluding divestment gains, grew 34% to S$1,944 million in FY07, and 12% to S$464 million in 4Q07. The robust growth was driven by strong contributions from fee-based activities, higher profit from life assurance, as well as higher gains from the sale of investment securities.

Fees and commissions rose 35% to S$808 million in FY07, and 26% to S$202 million in 4Q07, with the increase led by stock-broking, wealth management, loan-related and trade-related activities. Profit from life assurance was 35% higher, due mainly to healthy underwriting results in Singapore and Malaysia and strong investment gains.

Compared with 3Q07, non-interest income was 4% lower, mainly due to a S$47 million net loss in securities and derivatives dealing, attributed to derivatives trading losses and mark-to-market losses on credit default swaps linked to the Bank's synthetic CDO portfolio.

Non-interest income accounted for 46.4% of the Group's total core income in FY07, compared to 44.7% in FY06.

OPERATING EXPENSES

S$ million	2007	2006	+/(-) %	4Q07	4Q06	+/(-) %	3Q07	+/(-) %
Staff costs								
Salaries and other costs	**868**	659	32	**244**	176	38	227	8
Share-based expenses	**10**	9	2	**2**	3	(9)	2	24
Contribution to defined contribution plans	**68**	53	27	**21**	14	50	19	11
	946	722	31	**267**	193	38	247	8
Property and equipment								
Depreciation	**104**	104	–	**25**	23	12	24	4
Maintenance and hire	**66**	61	7	**17**	16	9	16	6
Rental expenses	**30**	24	25	**9**	6	47	7	24
Others	**101**	88	15	**22**	17	31	23	(3)
	301	277	9	**74**	62	20	71	4
Other operating expenses	**433**	332	30	**143**	87	64	108	32
Total operating expenses	**1,680**	1,331	26	**485**	342	42	427	14
Group staff strength								
Period end	**18,676**	15,858	18	**18,676**	15,858	18	18,126	3
Average	**17,431**	15,270	14	**18,539**	15,736	18	17,846	4
Cost to income ratio [1/]	**40.1%**	41.1%		**45.0%**	37.9%		40.8%	

Note:
1. Divestment gains are not included in the computation of this ratio.

Operating expenses increased by 26% to S$1,680 million in FY07. Approximately 41% of the expense increase was associated with the Group's overseas business expansion, particularly in Indonesia and China, as well as business volume-related and performance incentive compensation costs

Total staff costs rose 31% to S$946 million in FY07, due to higher base salaries, increased bonus accruals in tandem with the Group's better performance, and increased headcount. Group headcount rose 18% year-on-year, with more than 80% of the increase occurring in overseas markets, including Malaysia, Indonesia and China. During the year, Bank NISP opened 93 additional branches and offices in Indonesia, while the Group's locally-incorporated banking subsidiary in China commenced operations.

Premises and equipment costs increased 9% to S$301 million, due mainly to higher IT hardware and software costs and premises rental costs. Other operating expenses rose 30% to S$433 million, contributed by increases in business promotion expenses, volume-related brokerage and processing fees, and legal and professional fees. Business promotion expenses increased as the Group embarked on several thematic and service improvement projects such as the "Q" advertising campaign, credit card promotions and Sunday Banking.

Expenses in 4Q07 rose 14% from 3Q07, due mainly to higher salaries and incentive compensation, business promotion expenses and legal and professional fees.

As revenue growth of 29% exceeded expenses increase of 26%, the cost-to-income ratio for FY07 fell slightly to 40.1%, from 41.1% in FY06.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	2007	2006	+/(-)	4Q07	4Q06	+/(-)	3Q07	+/(-)
			%			%		%
Specific allowances / (write-back) for loans								
Singapore	**(58)**	(1)	n.m.	**(15)**	2	(735)	(28)	(48)
Malaysia	**(12)**	22	(155)	**(4)**	4	(200)	(6)	(20)
Others	**(38)**	#	n.m.	**14**	8	73	(48)	n.m.
	(108)	21	(608)	**(5)**	15	(135)	(82)	(94)
Allowances for CDOs	**231**	–	n.m.	**10**	–	n.m.	221	(95)
Allowances and impairment charges / (write-back) for other assets	**(87)**	(19)	363	**8**	(3)	(357)	(101)	(108)
Allowances and impairment for loans and other assets	**36**	2	n.m	**13**	12	12	39	(66)

Notes:
1. "n.m." denotes not meaningful.
2. "#" represents amounts less than S$0.5 million.

The Group made total allowances of S$231 million for its investments in collateralised debt obligations ("CDOs") in FY07, of which S$221 million were taken in the third quarter and S$10 million in the fourth quarter. Allowances of S$226 million (US$153 million) were made for the Bank's US$181 million investment in asset-backed securities ("ABS") CDOs, which have some exposure to US sub-prime mortgage assets. The carrying value of the ABS CDO portfolio was reduced by 85% to S$41 million (US$28 million) as at end-2007. In addition, GEH made an allowance of S$5 million in 4Q07 for the CDOs invested under its shareholders' funds, reducing their carrying value to S$13 million as at end-2007.

Loan recoveries, repayments, and upgrades resulted in a net write-back of S$108 million in specific allowances for loans. In addition, there was a net reversal of S$87 million in allowances for other assets, mainly office properties in Singapore. As a result, net allowances for the year were S$36 million, compared to S$2 million in 2006.

Allowances in 4Q07 amounted to S$13 million, comprising S$10 million for CDOs and S$8 million for other assets, mainly investment securities, partially offset by S$5 million write-back in specific allowances for loans.

LOANS AND ADVANCES

S$ million	31 Dec 2007	31 Dec 2006	30 Sep 2007
Loans to customers	**71,598**	60,390	66,846
Bills receivable	**1,177**	743	1,169
Gross loans to customers	**72,775**	61,132	68,016
Allowances:			
Specific allowances	**(499)**	(862)	(551)
Portfolio allowances	**(960)**	(961)	(958)
Loans net of allowances	**71,316**	59,309	66,506
By Maturity			
Within 1 year	**26,653**	21,198	23,651
1 to 3 years	**12,040**	10,881	11,691
Over 3 years	**34,082**	29,053	32,673
	72,775	61,132	68,016
By Industry			
Agriculture, mining and quarrying	**1,116**	986	1,212
Manufacturing	**6,278**	5,043	6,456
Building and construction	**13,653**	9,332	11,858
Housing loans	**19,247**	18,149	18,631
General commerce	**6,943**	5,812	6,124
Transport, storage and communication	**3,922**	2,537	3,322
Financial institutions, investment and holding companies	**10,610**	8,416	9,241
Professionals and individuals	**7,385**	7,330	7,297
Others	**3,621**	3,528	3,874
	72,775	61,132	68,016
By Currency			
Singapore Dollar	**42,617**	37,114	39,806
United States Dollar	**9,417**	7,990	9,061
Malaysian Ringgit	**10,869**	9,044	10,237
Indonesian Rupiah	**2,402**	2,323	2,451
Others	**7,471**	4,662	6,460
	72,775	61,132	68,016
By Geographical Sector [1/]			
Singapore	**45,311**	39,491	42,782
Malaysia	**12,102**	10,417	11,524
Other ASEAN	**4,446**	3,737	4,305
Greater China	**5,133**	3,103	4,286
Other Asia Pacific	**3,073**	1,866	2,573
Rest of the World	**2,710**	2,519	2,547
	72,775	61,132	68,016

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

The Group’s loan book increased by 19% to S$72.8 billion as at 31 December 2007, boosted by growth in corporate and SME loans in Singapore, Malaysia and overseas markets. Housing loans in Singapore also picked up during the second half of the year. By industry, the increase in loans was broad-based, with the largest increases derived from the building and construction, non-bank financial institutions and investment holding companies, transport and communication and manufacturing sectors.

Compared with 30 September 2007, gross loans increased by 7%, registered mainly in the building and construction, non-bank financial institutions, investment and holding companies, general commerce and housing sectors.

NON-PERFORMING LOANS [1/]

S$ million	Total [2/]	Substandard	Doubtful	Loss	Secured NPLs/ Total NPLs	Non-bank NPLs/ Non-bank loans [3/]
					%	%
Singapore						
31 Dec 2007	**512**	**185**	**185**	**141**	**66.6**	**1.1**
30 Sep 2007	617	226	218	173	66.1	1.4
31 Dec 2006	951	382	336	233	60.6	2.4
Malaysia						
31 Dec 2007	**548**	**335**	**114**	**98**	**63.0**	**4.3**
30 Sep 2007	581	353	135	93	62.3	4.8
31 Dec 2006	652	401	143	108	57.9	6.0
Others						
31 Dec 2007	**294**	**71**	**151**	**72**	**47.4**	**1.3**
30 Sep 2007	286	95	115	76	45.2	1.6
31 Dec 2006	226	72	103	51	42.0	2.0
Group						
31 Dec 2007	**1,354**	**592**	**450**	**312**	**60.9**	**1.7**
30 Sep 2007	1,484	674	468	341	60.6	2.1
31 Dec 2006	1,829	854	583	392	57.3	3.0

Notes:
1. Comprises non-bank loans, debt securities and contingent facilities.
2. Include CDOs of S$86 million and S$57 million as at 31 December 2007 and 30 September 2007 respectively.
3. Exclude debt securities.

The Group's asset quality continued to improve. As at 31 December 2007, total NPLs were S$1.35 billion, down 26% from 31 December 2006, and 9% lower compared to 30 September 2007. Singapore NPLs amounted to S$0.51 billion, while Malaysia NPLs were S$0.55 billion. These accounted for 38% and 40% of total NPLs respectively. Of the total NPLs, 44% were in the substandard category while 61% were secured by collateral.

The Group's NPL ratio was 1.7% in December 2007, an improvement over 3.0% in December 2006 and 2.1% in September 2007.

NON-PERFORMING LOANS *(continued)*

	31 Dec 2007		31 Dec 2006		30 Sep 2007	
	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	**12**	**1.0**	14	1.4	10	0.8
Manufacturing	**271**	**4.3**	365	7.2	293	4.5
Building and construction	**187**	**1.4**	251	2.7	210	1.8
Housing loans	**301**	**1.6**	380	2.1	321	1.7
General commerce	**146**	**2.1**	304	5.2	190	3.1
Transport, storage and communication	**22**	**0.6**	20	0.8	20	0.6
Financial institutions, investment and holding companies	**68**	**0.6**	155	1.8	95	1.0
Professionals and individuals	**170**	**2.3**	253	3.4	192	2.6
Others	**61**	**1.7**	63	1.8	66	1.7
Sub-total	**1,238**	**1.7**	1,804	3.0	1,396	2.1
Debt securities	**116**		25		88	
	1,354		1,829		1,484	

	31 Dec 2007		31 Dec 2006		30 Sep 2007	
	S$ million	%	S$ million	%	S$ million	%
NPLs by Period Overdue						
Over 180 days	**696**	**51**	1,043	57	780	53
Over 90 to 180 days	**190**	**14**	215	12	169	11
30 to 90 days	**137**	**10**	164	9	125	8
Less than 30 days	**191**	**14**	76	4	28	2
Not overdue	**140**	**10**	331	18	381	26
	1,354	**100**	1,829	100	1,484	100

	31 Dec 2007		31 Dec 2006		30 Sep 2007	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	**95**	**5**	216	40	102	7
Doubtful	**59**	**69**	120	125	91	99
Loss	**32**	**14**	33	33	24	8
	186	**88**	369	198	217	114

CUMULATIVE ALLOWANCES FOR LOANS

S$ million	Total cumulative allowances	Specific allowances [1]	Portfolio allowances	Specific allowances as % of total NPLs	Cumulative allowances as % of total NPLs
				%	%
Singapore					
31 Dec 2007	**740**	**203**	**537**	**39.5**	**144.4**
30 Sep 2007	806	240	567	38.8	130.7
31 Dec 2006	1,025	397	628	41.8	107.8
Malaysia					
31 Dec 2007	**422**	**232**	**190**	**42.3**	**77.1**
30 Sep 2007	424	240	183	41.4	72.9
31 Dec 2006	472	310	163	47.5	72.5
Others					
31 Dec 2007	**410**	**177**	**233**	**60.4**	**139.5**
30 Sep 2007	361	153	208	53.4	126.3
31 Dec 2006	348	178	170	78.6	153.7
Group					
31 Dec 2007	**1,571**	**612**	**960**	**45.2**	**116.1**
30 Sep 2007	1,591	633	958	42.6	107.2
31 Dec 2006	1,845	884	961	48.4	100.9

Notes:
1. Include allowances of S$82 million and S$57 million for classified CDOs as at 31 December 2007 and 30 September 2007 respectively.

As at 31 December 2007, the Group's total cumulative allowances for loans amounted to S$1.57 billion, comprising S$0.61 billion in specific allowances, and S$0.96 billion in portfolio allowances. The cumulative specific allowances included S$82 million in allowances for classified CDOs. Total cumulative allowances were 116.1% of total NPLs at 31 December 2007, higher than the coverage of 100.9% at 31 December 2006 and 107.2% at 30 September 2007.

DEPOSITS

S$ million	31 Dec 2007	31 Dec 2006	30 Sep 2007
Deposits of non-bank customers	**88,788**	75,115	85,651
Deposits and balances of banks	**14,726**	11,869	13,710
	103,514	86,984	99,361
Loans to deposits ratio (net non-bank loans / non-bank deposits)	**80.3%**	79.0%	77.6%

S$ million	31 Dec 2007	31 Dec 2006	30 Sep 2007
Total Deposits By Maturity			
Within 1 year	**99,784**	82,851	95,562
1 to 3 years	**2,766**	1,921	2,682
Over 3 years	**965**	2,212	1,117
	103,514	86,984	99,361
Non-Bank Deposits By Product			
Fixed deposits	**58,765**	50,197	57,166
Savings deposits	**12,999**	11,215	12,857
Current account	**12,538**	10,035	11,585
Others	**4,486**	3,668	4,043
	88,788	75,115	85,651
Non-Bank Deposits By Currency			
Singapore Dollar	**52,873**	46,018	52,048
United States Dollar	**11,473**	8,352	10,117
Malaysian Ringgit	**13,633**	11,957	13,370
Indonesian Rupiah	**2,903**	2,957	2,857
Others	**7,906**	5,831	7,259
	88,788	75,115	85,651

As at 31 December 2007, total deposits were S$103.5 billion, an increase of 19% year-on-year. Non-bank customer deposits grew by 18% to S$88.8 billion, with increases of 17% in fixed deposits, 16% in savings deposits, and 25% in current account deposits. Deposits and balances of banks grew by 24% to S$14.7 billion. Compared with 30 September 2007, total deposits and customer deposits both increased by 4%.

The Group's loans to deposits ratio was 80.3% at 31 December 2007, higher than the 79.0% in December 2006, and 77.6% in September 2007.

CAPITAL ADEQUACY RATIOS

S$ million	31 Dec 2007	31 Dec 2006	30 Sep 2007
Tier 1 Capital			
Paid-up ordinary and preference shares	**5,520**	5,481	5,513
Disclosed reserves / others	**9,366**	8,136	9,023
Goodwill / others	**(3,455)**	(3,560)	(3,485)
	11,431	10,057	11,051
Upper Tier 2 Capital			
Cumulative portfolio allowances	**713**	704	712
Subordinated term notes	**2,426**	3,112	2,425
Revaluation surplus on equity securities	**247**	205	243
	3,386	4,021	3,381
Lower Tier 2 Capital	**225**	–	–
Tier 2 Capital	**3,611**	4,021	3,381
Tier 1 and Tier 2 Capital	**15,041**	14,078	14,431
Capital investments in insurance subsidiaries	**(2,506)**	(1,889)	(2,357)
Others	**(124)**	(85)	(126)
Eligible Total Capital	**12,411**	12,105	11,949
Risk weighted assets including market risk	**99,381**	76,514	92,849
Tier 1 ratio	**11.5%**	13.1%	11.9%
Total capital adequacy ratio	**12.4%**	15.8%	12.8%

The Group's total capital adequacy ratio ("CAR") was 12.4% and Tier 1 CAR was 11.5% in December 2007, down from 15.8% and 13.1% respectively, in December 2006. The declines were mainly due to the strong growth in risk weighted assets. In addition, total CAR was impacted by the annual amortisation of the Bank's Tier 2 subordinated debt issued in 2001. The Group raised S$225 million of Lower Tier 2 capital during the year.

As at the date of this announcement, S$269 million have been utilised to buy back approximately 39.2 million shares, under the third S$500 million share buyback programme which commenced in June 2006.

VALUATION SURPLUS

S$ million	31 Dec 2007	31 Dec 2006	30 Sep 2007
Properties 1/	**2,513**	1,600	2,174
Equity securities 2/	**2,654**	2,962	3,341
Total	**5,167**	4,562	5,514

Notes:
1. Includes properties classified as investment properties and assets held for sale.
2. Comprises investments in associates and quoted subsidiaries.

The Group's unrealised valuation surplus amounted to S$5.17 billion as at 31 December 2007, an increase of 13% compared to 31 December 2006. The surplus for properties amounted to S$2.51 billion, up significantly from S$1.60 billion at end-2006 due mainly to the increase in property values in Singapore. The surplus of S$2.65 billion for equity securities was primarily from the Group's holding of GEH shares.

PERFORMANCE BY BUSINESS SEGMENT

OCBC Group's businesses are presented in the following customer and product segments: Consumer Banking, Business Banking, Treasury and Insurance.

Core Operating Profit by Business Segment

S$ million	2007	2006	+/(-) %	4Q07	4Q06	+/(-) %	3Q07	+/(-) %
Consumer Banking	**631**	476	32	**148**	144	3	169	(12)
Business Banking	**998**	783	27	**229**	193	18	272	(16)
Treasury	**313**	176	77	**43**	34	26	99	(57)
Insurance [1/]	**636**	462	38	**182**	152	20	139	32
Others [2/]	**(152)**	(32)	367	**(35)**	15	(327)	(109)	(68)
Core operating profit after allowances and amortisation [1/ 2/]	**2,426**	1,864	30	**568**	538	6	570	–

Notes:
1. Pre-tax divestment gains of S$53 million for FY06 and S$29 million for 4Q06 are not included.
2. Pre-tax divestment gains of S$92 million for FY07, S$545 million for FY06 and S$54 million for 4Q06 are not included.

Consumer Banking

Consumer Banking comprises the full range of products and services offered to individuals, including deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards and wealth management products (unit trusts, bancassurance products and structured deposits).

For FY07, operating profit of the consumer segment increased 32% to S$631 million. The broad-based revenue growth in net interest income and fee income, coupled with lower loan allowances, more than offset the growth in expenses. For 4Q07, profit grew by 3% year-on-year to S$148 million.

Business Banking

Business Banking provides a full range of financial services to business customers, ranging from large corporates and the public sector to small and medium enterprises. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, deposit accounts and fee-based services such as cash management, trustee and custodian services.

Business Banking's operating profit grew by 27% to S$998 million in FY07 and by 18% to S$229 million in 4Q07. The improved performance was driven by increase in net interest income due to strong loans and deposits growth, higher fee income, as well as higher recoveries from non-performing assets, partly offset by higher expenses.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Treasury

Treasury engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and also offers structured treasury products and financial solutions to meet customers' investment and hedging needs.

Treasury's operating profit rose 77% to S$313 million in FY07, and 26% to S$43 million in 4Q07. The strong profit growth was driven by significantly higher net interest income and foreign exchange gains, partly offset by lower gains from dealing in securities and derivatives, and higher expenses.

Insurance

The Group's insurance business, including its fund management activities, is carried out by 86.9%-owned subsidiary Great Eastern Holdings ("GEH"), which provides both life and general insurance products to its customers mainly in Singapore and Malaysia.

For FY07, operating profit from GEH increased 38% to S$636 million, driven by higher insurance income and gains from investment securities. For 4Q07, operating profit registered an increase of 20% to S$182 million.

After minority interests and tax, GEH's contribution to Group net profit was S$449 million in FY07, an increase of 26% from S$357 million in FY06.

Others

The "Others" segment comprises Bank NISP, corporate finance, capital markets, property holding, stock brokerage and investment holding, support units, other investments and items not attributed to business segments.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
2007						
Total core income [1/]	**1,209**	**1,373**	**448**	**812**	**346**	**4,188**
Operating profit / (loss) before allowances and amortisation [1/]	**649**	**936**	**313**	**687**	**(77)**	**2,509**
Amortisation of intangible assets	**–**	**–**	**–**	**(46)**	**–**	**(46)**
(Allowances and impairment) / write-back for loans and other assets	**(18)**	**62**	**–**	**(5)**	**(75)**	**(36)**
Operating profit / (loss) after allowances and amortisation [1/]	**631**	**998**	**313**	**636**	**(152)**	**2,426**
Other information:						
Capital expenditure	**15**	**7**	**–**	**84**	**132**	**238**
Depreciation	**8**	**4**	**–**	**2**	**90**	**104**
2006						
Total core income [1/]	1,010	1,124	261	606	241	3,242
Operating profit / (loss) before allowances and amortisation [1/]	542	765	176	505	(78)	1,911
Amortisation of intangible assets	–	–	–	(44)	–	(44)
(Allowances and impairment) / write-back for loans and other assets	(66)	18	–	–	46	(2)
Operating profit / (loss) after allowances and amortisation [1/]	476	783	176	462	(32)	1,864
Other information:						
Capital expenditure	5	3	–	117	127	252
Depreciation	12	6	–	2	84	104

Note:

1. Pre-tax divestment gains of S$92 million for FY07 and S$598 million for FY06 are not included.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
4Q07						
Total core income	**317**	**364**	**88**	**238**	**70**	**1,077**
Operating profit / (loss) before allowances and amortisation	**150**	**237**	**43**	**198**	**(36)**	**593**
Amortisation of intangible assets	**–**	**–**	**–**	**(12)**	**–**	**(12)**
(Allowances and impairment) / write-back for loans and other assets	**(2)**	**(8)**	**–**	**(4)**	**1**	**(13)**
Operating profit / (loss) after allowances and amortisation	**148**	**229**	**43**	**182**	**(35)**	**568**
Other information:						
Capital expenditure	**5**	**2**	**–**	**15**	**47**	**69**
Depreciation	**2**	**1**	**–**	**–**	**22**	**25**
4Q06						
Total core income 1/	272	298	55	181	97	903
Operating profit before allowances and amortisation 1/	152	202	34	163	10	561
Amortisation of intangible assets	–	–	–	(12)	–	(12)
(Allowances and impairment) / write-back for loans and other assets	(8)	(9)	–	–	5	(12)
Operating profit after allowances and amortisation	144	193	34	152	15	538
Other information:						
Capital expenditure	1	1	–	70	39	111
Depreciation	1	1	–	1	20	23
3Q07						
Total core income	311	348	134	179	75	1,047
Operating profit / (loss) before allowances and amortisation	165	236	99	150	(30)	620
Amortisation of intangible assets	–	–	–	(12)	–	(12)
(Allowances and impairment) / Write-back for loans and other assets	4	36	–	–	(79)	(39)
Operating profit / (loss) after allowances and amortisation	169	272	99	139	(109)	570
Other information:						
Capital expenditure	6	2	–	9	27	44
Depreciation	1	–	–	2	21	24

Note:
1. Pre-tax divestment gains of S$83 million for 4Q06 are not included.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
At 31 December 2007						
Segment assets	**26,586**	**51,075**	**35,039**	**47,727**	**18,767**	**179,194**
Unallocated assets						**87**
Elimination						**(4,674)**
Total assets						**174,607**
Segment liabilities	**39,470**	**43,258**	**24,656**	**41,911**	**11,336**	**160,631**
Unallocated liabilities						**1,811**
Elimination						**(4,674)**
Total liabilities						**157,768**
Other information:						
Gross non-bank loans	**24,928**	**43,715**	**382**	**252**	**3,498**	**72,775**
NPLs (include debt securities)	**387**	**802**	**–**	**8**	**157**	**1,354**
At 31 December 2006						
Segment assets	25,084	38,936	30,565	43,288	16,571	154,444
Unallocated assets						106
Elimination						(3,330)
Total assets						151,220
Segment liabilities	35,378	34,280	19,320	37,975	11,516	138,469
Unallocated liabilities						1,590
Elimination						(3,330)
Total liabilities						136,729
Other information:						
Gross non-bank loans	23,851	33,610	–	385	3,286	61,132
NPLs (include debt securities)	509	1,254	–	–	66	1,829
At 30 September 2007						
Segment assets	25,879	46,575	36,105	46,932	19,236	174,727
Unallocated assets						87
Elimination						(4,480)
Total assets						170,334
Segment liabilities	38,340	45,507	19,424	41,846	11,907	157,024
Unallocated liabilities						1,182
Elimination						(4,480)
Total liabilities						153,726
Other information:						
Gross non-bank loans	24,229	39,592	246	329	3,620	68,016
NPLs (include debt securities)	427	922	–	–	135	1,484

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	2007		2006		4Q07		4Q06		3Q07	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total core income										
Singapore [1/]	**2,717**	**65**	2,116	65	**650**	**60**	570	63	702	67
Malaysia	**961**	**23**	747	23	**294**	**27**	212	23	221	21
Other ASEAN	**315**	**8**	238	7	**73**	**7**	82	9	73	7
Asia Pacific	**157**	**4**	104	3	**50**	**5**	29	3	40	4
Rest of the World	**38**	**1**	36	1	**10**	**1**	10	1	10	1
	4,188	**100**	3,242	100	**1,077**	**100**	903	100	1,047	100
Profit before income tax										
Singapore [1/]	**1,713**	**70**	1,244	66	**348**	**61**	358	66	504	88
Malaysia	**554**	**23**	498	27	**196**	**35**	147	27	36	6
Other ASEAN	**93**	**4**	71	4	**10**	**2**	30	5	21	4
Asia Pacific	**63**	**3**	42	2	**13**	**2**	1	–	7	1
Rest of the World	**24**	**1**	23	1	**(#)**	**–**	7	1	4	1
	2,447	**100**	1,878	100	**567**	**100**	543	100	572	100

Notes:
1. Pre-tax divestment gains of S$92 million for FY07, S$598 million for FY06 and S$83 million for 4Q06 are not included in total core income and profit before income tax.
2. "#" represents amounts less than S$0.5 million.

	31 Dec 2007		31 Dec 2006		30 Sep 2007	
	S$ million	%	S$ million	%	S$ million	%
Total assets						
Singapore	**117,833**	**67**	105,706	70	116,415	68
Malaysia	**36,309**	**21**	31,275	21	34,627	20
Other ASEAN	**5,940**	**4**	5,126	3	5,959	4
Asia Pacific	**10,951**	**6**	6,349	4	9,910	6
Rest of the World	**3,574**	**2**	2,764	2	3,424	2
	174,607	**100**	151,220	100	170,334	100

The geographical segment analysis is based on the location where the assets or transactions are booked. For FY07, Singapore accounted for 65% of total income and 70% of pre-tax profit, while Malaysia accounted for 23% of both total income and pre-tax profit. For 4Q07, pre-tax profit for Malaysia was S$196 million, compared to S$147 million a year ago and S$36 million in 3Q07. The 3Q07 pre-tax profit for Malaysia was impacted by allowances of S$117 million on CDOs booked in Labuan.

ADDITIONAL INFORMATION

HALF-YEARLY INCOME AND PROFIT

S$ million	2007	2006	+/(-) %
Total income			
First half year	**2,157**	2,023	7
Second half year	**2,124**	1,817	17
	4,281	3,840	11
Profit for the year			
First half year	**1,237**	1,160	7
Second half year	**946**	946	–
	2,183	2,106	4

AUDITED CONSOLIDATED INCOME STATEMENT

S$ million	2007	2006	+/(-)	4Q07@	4Q06@	+/(-)	3Q07@	+/(-)
			%			%		%
Interest income	**5,265**	4,516	17	**1,378**	1,242	11	1,321	4
Interest expense	**(3,021)**	(2,722)	11	**(765)**	(752)	2	(755)	1
Net interest income	**2,244**	1,794	25	**613**	491	25	565	9
Premium income	**5,793**	5,225	11	**1,788**	1,511	18	1,340	33
Investment income	**3,075**	2,272	35	**590**	708	(17)	722	(18)
Net claims, surrenders and annuities	**(4,843)**	(4,940)	(2)	**(1,546)**	(1,327)	16	(1,102)	40
Change in life assurance fund contract liabilities [1/]	**(2,544)**	(805)	216	**(359)**	3	n.m.	(611)	(41)
Commission and others [1/]	**(972)**	(1,376)	(29)	**(293)**	(770)	(62)	(242)	21
Profit from life assurance	**509**	376	35	**180**	126	43	107	68
Premium income from general insurance	**65**	59	9	**17**	16	11	16	6
Fees and commissions (net)	**808**	597	35	**202**	161	26	211	(4)
Dividends	**55**	129	(57)	**9**	68	(87)	10	(14)
Rental income	**62**	78	(20)	**14**	19	(26)	15	(4)
Other income	**537**	806	(33)	**41**	106	(62)	121	(66)
Non-interest income	**2,036**	2,045	–	**464**	495	(6)	481	(4)
Total income	**4,281**	3,840	11	**1,077**	986	9	1,047	3
Staff costs	**(946)**	(722)	31	**(267)**	(193)	38	(247)	8
Other operating expenses	**(734)**	(610)	20	**(217)**	(149)	46	(179)	21
Total operating expenses	**(1,680)**	(1,331)	26	**(485)**	(342)	42	(427)	14
Operating profit before allowances and amortisation	**2,601**	2,508	4	**593**	644	(8)	620	(4)
Amortisation of intangible assets	**(46)**	(44)	6	**(12)**	(12)	–	(12)	–
(Allowances and impairment) for loans and other assets	**(36)**	(2)	n.m.	**(13)**	(12)	12	(39)	(66)
Operating profit after allowances and amortisation	**2,518**	2,462	2	**568**	621	(8)	570	–
Share of results of associates and joint ventures	**21**	14	53	**(1)**	5	(126)	2	(161)
Profit before income tax	**2,539**	2,476	3	**567**	625	(9)	572	(1)
Income tax expense [2/]	**(356)**	(370)	(4)	**(118)**	(88)	34	(75)	57
Profit for the period	**2,183**	2,106	4	**449**	537	(16)	497	(10)
Attributable to:								
Equity holders of the Bank	**2,071**	2,002	3	**428**	510	(16)	463	(8)
Minority interests	**112**	104	8	**21**	27	(25)	33	(38)
	2,183	2,106	4	**449**	537	(16)	497	(10)
Earnings per share (for the period – cents) [3/]								
Basic	**65.9**	63.4		**13.2**	15.9		15.0	
Diluted	**65.6**	63.2		**13.2**	15.9		14.9	

Notes:
1. 2006 comparatives have been restated for the effect of the new tax basis on par fund policy liabilities, amounting to S$617 million.
2. 2007, 4Q07 and 3Q07 tax expense are net of tax refunds of S$104 million, S$4 million and S$38 million respectively. The refunds related to Singapore and Malaysia tax, as well as the finalisation of tax treatment for certain loan allowances previously made by Keppel Capital Holdings Group, which was acquired by OCBC Bank in 2001.
3. “Earnings per share” was computed including divestment gains and tax refunds.
4. “n.m.” denotes not meaningful.
5. “@” represents “unaudited”.

AUDITED BALANCE SHEETS

S$ million	GROUP 31 Dec 2007	GROUP 31 Dec 2006	GROUP 30 Sep 2007@	BANK 31 Dec 2007	BANK 31 Dec 2006	BANK 30 Sep 2007@
EQUITY						
Attributable to equity holders of the Bank						
Share capital	**5,520**	5,481	5,513	**5,520**	5,481	5,513
Capital reserves	**56**	103	57	**94**	83	92
Statutory reserves	**1,676**	2,028	2,049	**1,359**	1,698	1,719
Fair value reserves	**1,726**	668	1,868	**430**	405	503
Revenue reserves	**6,699**	5,125	5,968	**3,710**	2,562	3,133
	15,678	13,404	15,455	**11,113**	10,229	10,959
Minority interests	**1,161**	1,087	1,152	**–**	–	–
Total equity	**16,839**	14,491	16,607	**11,113**	10,229	10,959
LIABILITIES						
Deposits of non-bank customers	**88,788**	75,115	85,651	**70,415**	59,363	67,891
Deposits and balances of banks	**14,726**	11,869	13,710	**13,024**	11,234	12,122
Due to subsidiaries	**–**	–	–	**1,189**	1,083	974
Due to associates	**60**	120	23	**47**	3	2
Trading portfolio liabilities	**172**	422	362	**172**	422	362
Derivative payables	**2,697**	2,114	2,283	**2,590**	2,051	2,191
Other liabilities	**3,313**	2,578	3,891	**1,065**	1,120	1,025
Current tax	**649**	599	584	**320**	287	279
Deferred tax [1/]	**1,163**	991	598	**123**	137	126
Debts issued [2/]	**4,970**	5,131	5,055	**5,032**	5,359	5,286
	116,537	98,938	112,157	**93,977**	81,059	90,259
Life assurance fund liabilities [1/]	**41,232**	37,791	41,570	**–**	–	–
Total liabilities	**157,768**	136,729	153,726	**93,977**	81,059	90,259
Total equity and liabilities	**174,607**	151,220	170,334	**105,089**	91,288	101,218
ASSETS						
Cash and placements with central banks	**8,396**	5,741	8,377	**5,493**	3,208	6,150
Singapore government treasury bills and securities	**8,762**	8,147	8,888	**8,209**	7,645	8,351
Other government treasury bills and securities	**3,446**	2,195	3,860	**572**	286	369
Placements with and loans to banks	**15,105**	17,750	16,499	**13,211**	16,410	14,343
Loans and bills receivable	**71,316**	59,309	66,506	**54,490**	46,479	50,222
Debt and equity securities	**13,625**	7,558	12,395	**8,800**	5,381	8,193
Assets pledged	**889**	1,897	869	**889**	524	869
Assets held for sale	**1**	7	#	**#**	1	#
Derivative receivables	**2,937**	2,414	2,375	**2,818**	2,354	2,274
Other assets	**2,982**	2,524	3,691	**1,313**	1,201	1,131
Deferred tax	**45**	48	45	**1**	2	1
Associates and joint ventures	**243**	309	249	**96**	97	96
Subsidiaries	**–**	–	–	**6,510**	5,122	6,542
Property, plant and equipment [3/]	**1,612**	1,542	1,597	**327**	299	313
Investment property [3/]	**667**	644	671	**493**	414	496
Goodwill and intangible assets	**3,444**	3,521	3,474	**1,867**	1,867	1,867
	133,471	113,607	129,495	**105,089**	91,288	101,218
Life assurance fund investment assets [3/]	**41,137**	37,613	40,839	**–**	–	–
Total assets	**174,607**	151,220	170,334	**105,089**	91,288	101,218
Net Asset Value Per Ordinary Share (before valuation surplus – in S$)	**4.79**	4.07	4.72	**3.31**	3.04	3.26
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	**8,861**	6,819	8,180	**7,137**	5,154	6,168
Commitments	**45,051**	37,076	45,477	**36,280**	31,267	36,710
Derivative financial instruments	**339,925**	242,467	340,294	**319,969**	227,403	318,754

Notes:
1. 31 Dec 2006 comparatives have been restated for the effect of the new tax basis on par fund policy liabilities, amounting to S$489 million.
2. Comprises Group's debts issued of S$652 million (31 Dec 2006: S$1,088 million; 30 Sep 2007: S$1,020 million) repayable in one year or less and S$4,318 million (31 Dec 2006: S$4,043 million; 30 Sep 2007: S$4,034 million) repayable after one year and Bank's debts issued of S$575 million (31 Dec 2006: S$1,088 million; 30 Sep 2007: S$1,020 million) repayable in one year or less and S$4,457 million (31 Dec 2006: S$4,272 million; 30 Sep 2007: S$4,265 million) repayable after one year. Debts issued at the respective period ends are unsecured.
3. 31 Dec 2006 comparatives have been restated for the reclassification of life assurance fund's property, plant and equipment from life assurance fund investment assets, and the implementation of FRS 40 *Investment Property*.
4. "#" represents amounts less than S$0.5 million.
5. "@" represents "unaudited".

STATEMENT OF CHANGES IN EQUITY – GROUP (Audited)
For the financial year ended 31 December 2007

S$ million	Attributable to equity holders of the Bank							
	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total	Minority interests	Total equity
Balance at 1 January 2007	**5,481**	**103**	**2,028**	**668**	**5,125**	**13,404**	**1,087**	**14,491**
Movements in fair value reserves:								
Gains taken to equity	–	–	–	1,233	–	1,233	15	1,248
Transferred to income statement on sale	–	–	–	(192)	–	(192)	(10)	(202)
Tax on net movements	–	–	–	18	–	18	(#)	18
Currency translation	–	–	–	–	(60)	(60)	(16)	(76)
Net gain / (loss) recognised in equity	–	–	–	1,058	(60)	998	(11)	987
Profit for the year	–	–	–	–	2,071	2,071	112	2,183
Total recognised gains for the financial year	–	–	–	1,058	2,011	3,069	102	3,171
Transfers	–	(53)	(352)	–	405	–	–	–
Dividends paid to minority interests	–	–	–	–	–	–	(59)	(59)
Ordinary and preference dividends	–	–	–	–	(841)	(841)	–	(841)
Rights issue by a subsidiary and change in minority interests	–	–	–	–	–	–	32	32
Share-based staff costs capitalised	–	11	–	–	–	11	–	11
Share buyback – held in treasury	(43)	–	–	–	–	(43)	–	(43)
Shares issued to non-executive directors	1	–	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(11)	–	–	–	(11)	–	(11)
Shares vested under DSP Scheme	–	6	–	–	–	6	–	6
Treasury shares transferred to employees	82	–	–	–	–	82	–	82
Balance at 31 December 2007	**5,520**	**56**	**1,676**	**1,726**	**6,699**	**15,678**	**1,161**	**16,839**
Included:								
Share of reserves of associates and joint ventures	–	3	–	#	29	32	(#)	32
Balance at 1 January 2006	1,561	4,292	1,959	618	3,908	12,338	1,149	13,487
Movements in fair value reserves:								
Gains taken to equity	–	–	–	368	–	368	25	393
Transferred to income statement on sale	–	–	–	(313)	–	(313)	(10)	(323)
Tax on net movements	–	–	–	(5)	–	(5)	(4)	(9)
Currency translation	–	–	–	–	(21)	(21)	(1)	(22)
Net gain / (loss) recognised in equity	–	–	–	50	(21)	29	10	40
Profit for the year	–	–	–	–	2,002	2,002	104	2,106
Total recognised gains for the financial year	–	–	–	50	1,982	2,032	114	2,146
Transfers	–	(24)	68	–	(44)	–	–	–
Acquisition of additional interests in subsidiaries	41	–	–	–	–	41	(122)	(81)
Dividends paid to minority interests	–	–	–	–	–	–	(55)	(55)
Effect of Companies (Amendment) Act 2005	4,185	(4,185)	–	–	–	–	–	–
Ordinary and preference dividends	–	–	–	–	(677)	(677)	–	(677)
Share-based staff costs capitalised	–	11	–	–	–	11	–	11
Share buyback – cancelled	(3)	3	–	–	(43)	(43)	–	(43)
Share buyback – held in treasury	(392)	–	–	–	–	(392)	–	(392)
Shares issued to non-executive directors	#	–	–	–	–	#	–	#
Shares issued pursuant to the Bank's employee share schemes	52	10	–	–	–	62	–	62
Shares purchased by DSP Trust	–	(8)	–	–	–	(8)	–	(8)
Shares vested under DSP Scheme	–	5	–	–	–	5	–	5
Treasury shares transferred to employees	36	–	–	–	–	36	–	36
Balance at 31 December 2006	5,481	103	2,028	668	5,125	13,404	1,087	14,491
Included:								
Share of reserves of associates and joint ventures	–	1	–	–	52	53	(#)	53

Note:
1. "#" represents amounts less than S$0.5 million.

STATEMENT OF CHANGES IN EQUITY – GROUP
For the three months ended 31 December 2007

	Attributable to equity holders of the Bank							
S$ million	**Share capital**	**Capital reserves**	**Statutory reserves**	**Fair value reserves**	**Revenue reserves**	**Total**	**Minority interests**	**Total equity**
Balance at 1 October 2007	**5,513**	**57**	**2,049**	**1,868**	**5,968**	**15,455**	**1,152**	**16,607**
Movements in fair value reserves:								
Gains taken to equity	**–**	**–**	**–**	**(126)**	**–**	**(126)**	**(2)**	**(128)**
Transferred to income statement on sale	**–**	**–**	**–**	**(27)**	**–**	**(27)**	**(#)**	**(27)**
Tax on net movements	**–**	**–**	**–**	**11**	**–**	**11**	**#**	**11**
Currency translation	**–**	**–**	**–**	**–**	**(53)**	**(53)**	**(9)**	**(63)**
Net loss recognised in equity	**–**	**–**	**–**	**(142)**	**(53)**	**(196)**	**(11)**	**(207)**
Profit for the period	**–**	**–**	**–**	**–**	**428**	**428**	**21**	**449**
Total recognised gains / (losses) for the financial period	**–**	**–**	**–**	**(142)**	**375**	**233**	**10**	**242**
Transfers	**–**	**(3)**	**(373)**	**–**	**376**	**–**	**–**	**–**
Change in minority interests	**–**	**–**	**–**	**–**	**–**	**–**	**#**	**#**
Dividends paid to minority interests	**–**	**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Preference dividends	**–**	**–**	**–**	**–**	**(20)**	**(20)**	**–**	**(20)**
Share-based staff costs capitalised	**–**	**2**	**–**	**–**	**–**	**2**	**–**	**2**
Treasury shares transferred to employees	**7**	**–**	**–**	**–**	**–**	**7**	**–**	**7**
Balance at 31 December 2007	**5,520**	**56**	**1,676**	**1,726**	**6,699**	**15,678**	**1,161**	**16,839**
Included:								
Share of reserves of associates and joint ventures	**–**	**3**	**–**	**#**	**29**	**32**	**(#)**	**32**
Balance at 1 October 2006	5,528	100	2,017	603	4,646	12,894	1,055	13,949
Movements in fair value reserves:								
Gains taken to equity	–	–	–	114	–	114	7	121
Transferred to income statement on sale	–	–	–	(34)	–	(34)	(2)	(36)
Tax on net movements	–	–	–	(16)	–	(16)	(1)	(17)
Currency translation	–	–	–	–	(#)	(#)	1	1
Net gain / (loss) recognised in equity	–	–	–	65	(#)	64	4	68
Profit for the period	–	–	–	–	510	510	27	537
Total recognised gains for the financial period	–	–	–	65	509	574	32	606
Transfers	–	(#)	11	–	(11)	–	–	–
Change in minority interests	–	–	–	–	–	–	(#)	(#)
Dividends paid to minority interests	–	–	–	–	–	–	(1)	(1)
Preference dividends	–	–	–	–	(20)	(20)	–	(20)
Share-based staff costs capitalised	–	3	–	–	–	3	–	3
Share buyback – held in treasury	(69)	–	–	–	–	(69)	–	(69)
Shares vested under DSP Scheme	–	#	–	–	–	#	–	#
Treasury shares transferred to employees	22	–	–	–	–	22	–	22
Balance at 31 December 2006	5,481	103	2,028	668	5,125	13,404	1,087	14,491
Included:								
Share of reserves of associates and joint ventures	–	1	–	–	52	53	(#)	53

Note:
1. "#" represents amounts less than S$0.5 million.

STATEMENT OF CHANGES IN EQUITY – BANK (Audited)
For the financial year ended 31 December 2007

S$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total
Balance at 1 January 2007	**5,481**	**83**	**1,698**	**405**	**2,562**	**10,229**
Movements in fair value reserves:						
Gains taken to equity	**–**	**–**	**–**	**109**	**–**	**109**
Transferred to income statement on sale	**–**	**–**	**–**	**(99)**	**–**	**(99)**
Tax on net movements	**–**	**–**	**–**	**16**	**–**	**16**
Currency translation	**–**	**–**	**–**	**–**	**28**	**28**
Net gain recognised in equity	**–**	**–**	**–**	**25**	**28**	**53**
Profit for the year	**–**	**–**	**–**	**–**	**1,621**	**1,621**
Total recognised gains for the financial year	**–**	**–**	**–**	**25**	**1,649**	**1,674**
Transfers	**–**	**–**	**(340)**	**–**	**340**	**–**
Ordinary and preference dividends	**–**	**–**	**–**	**–**	**(841)**	**(841)**
Share-based staff costs capitalised	**–**	**11**	**–**	**–**	**–**	**11**
Share buyback – held in treasury	**(43)**	**–**	**–**	**–**	**–**	**(43)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**–**	**1**
Treasury shares transferred to employees	**82**	**–**	**–**	**–**	**–**	**82**
Balance at 31 December 2007	**5,520**	**94**	**1,359**	**430**	**3,710**	**11,113**
Balance at 1 January 2006	1,561	4,245	1,631	396	2,033	9,867
Movements in fair value reserves:						
Gains taken to equity	–	–	–	223	–	223
Transferred to income statement on sale	–	–	–	(226)	–	(226)
Tax on net movements	–	–	–	11	–	11
Currency translation	–	–	–	–	(20)	(20)
Net gain / (loss) recognised in equity	–	–	–	9	(20)	(12)
Profit for the year	–	–	–	–	1,336	1,336
Total recognised gains for the financial year	–	–	–	9	1,316	1,324
Transfers	–	–	67	–	(67)	–
Acquisition of additional interests in a subsidiary	41	–	–	–	–	41
Effect of Companies (Amendment) Act 2005	4,185	(4,185)	–	–	–	–
Ordinary and preference dividends	–	–	–	–	(677)	(677)
Share-based staff costs capitalised	–	11	–	–	–	11
Share buyback – cancelled	(3)	3	–	–	(43)	(43)
Share buyback – held in treasury	(392)	–	–	–	–	(392)
Shares issued to non-executive directors	#	–	–	–	–	#
Shares issued pursuant to the Bank's employee share schemes	52	10	–	–	–	62
Treasury shares transferred to employees	36	–	–	–	–	36
Balance at 31 December 2006	5,481	83	1,698	405	2,562	10,229

Note:
1. "#" represents amounts less than S$0.5 million.

STATEMENT OF CHANGES IN EQUITY – BANK
For the three months ended 31 December 2007

S$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total
Balance at 1 October 2007	**5,513**	**92**	**1,719**	**503**	**3,133**	**10,959**
Movements in fair value reserves:						
Losses taken to equity	**–**	**–**	**–**	**(54)**	**–**	**(54)**
Transferred to income statement on sale	**–**	**–**	**–**	**(26)**	**–**	**(26)**
Tax on net movements	**–**	**–**	**–**	**7**	**–**	**7**
Currency translation	**–**	**–**	**–**	**–**	**(3)**	**(3)**
Net loss recognised in equity	**–**	**–**	**–**	**(73)**	**(3)**	**(76)**
Profit for the period	**–**	**–**	**–**	**–**	**240**	**240**
Total recognised gains / (losses) for the financial period	**–**	**–**	**–**	**(73)**	**236**	**164**
Transfers	**–**	**–**	**(360)**	**–**	**360**	**–**
Preference dividends	**–**	**–**	**–**	**–**	**(20)**	**(20)**
Share-based staff costs capitalised	**–**	**2**	**–**	**–**	**–**	**2**
Treasury shares transferred to employees	**7**	**–**	**–**	**–**	**–**	**7**
Balance at 31 December 2007	**5,520**	**94**	**1,359**	**430**	**3,710**	**11,113**
Balance at 1 October 2006	5,528	80	1,688	327	2,393	10,016
Movements in fair value reserves:						
Gains taken to equity	–	–	–	85	–	85
Transferred to income statement on sale	–	–	–	2	–	2
Tax on net movements	–	–	–	(9)	–	(9)
Currency translation	–	–	–	–	(7)	(7)
Net gain / (loss) recognised in equity	–	–	–	78	(7)	71
Profit for the period	–	–	–	–	206	206
Total recognised gains for the financial period	–	–	–	78	199	277
Transfers	–	–	10	–	(10)	–
Preference dividends	–	–	–	–	(20)	(20)
Share-based staff costs capitalised	–	3	–	–	–	3
Share buyback – held in treasury	(69)	–	–	–	–	(69)
Treasury shares transferred to employees	22	–	–	–	–	22
Balance at 31 December 2006	5,481	83	1,698	405	2,562	10,229

AUDITED CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2007

S$ million	2007	2006	4Q07@	4Q06@
Cash flows from operating activities				
Profit before income tax	**2,539**	2,476	**567**	625
Adjustments for non-cash items				
Amortisation of intangible assets	**46**	44	**12**	12
Allowances and impairment for loans and other assets	**36**	2	**13**	12
Change in fair value of hedging transactions and trading securities	**(3)**	14	**21**	4
Depreciation of property, plant and equipment and investment property	**104**	104	**25**	23
Net gain on disposal of government, debt and equity securities	**(202)**	(324)	**(27)**	(36)
Net gain on disposal of property, plant and equipment and investment property	**(97)**	(279)	**(#)**	(6)
Share-based staff costs	**10**	10	**2**	3
Share of results of associates and joint ventures	**(21)**	(14)	**1**	(5)
Write-offs of plant and equipment	**10**	14	**1**	–
Items relating to life assurance fund				
Excess of inflow over outflow before income tax	**794**	1,094	**347**	714
Surplus transferred from life assurance fund but not yet withdrawn	**(509)**	(376)	**(180)**	(126)
Operating profit before change in operating assets and liabilities	**2,707**	2,765	**782**	1,219
Change in operating assets and liabilities				
Deposits of non-bank customers	**13,612**	11,126	**3,172**	5,540
Deposits and balances of banks	**2,857**	1,562	**1,016**	(808)
Derivative payables and other liabilities	**1,280**	601	**(182)**	297
Trading portfolio liabilities	**(250)**	(34)	**(190)**	(334)
Government securities and treasury bills	**(989)**	(1,650)	**163**	(12)
Trading securities	**(954)**	(179)	**(88)**	3
Placements with and loans to banks	**2,854**	(5,611)	**1,736**	(702)
Loans and bills receivable	**(11,897)**	(4,191)	**(4,807)**	(1,830)
Derivative receivables and other assets	**(952)**	(696)	**251**	(596)
Net change in investment assets and liabilities of life assurance fund	**(123)**	(751)	**(207)**	(516)
Cash from operating activities	**8,144**	2,942	**1,646**	2,261
Income tax paid	**(287)**	(249)	**(59)**	(53)
Net cash from operating activities	**7,858**	2,693	**1,587**	2,207
Cash flows from investing activities				
Acquisition of additional interests in subsidiaries	**–**	(303)	**–**	(#)
Dividends from associates	**36**	8	**6**	#
Decrease / (increase) in associates and joint ventures	**49**	(118)	**(3)**	(91)
Purchases of debt and equity securities	**(6,921)**	(2,856)	**(1,786)**	(877)
Purchases of property, plant and equipment and investment property	**(238)**	(252)	**(69)**	(112)
Proceeds from disposal of an associate	**–**	#	**–**	#
Proceeds from disposal of debt and equity securities	**2,686**	3,180	**353**	553
Proceeds from disposal of property, plant and equipment and investment property	**157**	377	**11**	32
Net cash (used in) / from investing activities	**(4,231)**	36	**(1,487)**	(496)
Cash flows from financing activities				
Dividends paid to equity holders of the Bank	**(841)**	(677)	**(20)**	(20)
Dividends paid to minority interests	**(59)**	(55)	**(1)**	(1)
(Decrease) / increase in debts issued	**(113)**	(78)	**(46)**	30
Proceeds from exercise of options and rights under the Bank's employee share schemes	**82**	98	**7**	22
Proceeds from minority interests on subscription of shares in a subsidiary	**32**	–	**–**	–
Share buyback	**(43)**	(436)	**–**	(69)
Net cash used in financing activities	**(942)**	(1,147)	**(59)**	(37)
Net currency translation adjustments	**(30)**	(22)	**(21)**	3
Net change in cash and cash equivalents	**2,655**	1,559	**20**	1,678
Cash and cash equivalents at beginning of period	**5,741**	4,182	**8,377**	4,063
Cash and cash equivalents at end of period	**8,396**	5,741	**8,396**	5,741

Notes:
1. "#" represents amounts less than S$0.5 million.
2. "@" represents "unaudited".

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

The following table shows the movements in the issued ordinary shares of the Bank:

Number of Shares	Financial year ended 31 Dec 2007	Financial year ended 31 Dec 2006	Three months ended 31 Dec 2007	Three months ended 31 Dec 2006
Issued ordinary shares				
Balance at beginning of period	**3,126,459,912**	3,114,337,745	**3,126,512,712**	3,126,459,912
Shares issued pursuant to the Bank's Employee Share Option Schemes	**–**	11,333,946	**–**	–
Shares issued pursuant to the Bank's Employee Share Purchase Plan	**–**	1,728,000	**–**	–
Shares issued to non-executive directors	**52,800**	48,000	**–**	–
Acquisition of additional interests in a subsidiary	**–**	6,019,968	**–**	–
Share buyback - cancelled	**–**	(7,007,747)	**–**	–
Balance at end of period	**3,126,512,712**	3,126,459,912	**3,126,512,712**	3,126,459,912
Treasury shares				
Balance at beginning of period	**(51,668,796)**	–	**(41,800,108)**	(46,620,598)
Share buyback	**(4,985,870)**	(59,264,806)	**–**	(9,860,789)
Shares transferred to employees pursuant to the Bank's Share Option Schemes	**14,951,426**	5,337,628	**1,307,535**	4,812,591
Shares transferred to employees pursuant to the Bank's Employee Share Purchase Plan	**1,411,607**	2,258,382	**200,940**	–
Balance at end of period	**(40,291,633)**	(51,668,796)	**(40,291,633)**	(51,668,796)
Total	**3,086,221,079**	3,074,791,116	**3,086,221,079**	3,074,791,116

From 1 October 2007 to 31 December 2007 (both dates inclusive), the Bank delivered 1,307,535 shares by way of transfer of treasury shares, upon the exercise of options by officers of the Group pursuant to the OCBC Share Option Schemes 1994 and 2001. As at 31 December 2007, there were 43,412,224 ordinary shares (31 December 2006: 53,868,989) that may be issued on the exercise of options.

From 1 October 2007 to 31 December 2007 (both dates inclusive), the Bank transferred 200,940 ordinary shares by way of transfer of treasury shares upon the exercise of acquisition rights by employees of the Group under the OCBC Employee Share Purchase Plan ("ESPP"). As at 31 December 2007, the number of un-issued ordinary shares outstanding under the Second Offering of the OCBC ESPP was 5,483,991 (31 December 2006: 7,640,257).

There is no share buy-back in the fourth quarter ended 31 December 2007. No new preference shares were allotted and issued by the Bank in the fourth quarter ended 31 December 2007.

OTHER MATTERS / SUBSEQUENT EVENTS

1. On 4 January 2008, the Bank announced that its wholly-owned subsidiary, OCBC Capital (Malaysia) Sdn Bhd ("OCM") (formerly known as OSPL Holdings Sdn Bhd) notified the Board of Directors of PacificMas Berhad ("Pacmas"), which is listed on Bursa Malaysia Securities Berhad, of its intention to undertake a conditional cash offer for all the voting shares in Pacmas not already owned by OCM, at a price of RM4.30 per share. The Bank and its subsidiaries ("the Group") own 28.15% of Pacmas as at 4 January 2008.

   Subsequent to the announcement, OCM purchased 7,666,100 Pacmas shares at an average price of RM4.27 per share from the open market, with an aggregate cash consideration of approximately RM32.7 million. Following the open market purchase, the Group's shareholding in Pacmas increased from 28.15% to 32.63%.

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

We have audited the accompanying financial statements of Oversea-Chinese Banking Corporation Limited ("the Bank") and its subsidiaries ("the Group"), which comprise the balance sheets of the Group and the Bank as at 31 December 2007, the income statements and statements of changes in equity of the Group and the Bank and cash flow statement of the Group for the year then ended; a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Bank's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by Notice to Banks No. 612 'Credit Files, Grading and Provisioning' issued by the Monetary Authority of Singapore, so as to give a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2007, the results and changes in equity of the Group and of the Bank and cash flows of the Group for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Bank and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG

KPMG
Certified Public Accountants

Singapore
21 February 2008