
Media Release

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

Full Year core earnings increased 13% to a new record

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

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

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

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

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

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

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

Fourth Quarter Performance

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

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

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

Allowances and Asset Quality

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

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

Subsidiaries' Results

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

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

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

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

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

Funding and Capital Position

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

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

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

Final Dividend

The Board has proposed a final tax exempt dividend of 18 cents per share, bringing the FY15 total dividend to 36 cents per share, unchanged from FY14. The Scrip Dividend Scheme will be applicable to the final dividend, giving shareholders the option to receive the dividend in the form of shares. The issue price of the shares will be set at a 10% discount to the average daily volume-weighted average prices between 26 April 2016 (the ex-dividend date) and 28 April 2016 (the books closure date), both dates inclusive.

CEO's Comments

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

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

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

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

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the world's strongest and safest banks by leading market research firms and publications.

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

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has over 630 branches and representative offices in 18 countries and territories. These include the more than 330 branches and offices in Indonesia operated by subsidiary Bank OCBC NISP, and 94 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

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

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

For more information, please visit www.ocbc.com

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To Our Shareholders

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

Audited Financial Results for the Financial Year Ended 31 December 2015

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

Ordinary Dividend

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

Closure of Books

The books closure date is 28 April 2016. Please refer to the separate announcement titled “Notice of Books Closure and Application of Scrip Dividend Scheme to FY15 Final Dividend” released by the Bank today.

Scrip Dividend Scheme

The Oversea-Chinese Banking Corporation Limited Scrip Dividend Scheme, which was approved by the Shareholders of the Bank at the Extraordinary General Meeting on 8 June 1996, will be applicable to the final dividend. The issue price for the new shares, to be allotted to shareholders who have elected to receive scrip for the final dividend, will be set at a 10% discount to the average of the daily volume weighted average prices of the shares for each of the market days during the price determination period between 26 April 2016 (the ex-dividend date) to 28 April 2016 (the books closure date), both dates inclusive. Further details can be found in a separate announcement titled “Application of Scrip Dividend Scheme to FY15 Final Dividend” released by the Bank today.

Preference Dividends

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

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

Peter Yeoh
Secretary

Singapore, 17 February 2016

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

Oversea-Chinese Banking Corporation Limited
Financial Year 2015 Group Financial Report



Incorporated in Singapore
Company Registration Number: 193200032W

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Notes:

1. Certain comparative figures have been restated to conform with the current period's presentation.
2. Amounts less than S\$0.5 million are shown as "0".
3. "nm" denotes not meaningful.

FINANCIAL SUMMARY

OCBC Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards (“FRS”) as required by the Singapore Companies Act, including the modification to FRS 39 *Financial Instruments: Recognition and Measurement* requirement on loan loss provisioning under Notice to Banks No. 612 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore.

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2015:

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

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

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

Financial Results

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

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

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

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

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

FINANCIAL SUMMARY *(continued)*

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

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY (continued)

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

Notes:

1. Preference equity, other equity instruments and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on core net profit less preference dividends and distributions on other equity instruments paid and estimated to be due at the end of the financial period.
3. "SFRS" refers to Singapore Financial Reporting Standards.
4. Computation of return on assets excludes life assurance fund investment assets.
5. The Group's Capital adequacy ratios are computed based on Basel III transitional arrangements.
6. The Group's Leverage ratio is computed based on the revised MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore, which took effect on 1 January 2015.
7. Return on equity, return on assets, net interest margin and earnings per share for the quarters are computed on an annualised basis.
8. "na" denotes not applicable.

NET INTEREST INCOME

Average Balance Sheet

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

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

Notes:

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

NET INTEREST INCOME (continued)

Net interest income increased 10% to S\$5.19 billion in FY15, up from S\$4.74 billion a year ago, underpinned by growth in interest earning assets. Net interest margin for FY15 was relatively stable at 1.67% as compared with 1.68% a year ago. Customer loan yields improved, particularly in Singapore, but this was offset by reduced returns from money market gapping activities.

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

Volume and Rate Analysis

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

NON-INTEREST INCOME

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

Note:

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

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

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

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

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

OPERATING EXPENSES

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

Note:

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

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

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

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

ALLOWANCES FOR LOANS AND OTHER ASSETS

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

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

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

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

LOANS AND ADVANCES

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

Note:

- Loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

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

NON-PERFORMING ASSETS

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

Notes:

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

NON-PERFORMING ASSETS (continued)

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

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

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

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

Note:

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

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

CUMULATIVE ALLOWANCES FOR ASSETS

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

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

DEPOSITS

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

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

DEBT ISSUED

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

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

CAPITAL ADEQUACY RATIOS

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

Note:

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

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

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

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

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

Note:

- "na" denotes not applicable.

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

LEVERAGE RATIO

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

Notes:

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

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

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

UNREALISED VALUATION SURPLUS

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

Notes:

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

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

The valuation surplus as at 31 December 2015 was S\$6.42 billion, 22% lower from S\$8.27 billion as at 31 December 2014, mainly from lower equity securities valuation from the Group's equity stakes in GEH and Bank OCBC NISP.

PERFORMANCE BY BUSINESS SEGMENT

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

Operating Profit by Business Segment

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

Note:

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

Global Consumer/Private Banking

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

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

Global Corporate/Investment Banking

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's FY15 operating profit after allowances declined 2% to S\$1.90 billion, down from S\$1.95 billion a year ago, mainly attributable to an increase in expenses and allowances which more than offset higher net interest income. 4Q15 operating profit after allowances rose 12% year-on-year to S\$478 million, driven by net interest income growth and lower allowances. Compared with 3Q15, operating profit after allowances in 4Q15 was up 9%, mainly from a decline in expenses and allowances.

Global Treasury and Markets

Global Treasury and Markets is responsible for the management of the Group's asset and liability interest rate positions, engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and offers structured treasury products and financial solutions to meet customers' investment and hedging needs. Income from treasury products and services offered to customers of other business segments, such as Global Consumer/Private Banking and Global Corporate/Investment Banking, is reflected in the respective business segments.

Global Treasury's operating profit in FY15 fell 20% year-on-year to S\$618 million, largely attributable to a decline in net interest income from limited gapping opportunities and from an increase in expenses. 4Q15 operating profit rose 27% year-on-year to S\$140 million from S\$111 million, led by higher net trading income and lower allowances. Quarter-on-quarter, 4Q15 operating profit was down 33%, mainly from a decline in net interest income and net trading income.

Insurance

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

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

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

OCBC Wing Hang

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

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

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

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

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

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

AUDITED CONSOLIDATED INCOME STATEMENT

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

Note:

1. “@” represents unaudited.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

Notes:

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

AUDITED BALANCE SHEETS

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

Notes:

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

AUDITED STATEMENT OF CHANGES IN EQUITY – GROUP

For the financial year ended 31 December 2015

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

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 December 2015

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

AUDITED STATEMENT OF CHANGES IN EQUITY – BANK

For the financial year ended 31 December 2015

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

For the three months ended 31 December 2015 (Unaudited)

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

AUDITED CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2015

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

Notes:

- Comparative figures have been restated to conform with the current period's presentation.
- "@" represents unaudited.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

Number of Shares	Financial year ended 31 Dec		Three months ended 31 Dec	
	2015	2014	2015	2014
Issued ordinary shares				
Balance at beginning of year/period	3,992,929,319	3,441,176,885	4,121,561,367	3,934,569,224
Shares issued to non-executive directors	67,694	76,191	–	–
Shares issued pursuant to Scrip Dividend Scheme	128,564,354	114,900,989	–	58,360,095
Shares issued pursuant to Rights Issue	–	436,775,254	–	–
Balance at end of year/period	4,121,561,367	3,992,929,319	4,121,561,367	3,992,929,319
Treasury shares				
Balance at beginning of year/period	(9,043,268)	(8,367,614)	(5,080,226)	(4,952,415)
Share buyback	(11,750,000)	(16,386,500)	(2,150,000)	(4,861,500)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	4,176,437	5,082,612	1,116,026	312,777
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	5,742,718	6,277,663	17,630	133,657
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	4,788,410	4,350,571	10,867	324,213
Balance at end of year/period	(6,085,703)	(9,043,268)	(6,085,703)	(9,043,268)
Total	4,115,475,664	3,983,886,051	4,115,475,664	3,983,886,051

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

From 1 October 2015 to 31 December 2015 (both dates inclusive), the Bank utilised 1,116,026 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 ("SOS 2001"). As of 31 December 2015, the number of options outstanding under the OCBC SOS 2001 was 34,806,479 (31 December 2014: 32,090,197).

From 1 October 2015 to 31 December 2015 (both dates inclusive), the Bank utilised 17,630 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan ("ESPP"). As of 31 December 2015, the number of acquisition rights outstanding under the OCBC ESPP was 14,221,456 (31 December 2014: 13,681,668).

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

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

OTHER MATTERS

1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.
2. Pursuant to Rule 704(13) of the Listing Manual, for the financial year ended 31 December 2015, there was no person occupying managerial position in the Bank or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Bank.

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



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INDEPENDENT AUDITORS' REPORT

To The Members of Oversea-Chinese Banking Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Oversea-Chinese Banking Corporation Limited ("the Bank") and its subsidiaries ("the Group"), which comprise the balance sheets of the Group and the Bank as at 31 December 2015, the income statements, statements of comprehensive income and statements of changes in equity of the Group and the Bank and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 146.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by Notice to Banks No. 612 'Credit Files, Grading and Provisioning' issued by the Monetary Authority of Singapore, so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2015 and the financial performance and changes in equity of the Group and of the Bank and cash flows of the Group for the year ended on that date.



*Oversea-Chinese Banking Corporation Limited
Independent Auditors' Report
For the financial year ended 31 December 2015*

Report on other legal and regulatory requirements

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

A handwritten signature in blue ink, appearing to read 'Alan W.P.'.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
16 February 2016
