Media Release

OCBC Group's Fourth Quarter Earnings Up 8% to S$715 million, Bringing Full Year 2013 Net Profit After Tax to S$2.77 billion

Fourth quarter results driven by 22% increase in earnings from banking operations

Singapore, 14 February 2014 – Oversea-Chinese Banking Corporation Limited ("OCBC Bank") reported a net profit after tax of S$715 million for the fourth quarter of 2013 ("4Q13"), 8% higher than S$663 million a year ago ("4Q12"). This was underpinned by a 22% year-on-year increase in net profit after tax from our banking operations that included record quarterly earnings from our Malaysian and Indonesian banking subsidiaries which grew 37% and 17% respectively in local currency terms (34% and 6% in SGD terms).

The Group's net profit after tax for the financial year ended 31 December 2013 ("FY13") was S$2.77 billion. The strong momentum from our customer-related businesses lifted net interest income and fee income to record high levels. Our Malaysian and Indonesian banking subsidiaries also reported record full year results, while our insurance subsidiary Great Eastern Holdings ("GEH") achieved strong underlying business growth. Excluding non-core divestment gains of S$1.17 billion a year ago ("FY12"), core net profit after tax was 2% lower, as the strong customer-related business results throughout the year were offset by lower net trading income and unrealised mark-to-market losses from GEH's Non-Participating Fund.

Fourth Quarter Performance

Net interest income achieved a new quarterly high from robust asset and deposit growth, rising 12% to S$1.03 billion. Non-interest income was lower at S$679 million, down 10% from S$757 million in 4Q12. This was largely attributed to lower net trading income that fell 49% to S$69 million and lower life assurance profit that declined 22% to S$165 million. Fees and commissions rose 12% to S$341 million, led by higher wealth management, loan-related and trade-related fees. Operating expenses for the quarter declined 1% to S$713 million and net allowances were unchanged year-on-year at S$68 million.

Compared to the previous quarter, net profit after tax from banking operations grew 11% as a result of increases in net interest income and net trading income. The Group's net profit after tax was 6% lower, which was attributed to a decline in profit from life assurance.

Full Year Performance

Spurred by strong growth in both loans and deposits, full year net interest income was a record S$3.88 billion, 4% higher than S$3.75 billion a year ago. Customer loans rose 18% year-on-year to S$170 billion from broad-based growth in Singapore and key overseas markets, which was led by trade finance and loans to the housing and building & construction sectors. Net interest margin for FY13 was stable at 1.64% over the four quarters in 2013. Compared to the previous year, net interest margin declined 13 basis points as a result of the persistently low interest rate environment and the re-pricing of existing mortgage loans in response to market competition. This was partially mitigated by an improvement in corporate and commercial loan spreads and lower costs from deposit funding.

Our customer-related businesses recorded strong growth momentum, which increased trade finance income by 12% and treasury income from customer flows by 26% year-on-year. Fee and commission income rose 13% from S$1.20 billion in FY12 to reach a record S$1.36 billion, contributed by income growth in wealth management, loan-related, fund management and credit cards. Net gains from the sale of investment securities increased 46% to S$133 million. These income increases were however offset by a 49% drop in net trading income to S$262 million. Profit from life assurance also fell 13% to S$599 million from S$692 million a year ago, mainly from unrealised mark-to-market losses in GEH's Non-Participating Fund. GEH's underlying insurance business recorded strong growth in weighted new business premiums and new business embedded value. The Group's overall non-interest income, excluding divestment gains, declined 5% to S$2.74 billion from S$2.90 billion a year ago.

The Group's overall income from wealth management activities (comprising income from insurance, private banking, asset management, stockbroking and sales of other wealth management products) grew to a new high of S$1.93 billion, an increase of 5% from S$1.84 billion a year ago. As a share of total income, wealth management activities contributed 29%, compared with 28% in FY12. OCBC's private banking business maintained its strong growth trajectory, with assets under management increasing 8% to US$46 billion (S$58 billion) as at 31 December 2013 from US$43 billion (S$52 billion) a year ago.

Operating expenses were well-managed, up 3% at S$2.78 billion compared to S$2.70 billion in FY12. Staff costs increased 4% to S$1.72 billion, reflecting a 3% rise in headcount to support business expansion in our key markets, annual salary increments and higher incentive compensation linked to business volume growth.

The cost-to-income ratio was 42.0% in FY13, compared with 40.6% a year ago, mainly as a result of the lower contribution from market-related trading and insurance income.

Allowances for loans and other assets were S$266 million, 2% lower than S$271 million in FY12, while the non-performing loans ("NPL") ratio improved to 0.7% from 0.8% a year ago.

Return on equity, based on core earnings, was 11.6% in FY13, compared with 12.5% a year ago. Core earnings per share for the year was 78.0 cents, compared with 79.1 cents in FY12.

Allowances and Asset Quality

Net allowances for loans and other assets were S$266 million in FY13, a decline of 2% compared with S$271 million a year ago. Specific allowances for loans, net of recoveries and writebacks, fell 29% to S$81 million from S$115 million a year ago. Specific allowances remained low at 5 basis points of loans, compared to 8 basis points of loans in FY12. Portfolio allowances increased 24% to S$183 million from S$148 million a year ago, in line with strong loan growth.

The Group's asset quality and coverage ratios remained sound. As at 31 December 2013, total non-performing assets ("NPAs") stood at S$1.30 billion, 11% higher year-on-year but 2% lower against the previous quarter. The NPL ratio as at 31 December 2013 was 0.7%, an improvement against 0.8% a year ago and the previous quarter. The Group's total cumulative allowances provided a healthy coverage of 134% of total NPAs and 310% of total unsecured NPAs as at 31 December 2013.

Subsidiaries' Results

Our key subsidiaries contributed positively to the Group's strong customer-related business growth. GEH continued to achieve strong underlying insurance business growth, with weighted new business premiums and new business embedded value up 27% and 22% respectively year-on-year. This was driven by sustained momentum across all sales channels in Singapore and Malaysia. The close collaboration between GEH and the OCBC Group also continued to yield robust bancassurance growth.

GEH reported a net profit after tax of S$675 million. Excluding divestment gains, net profit after tax was 12% lower compared to S$768 million a year ago, as strong growth in its underlying insurance business was more than offset by unrealised mark-to-market losses in its Non-Participating Fund. As a result, GEH's core net profit after tax contribution to the Group was S$542 million, excluding divestment gains and deducting amortisation of intangible assets and non-controlling interests. This was down 13% from S$622 million a year ago.

OCBC Bank (Malaysia) Berhad reported a record set of results. Full year net profit after tax was MYR946 million (S$374 million), 17% higher than MYR811 million (S$328 million) in FY12. This was achieved through broad-based income growth driven by a 52% increase in Islamic Financing Income, a 2% increase in net interest income and a 2% growth in non-interest income. Operating expenses rose 3% from the previous year while allowances were 29% lower. There was robust loan growth of 17% year-on-year, with the NPL ratio at 2.3%.

Bank OCBC NISP likewise reported a record net profit after tax of IDR1,143 billion (S$137 million), up 25% from IDR915 billion (S$122 million) a year ago. Total income rose 18% year-on-year, underpinned by net interest income growth of 22% and a 5% increase in non-interest income. Operating expenses were 14% higher while allowances increased 5%. Total customer loans were significantly higher by 21% year-on-year and the NPL ratio improved from 0.9% a year ago to 0.7%.

Capital and Funding Position

The Group continued to maintain a strong capital and funding position. Customer deposits were S$196 billion as at 31 December 2013, 19% higher than S$165 billion a year ago and up 8% from S$181 billion of the previous quarter. The loans-to-deposits ratio as at 31 December 2013 was 85.7%, lower compared to 86.2% a year ago and 88.4% of the previous quarter.

As at 31 December 2013, the Common Equity Tier 1 capital adequacy ratio ("CAR") was 14.5% and Tier 1 CAR and Total CAR were 14.5% and 16.3% respectively. Based on MAS' transitional Basel III rules for 2013, these ratios were well above the respective regulatory minima of 4.5%, 6% and 10%.

Final Dividend

The Board has proposed a final tax-exempt dividend of 17 cents per share, bringing the FY13 total dividend to 34 cents per share, an increase from 33 cents in FY12. This represents a payout ratio of 42%, which is within our target guidance range of 40% to 50% of the Group's core net profit after tax. The Scrip Dividend Scheme will be applicable to the final dividend, giving shareholders the option to receive the dividend in the form of shares. The issue price of the shares will be set at a 10% discount to the average of the daily volume-weighted average prices during the price determination period from 28 April to 30 April 2014, both dates inclusive.

CEO's Comments

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

"Our full year performance underscores the solid fundamentals of our banking, insurance and wealth management franchise. The strong momentum across our customer-related businesses was maintained throughout the year, which substantially offset the lower income from market-related trading and insurance activities. Looking ahead, our overall outlook remains optimistic, given the positive macroeconomic environment and the underlying growth prospects in our key markets. We will continue to grow prudently, make the best use of our resources, work comfortably within our regulatory obligations and invest in our network and capabilities to support our customers. With our strong financial position and established customer franchise in our chosen markets, we are well-placed to continue delivering long-term shareholder value."

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 was 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 450 branches and representative offices in 17 countries and territories, including more than 330 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" in 2013 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:

Audited Financial Results for the Financial Year Ended 31 December 2013

For the financial year ended 31 December 2013, Group reported net profit after tax was S$2.77 billion. Details of the audited financial results are in the accompanying Group Financial Report.

Ordinary Dividend

A final tax exempt dividend of 17 cents per share has been recommended for the financial year 2013. Including the interim net dividend of 17 cents per share paid in August 2013, total dividends for financial year 2013 would amount to 34 cents per share, an increase of 3% over the 33 cents paid for financial year 2012.

Closure of Books

The books closure date is 30 April 2014. Please refer to the separate announcement titled "Notice of Books Closure and Application of Scrip Dividend Scheme to FY13 Final Dividend" released by the Bank today.

Scrip Dividend Scheme

The Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme, which was approved by the Shareholders of the Bank at the Extraordinary General Meeting on 8 June 1996, will be applicable to the final dividend. The issue price for the new shares, to be allotted to shareholders who have elected to receive scrip for the final dividend, will be set at a 10% discount to the average of the daily volume-weighted average prices of the shares for each of the market days during the price determination period between 28 April 2014 (ex-dividend date) to 30 April 2014 (the books closure date), both dates inclusive. Further details can be found in a separate announcement titled "Application of Scrip Dividend Scheme to FY13 Final Dividend" released by the Bank today.

Preference Dividends

On 20 December 2013, the Bank paid semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class G Preference Shares at 4.2% (2012: 4.2%) per annum and Class M Preference Shares at 4.0% (2012: 4.0%) per annum. Total amount of dividends paid for the Class G and Class M Preference Shares were S$8.3 million and S$20.1 million respectively.

Peter Yeoh
Secretary

Singapore, 14 February 2014

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

Oversea-Chinese Banking Corporation Limited

Financial Year 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 for the financial year ended 31 December 2013 ("FY13") was S$2.77 billion, 31% lower than S$3.99 billion a year ago ("FY12"). Excluding divestment gains of S$1.17 billion in FY12, core net profit after tax declined 2% year-on-year.

Net interest income grew 4% to a record S$3.88 billion, up from S$3.75 billion a year ago, underpinned by robust asset and deposit growth which outpaced the decline in net interest margin. Fee income reached a new high of S$1.36 billion, a 13% increase from S$1.20 billion a year ago, led by growth in wealth management, loan-related, fund management and credit card income. Trading income was S$262 million, compared with S$515 million in FY12, while profit from life assurance was S$599 million, 13% lower than S$692 million a year ago.

Operating expenses were S$2.78 billion in FY13, 3% higher compared to S$2.70 billion a year ago, primarily from higher staff costs arising from headcount growth, annual salary increments and higher incentive compensation linked to business volume growth. Net allowances were S$266 million, lower compared to S$271 million in FY12. The Group’s non-performing loans (“NPL”) ratio further improved to 0.7% from 0.8% a year ago.

Return on equity, based on core earnings, was 11.6%, compared to 12.5% in FY12. Core earnings per share was 78.0 cents and 79.1 cents a year ago.

Group net profit after tax for the fourth quarter of 2013 (“4Q13”) was S$715 million, an 8% increase from S$663 million a year ago and 6% lower from S$759 million the previous quarter. The year-on-year increase was driven by strong net interest income and fee income growth, as well as lower expenses.

FINANCIAL SUMMARY *(continued)*

S$ million	2013	2012	+/(-) %	4Q13	4Q12	+/(-) %	3Q13	+/(-) %
Selected Income Statement Items								
Net interest income	**3,883**	3,748	4	**1,031**	921	12	978	5
Non-interest income	**2,738**	2,897	(5)	**679**	757	(10)	779	(13)
Total core income	**6,621**	6,645	–	**1,710**	1,678	2	1,757	(3)
Operating expenses	**(2,784)**	(2,695)	3	**(713)**	(724)	(1)	(681)	5
Operating profit before allowances and amortisation	**3,837**	3,950	(3)	**997**	954	4	1,076	(7)
Amortisation of intangible assets	**(58)**	(60)	(3)	**(15)**	(15)	(3)	(15)	–
Allowances for loans and impairment of other assets	**(266)**	(271)	(2)	**(68)**	(68)	1	(94)	(28)
Operating profit after allowances and amortisation	**3,513**	3,619	(3)	**914**	871	5	967	(5)
Share of results of associates and joint ventures	**54**	27	103	**6**	5	27	13	(57)
Profit before income tax	**3,567**	3,646	(2)	**920**	876	5	980	(6)
Core net profit attributable to shareholders	**2,768**	2,825	(2)	**715**	663	8	759	(6)
Divestment gain, net of tax	**–**	1,168	(100)	**–**	–	–	–	–
Reported net profit attributable to shareholders	**2,768**	3,993	(31)	**715**	663	8	759	(6)
Cash basis net profit attributable to shareholders [1/]	**2,826**	4,053	(30)	**730**	678	8	774	(6)
Selected Balance Sheet Items								
Ordinary equity	**23,720**	22,909	4	**23,720**	22,909	4	23,065	3
Total equity *(excluding non-controlling interests)*	**25,115**	25,804	(3)	**25,115**	25,804	(3)	24,461	3
Total assets	**338,448**	295,943	14	**338,448**	295,943	14	320,903	5
Assets excluding life assurance fund investment assets	**285,043**	243,672	17	**285,043**	243,672	17	268,799	6
Loans and bills receivable *(net of allowances)*	**167,854**	142,376	18	**167,854**	142,376	18	160,158	5
Deposits of non-bank customers	**195,974**	165,139	19	**195,974**	165,139	19	181,268	8

Note:
1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	2013	2012	4Q13	4Q12	3Q13
Key Financial Ratios - based on core earnings					
Performance ratios (% p.a.)					
Return on equity [1/ 2/]					
SFRS[3/] basis	**11.6**	12.5	**11.9**	11.2	12.7
Cash basis	**11.8**	12.8	**12.2**	11.5	13.0
Return on assets [4/]					
SFRS[3/] basis	**1.05**	1.19	**1.02**	1.10	1.14
Cash basis	**1.07**	1.22	**1.04**	1.12	1.16
Revenue mix/efficiency ratios (%)					
Net interest margin	**1.64**	1.77	**1.64**	1.70	1.63
Net interest income to total income	**58.6**	56.4	**60.3**	54.9	55.7
Non-interest income to total income	**41.4**	43.6	**39.7**	45.1	44.3
Cost to income	**42.0**	40.6	**41.7**	43.1	38.8
Loans to deposits	**85.7**	86.2	**85.7**	86.2	88.4
NPL ratio	**0.7**	0.8	**0.7**	0.8	0.8
Earnings per share [2/] (cents)					
Basic earnings	**78.0**	79.1	**81.0**	73.1	85.2
Basic earnings (cash basis)	**79.8**	80.8	**82.7**	74.8	86.9
Diluted earnings	**77.9**	78.9	**80.8**	72.9	85.0
Net asset value per share (S$)					
Before valuation surplus	**6.91**	6.68	**6.91**	6.68	6.72
After valuation surplus	**8.33**	7.95	**8.33**	7.95	8.10
Capital adequacy ratios (%) [5/]					
Common Equity Tier 1	**14.5**	na	**14.5**	na	14.3
Tier 1	**14.5**	16.6	**14.5**	16.6	14.3
Total	**16.3**	18.5	**16.3**	18.5	16.1

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 Capital adequacy ratios are computed based on MAS' transitional Basel III rules for 2013, which took effect on 1 January 2013.
6. Return on equity, return on assets, net interest margin and earnings per share for the quarters are computed on an annualised basis.
7. "na" denotes not applicable.

NET INTEREST INCOME

Average Balance Sheet

S$ million	2013 Average Balance	2013 Interest	2013 Average Rate	2012 Average Balance	2012 Interest	2012 Average Rate
			%			%
Interest earning assets						
Loans and advances to non-bank customers	**155,236**	**4,492**	**2.89**	136,137	4,173	3.07
Placements with and loans to banks	**44,693**	**772**	**1.73**	41,890	962	2.30
Other interest earning assets [1/]	**37,503**	**910**	**2.43**	33,716	833	2.47
Total	**237,432**	**6,174**	**2.60**	211,743	5,968	2.82
Interest bearing liabilities						
Deposits of non-bank customers	**176,775**	**1,770**	**1.00**	158,564	1,715	1.08
Deposits and balances of banks	**24,039**	**178**	**0.74**	21,346	189	0.88
Other borrowings [2/]	**21,295**	**343**	**1.61**	17,134	316	1.84
Total	**222,109**	**2,291**	**1.03**	197,044	2,220	1.13
Net interest income/margin [3/]		**3,883**	**1.64**		3,748	1.77

S$ million	4Q13 Average Balance	4Q13 Interest	4Q13 Average Rate [4/]	4Q12 Average Balance	4Q12 Interest	4Q12 Average Rate [4/]	3Q13 Average Balance	3Q13 Interest	3Q13 Average Rate [4/]
			%			%			%
Interest earning assets									
Loans and advances to non-bank customers	**163,346**	**1,184**	**2.88**	140,166	1,070	3.04	159,281	1,146	2.85
Placements with and loans to banks	**47,608**	**212**	**1.77**	39,223	181	1.83	42,280	190	1.78
Other interest earning assets [1/]	**38,434**	**238**	**2.46**	35,902	215	2.38	37,088	221	2.37
Total	**249,388**	**1,634**	**2.60**	215,291	1,466	2.71	238,649	1,557	2.59
Interest bearing liabilities									
Deposits of non-bank customers	**186,986**	**469**	**1.00**	161,523	422	1.04	178,123	449	1.00
Deposits and balances of banks	**24,710**	**43**	**0.69**	22,651	43	0.75	23,546	43	0.73
Other borrowings [2/]	**23,707**	**91**	**1.52**	14,968	80	2.13	22,426	87	1.53
Total	**235,403**	**603**	**1.02**	199,142	545	1.09	224,095	579	1.02
Net interest income/margin [3/]		**1,031**	**1.64**		921	1.70		978	1.63

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

NET INTEREST INCOME *(continued)*

Net interest income rose to a record S$3.88 billion in FY13, up 4% from S$3.75 billion a year ago, driven by robust asset and deposit growth. Net interest margin for FY13 was 1.64%, a stabilised level that was maintained throughout the four quarters of 2013. Compared to the previous year, net interest margin declined 13 basis points as a result of the persistently low interest rate environment and the re-pricing of existing Singapore mortgage loans in response to market competition. The margin compression was partly offset by improved corporate and commercial loan spreads as well as lower costs from deposit funding.

Net interest income for the quarter reached a new quarterly high of S$1.03 billion and was 12% higher as compared with S$921 million in 4Q12, underpinned by an increase in both assets and deposits. Compared with 3Q13, net interest income increased 5% from S$978 million.

Volume and Rate Analysis

	2013 vs 2012			4Q13 vs 4Q12			4Q13 vs 3Q13		
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	584	(254)	330	177	(63)	114	29	9	38
Placements with and loans to banks	64	(251)	(187)	38	(7)	31	24	(2)	22
Other interest earning assets	93	(13)	80	15	8	23	8	9	17
Total	741	(518)	223	230	(62)	168	61	16	77
Interest expense									
Deposits of non-bank customers	196	(137)	59	66	(19)	47	22	(2)	20
Deposits and balances of banks	24	(34)	(10)	4	(4)	0	2	(2)	(0)
Other borrowings	77	(48)	29	47	(36)	11	5	(1)	4
Total	297	(219)	78	117	(59)	58	29	(5)	24
Impact on net interest income	444	(299)	145	113	(3)	110	32	21	53
Due to change in number of days			(10)			–			–
Net interest income			135			110			53

NON-INTEREST INCOME

S$ million	2013	2012	+/(-) %	4Q13	4Q12	+/(-) %	3Q13	+/(-) %
Fees and commissions								
Brokerage	**68**	60	14	**14**	14	(2)	17	(19)
Wealth management	**412**	322	28	**103**	89	15	96	7
Fund management	**100**	86	16	**26**	23	12	24	10
Credit card	**65**	51	28	**18**	14	33	17	9
Loan-related	**284**	251	13	**76**	70	9	75	1
Trade-related and remittances	**213**	213	–	**58**	50	16	56	3
Guarantees	**18**	18	1	**5**	5	3	5	2
Investment banking	**92**	91	1	**15**	14	10	37	(59)
Service charges	**79**	78	–	**21**	19	9	18	20
Others	**24**	28	(14)	**5**	6	(10)	7	(32)
Sub-total	**1,355**	1,198	13	**341**	304	12	352	(3)
Dividends	**75**	88	(15)	**10**	6	73	21	(54)
Rental income	**67**	72	(7)	**16**	18	(9)	17	(3)
Profit from life assurance	**599**	692	(13)	**165**	210	(22)	240	(32)
Premium income from general insurance	**157**	146	8	**40**	40	1	40	–
Other income								
Net trading income	**262**	515	(49)	**69**	136	(49)	47	48
Net gain from investment securities	**133**	91	46	**3**	13	(79)	37	(92)
Net loss from liquidation of a subsidiary	**(3)**	–	–	**–**	–	–	–	–
Net gain from disposal of properties	**28**	25	13	**19**	6	236	6	191
Others	**65**	70	(8)	**16**	24	(35)	19	(17)
Sub-total	**485**	701	(31)	**107**	179	(41)	109	(2)
Total core non-interest income	**2,738**	2,897	(5)	**679**	757	(10)	779	(13)
Divestment gain	**–**	1,316	(100)	**–**	–	–	–	–
Total non-interest income	**2,738**	4,213	(35)	**679**	757	(10)	779	(13)
Fees and commissions/Total income [1/]	**20.5%**	18.0%		**20.0%**	18.1%		20.0%	
Non-interest income/Total income [1/]	**41.4%**	43.6%		**39.7%**	45.1%		44.3%	

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

Fees and commissions increased 13% from S$1.20 billion a year ago to reach a record S$1.36 billion, contributed by sustained growth in wealth management income, loan-related, fund management and credit card income. Net gains from the sale of investment securities rose 46% to S$133 million, from S$91 million in FY12. Net trading income declined 49% from the strong FY12 performance to S$262 million. Profit from life assurance was 13% lower at S$599 million compared with S$692 million a year ago, largely attributed to unrealised mark-to-market losses in Great Eastern Holdings' ("GEH") Non-Participating Fund which more than offset underlying insurance business growth. As a result, core non-interest income, excluding divestment gains, declined 5% to S$2.74 billion from S$2.90 billion the previous year.

Non-interest income for 4Q13 was S$679 million, down 10% from S$757 million the previous year. Fee and commission income rose 12% to S$341 million, higher than S$304 million a year ago, led by higher wealth management income, loan-related and trade-related fees. Net trading income fell 49% to S$69 million while profit from life assurance was 22% lower at S$165 million.

Compared to the previous quarter, non-interest income declined 13% from S$779 million, as improved trading performance was more than offset by lower fee, insurance and investment income.

OPERATING EXPENSES

S$ million	2013	2012	+/(-) %	4Q13	4Q12	+/(-) %	3Q13	+/(-) %
Staff costs								
Salaries and other costs	**1,576**	1,516	4	**380**	397	(4)	399	(5)
Share-based expenses	**13**	10	33	**4**	3	25	3	11
Contribution to defined contribution plans	**126**	124	2	**31**	34	(8)	31	–
	1,715	1,650	4	**415**	434	(4)	433	(4)
Property and equipment								
Depreciation	**207**	184	12	**53**	50	5	53	(1)
Maintenance and hire of property, plant & equipment	**84**	87	(3)	**22**	24	(6)	21	5
Rental expenses	**73**	70	5	**18**	18	–	19	(2)
Others	**166**	150	11	**44**	42	5	43	3
	530	491	8	**137**	134	2	136	1
Other operating expenses	**539**	554	(3)	**161**	156	3	112	45
Total operating expenses	**2,784**	2,695	3	**713**	724	(1)	681	5
Group staff strength								
Period end	**25,350**	24,628	3	**25,350**	24,628	3	25,196	1
Average	**25,030**	23,917	5	**25,245**	24,514	3	25,110	1
Cost to income ratio [1/]	**42.0%**	40.6%		**41.7%**	43.1%		38.8%	

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

Operating expenses were S$2.78 billion for FY13, an increase of 3% compared to S$2.70 billion in FY12. Staff costs were up 4% to S$1.72 billion, from S$1.65 billion a year ago, largely attributed to 3% headcount growth to support the Group's expansion in Singapore and key overseas markets, annual salary increments and higher incentive compensation linked to business volume growth. Property and equipment-related expenses were 8% higher year-on-year at S$530 million, mainly as a result of an increase in depreciation expenses.

Operating expenses for 4Q13 were relatively stable year-on-year at S$713 million and were 5% higher from S$681 million in 3Q13. The quarter-on-quarter increase was mainly attributed to higher professional, business promotion and insurance-related expenses, which more than offset a decline in staff-related costs.

The cost-to-income ratio was 42.0% in FY13, compared with 40.6% a year ago, largely as a result of lower contribution from market-related trading and insurance income.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	2013	2012	+/(-) %	4Q13	4Q12	+/(-) %	3Q13	+/(-) %
Specific allowances/ (write-back) for loans								
Singapore	**32**	87	(63)	**(4)**	29	(113)	13	(128)
Malaysia	**16**	14	12	**11**	4	158	6	82
Others	**33**	14	139	**19**	2	737	23	(17)
	81	115	(29)	**26**	35	(25)	42	(36)
Portfolio allowances for loans	**183**	148	24	**45**	43	5	49	(9)
Allowances and impairment charges/(write-back) for other assets	**2**	8	(84)	**(3)**	(10)	66	3	(216)
Allowances for loans and impairment of other assets	**266**	271	(2)	**68**	68	1	94	(28)

Allowances for loans and other assets were S$266 million in FY13, a decline of 2% compared to S$271 million a year ago.

Specific allowances for loans, net of recoveries and writebacks, of S$81 million for the year were 29% lower from S$115 million in FY12. Specific allowances remained low at 5 basis points of loans. Portfolio allowances for loans were S$183 million, an increase of 24% from S$148 million a year ago, in line with strong loan growth.

Net allowances of S$68 million in 4Q13 were relatively unchanged from a year ago and 28% lower compared with S$94 million the previous quarter.

LOANS AND ADVANCES

S$ million	31 Dec 2013	31 Dec 2012	30 Sep 2013
Loans to customers	**150,266**	134,156	146,491
Bills receivable	**19,354**	9,874	15,428
Gross loans to customers	**169,620**	144,030	161,919
Allowances			
Specific allowances	**(230)**	(303)	(266)
Portfolio allowances	**(1,511)**	(1,351)	(1,469)
	167,879	142,376	160,184
Less: assets pledged	**(25)**	–	(26)
Loans net of allowances	**167,854**	142,376	160,158
By Maturity			
Within 1 year	**66,796**	52,656	61,719
1 to 3 years	**27,663**	25,425	25,955
Over 3 years	**75,161**	65,949	74,245
	169,620	144,030	161,919
By Industry			
Agriculture, mining and quarrying	**6,279**	4,863	5,694
Manufacturing	**10,069**	8,197	9,923
Building and construction	**24,905**	22,388	23,672
Housing loans	**42,075**	37,809	41,193
General commerce	**27,893**	17,502	23,251
Transport, storage and communication	**10,989**	9,106	11,114
Financial institutions, investment and holding companies	**22,470**	22,456	22,847
Professionals and individuals	**16,208**	14,272	15,922
Others	**8,732**	7,437	8,303
	169,620	144,030	161,919
By Currency			
Singapore Dollar	**73,907**	70,141	73,315
United States Dollar	**45,702**	31,680	41,634
Malaysian Ringgit	**20,494**	18,404	19,835
Indonesian Rupiah	**4,725**	4,989	4,854
Others	**24,792**	18,816	22,281
	169,620	144,030	161,919
By Geography [1/]			
Singapore	**83,920**	75,215	81,302
Malaysia	**25,257**	23,157	24,477
Indonesia	**11,890**	10,679	11,588
Greater China	**27,183**	17,379	23,802
Other Asia Pacific	**8,357**	8,253	8,473
Rest of the World	**13,013**	9,347	12,277
	169,620	144,030	161,919

Note:
1. 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.

As at 31 December 2013, gross loans to customers grew by 18% to S$170 billion, from S$144 billion a year ago and were up 5% from S$162 billion in the previous quarter. Loan growth for the year was broad-based across all industry sectors across the Group's key markets, with the largest increases coming from trade finance and loans to the housing and building & construction sectors.

NON-PERFORMING ASSETS

S$ million	Total NPAs [1/]	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs	NPLs [2/]	NPL Ratio [2/]
					%		%
Singapore							
31 Dec 2013	**223**	**77**	**79**	**67**	**53.4**	**194**	**0.2**
30 Sep 2013	257	103	93	61	67.5	256	0.3
31 Dec 2012	258	91	119	48	55.2	258	0.3
Malaysia							
31 Dec 2013	**548**	**331**	**175**	**42**	**58.9**	**529**	**2.1**
30 Sep 2013	552	281	230	41	49.2	532	2.2
31 Dec 2012	432	251	134	47	55.7	409	1.8
Indonesia							
31 Dec 2013	**49**	**8**	**5**	**36**	**58.7**	**49**	**0.4**
30 Sep 2013	48	4	8	36	59.1	48	0.4
31 Dec 2012	60	6	3	51	47.8	60	0.6
Greater China							
31 Dec 2013	**108**	**105**	**2**	**1**	**87.1**	**96**	**0.4**
30 Sep 2013	101	94	1	6	91.6	101	0.4
31 Dec 2012	33	28	0	5	87.9	33	0.2
Other Asia Pacific							
31 Dec 2013	**251**	**208**	**43**	**–**	**62.9**	**251**	**3.0**
30 Sep 2013	258	217	41	–	64.4	258	3.0
31 Dec 2012	281	242	39	–	73.7	281	3.4
Rest of the World							
31 Dec 2013	**125**	**115**	**8**	**2**	**13.8**	**120**	**0.9**
30 Sep 2013	122	112	9	1	11.5	118	1.0
31 Dec 2012	108	99	7	2	23.3	104	1.1
Group							
31 Dec 2013	**1,304**	**844**	**312**	**148**	**56.8**	**1,239**	**0.7**
30 Sep 2013	1,338	811	382	145	55.7	1,313	0.8
31 Dec 2012	1,172	717	302	153	57.4	1,145	0.8

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

NON-PERFORMING ASSETS *(continued)*

The Group's asset quality remained sound. Non-performing loans ("NPLs") were S$1.24 billion as at 31 December 2013, up 8% compared with S$1.15 billion a year ago and 6% lower from S$1.31 billion the previous quarter. By geography, the increase was largely from Malaysia and Greater China, partly offset by a decrease in Singapore and Other Asia Pacific. By industry segment, the increase was mainly from the manufacturing sector as well as from loans classified in the "Others" segment, partly offset by declines from loans to building & construction and financial institutions, investment and holding companies.

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

Total non-performing assets ("NPAs") as at 31 December 2013, which included classified debt securities and contingent liabilities, were S$1.30 billion, an increase of 11% from S$1.17 billion a year ago and 2% lower from S$1.34 billion in the previous quarter. Of the total NPAs, 65% were in the substandard category and 57% were secured by collateral.

	31 Dec 2013		31 Dec 2012		30 Sep 2013	
	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	**10**	**0.2**	6	0.1	8	0.1
Manufacturing	**408**	**4.0**	366	4.5	415	4.2
Building and construction	**160**	**0.6**	199	0.9	190	0.8
Housing loans	**217**	**0.5**	192	0.5	227	0.6
General commerce	**126**	**0.5**	105	0.6	123	0.5
Transport, storage and communication	**100**	**0.9**	77	0.8	126	1.1
Financial institutions, investment and holding companies	**45**	**0.2**	88	0.4	49	0.2
Professionals and individuals	**91**	**0.6**	87	0.6	91	0.6
Others	**82**	**0.9**	25	0.3	84	1.0
Total NPLs	**1,239**	**0.7**	1,145	0.8	1,313	0.8
Classified debt securities	**4**		4		4	
Classified contingent liabilities	**61**		23		21	
Total NPAs	**1,304**		1,172		1,338	

	31 Dec 2013		31 Dec 2012		30 Sep 2013	
	S$ million	%	S$ million	%	S$ million	%
NPAs by Period Overdue						
Over 180 days	**284**	**22**	328	28	323	24
Over 90 to 180 days	**155**	**12**	81	7	66	5
30 to 90 days	**193**	**15**	160	14	166	12
Less than 30 days	**11**	**1**	10	1	8	1
Not overdue	**661**	**50**	593	50	775	58
	1,304	**100**	1,172	100	1,338	100

	31 Dec 2013		31 Dec 2012		30 Sep 2013	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	**95**	**2**	173	10	152	21
Doubtful	**20**	**18**	22	33	33	22
Loss	**1**	**1**	0	0	1	1
	116	**21**	195	43	186	44

CUMULATIVE ALLOWANCES FOR ASSETS

S$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
Singapore					
31 Dec 2013	**700**	**50**	**650**	**22.5**	**313.8**
30 Sep 2013	695	72	623	28.0	270.9
31 Dec 2012	696	105	591	40.8	269.5
Malaysia					
31 Dec 2013	**445**	**110**	**335**	**19.9**	**81.0**
30 Sep 2013	456	126	330	22.8	82.6
31 Dec 2012	450	133	317	30.8	104.4
Indonesia					
31 Dec 2013	**181**	**28**	**153**	**57.1**	**370.6**
30 Sep 2013	178	27	151	55.4	370.5
31 Dec 2012	164	39	125	66.2	273.2
Greater China					
31 Dec 2013	**201**	**1**	**200**	**0.9**	**185.3**
30 Sep 2013	197	2	195	2.2	195.0
31 Dec 2012	170	4	166	10.7	508.9
Other Asia Pacific					
31 Dec 2013	**127**	**41**	**86**	**16.5**	**50.5**
30 Sep 2013	126	35	91	13.7	48.9
31 Dec 2012	112	20	92	7.1	40.0
Rest of the World					
31 Dec 2013	**96**	**9**	**87**	**7.1**	**77.4**
30 Sep 2013	88	9	79	7.7	71.8
31 Dec 2012	70	10	60	8.8	64.0
Group					
31 Dec 2013	**1,750**	**239**	**1,511**	**18.3**	**134.2**
30 Sep 2013	1,740	271	1,469	20.3	130.1
31 Dec 2012	1,662	311	1,351	26.6	141.8

As at 31 December 2013, the Group's total cumulative allowances for assets were S$1.75 billion, comprising S$239 million in specific allowances and S$1.51 billion in portfolio allowances. Total cumulative allowances were 134% of total NPAs and 310% of unsecured NPAs, compared with the respective ratios of 142% and 333% as at 31 December 2012.

DEPOSITS

S$ million	31 Dec 2013	31 Dec 2012	30 Sep 2013
Deposits of non-bank customers	**195,974**	165,139	181,268
Deposits and balances of banks	**21,549**	25,656	25,381
	217,523	190,795	206,649
Loans to deposits ratio (net non-bank loans/non-bank deposits)	**85.7%**	86.2%	88.4%

S$ million	31 Dec 2013	31 Dec 2012	30 Sep 2013
Total Deposits By Maturity			
Within 1 year	**212,048**	188,220	202,629
1 to 3 years	**4,020**	1,441	2,636
Over 3 years	**1,455**	1,134	1,384
	217,523	190,795	206,649
Non-Bank Deposits By Product			
Fixed deposits	**81,565**	67,263	72,418
Savings deposits	**32,209**	30,614	32,499
Current account	**59,109**	52,904	56,802
Others	**23,091**	14,358	19,549
	195,974	165,139	181,268
Non-Bank Deposits By Currency			
Singapore Dollar	**92,022**	82,095	87,412
United States Dollar	**45,847**	31,455	37,890
Malaysian Ringgit	**22,882**	20,739	22,106
Indonesian Rupiah	**4,987**	5,835	4,846
Others	**30,236**	25,015	29,014
	195,974	165,139	181,268

Non-bank customer deposits were S$196 billion as at 31 December 2013, up 19% from S$165 billion a year ago and 8% higher from S$181 billion the previous quarter. The year-on-year growth was led by a 21% increase in fixed deposits to S$81.6 billion, from S$67.3 billion a year ago, and from a 12% rise in current account deposits to S$59.1 billion, up from S$52.9 billion the previous year. The ratio of current and savings deposits to total non-bank deposits was 46.6%, compared to 50.6% a year ago.

The Group's loans-to-deposits ratio was 85.7%, compared with 86.2% a year ago and 88.4% in the previous quarter.

DEBT ISSUED

S$ million	31 Dec 2013	31 Dec 2012	30 Sep 2013
Subordinated debt (unsecured)	**4,412**	5,127	4,409
Fixed and floating rate notes (unsecured)	**4,340**	3,022	4,089
Commercial papers (unsecured)	**17,089**	2,832	12,837
Structured notes (unsecured)	**861**	443	655
Total	**26,702**	11,424	21,990
Debt Issued By Maturity			
Within one year	**19,404**	3,673	14,542
Over one year	**7,298**	7,751	7,448
Total	**26,702**	11,424	21,990

As at 31 December 2013, the Group had S$17.1 billion of commercial papers outstanding. The commercial papers form part of the Group’s diversified funding sources.

CAPITAL ADEQUACY RATIOS

S$ million	Basel III 31 Dec 2013	Basel II 31 Dec 2012	Basel III 30 Sep 2013
Ordinary shares	**8,052**	7,057	8,038
Disclosed reserves/others	**15,838**	15,770	15,148
Regulatory adjustments	**(2,006)**		(2,150)
Common Equity Tier 1 Capital	**21,884**		21,036
Additional Tier 1 capital	**3,458**	4,955	3,458
Regulatory adjustments	**(3,458)**	(6,191)	(3,458)
Tier 1 Capital	**21,884**	21,591	21,036
Tier 2 capital	**4,191**	4,586	4,171
Revaluation surplus on available-for-sale equity securities	**–**	236	–
Regulatory adjustments	**(1,536)**	(2,303)	(1,506)
Total Eligible Capital	**24,539**	24,110	23,701
Risk Weighted Assets	**150,325**	129,647	146,957
Capital Adequacy Ratios			
Common Equity Tier 1	**14.5%**	na	14.3%
Tier 1	**14.5%**	16.6%	14.3%
Total	**16.3%**	18.5%	16.1%

Notes:

1. "na" denotes not applicable.
2. Public disclosures required under MAS Notice 637 Part XI can be found in the Capital and Regulatory Disclosures section of the Bank's investor relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

The Group remains strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.5% and Tier 1 CAR and Total CAR of 14.5% and 16.3% respectively as at 31 December 2013. These ratios, based on MAS' transitional Basel III rules for 2013, were well above the respective regulatory minima of 4.5%, 6% and 10%. The Group's transitional Basel III Tier 1 CAR and Total CAR as at 31 December 2013 were lower than the respective ratios a year ago, which were computed on a Basel II basis. This was largely attributed to the redemption of S$1.5 billion OCBC Class B and Class E preference shares and MYR1.6 billion OCBC subordinated bonds during the year, as well as from higher risk weights for exposures to financial institutions, equities and over-the-counter derivatives.

The Group's CET1 CAR, on a fully-implemented basis, was 10.9%. In computing this ratio, the required regulatory adjustments made against CET1 capital and the recognition of non-controlling interests as CET1 capital are based on MAS' Basel III rules which will be effective from 1 January 2018.

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

S$ million	Total Risk Weighted Assets	Capital Adequacy Ratios: Common Equity Tier 1	Tier 1	Total
OCBC Bank (Malaysia) Berhad	12,963	14.1%	16.2%	18.0%
Bank OCBC NISP	7,700	17.3%	17.3%	19.2%

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.

UNREALISED VALUATION SURPLUS

S$ million	31 Dec 2013	31 Dec 2012	30 Sep 2013
Properties [1/]	**3,435**	3,117	3,137
Equity securities [2/]	**1,439**	1,245	1,604
Total	**4,874**	4,362	4,741

Notes:

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

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

The valuation surplus as at 31 December 2013 was S$4.87 billion, an increase of 12% from S$4.36 billion as at 31 December 2012. The valuation surplus for properties increased by 10% to S$3.44 billion, from S$3.12 billion the previous year, largely attributed to higher property values in Singapore. The valuation surplus in equity securities rose 16% to S$1.44 billion, from S$1.25 billion a year ago mainly from higher valuation of the Group's equity stakes in GEH.

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	2013	2012	+/(-) %	4Q13	4Q12	+/(-) %	3Q13	+/(-) %
Global Consumer/Private Banking	**738**	589	25	**173**	149	16	180	(4)
Global Corporate/Investment Banking	**1,826**	1,743	5	**463**	418	11	471	(2)
Global Treasury and Markets	**428**	619	(31)	**156**	127	23	87	79
Insurance	**760**	825	(8)	**191**	243	(21)	306	(37)
Others [1/]	**(239)**	(157)	52	**(69)**	(66)	6	(77)	(10)
Operating profit after allowances and amortisation	**3,513**	3,619	(3)	**914**	871	5	967	(5)

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 and amortisation increased 25% year-on-year to S$738 million in FY13, and 16% to S$173 million in 4Q13, driven by higher net interest income and fee income, which were partly offset by a rise in expenses.

Global Corporate/Investment Banking

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's FY13 operating profit after allowances and amortisation grew 5% to S$1.83 billion from S$1.74 billion a year ago, led by higher net interest income arising from robust loan growth and partly offset by higher expenses and allowances. Operating profit in 4Q13 rose 11% year-on-year to S$463 million, mainly from higher net interest income and lower expenses.

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 FY13 operating profit after allowances and amortisation of S$428 million was 31% lower than S$619 million a year ago, mainly attributed to lower net trading income. 4Q13 year-on-year operating profit growth of 23% to S$156 million was underpinned by higher net interest income and lower expenses, which more than offset a decline in net trading income. Quarter-on-quarter, operating profit rose 79%, contributed by higher net interest income and net 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.

Operating profit after allowances and amortisation from GEH fell 8% to S$760 million in FY13 and declined 21% to S$191 million in 4Q13. The decline in operating profit for both periods was mainly driven by lower insurance income and partly offset by higher gains from sale of investment securities.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S$542 million in FY13 and S$133 million in 4Q13, down from S$622 million in FY12 and S$185 million in 4Q12 respectively.

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
2013						
Total income	**2,188**	**2,810**	**641**	**988**	**(6)**	**6,621**
Operating profit before allowances and amortisation	**835**	**1,940**	**434**	**808**	**(180)**	**3,837**
Amortisation of intangible assets	**(11)**	**–**	**–**	**(47)**	**–**	**(58)**
Allowances and impairment for loans and other assets	**(86)**	**(114)**	**(6)**	**(1)**	**(59)**	**(266)**
Operating profit after allowances and amortisation	**738**	**1,826**	**428**	**760**	**(239)**	**3,513**
Other information:						
Capital expenditure	**25**	**9**	**3**	**70**	**229**	**336**
Depreciation	**37**	**12**	**2**	**3**	**153**	**207**
2012						
Total income [1/]	1,949	2,655	845	1,063	133	6,645
Operating profit before allowances and amortisation [1/]	697	1,811	621	872	(51)	3,950
Amortisation of intangible assets	(13)	–	–	(47)	–	(60)
Allowances and impairment for loans and other assets	(95)	(68)	(2)	(0)	(106)	(271)
Operating profit after allowances and amortisation [1/]	589	1,743	619	825	(157)	3,619
Other information:						
Capital expenditure	26	4	0	52	221	303
Depreciation	34	10	2	3	135	184

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
4Q13						
Total income	**542**	**707**	**203**	**258**	**(0)**	**1,710**
Operating profit before allowances and amortisation	**197**	**489**	**157**	**204**	**(50)**	**997**
Amortisation of intangible assets	**(3)**	**–**	**–**	**(12)**	**–**	**(15)**
Allowances and impairment for loans and other assets	**(21)**	**(26)**	**(1)**	**(1)**	**(19)**	**(68)**
Operating profit after allowances and amortisation	**173**	**463**	**156**	**191**	**(69)**	**914**
Other information:						
Capital expenditure	**9**	**1**	**1**	**29**	**54**	**94**
Depreciation	**8**	**2**	**0**	**1**	**42**	**53**
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
3Q13						
Total income	551	735	137	336	(2)	1,757
Operating profit before allowances and amortisation	204	516	88	318	(50)	1,076
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Allowances and impairment for loans and other assets	(21)	(45)	(1)	(0)	(27)	(94)
Operating profit after allowances and amortisation	180	471	87	306	(77)	967
Other information:						
Capital expenditure	6	2	0	14	60	82
Depreciation	9	4	1	0	39	53

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	Others	Group
At 31 December 2013						
Segment assets	**72,625**	**118,020**	**78,812**	**61,823**	**17,620**	**348,900**
Unallocated assets						**199**
Elimination						**(10,651)**
Total assets						**338,448**
Segment liabilities	**77,297**	**101,319**	**52,351**	**54,112**	**33,804**	**318,883**
Unallocated liabilities						**2,137**
Elimination						**(10,651)**
Total liabilities						**310,369**
Other information:						
Gross non-bank loans	**62,196**	**105,455**	**1,252**	**49**	**668**	**169,620**
NPAs	**292**	**1,002**	**–**	**4**	**6**	**1,304**
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 30 September 2013						
Segment assets	71,888	109,965	69,131	60,466	18,534	329,984
Unallocated assets						191
Elimination						(9,272)
Total assets						320,903
Segment liabilities	77,209	91,067	49,236	52,997	30,316	300,825
Unallocated liabilities						2,026
Elimination						(9,272)
Total liabilities						293,579
Other information:						
Gross non-bank loans	61,053	98,655	1,500	52	659	161,919
NPAs	307	1,019	–	4	8	1,338

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	2013		2012		4Q13		4Q12		3Q13	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total core income										
Singapore	**4,079**	**62**	4,214	63	**1,031**	**60**	1,074	64	1,118	64
Malaysia	**1,401**	**21**	1,305	20	**370**	**22**	329	20	346	20
Indonesia	**503**	**8**	466	7	**120**	**7**	122	7	132	8
Greater China	**385**	**6**	431	7	**122**	**7**	95	6	94	5
Other Asia Pacific	**155**	**2**	150	2	**36**	**2**	39	2	40	2
Rest of the World	**98**	**1**	79	1	**31**	**2**	19	1	27	1
	6,621	**100**	6,645	100	**1,710**	**100**	1,678	100	1,757	100
Profit before income tax										
Singapore	**2,091**	**59**	2,264	62	**525**	**57**	547	63	633	64
Malaysia	**916**	**26**	812	22	**239**	**26**	203	23	222	23
Indonesia	**182**	**5**	159	4	**40**	**4**	43	5	47	5
Greater China	**208**	**6**	264	7	**79**	**9**	47	5	48	5
Other Asia Pacific	**87**	**2**	94	3	**16**	**2**	24	3	10	1
Rest of the World	**83**	**2**	53	2	**21**	**2**	12	1	20	2
	3,567	**100**	3,646	100	**920**	**100**	876	100	980	100

	31 Dec 2013		31 Dec 2012		30 Sep 2013	
	S$ million	%	S$ million	%	S$ million	%
Total assets						
Singapore	**210,541**	**62**	181,385	61	200,297	63
Malaysia	**60,773**	**18**	58,030	20	58,568	18
Indonesia	**10,219**	**3**	10,162	3	9,754	3
Greater China	**33,022**	**10**	28,083	9	31,388	10
Other Asia Pacific	**10,138**	**3**	10,426	4	9,985	3
Rest of the World	**13,755**	**4**	7,857	3	10,911	3
	338,448	**100**	295,943	100	320,903	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 2013, Singapore accounted for 62% of total income and 59% of pre-tax profit, while Malaysia accounted for 21% of total income and 26% of pre-tax profit.

Pre-tax profit for Singapore declined by 8% year-on-year to S$2.09 billion, from S$2.26 billion in FY12 as strong interest income and fee income growth were more than offset by lower trading and insurance income and higher expenses. Malaysia's pre-tax profit was S$916 million, an increase of 13% compared to S$812 million a year ago, underpinned by higher net interest income and fee income, which more than offset the decline in trading income.

HALF-YEARLY INCOME AND PROFIT

S$ million	2013	2012	+/(-)
			%
Total income			
First half year	**3,155**	3,324	(5)
Second half year	**3,466**	4,637	(25)
	6,621	7,961	(17)
Profit for the year			
First half year	**1,378**	1,583	(13)
Second half year	**1,592**	2,680	(41)
	2,970	4,263	(30)

AUDITED CONSOLIDATED INCOME STATEMENT

S$ million	2013	2012	+/(-)@	4Q13@	4Q12@	+/(-)@	3Q13@	+/(-)@
			%			%		%
Interest income	**6,174**	5,968	3	**1,634**	1,466	12	1,557	5
Interest expense	**(2,291)**	(2,220)	3	**(603)**	(545)	11	(579)	4
Net interest income	**3,883**	3,748	4	**1,031**	921	12	978	5
Premium income	**7,600**	6,254	22	**2,050**	1,838	12	2,110	(3)
Investment income	**2,395**	4,246	(44)	**601**	679	(11)	489	23
Net claims, surrenders and annuities	**(6,134)**	(5,376)	14	**(1,340)**	(1,260)	6	(2,091)	(36)
Change in life assurance fund contract liabilities	**(1,844)**	(3,066)	(40)	**(734)**	(690)	6	115	(738)
Commission and others	**(1,418)**	(1,366)	4	**(412)**	(357)	15	(383)	8
Profit from life assurance	**599**	692	(13)	**165**	210	(22)	240	(32)
Premium income from general insurance	**157**	146	8	**40**	40	1	40	–
Fees and commissions (net)	**1,355**	1,198	13	**341**	304	12	352	(3)
Dividends	**75**	88	(15)	**10**	6	73	21	(54)
Rental income	**67**	72	(7)	**16**	18	(9)	17	(3)
Other income	**485**	2,017	(76)	**107**	179	(41)	109	(2)
Non-interest income	**2,738**	4,213	(35)	**679**	757	(10)	779	(13)
Total income	**6,621**	7,961	(17)	**1,710**	1,678	2	1,757	(3)
Staff costs	**(1,715)**	(1,650)	4	**(415)**	(434)	(4)	(433)	(4)
Other operating expenses	**(1,069)**	(1,045)	2	**(298)**	(290)	3	(248)	21
Total operating expenses	**(2,784)**	(2,695)	3	**(713)**	(724)	(1)	(681)	5
Operating profit before allowances and amortisation	**3,837**	5,266	(27)	**997**	954	4	1,076	(7)
Amortisation of intangible assets	**(58)**	(60)	(3)	**(15)**	(15)	(3)	(15)	–
Allowances for loans and impairment of other assets	**(266)**	(271)	(2)	**(68)**	(68)	1	(94)	(28)
Operating profit after allowances and amortisation	**3,513**	4,935	(29)	**914**	871	5	967	(5)
Share of results of associates and joint ventures	**54**	27	103	**6**	5	27	13	(57)
Profit before income tax	**3,567**	4,962	(28)	**920**	876	5	980	(6)
Income tax expense	**(597)**	(699)	(14)	**(154)**	(156)	(2)	(154)	–
Profit for the period	**2,970**	4,263	(30)	**766**	720	6	826	(7)
Profit attributable to:								
Equity holders of the Bank	**2,768**	3,993	(31)	**715**	663	8	759	(6)
Non-controlling interests	**202**	270	(25)	**51**	57	(10)	67	(23)
	2,970	4,263	(30)	**766**	720	6	826	(7)
Earnings per share (for the period – cents)								
Basic	**78.0**	113.1		**20.0**	17.5		22.0	
Diluted	**77.9**	112.9		**20.0**	17.4		22.0	

Note:
1. "@" represents unaudited.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

S$ million	2013	2012	+/(-)@ %	4Q13@	4Q12@	+/(-)@ %	3Q13@	+/(-)@ %
Profit for the year/period	**2,970**	4,263	(30)	**766**	720	6	826	(7)
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the year/period	**(337)**	1,012	(133)	**20**	323	(94)	86	(77)
Reclassification of (gains)/losses to income statement								
– on disposal	**(132)**	(1,351)	90	**(3)**	(13)	79	(37)	92
– on impairment	**4**	18	(81)	**0**	3	(93)	3	(95)
Tax on net movements	**52**	71	(28)	**1**	(33)	104	(2)	162
Exchange differences on translating foreign operations	**(343)**	(288)	(19)	**(68)**	(22)	(204)	(269)	75
Defined benefit plans remeasurements [1/]	**(0)**	(8)	100	**5**	1	228	0	nm
Other comprehensive income of associates and joint ventures	**3**	(0)	nm	**3**	3	(2)	(1)	692
Total other comprehensive income, net of tax	**(753)**	(546)	(38)	**(42)**	262	(116)	(220)	81
Total comprehensive income for the period, net of tax	**2,217**	3,717	(40)	**724**	982	(26)	606	19
Total comprehensive income attributable to:								
Equity holders of the Bank	**2,069**	3,488	(41)	**680**	913	(25)	572	19
Non-controlling interests	**148**	229	(35)	**44**	69	(37)	34	28
	2,217	3,717	(40)	**724**	982	(26)	606	19

Notes:
1. Item that will not be reclassified to income statement.
2. "@" represents unaudited.

AUDITED BALANCE SHEETS

S$ million	GROUP 31 Dec 2013	GROUP 31 Dec 2012	GROUP 30 Sep 2013@	BANK 31 Dec 2013	BANK 31 Dec 2012	BANK 30 Sep 2013@
EQUITY						
Attributable to equity holders of the Bank						
Share capital	**9,448**	9,953	9,434	**9,448**	9,953	9,434
Capital reserves	**418**	376	387	**94**	96	106
Fair value reserves	**493**	895	478	**138**	321	153
Revenue reserves	**14,756**	14,580	14,162	**9,645**	9,214	8,820
	25,115	25,804	24,461	**19,325**	19,584	18,513
Non-controlling interests	**2,964**	2,897	2,863	**–**	–	–
Total equity	**28,079**	28,701	27,324	**19,325**	19,584	18,513
LIABILITIES						
Deposits of non-bank customers	**195,974**	165,139	181,268	**142,855**	115,325	129,333
Deposits and balances of banks	**21,549**	25,656	25,381	**20,260**	21,539	23,127
Due to subsidiaries	**–**	–	–	**6,957**	8,258	7,160
Due to associates	**168**	161	169	**155**	149	156
Trading portfolio liabilities	**897**	1,083	968	**898**	1,083	968
Derivative payables	**5,509**	5,001	5,069	**4,495**	4,620	4,165
Other liabilities	**4,250**	4,324	4,613	**1,416**	1,543	1,511
Current tax	**1,025**	897	947	**367**	367	328
Deferred tax	**1,112**	1,170	1,079	**59**	65	53
Debt issued	**26,702**	11,424	21,990	**26,914**	11,919	22,182
	257,186	214,855	241,484	**204,376**	164,868	188,983
Life assurance fund liabilities	**53,183**	52,387	52,095	**–**	–	–
Total liabilities	**310,369**	267,242	293,579	**204,376**	164,868	188,983
Total equity and liabilities	**338,448**	295,943	320,903	**223,701**	184,452	207,496
ASSETS						
Cash and placements with central banks	**19,341**	16,397	14,464	**12,713**	9,382	8,150
Singapore government treasury bills and securities	**11,718**	13,141	12,372	**10,772**	11,962	11,538
Other government treasury bills and securities	**8,892**	9,157	8,925	**4,543**	6,098	5,203
Placements with and loans to banks	**39,573**	29,811	35,528	**30,821**	21,018	27,955
Loans and bills receivable	**167,854**	142,376	160,158	**125,080**	104,157	118,502
Debt and equity securities	**19,602**	14,932	18,801	**12,891**	9,348	12,433
Assets pledged	**2,110**	2,056	2,395	**1,920**	1,946	1,997
Assets held for sale	**2**	5	1	**1**	–	0
Derivative receivables	**5,194**	5,155	5,188	**4,195**	4,693	4,296
Other assets	**3,900**	3,845	4,141	**1,311**	1,148	1,442
Deferred tax	**107**	43	97	**42**	26	38
Associates and joint ventures	**380**	355	357	**170**	191	145
Subsidiaries	**–**	–	–	**16,295**	11,577	12,860
Property, plant and equipment	**1,898**	1,703	1,881	**518**	474	507
Investment property	**731**	878	731	**562**	565	563
Goodwill and intangible assets	**3,741**	3,818	3,760	**1,867**	1,867	1,867
	285,043	243,672	268,799	**223,701**	184,452	207,496
Life assurance fund investment assets	**53,405**	52,271	52,104	**–**	–	–
Total assets	**338,448**	295,943	320,903	**223,701**	184,452	207,496
Net Asset Value Per Ordinary Share @ (before valuation surplus – S$)	**6.91**	6.68	6.72	**5.22**	4.86	4.99
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	**12,197**	9,100	10,613	**9,108**	6,980	8,196
Commitments	**77,043**	67,040	77,205	**49,498**	42,667	49,687
Derivative financial instruments	**523,979**	560,734	550,510	**434,757**	481,216	455,037

Note:
1. "@" represents unaudited.

AUDITED STATEMENT OF CHANGES IN EQUITY – GROUP
For the financial year ended 31 December 2013

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
Balance at 1 January 2013	**9,953**	**376**	**895**	**14,580**	**25,804**	**2,897**	**28,701**
Total comprehensive income for the year	**–**	**–**	**(402)**	**2,471**	**2,069**	**148**	**2,217**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	**15**	**28**	**–**	**(43)**	**–**	**–**	**–**
Distributions and dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(138)**	**(138)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**4**	**4**	**–**	**4**
Ordinary and preference dividends	**–**	**–**	**–**	**(1,256)**	**(1,256)**	**–**	**(1,256)**
Redemption of preference shares	**(500)**	**–**	**–**	**(1,000)**	**(1,500)**	**–**	**(1,500)**
Share-based staff costs capitalised	**–**	**13**	**–**	**–**	**13**	**–**	**13**
Share buyback held in treasury	**(150)**	**–**	**–**	**–**	**(150)**	**–**	**(150)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**	**–**	**1**
Shares purchased by DSP Trust	**–**	**(3)**	**–**	**–**	**(3)**	**–**	**(3)**
Shares vested under DSP Scheme	**–**	**40**	**–**	**–**	**40**	**–**	**40**
Treasury shares transferred/sold	**129**	**(36)**	**–**	**–**	**93**	**–**	**93**
Total contributions by and distributions to owners	**(505)**	**42**	**–**	**(2,295)**	**(2,758)**	**(138)**	**(2,896)**
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	**–**	**–**	**–**	**(0)**	**(0)**	**57**	**57**
Total changes in ownership interests in a subsidiary	**–**	**–**	**–**	**(0)**	**(0)**	**57**	**57**
Balance at 31 December 2013	**9,448**	**418**	**493**	**14,756**	**25,115**	**2,964**	**28,079**
Included: Share of reserves of associates and joint ventures	**–**	**–**	**4**	**93**	**97**	**(5)**	**92**
Balance at 1 January 2012	9,023	279	1,125	12,144	22,571	2,819	25,390
Total comprehensive income for the year	–	–	(230)	3,718	3,488	229	3,717
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	5	87	–	(92)	–	–	–
Acquisition of a subsidiary	–	–	–	–	–	3	3
Distributions and dividends to non-controlling interests	–	–	–	–	–	(206)	(206)
DSP reserve from dividends on unvested shares	–	–	–	4	4	–	4
Ordinary and preference dividends	–	–	–	(1,176)	(1,176)	–	(1,176)
Preference shares issued	1,000	–	–	–	1,000	–	1,000
Preference shares issue expense	(0)	–	–	–	(0)	–	(0)
Share-based staff costs capitalised	–	11	–	–	11	–	11
Share buyback held in treasury	(163)	–	–	–	(163)	–	(163)
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(4)	–	–	(4)	–	(4)
Shares vested under DSP Scheme	–	39	–	–	39	–	39
Treasury shares transferred/sold	87	(36)	–	–	51	–	51
Total contributions by and distributions to owners	930	97	–	(1,264)	(237)	(203)	(440)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	(18)	(18)	52	34
Total changes in ownership interests in subsidiaries	–	–	–	(18)	(18)	52	34
Balance at 31 December 2012	9,953	376	895	14,580	25,804	2,897	28,701
Included: Share of reserves of associates and joint ventures	–	–	6	45	51	(5)	46

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 December 2013

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Bank						
Balance at 1 October 2013	**9,434**	**387**	**478**	**14,162**	**24,461**	**2,863**	**27,324**
Total comprehensive income for the period	**–**	**–**	**15**	**665**	**680**	**44**	**724**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	**15**	**28**	**–**	**(43)**	**–**	**–**	**–**
Dividends and liquidation distribution to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(0)**	**(0)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**0**	**0**	**–**	**0**
Ordinary and preference dividends	**–**	**–**	**–**	**(28)**	**(28)**	**–**	**(28)**
Share-based staff costs capitalised	**–**	**3**	**–**	**–**	**3**	**–**	**3**
Share buyback held in treasury	**(3)**	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Treasury shares transferred/sold	**2**	**–**	**–**	**–**	**2**	**–**	**2**
Total contributions by and distributions to owners	**14**	**31**	**–**	**(71)**	**(26)**	**(0)**	**(26)**
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	**–**	**–**	**–**	**(0)**	**(0)**	**57**	**57**
Total changes in ownership interests in a subsidiary	**–**	**–**	**–**	**(0)**	**(0)**	**57**	**57**
Balance at 31 December 2013	**9,448**	**418**	**493**	**14,756**	**25,115**	**2,964**	**28,079**
Included: Share of reserves of associates and joint ventures	**–**	**–**	**4**	**93**	**97**	**(5)**	**92**
Balance at 1 October 2012	9,956	329	628	14,045	24,958	2,823	27,781
Total comprehensive income for the period	–	–	267	646	913	69	982
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	5	44	–	(49)	–	–	–
Acquisition of a subsidiary	–	–	–	–	–	3	3
Distributions and dividends to non-controlling interests	–	–	–	–	–	0	0
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(65)	(65)	–	(65)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(14)	–	–	–	(14)	–	(14)
Treasury shares transferred/sold	6	–	–	–	6	–	6
Total contributions by and distributions to owners	(3)	47	–	(112)	(68)	3	(65)
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	–	–	–	1	1	2	3
Total changes in ownership interests in a subsidiary	–	–	–	1	1	2	3
Balance at 31 December 2012	9,953	376	895	14,580	25,804	2,897	28,701
Included: Share of reserves of associates and joint ventures	–	–	6	45	51	(5)	46

AUDITED STATEMENT OF CHANGES IN EQUITY – BANK
For the financial year ended 31 December 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 year	**–**	**–**	**(183)**	**2,683**	**2,500**
Transfers	**15**	**(15)**	**–**	**–**	**–**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**4**	**4**
Ordinary and preference dividends	**–**	**–**	**–**	**(1,256)**	**(1,256)**
Redemption of preference shares	**(500)**	**–**	**–**	**(1,000)**	**(1,500)**
Share-based staff costs capitalised	**–**	**13**	**–**	**–**	**13**
Share buyback held in treasury	**(150)**	**–**	**–**	**–**	**(150)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**
Treasury shares transferred/sold	**129**	**–**	**–**	**–**	**129**
Balance at 31 December 2013	**9,448**	**94**	**138**	**9,645**	**19,325**
Balance at 1 January 2012	9,023	90	510	7,722	17,345
Total comprehensive income for the year	–	–	(189)	2,664	2,475
Transfers	5	(5)	–	–	–
DSP reserve from dividends on unvested shares	–	–	–	4	4
Ordinary and preference dividends	–	–	–	(1,176)	(1,176)
Preference shares issued	1,000	–	–	–	1,000
Preference shares issue expense	(0)	–	–	–	(0)
Share-based staff costs capitalised	–	11	–	–	11
Share buyback held in treasury	(163)	–	–	–	(163)
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	87	–	–	–	87
Balance at 31 December 2012	9,953	96	321	9,214	19,584

For the three months ended 31 December 2013 (Unaudited)

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 October 2013	**9,434**	**106**	**153**	**8,820**	**18,513**
Total comprehensive income for the period	**–**	**–**	**(15)**	**853**	**838**
Transfers	**15**	**(15)**	**–**	**–**	**–**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**0**	**0**
Ordinary and preference dividends	**–**	**–**	**–**	**(28)**	**(28)**
Share-based staff costs capitalised	**–**	**3**	**–**	**–**	**3**
Share buyback held in treasury	**(3)**	**–**	**–**	**–**	**(3)**
Treasury shares transferred/sold	**2**	**–**	**–**	**–**	**2**
Balance at 31 December 2013	**9,448**	**94**	**138**	**9,645**	**19,325**
Balance at 1 October 2012	9,956	98	224	8,923	19,201
Total comprehensive income for the period	–	–	97	354	451
Transfers	5	(5)	–	–	–
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(65)	(65)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(14)	–	–	–	(14)
Treasury shares transferred/sold	6	–	–	–	6
Balance at 31 December 2012	9,953	96	321	9,214	19,584

AUDITED CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 December 2013

S$ million	2013	2012	4Q13@	4Q12@
Cash flows from operating activities				
Profit before income tax	**3,567**	4,962	**920**	876
Adjustments for non-cash items				
Amortisation of intangible assets	**58**	60	**15**	15
Allowances for loans and impairment of other assets	**266**	271	**68**	68
Change in fair value for hedging transactions and trading securities	**71**	(90)	**(19)**	(42)
Depreciation of property, plant and equipment and investment property	**207**	184	**53**	50
Net gain on disposal of property, plant and equipment and investment property	**(26)**	(81)	**(18)**	(5)
Net gain on disposal of government, debt and equity securities	**(133)**	(1,351)	**(3)**	(13)
Net loss on liquidation of a subsidiary	**3**	–	**–**	–
Share-based staff costs	**13**	10	**4**	3
Share of results of associates and joint ventures	**(54)**	(27)	**(6)**	(5)
Items relating to life assurance fund				
Surplus before income tax	**827**	1,000	**238**	252
Surplus transferred from life assurance fund	**(598)**	(692)	**(165)**	(210)
Operating profit before change in operating assets and liabilities	**4,201**	4,246	**1,087**	989
Change in operating assets and liabilities				
Deposits of non-bank customers	**30,841**	10,574	**14,705**	7,601
Deposits and balances of banks	**(4,107)**	4,002	**(3,832)**	4,415
Derivative payables and other liabilities	**568**	(960)	**112**	(664)
Trading portfolio liabilities	**(185)**	(572)	**(70)**	5
Government securities and treasury bills	**1,078**	(1,587)	**662**	1,355
Trading securities	**(1,522)**	34	**226**	(55)
Placements with and loans to banks	**(9,091)**	(1,811)	**(3,815)**	695
Loans and bills receivable	**(25,768)**	(9,030)	**(7,766)**	(4,315)
Derivative receivables and other assets	**150**	612	**267**	865
Net change in investment assets and liabilities of life assurance fund	**(504)**	(90)	**(230)**	296
Cash (used in)/from operating activities	**(4,339)**	5,418	**1,346**	11,187
Income tax paid	**(531)**	(640)	**(92)**	(182)
Net cash (used in)/from operating activities	**(4,870)**	4,778	**1,254**	11,005
Cash flows from investing activities				
Dividends from associates	**11**	8	**11**	5
Decrease/(increase) in associates and joint ventures	**17**	30	**(28)**	(4)
Net cash outflow from acquisition of a subsidiary	**–**	(12)	**–**	(12)
Purchases of debt and equity securities	**(11,357)**	(5,695)	**(3,164)**	(1,980)
Purchases of property, plant and equipment and investment property	**(336)**	(303)	**(94)**	(82)
Proceeds from disposal of debt and equity securities	**7,344**	6,707	**2,193**	1,193
Proceeds from disposal of property, plant and equipment and investment property	**36**	127	**18**	14
Net cash (used in)/from investing activities	**(4,285)**	862	**(1,064)**	(866)
Cash flows from financing activities				
Changes in non-controlling interests	**57**	34	**57**	3
Dividends paid to equity holders of the Bank	**(1,256)**	(1,173)	**(28)**	(62)
Distributions and dividends paid to non-controlling interests	**(138)**	(206)	**(0)**	0
Issue of subordinated debt	**–**	1,472	**–**	–
Redemption of subordinated debt issued	**(721)**	(385)	**–**	(385)
Increase/(decrease) in other debt issued	**15,993**	(2,573)	**4,709**	(5,588)
Net proceeds from issue of preference shares	**–**	1,000	**–**	–
Redemption of preference shares	**(1,500)**	–	–	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**93**	51	**2**	6
Share buyback held in treasury	**(150)**	(163)	**(3)**	(14)
Net cash from/(used in) financing activities	**12,378**	(1,943)	**4,737**	(6,040)
Net currency translation adjustments	**(279)**	(197)	**(50)**	(14)
Net change in cash and cash equivalents	**2,944**	3,500	**4,877**	4,085
Cash and cash equivalents at beginning of year/period	**16,397**	12,897	**14,464**	12,312
Cash and cash equivalents at end of year/period	**19,341**	16,397	**19,341**	16,397

Note:
1. "@" represents unaudited.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

	Financial year ended 31 Dec		Three months ended 31 Dec	
Number of Shares	**2013**	**2012**	**2013**	**2012**
Issued ordinary shares				
Balance at beginning of year/period	**3,441,099,691**	3,441,043,176	**3,441,176,885**	3,441,099,691
Shares issued to non-executive directors	**77,194**	56,515	**–**	–
Balance at end of year/period	**3,441,176,885**	3,441,099,691	**3,441,176,885**	3,441,099,691
Treasury shares				
Balance at beginning of year/period	**(10,158,830)**	(3,965,793)	**(8,418,061)**	(9,733,621)
Share buyback	**(14,459,000)**	(18,242,000)	**(320,000)**	(1,490,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	**7,893,535**	6,247,357	**224,909**	959,423
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	**5,179,058**	1,715,860	**145,538**	105,368
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	**3,174,121**	4,085,746	**–**	–
Shares sold for cash	**3,502**	–	**–**	–
Balance at end of year/period	**(8,367,614)**	(10,158,830)	**(8,367,614)**	(10,158,830)
Total	**3,432,809,271**	3,430,940,861	**3,432,809,271**	3,430,940,861

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 25 April 2013, the Bank purchased a total of 320,000 ordinary shares in the fourth quarter ended 31 December 2013. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$10.19 to S$10.33 per share and the total consideration paid was S$3,283,653 (including transaction costs).

From 1 October 2013 to 31 December 2013 (both dates inclusive), the Bank utilised 224,909 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As of 31 December 2013, the number of options outstanding under the OCBC SOS 2001 was 32,080,174 (31 December 2012: 30,910,785).

From 1 October 2013 to 31 December 2013 (both dates inclusive), the Bank utilised 145,538 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As of 31 December 2013, the number of acquisition rights outstanding under the OCBC ESPP was 13,104,783 (31 December 2012: 12,292,163).

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

2. Pursuant to Rule 704(13) of the Listing Manual, for the financial year ended 31 December 2013, there was no person occupying managerial position in the Bank or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Bank.

SUBSEQUENT EVENTS

1. On 6 January 2014, OCBC Bank announced that it has entered into an exclusivity agreement with the substantial shareholders of Wing Hang Bank, Limited ("Wing Hang Bank") to seek to finalise the terms of a possible general offer by OCBC Bank for all the shares of Wing Hang Bank. The substantial shareholders of Wing Hang Bank will have until 3 March 2014 to seek to finalise the terms of the possible general offer by OCBC Bank.

2. On 14 January 2014, OCBC Bank announced that it has entered into an agreement to subscribe for up to 207,545,680 new ordinary shares in Bank of Ningbo Company Limited ("Bank of Ningbo") at a subscription price of RMB8.85 for each new share. The total consideration of approximately RMB1.8 billion or S$383 million will be funded through internal resources. OCBC Bank's aggregate equity stake in Bank of Ningbo is expected to increase from 15.3% to 20.0% of the enlarged issued capital.

   Subject to the fulfilment of certain conditions, the share subscription is expected to be completed in the third quarter of 2014.

The extract of the auditors' report dated 13 February 2014, on the financial statements of Oversea-Chinese Banking Corporation Limited and its subsidiaries for the year ended 31 December 2013, is as follows:

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

Report on the financial statements

We have audited the accompanying financial statements of Oversea-Chinese Banking Corporation Limited (the "Bank") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Bank as at 31 December 2013, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Bank and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 133.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of *FRS 39 Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by Notice to Banks No. 612 'Credit Files, Grading and Provisioning' issued by the Monetary Authority of Singapore, to give a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2013, the results and changes in equity of the Group and of the Bank and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
13 February 2014