Media Release

OCBC Group Reports Second Quarter Net Profit of S$532 million

Core net profit rose 65% year-on-year to S$518 million

Interim net dividend of 14 cents per share

Singapore, 8 August 2007 – Oversea-Chinese Banking Corporation Limited ("OCBC Bank") today reported an increase of 65% in its core net profit to S$518 million for the second quarter of 2007 ("2Q07"). The strong earnings growth was driven by a 28% increase in net interest income arising from assets growth and better interest margins, and a 50% surge in non-interest income led by higher fee and insurance income.

Compared to the first quarter, core net profit was marginally higher by 2% as the first quarter included larger gains from the sale of investment securities. For the first half of 2007 ("1H07"), the Group achieved core earnings of S$1,028 million, up 63% year-on-year.

Annualised return on equity, based on core earnings, was 15.4% in 2Q07 and 15.6% in 1H07, significantly higher than the 10.4% in 2Q06 and 10.6% in 1H06. Annualised core earnings per share for 1H07 grew by 66% to 66 cents.

Core earnings exclude one-time gains from the divestment of non-core assets (S$90 million in 1Q07 and S$482 million in 2Q06) and tax refunds (S$15 million in 2Q07 and S$47 million in 1Q07). Including such gains and tax refunds, reported Group net profit was S$532 million for 2Q07 and S$1,179 million for 1H07, and annualised earnings per share for 1H07 was 76 cents.

Second Quarter Revenues

The Group's core revenue grew by 37% year-on-year, and 4% from the previous quarter, to S$1,050 million in 2Q07.

Net interest income rose 28% from a year ago and 10% from the previous quarter to S$558 million, driven by growth in interest earning assets and higher interest margins. Customer loans grew by 12% year-on-year, and 3% from the previous quarter, to S$65.3 billion, contributed largely by growth in corporate and SME loans in Singapore, Malaysia, Indonesia and other overseas markets. Net interest margin improved to 2.13%, up 13 basis points from a year ago and 9 basis points from the previous quarter, largely due to lower deposit costs in Singapore and Indonesia.

Non-interest income surged by 50% year-on-year to S$493 million, contributed mainly by higher fee and commission income, life assurance profits and net gains from investment securities. Fees and commissions rose 53% from a year ago, and 22% from the previous quarter, to S$217 million, driven by stronger stock-broking, wealth management, investment banking and loan-related income. Profit from life assurance grew 94% year-on-year, and 24% from the previous quarter, to S$123 million due to healthy underwriting profits and strong investment results. Net gains from investment securities amounted to S$39 million in 2Q07, up from S$9 million a year ago, but significantly lower than the S$104 million realised in 1Q07. Foreign exchange income fell to S$18 million compared to S$35 million a year ago and S$55 million in the previous quarter. Compared to 1Q07, non-interest income fell 3% largely due to the lower gains in investment securities.

Second Quarter Operating Expenses

Operating expenses rose 19% year-on-year to S$416 million, attributed mainly to higher staff costs and business promotion expenses. Staff costs rose 29% due to higher bonus accruals in tandem with the Group's better performance, higher base salaries, and a 14% increase in headcount mainly in Indonesia and Malaysia. Higher business promotion expenses were incurred in support of the growth in business volumes and the Group's regional expansion.

Compared with 1Q07, operating expenses were higher by 18%, due to higher staff costs, equipment and software costs, and business promotion expenses. The higher equipment and software costs were a result of replacements, and investments in technology to support business expansion.

The cost-to-income ratio for 2Q07 was 39.6%, compared with 45.6% in 2Q06 and 34.7% in 1Q07.

Loan Allowances & Asset Quality

The Group's asset quality continued to improve. Loan recovery efforts yielded a net write-back of S$16 million in allowances for loans and other assets in 2Q07, compared to a net write-back of S$5 million in 2Q06 and negligible allowances in 1Q07.

Non-performing loans ("NPLs") fell 9% from S$1.77 billion as at 31 March 2007 to S$1.61 billion as at 30 June 2007, while the NPL ratio improved from 2.7% to 2.4%. Total cumulative specific and portfolio allowances amounted to S$1.68 billion, providing coverage of 104.0% of total NPLs, higher than the coverage of 101.6% at 31 March 2007.

First Half 2007 Results

Core net profit for the first six months of 2007 rose by 63% to S$1,028 million. Net interest income grew 28% to S$1,065 million, driven by a 15 basis-point improvement in net interest margin from 1.94% to 2.09% and 19% growth in interest earning assets. Higher fee and commission income, profits from life assurance and net gains from investment securities lifted non-interest income by 47% to S$999 million. For 1H07, non-interest income accounted for 48.4% of the Group's total income, up from 44.9% in 1H06.

Operating expenses increased 17% to S$768 million, attributable mainly to higher staff costs and business promotion expenses. The cost-to-income ratio for 1H07 was 37.2%, lower than the 43.6% for 1H06.

Continued loan recovery efforts resulted in a net write-back of S$15 million in allowances for loans and other assets for 1H07, compared to a net writeback of S$12 million in 1H06.

Capital Position

As of 30 June 2007, the Group's total capital adequacy ratio ("CAR") was 14.6% and Tier 1 CAR was 12.5%. These were lower than the ratios of 15.4% and 13.1% respectively as at 31 March 2007, due to the growth in risk weighted assets.

During the second quarter, the Bank bought back approximately 1.3 million of its ordinary shares for S$12 million, as part of its third S$500 million share buyback programme which commenced in June 2006. As at the date of this announcement, S$268 million have been utilised to purchase approximately 39 million shares under the programme.

Interim Dividends

An interim net dividend of 14 cents per share (2006: 11 cents tax-exempt), or approximately 19 cents less 27% Malaysia tax, has been declared. The Bank is utilising its Malaysia tax credits for the interim dividend as these credits, which benefit some Malaysia resident shareholders, cannot be utilised after 2007. Singapore resident and other non-Malaysia resident shareholders will receive a net dividend of 14 cents, which is exempt from Singapore tax.

The net dividend for 1H07 is 27% higher than the 1H06 dividend (11 cents tax-exempt) and 17% above the 2H06 dividend (12 cents tax-exempt). The dividend payout will amount to an estimated S$432 million, or approximately 42% of the Group's core net profit of S$1,028 million for 1H07.

CEO's Comments

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

"Our first half performance is underpinned by strong growth across all our key business segments and geographies. This reflects not only the healthy business environment but also the significant investments we have made over the years to grow our customer businesses, including wealth management, insurance and asset management. Our regional expansion in Malaysia, Indonesia and other overseas markets has also delivered healthy earnings momentum."

About OCBC Bank

Singapore's longest established local bank, OCBC Bank currently has assets of S$164 billion and a network of more than 390 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 280 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to treasury and stock-broking services to meet the needs of its customers across communities.

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

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To Our Shareholders

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

Financial Results for the Quarter Ended 30 June 2007

For the quarter ended 30 June 2007, Group core net profit was S$518 million, up 65% from a year ago and 2% from 1Q07. Details of the financial results have not been audited but have been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410: *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

Ordinary Dividend

An interim net dividend of 14 cents per share (2006: 11 cents tax-exempt), or approximately 19 cents less 27% Malaysia tax, has been declared for the first half-year 2007, and will be paid on 13 September 2007. The Bank is utilising its Malaysia tax credits as these credits, which benefit some Malaysia resident shareholders, cannot be utilised after 2007. Singapore resident and other non-Malaysia resident shareholders will receive a net dividend of 14 cents, which is exempt from Singapore tax. The interim dividend payout will amount to an estimated S$432 million (2006: S$340 million) or approximately 42% of the Group's core net profit of S$1,028 million for 1H07.

Closure of Books

Notice is hereby given that the Transfer Books and the Register of Shareholders of the Bank will be closed from 30 August 2007 to 31 August 2007 (both dates inclusive) for the purpose of determining the entitlement of Shareholders to the interim dividend of 14 cents net of tax, or approximately 19 cents less 27% Malaysia tax, for every ordinary share held. Duly completed registrable transfers of ordinary shares received by the Bank's Share Registrar, M & C Services Private Limited of 138 Robinson Road #17-00 The Corporate Office Singapore 068906 up to 5.00 p.m. on 29 August 2007 will be registered to determine the entitlement of Shareholders to the interim dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Bank as at 5.00 p.m. on 29 August 2007 will be entitled to the interim dividend.

Scrip Dividend Scheme

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

Preference Dividend

On 20 June 2007, the Bank paid semi-annual 1-tier tax-exempt dividend on its non-cumulative non-convertible Class E Preference Shares at 4.5% per annum (2006: 4.5% net of Singapore income tax), and semi-annual dividend on non-cumulative non-convertible Class G Preference Shares at 4.2% per annum, net of Malaysia income tax (2006: 4.2% net of Singapore income tax). Total amount of dividends paid for the Class E and Class G Preference Shares were S$11.2 million and S$8.3 million respectively.

By order of the Board

Peter Yeoh
Secretary

Singapore, 8 August 2007

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

Oversea-Chinese Banking Corporation Limited

Second Quarter 2007 Group Financial Report

Incorporated in Singapore
Company Registration Number: 193200032W

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FINANCIAL SUMMARY

OCBC Group prepares its condensed interim financial statements in accordance with the Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*, including the modification to FRS 39 *Financial Instruments: Recognition and Measurement* requirement on loan loss provisioning under Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore. The accounting policies and methods of computation for the current financial period are consistent with those applied in the previous financial period, except for the following FRSs which were applied with effect from 1 January 2007:

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

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

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

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

Financial Review

The Group's core net profit grew 65% year-on-year to S$518 million in second quarter 2007 ("2Q07"). The strong earnings growth was driven by a 28% rise in net interest income and a 50% surge in non-interest income. For the first half of 2007 ("1H07"), the Group achieved core earnings of S$1,028 million, up 63% year-on-year.

Annualised return on equity, based on core earnings, was 15.4% in 2Q07 and 15.6% in 1H07, significantly higher than the 10.4% in 2Q06 and 10.6% in 1H06.

Core earnings exclude one-time gains from the divestment of non-core assets (S$90 million in 1Q07 and S$482 million in 2Q06) and tax refunds (S$15 million in 2Q07 and S$47 million in 1Q07). Including such gains and tax refunds, reported Group net profit was S$532 million for 2Q07 and S$1,179 million for 1H07, compared to S$795 million for 2Q06 and S$1,113 million for 1H06.

FINANCIAL SUMMARY *(continued)*

S$ million	1H07	1H06	+/(-)	2Q07	2Q06	+/(-)	1Q07	+/(-)
			%			%		%
Selected Income Statement Items								
Net interest income	**1,065**	830	28	**558**	435	28	508	10
Non-interest income	**999**	677	47	**493**	329	50	506	(3)
Total income	**2,064**	1,507	37	**1,050**	764	37	1,014	4
Operating expenses	**(768)**	(657)	17	**(416)**	(349)	19	(352)	18
Operating profit before allowances and amortisation	**1,296**	851	52	**634**	416	53	662	(4)
Amortisation of intangible assets	**(23)**	(21)	11	**(12)**	(11)	10	(12)	–
Write-back / (Allowances) for loans and impairment of other assets	**15**	12	29	**16**	5	203	(#)	n.m.
Operating profit after allowances and amortisation	**1,288**	842	53	**639**	410	56	650	(2)
Share of results of associates and joint ventures	**20**	5	338	**4**	1	419	16	(73)
Profit before income tax	**1,309**	846	55	**643**	411	56	666	(3)
Core net profit attributable to shareholders	**1,028**	632	63	**518**	314	65	510	2
Divestment gains (net of tax)	**90**	482	(81)	**–**	482	–	90	–
Tax refund	**62**	–	–	**15**	–	–	47	(69)
Reported net profit attributable to shareholders	**1,179**	1,113	6	**532**	795	(33)	647	(18)
Cash basis net profit attributable to shareholders [1/]	**1,202**	1,134	6	**544**	806	(32)	658	(17)
Selected Balance Sheet Items								
Ordinary equity	**13,547**	11,896	14	**13,547**	11,896	14	13,287	2
Total equity *(excluding minority interests)*	**14,443**	12,792	13	**14,443**	12,792	13	14,182	2
Total assets	**163,939**	138,936	18	**163,939**	138,936	18	157,121	4
Assets excluding life assurance fund investment assets	**123,759**	104,162	19	**123,759**	104,162	19	117,940	5
Loans and bills receivable *(net of allowances)*	**63,656**	56,122	13	**63,656**	56,122	13	61,550	3
Deposits of non-bank customers	**82,233**	68,693	20	**82,233**	68,693	20	77,989	5

Notes:
1. Excludes amortisation of intangible assets.
2. n.m. - not meaningful
3. # - amounts less than S$0.5 million
4. Certain figures may not add up to the relevant totals due to rounding.

FINANCIAL SUMMARY *(continued)*

	1H07	1H06	2Q07	2Q06	1Q07
Key Financial Ratios - based on core earnings					
Performance ratios (% p.a.)					
Return on equity [1/]					
GAAP basis	**15.6**	10.6	**15.4**	10.4	15.9
Cash basis	**16.0**	10.9	**15.7**	10.7	16.3
Return on assets [2/]					
GAAP basis	**1.74**	1.26	**1.71**	1.23	1.78
Cash basis	**1.78**	1.31	**1.75**	1.27	1.82
Revenue mix / efficiency ratios (%)					
Net interest margin (annualised)	**2.09**	1.94	**2.13**	2.00	2.04
Net interest income-to-total income	**51.6**	55.1	**53.1**	56.9	50.1
Non-interest income-to-total income	**48.4**	44.9	**46.9**	43.1	49.9
Cost-to-income	**37.2**	43.6	**39.6**	45.6	34.7
Loans-to-deposits	**77.4**	81.7	**77.4**	81.7	78.9
NPL ratio	**2.4**	3.6	**2.4**	3.6	2.7
Earnings per share (annualised - cents)					
Basic earnings	**66.0**	39.7	**66.1**	39.2	66.0
Basic earnings (cash basis)	**67.6**	41.1	**67.6**	40.6	67.5
Diluted earnings	**65.7**	39.5	**65.7**	39.1	65.6
Net asset value (S$)					
Before valuation surplus	**4.39**	3.84	**4.39**	3.84	4.32
After valuation surplus	**6.18**	5.22	**6.18**	5.22	6.16
Capital adequacy ratios (%)					
Tier 1	**12.5**	13.7	**12.5**	13.7	13.1
Total	**14.6**	17.9	**14.6**	17.9	15.4

Notes:
1. Preference equity and minority interests are not included in the computation for return on equity.
2. The computation for return on assets does not include life assurance fund investment assets.
3. In computing return on equity and earnings per share, preference dividends paid and estimated to be due as at the end of the financial period are deducted from core earnings.

NET INTEREST INCOME

S$ million	1H07 Average Balance	1H07 Interest	1H07 Average Rate [4]	1H06 Average Balance	1H06 Interest	1H06 Average Rate [4]
			%			%
Interest earning assets						
Loans and advances to non-bank customers	**61,339**	**1,726**	**5.67**	54,312	1,439	5.34
Placements with and loans to banks	**22,060**	**435**	**3.97**	15,993	334	4.21
Other interest earning assets [1]	**19,369**	**406**	**4.23**	15,814	307	3.91
Total	**102,768**	**2,567**	**5.04**	86,119	2,080	4.87
Interest bearing liabilities						
Deposits of non-bank customers	**78,561**	**1,086**	**2.79**	65,438	911	2.81
Deposits and balances of banks	**12,252**	**272**	**4.48**	9,977	204	4.13
Other borrowings [2]	**5,768**	**143**	**5.01**	5,848	134	4.64
Total	**96,582**	**1,501**	**3.13**	81,263	1,250	3.10
Net interest income / margin [3]		**1,065**	**2.09**		830	1.94

S$ million	2Q07 Average Balance	2Q07 Interest	2Q07 Average Rate [4]	2Q06 Average Balance	2Q06 Interest	2Q06 Average Rate [4]	1Q07 Average Balance	1Q07 Interest	1Q07 Average Rate [4]
			%			%			%
Interest earning assets									
Loans and advances to non-bank customers	**62,667**	**879**	**5.63**	54,817	758	5.54	60,061	847	5.72
Placements with and loans to banks	**22,737**	**220**	**3.89**	16,805	188	4.49	21,376	215	4.07
Other interest earning assets [1]	**19,418**	**203**	**4.19**	15,816	154	3.92	19,320	203	4.26
Total	**104,822**	**1,303**	**4.98**	87,437	1,100	5.05	100,757	1,264	5.09
Interest bearing liabilities									
Deposits of non-bank customers	**80,686**	**540**	**2.68**	66,240	478	2.89	76,413	546	2.90
Deposits and balances of banks	**12,020**	**134**	**4.47**	10,338	113	4.37	12,487	138	4.48
Other borrowings [2]	**5,711**	**71**	**4.98**	5,925	75	5.04	5,826	72	5.04
Total	**98,416**	**745**	**3.04**	82,502	665	3.23	94,727	756	3.24
Net interest income / margin [3]		**558**	**2.13**		435	2.00		508	2.04

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

NET INTEREST INCOME *(continued)*

Net interest income increased by 28% to S$558 million in 2Q07, driven by growth of 20% in interest earning assets and better interest margins. Net interest margin improved from 2.00% in 2Q06 to 2.13% in 2Q07, due largely to lower deposit costs in Singapore and Indonesia.

Compared with 1Q07, net interest income was up by 10%, mainly due to growth in loan balances and higher interest margin. Net interest margin improved by nine basis points from 2.04% in 1Q07.

Volume and Rate Analysis

	1H07 vs 1H06			2Q07 vs 2Q06			2Q07 vs 1Q07		
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	186	100	286	108	13	122	37	(14)	23
Placements with and loans to banks	127	(26)	101	66	(34)	32	14	(10)	3
Other interest earning assets	69	30	99	35	13	49	1	(3)	(2)
Total	382	105	487	210	(7)	203	52	(27)	24
Interest expense									
Deposits of non-bank customers	183	(9)	174	104	(42)	62	31	(42)	(12)
Deposits and balances of banks	47	21	68	18	3	21	(5)	(#)	(6)
Other borrowings	(2)	11	9	(3)	(1)	(4)	(1)	(1)	(2)
Total	228	24	251	120	(40)	80	24	(44)	(19)
Net impact on interest income	154	81	236	90	32	123	28	16	44
Due to change in number of days			–			–			6
Net interest income			236			123			50

Note:
\# - amounts less than S$0.5 million

NON-INTEREST INCOME

S$ million	1H07	1H06	+/(-)	2Q07	2Q06	+/(-)	1Q07	+/(-)
			%			%		%
Fees and commissions								
Brokerage	**66**	39	71	**36**	19	85	30	17
Wealth management	**76**	69	11	**44**	32	37	32	38
Fund management	**45**	33	39	**23**	16	40	23	2
Credit card	**26**	22	22	**13**	11	22	13	4
Loan-related	**59**	36	62	**34**	21	62	24	42
Trade-related and remittances	**54**	45	20	**27**	22	21	27	–
Guarantees	**11**	12	(9)	**6**	6	2	5	9
Investment banking	**25**	9	189	**18**	6	183	7	136
Service charges	**23**	13	82	**13**	4	192	10	19
Others	**8**	5	76	**3**	3	27	5	(36)
Sub-total	**395**	282	40	**217**	141	53	178	22
Dividends	**36**	44	(18)	**20**	27	(25)	16	24
Rental income	**33**	39	(15)	**16**	19	(19)	17	(8)
Profit from life assurance	**222**	145	54	**123**	64	94	99	24
Premium income from general insurance	**31**	29	9	**15**	14	8	16	(4)
Other income[1/]								
Net dealing income:								
Foreign exchange	**73**	76	(4)	**18**	35	(50)	55	(68)
Securities and derivatives	**32**	12	167	**28**	9	218	3	792
Net gains from investment securities	**143**	26	446	**39**	9	318	104	(62)
Net gains from disposal of properties	**4**	2	157	**1**	–	n.m.	2	(42)
Net gains from disposal of subsidiaries and associates	**–**	(6)	–	**–**	(6)	–	–	–
Others	**30**	30	–	**15**	17	(9)	15	1
Sub-total	**282**	140	101	**102**	64	59	180	(43)
Total core non-interest income	**999**	677	47	**493**	329	50	506	(3)
Fees and commissions / Total income [1/]	**19.1%**	18.7%		**20.7%**	18.5%		17.5%	
Non-interest income / Total income [1/]	**48.4%**	44.9%		**46.9%**	43.1%		49.9%	

Notes:
1. Pre-tax divestment gains of S$92 million for 1Q07 and 1H07, and S$515 million for 2Q06 and 1H06 are not included.
2. n.m. - not meaningful

Non-interest income, excluding divestment gains, increased by 50% to S$493 million in 2Q07, contributed mainly by higher fee and commission income, life assurance profits and net gains from investment securities. Fees and commissions rose 53% to S$217 million, with strong contributions from stock-broking, wealth management, investment banking and loan-related income. Profit from life assurance grew 94% to S$123 million due to healthy underwriting profits and strong investment results. Net gains from investment securities increased from S$9 million to S$39 million, while foreign exchange income declined from S$35 million to S$18 million.

Compared with 1Q07, non-interest income was marginally lower by 3%, as higher income from fees, commissions and insurance was largely offset by lower net gains from investment securities and foreign exchange income.

Non-interest income accounted for 46.9% of the Group’s total core income in 2Q07, compared with 43.1% in 2Q06 and 49.9% in 1Q07.

OPERATING EXPENSES

S$ million	1H07	1H06	+/(-)	2Q07	2Q06	+/(-)	1Q07	+/(-)
			%			%		%
Staff costs								
Salaries and other costs	**398**	319	25	**213**	165	29	185	15
Share-based expenses	**5**	4	25	**3**	2	67	3	9
Employer's contribution to defined contribution plans	**28**	26	11	**16**	12	27	13	23
	431	349	24	**231**	179	29	200	15
Properties and equipment								
Depreciation	**55**	58	(6)	**30**	35	(12)	24	26
Maintenance and hire of property, plant and equipment	**32**	29	9	**17**	15	18	15	16
Rental expenses	**14**	12	16	**7**	6	24	7	8
Others	**56**	52	7	**32**	28	17	23	39
	156	152	3	**87**	83	6	69	27
Other operating expenses	**181**	156	16	**98**	87	12	83	18
Total operating expenses	**768**	657	17	**416**	349	19	352	18
Group staff strength – period end	**17,277**	15,154	14	**17,277**	15,154	14	16,523	5
Group staff strength – average	**16,669**	14,946	12	**17,018**	15,068	13	16,321	4
Cost-to-income ratio 1/	**37.2%**	43.6%		**39.6%**	45.6%		34.7%	

Note:
1. Gains from the divestment of non-core assets are not included in the computation of this ratio.

The Group's operating expenses increased by 19% to S$416 million in 2Q07, attributed mainly to higher staff costs and business promotion expenses. Staff costs increased on higher bonus accruals in tandem with the Group's better performance, higher base salaries and increased headcount. Group headcount was 17,277 as at 30 June 2007, an increase of 14% year-on-year, with most of the increase coming from Indonesia and Malaysia. Higher business promotion expenses were incurred to support the growth in business volumes and the Group's regional expansion.

Compared with 1Q07, total operating expenses increased by 18%, mainly due to higher staff costs, equipment and software costs, and business promotion expenses. The higher equipment and software costs were a result of replacements, and investments in technology made to support business expansion.

The cost-to-income ratio was 39.6% in 2Q07, compared to 45.6% in 2Q06 and 34.7% in 1Q07.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	1H07	1H06	+/(-)	2Q07	2Q06	+/(-)	1Q07	+/(-)
			%			%		%
Specific allowances / (write-back) for loans								
Singapore	**(14)**	(#)	n.m.	**(2)**	(7)	(68)	(12)	(83)
Malaysia	**(2)**	12	(116)	**(9)**	12	(175)	7	(227)
Others	**(5)**	(6)	(23)	**(7)**	(11)	(40)	2	(420)
	(21)	6	(471)	**(18)**	(5)	241	(3)	522
Portfolio allowances / (write-back) for loans	**-**	-	-	**-**	-	-	-	-
Impairment charges / (write-back) for securities and other assets	**6**	(18)	(131)	**2**	#	n.m.	3	(28)
Allowances / (write-back) for loans and impairment of other assets	**(15)**	(12)	29	**(16)**	(5)	203	#	n.m.

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

The Group continued to achieve strong recoveries from non-performing assets. This resulted in a net write-back of S$16 million in allowances for loans and other assets in 2Q07, compared with a net write-back of S$5 million in 2Q06 and negligible allowances in 1Q07.

A net write-back of S$18 million in specific allowances for loans was recorded in 2Q07, compared with a net write-back of S$5 million in 2Q06. This was mainly due to loan recoveries and upgrades as collateral values improved.

LOANS AND ADVANCES

S$ million	30 Jun 07	31 Mar 07	31 Dec 06	30 Jun 06
Loans to customers	**64,414**	62,526	60,390	57,463
Bills receivable	**895**	796	743	607
Gross loans to customers	**65,309**	63,321	61,132	58,070
Allowances:				
Specific allowances	**(687)**	(810)	(862)	(986)
Portfolio allowances	**(967)**	(962)	(961)	(962)
	63,656	61,550	59,309	56,122

Gross loans to customers increased 12% year-on-year to S$65.3 billion. Loan growth was registered in the Group's key geographical markets of Singapore, Malaysia and Indonesia as well as other overseas markets. By industry, the increase in loans was mainly to the building and construction, manufacturing, transport and communication, non-bank financial institutions, investment and holding companies, and general commerce sectors.

Compared with 31 March 2007, gross loans increased by 3%, mainly from the building and construction, transport and communication, and manufacturing sectors.

S$ million	30 Jun 07	31 Mar 07	31 Dec 06	30 Jun 06
By Maturity				
Less than 7 days	**6,547**	7,238	6,371	6,314
1 week to 1 month	**4,650**	3,842	4,130	3,773
Over 1 to 3 months	**4,541**	4,906	4,332	3,799
Over 3 to 12 months	**7,166**	6,292	6,364	6,993
Over 1 to 3 years	**11,308**	11,063	10,881	6,303
Over 3 years	**31,096**	29,981	29,053	30,888
	65,309	63,321	61,132	58,070
By Industry				
Agriculture, mining and quarrying	**1,125**	1,069	986	778
Manufacturing	**5,854**	5,483	5,043	4,873
Building and construction	**11,204**	9,882	9,332	7,418
Housing loans	**18,095**	18,013	18,149	18,054
General commerce	**5,961**	5,764	5,812	5,284
Transport, storage and communication	**3,055**	2,567	2,537	2,095
Financial institutions, investment and holding companies	**9,338**	10,108	8,416	8,715
Professionals and individuals	**7,217**	7,130	7,330	7,727
Others	**3,460**	3,306	3,528	3,126
	65,309	63,321	61,132	58,070
By Currency				
Singapore Dollar	**38,635**	38,011	37,114	35,265
United States Dollar	**8,567**	8,477	7,990	8,417
Malaysian Ringgit	**9,709**	9,524	9,044	8,201
Indonesian Rupiah	**2,466**	2,279	2,323	1,950
Others	**5,933**	5,031	4,662	4,238
	65,309	63,321	61,132	58,070

NON-PERFORMING LOANS [1/]

S$ million	Total	Substandard	Doubtful	Loss	Secured NPLs/ Total NPLs	Non-bank NPLs/ Non-bank loans [2/]
					%	%
Singapore						
30 Jun 07	**749**	**285**	**251**	**213**	**65.9**	**1.8**
31 Mar 07	869	332	297	240	62.2	2.1
31 Dec 06	951	382	336	233	60.6	2.4
30 Jun 06	1,123	435	386	302	61.1	2.9
Malaysia						
30 Jun 07	**621**	**371**	**146**	**104**	**61.1**	**5.4**
31 Mar 07	658	377	169	112	58.6	5.8
31 Dec 06	652	401	143	108	57.9	6.0
30 Jun 06	683	476	142	65	66.1	6.7
Others						
30 Jun 07	**244**	**80**	**78**	**86**	**62.9**	**1.8**
31 Mar 07	239	73	100	66	46.9	2.0
31 Dec 06	226	72	103	51	42.0	2.0
30 Jun 06	290	107	116	67	52.7	3.0
Group Total						
30 Jun 07	**1,614**	**736**	**475**	**403**	**63.6**	**2.4**
31 Mar 07	1,766	782	566	418	58.8	2.7
31 Dec 06	1,829	854	583	392	57.3	3.0
30 Jun 06	2,096	1,018	644	434	61.6	3.6

Notes:
1. Comprises non-bank loans, debt securities and contingent facilities.
2. Excludes debt securities.

The Group's asset quality remained strong. As at 30 June 2007, total NPLs were S$1.61 billion, down 23% from 30 June 2006, and 9% lower compared to 31 March 2007. Singapore NPLs amounted to S$0.75 billion, while Malaysia NPLs were S$0.62 billion. These accounted for 46% and 38% of total NPLs respectively. Of the total NPLs, 46% were in the substandard category while 64% were secured by collateral.

The Group's NPL ratio was 2.4% in June 2007, an improvement over 3.6% in June 2006 and 2.7% in March 2007.

NON-PERFORMING LOANS *(continued)*

	30 Jun 07		31 Mar 07		31 Dec 06		30 Jun 06	
	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans
NPLs by industry								
Loans and advances								
Agriculture, mining and quarrying	**12**	**1.0**	14	1.3	14	1.4	15	1.9
Manufacturing	**311**	**5.3**	343	6.2	365	7.2	369	7.6
Building and construction	**214**	**1.9**	239	2.4	251	2.7	309	4.2
Housing loans	**371**	**2.1**	387	2.1	380	2.1	422	2.3
General commerce	**219**	**3.7**	281	4.9	304	5.2	338	6.4
Transport, storage and communication	**23**	**0.7**	21	0.8	20	0.8	61	2.9
Financial institutions, investment and holding companies	**117**	**1.3**	134	1.3	155	1.8	178	2.0
Professionals and individuals	**237**	**3.3**	244	3.4	253	3.4	281	3.6
Others	**79**	**2.3**	76	2.3	63	1.8	98	3.1
Sub-total	**1,583**	**2.4**	1,738	2.7	1,804	3.0	2,071	3.6
Debt securities	**32**		28		25		25	
	1,614		1,766		1,829		2,096	

	30 Jun 07		31 Mar 07		31 Dec 06		30 Jun 06	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%
NPLs by period overdue								
Over 180 days	**871**	**54**	1,012	57	1,043	57	1,270	61
Over 90 to 180 days	**181**	**11**	218	12	215	12	222	11
30 to 90 days	**189**	**12**	173	10	164	9	165	8
Less than 30 days	**36**	**2**	38	2	76	4	63	3
Not overdue	**337**	**21**	325	18	331	18	376	18
	1,614	**100**	1,766	100	1,829	100	2,096	100

	30 Jun 07		31 Mar 07		31 Dec 06		30 Jun 06	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured loans								
Substandard	**118**	**11**	208	45	216	40	267	34
Doubtful	**128**	**126**	144	118	120	125	142	145
Loss	**23**	**6**	30	32	33	33	30	15
	269	**143**	382	195	369	198	439	194

CUMULATIVE ALLOWANCES FOR LOANS [1/]

S$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPLs	Cumulative allowances as % of total NPLs
				%	%
Singapore					
30 Jun 07	**894**	**300**	**594**	**40.0**	**119.3**
31 Mar 07	959	353	606	40.6	110.4
31 Dec 06	1,025	397	628	41.8	107.8
30 Jun 06	1,174	499	675	44.4	104.5
Malaysia					
30 Jun 07	**434**	**260**	**174**	**41.9**	**69.9**
31 Mar 07	475	304	171	46.2	72.1
31 Dec 06	472	310	163	47.5	72.5
30 Jun 06	463	323	140	47.3	67.9
Others					
30 Jun 07	**350**	**151**	**199**	**62.0**	**143.6**
31 Mar 07	360	175	185	73.2	150.7
31 Dec 06	348	178	170	78.6	153.7
30 Jun 06	333	186	147	64.2	114.8
Group Total					
30 Jun 07	**1,678**	**712**	**967**	**44.1**	**104.0**
31 Mar 07	1,794	832	962	47.1	101.6
31 Dec 06	1,845	884	961	48.4	100.9
30 Jun 06	1,970	1,008	962	48.1	94.0

Note:
1. Includes allowances for debt securities.

As at 30 June 2007, the Group's total cumulative allowances for loans amounted to S$1.68 billion, comprising S$0.71 billion in cumulative specific allowances and S$0.97 billion in cumulative portfolio allowances. Cumulative allowances were 104.0% of total NPLs at 30 June 2007, higher than the coverage of 94.0% at 30 June 2006 and 101.6% at 31 March 2007.

DEPOSITS

S$ million	30 Jun 07	31 Mar 07	31 Dec 06	30 Jun 06
Deposits of non-bank customers	**82,233**	77,989	75,115	68,693
Deposits and balances of banks	**13,004**	11,459	11,869	9,020
	95,237	89,448	86,984	77,713
Loans-to-deposits ratio (net non-bank loans / non-bank deposits)	**77.4%**	78.9%	79.0%	81.7%

As at 30 June 2007, total deposits were S$95.2 billion, an increase of 23% year-on-year. Non-bank customer deposits grew by 20% to S$82.2 billion, with increases of 17% in fixed deposits, 20% in savings deposits, and 21% in current account deposits. Deposits and balances of banks grew by 44% to S$13.0 billion. Compared with 31 March 2007, total deposits increased by 6% while customer deposits grew by 5%.

The Group's loans-to-deposits ratio was 77.4% at 30 June 2007, down from 81.7% in June 2006 and 78.9% in March 2007.

S$ million	30 Jun 07	31 Mar 07	31 Dec 06	30 Jun 06
Total Deposits By Maturity				
Less than 7 days	**43,129**	37,158	39,871	36,682
1 week to 1 month	**24,215**	23,620	19,777	17,350
Over 1 to 3 months	**12,770**	12,447	10,743	10,775
Over 3 to 12 months	**11,172**	12,166	12,460	9,095
Over 1 to 3 years	**2,485**	2,275	1,921	705
Over 3 years	**1,466**	1,783	2,212	3,105
	95,237	89,448	86,984	77,713
Non-Bank Deposits By Product				
Fixed deposits	**53,250**	51,803	50,197	45,381
Savings deposits	**12,956**	11,656	11,215	10,774
Current account	**11,580**	9,873	10,035	9,536
Others	**4,447**	4,657	3,668	3,003
	82,233	77,989	75,115	68,693

CAPITAL ADEQUACY RATIOS

S$ million	30 Jun 07	31 Mar 07	31 Dec 06	30 Jun 06
Tier 1 Capital				
Paid-up ordinary and preference shares	**5,503**	5,481	5,481	5,629
Disclosed reserves / others	**9,054**	8,801	8,136	7,648
Goodwill / Others	**(3,508)**	(3,544)	(3,560)	(3,395)
	11,049	10,738	10,057	9,881
Tier 2 Capital				
Cumulative portfolio allowances	**717**	710	704	713
Subordinated term notes	**3,208**	3,208	3,112	3,886
Revaluation surplus on equity securities	**251**	227	205	170
	4,176	4,144	4,021	4,770
Tier 1 and Tier 2 Capital	**15,225**	14,882	14,078	14,651
Capital investments in insurance subsidiaries	**(2,258)**	(2,104)	(1,889)	(1,675)
Others	**(122)**	(121)	(85)	(83)
Eligible Total Capital	**12,844**	12,658	12,105	12,893
Risk weighted assets including market risk	**87,846**	81,878	76,514	72,136
Tier 1 ratio	**12.5%**	13.1%	13.1%	13.7%
Total capital adequacy ratio	**14.6%**	15.4%	15.8%	17.9%

As of 30 June 2007, the Group's total capital adequacy ratio ("CAR") was 14.6%, compared with 15.4% in March 2007 and 17.9% in June 2006. The year-on-year decline in total CAR was mainly due to the growth in risk weighted assets and the commencement of annual amortisation of the Bank's Tier 2 subordinated debt in September 2006. Tier 1 CAR was 12.5%, down from 13.1% in March 2007 and 13.7% in June 2006 as a result of the higher risk weighted assets.

In 2Q07, the Bank bought back approximately 1.3 million of its ordinary shares for S$12 million, as part of its third S$500 million share buyback programme which commenced in June 2006. As at the date of this announcement, S$268 million have been utilised to buy back approximately 39 million shares under the programme.

VALUATION SURPLUS

S$ million	30 Jun 07	31 Mar 07	31 Dec 06	30 Jun 06
Properties [1/]	**1,967**	1,638	1,600	1,433
Equity securities [2/]	**3,541**	4,029	2,962	2,837
Total	**5,508**	5,668	4,562	4,270

Notes:

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

The Group's unrealised valuation surplus amounted to S$5.51 billion as at 30 June 2007, an increase of 21% compared to 31 December 2006. The surplus for properties amounted to S$1.97 billion. The surplus of S$3.54 billion for equity securities was primarily from the Group's holding of GEH shares.

PERFORMANCE BY BUSINESS SEGMENT

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

Core Operating Profit by Business Segment

S$ million	1H07	1H06	+/(-)	2Q07	2Q06	+/(-)	1Q07	+/(-)
			%			%		%
Consumer Banking	**314**	205	53	**159**	91	75	154	3
Business Banking	**497**	371	34	**270**	190	42	226	19
Treasury	**172**	89	93	**84**	44	90	88	(5)
Insurance [1/]	**315**	188	68	**163**	83	96	152	8
Others [2/]	**(10)**	(11)	(10)	**(39)**	1	n.m.	30	(230)
Core operating profit after allowances and amortisation of intangible assets	**1,288**	842	53	**639**	410	56	650	(2)

Notes:
1. Pre-tax divestment gains of S$24 million in 2Q06 and 1H06 are not included.
2. Pre-tax divestment gains of S$92 million in 1Q07 and 1H07, as well as S$491 million in 2Q06 and 1H06 are not included.
3. n.m. - not meaningful

Consumer Banking

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

For 1H07, operating profit of the consumer segment grew by 53% to S$314 million, as broad-based revenue growth of 23% and lower loans allowances more than offset increases in expenses. For 2Q07, operating profit increased by 75% to S$159 million.

Business Banking

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

Business Banking's operating profit increased by 34% to S$497 million in 1H07 and by 42% to $270 million in 2Q07. The improved performance was a result of increase in net interest income due to volume growth, strong growth in fee income as well as higher recoveries from non-performing assets.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Treasury

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

Treasury's operating profit rose 93% from 1H06 to S$172 million in 1H07, and 90% from 2Q06 to S$84 million in 2Q07. The stronger performance was a result of significantly higher net interest income due to volume growth and higher trading income from dealing securities, which more than offset the increase in expenses.

Insurance

The Group's insurance business, including its fund management activities, is carried out by 87%-owned subsidiary Great Eastern Holdings ("GEH"), which provides both life and general insurance products to its customers mainly in Singapore and Malaysia.

For 1H07, operating profit after allowances and amortisation of intangible assets from GEH grew by 68% to S$315 million, driven by higher insurance income. For 2Q07, operating profit after allowances and amortisation of intangible assets registered an increase of 96% to S$163 million.

After minority interests and tax, GEH's contribution to Group net profit was S$233 million in 1H07 and S$117 million in 2Q07, compared with S$134 million in 1H06 and S$65 million in 2Q06.

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
1H07						
Total income	**581**	**661**	**226**	**395**	**201**	**2,064**
Profit / (loss) before tax and allowances	**334**	**463**	**172**	**338**	**(11)**	**1,296**
Amortisation of intangible assets	**–**	**–**	**–**	**(23)**	**–**	**(23)**
(Allowances) / Write-back for loans and impairment of other assets	**(20)**	**34**	**–**	**–**	**1**	**15**
Operating profit / (loss) after allowances and amortisation of intangible assets	**314**	**497**	**172**	**315**	**(10)**	**1,288**
Other information:						
Capital expenditure	**4**	**3**	**–**	**60**	**58**	**125**
Depreciation	**5**	**3**	**–**	**–**	**47**	**55**
1H06						
Total income	474	524	131	266	112	1,507
Profit / (loss) before tax and allowances	246	350	89	209	(43)	851
Amortisation of intangible assets	–	–	–	(21)	–	(21)
(Allowances) / Write-back for loans and impairment of other assets	(41)	21	–	–	32	12
Operating profit / (loss) after allowances and amortisation of intangible assets	205	371	89	188	(11)	842
Other information:						
Capital expenditure	3	1	–	28	61	93
Depreciation	10	2	–	1	45	58

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
2Q07						
Total income	**303**	**351**	**112**	**204**	**80**	**1,050**
Profit / (loss) before tax and allowances	**168**	**242**	**84**	**175**	**(35)**	**634**
Amortisation of intangible assets	**–**	**–**	**–**	**(12)**	**–**	**(12)**
(Allowances) / Write-back for loans and impairment of other assets	**(8)**	**28**	**–**	**–**	**(4)**	**16**
Operating profit / (loss) after allowances and amortisation of intangible assets	**159**	**270**	**84**	**163**	**(39)**	**639**
Other information:						
Capital expenditure	**3**	**1**	**–**	**27**	**31**	**62**
Depreciation	**5**	**2**	**–**	**–**	**23**	**30**
2Q06						
Total income	242	279	66	125	52	764
Profit /(loss) before tax and allowances	111	184	44	94	(17)	416
Amortisation of intangible assets	–	–	–	(11)	–	(11)
(Allowances) / Write-back for loans and impairment of other assets	(19)	6	–	–	18	5
Operating profit after allowances and amortisation of intangible assets	91	190	44	83	1	410
Other information:						
Capital expenditure	1	–	–	12	33	46
Depreciation	9	1	–	1	24	35
1Q07						
Total income	278	310	114	192	120	1,014
Profit before tax and allowances	166	220	88	163	25	662
Amortisation of intangible assets	–	–	–	(12)	–	(12)
(Allowances) / Write-back for loans and impairment of other assets	(12)	6	–	–	6	(#)
Operating profit after allowances and amortisation of intangible assets	154	226	88	152	30	650
Other information:						
Capital expenditure	1	2	–	33	27	63
Depreciation	–	1	–	–	23	24

Note:
- amounts less than S$0.5 million

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
At 30 June 2007						
Segment assets	**25,359**	**44,536**	**34,080**	**46,296**	**17,854**	**168,125**
Unallocated assets						**79**
Elimination						**(4,265)**
Total assets						**163,939**
Segment liabilities	**37,919**	**43,179**	**18,492**	**41,233**	**10,594**	**151,417**
Unallocated liabilities						**1,194**
Elimination						**(4,265)**
Total liabilities						**148,346**
Other information:						
Gross non-bank loans	**23,659**	**37,327**	**–**	**365**	**3,958**	**65,309**
NPLs (include debt securities)	**496**	**1,034**	**–**	**–**	**84**	**1,614**
At 31 March 2007						
Segment assets	25,277	41,579	30,530	45,139	17,847	160,372
Unallocated assets						77
Elimination						(3,328)
Total assets						157,121
Segment liabilities	36,800	37,704	17,537	40,119	11,806	143,966
Unallocated liabilities						1,191
Elimination						(3,328)
Total liabilities						141,829
Other information:						
Gross non-bank loans	23,496	35,806	–	399	3,620	63,321
NPLs (include debt securities)	512	1,174	–	–	80	1,766
At 31 December 2006						
Segment assets	25,084	38,936	30,565	43,288	16,571	154,444
Unallocated assets						106
Elimination						(3,330)
Total assets						151,220
Segment liabilities	35,378	34,280	19,320	38,464	11,516	138,958
Unallocated liabilities						1,101
Elimination						(3,330)
Total liabilities						136,729
Other information:						
Gross non-bank loans	23,851	33,610	–	385	3,286	61,132
NPLs (include debt securities)	509	1,254	–	–	66	1,829
At 30 June 2006						
Segment assets	25,260	36,706	26,912	40,141	13,399	142,418
Unallocated assets						109
Elimination						(3,591)
Total assets						138,936
Segment liabilities	30,712	32,706	18,180	36,217	10,159	127,974
Unallocated liabilities						627
Elimination						(3,591)
Total liabilities						125,010
Other information:						
Gross non-bank loans	23,855	31,123	–	397	2,695	58,070
NPLs (include debt securities)	586	1,428	–	–	82	2,096

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	1H07		1H06		2Q07		2Q06		1Q07	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total income										
Singapore [1/]	**1,352**	**65**	998	66	**700**	**67**	500	65	652	64
Malaysia	**446**	**22**	350	23	**222**	**21**	182	24	224	22
Other ASEAN	**168**	**8**	98	6	**73**	**7**	47	6	95	9
Asia Pacific	**81**	**4**	46	3	**46**	**4**	27	3	34	3
Rest of the World	**18**	**1**	16	1	**10**	**1**	9	1	9	1
	2,064	**100**	1,507	100	**1,050**	**100**	764	100	1,014	100
Profit before income tax										
Singapore [1/]	**847**	**65**	555	66	**429**	**67**	270	66	417	63
Malaysia	**322**	**25**	231	27	**157**	**24**	114	28	164	25
Other ASEAN	**62**	**5**	23	3	**15**	**2**	12	3	47	7
Asia Pacific	**57**	**4**	27	3	**37**	**6**	10	2	21	3
Rest of the World	**21**	**2**	10	1	**5**	**1**	5	1	16	2
	1,309	**100**	846	100	**643**	**100**	411	100	666	100

Note:

1. Pre-tax divestment gains of S$92 million for 1Q07 and 1H07, and S$515 million for 2Q06 and 1H06, are not included in total income and profit before income tax.

	30 Jun 07		31 Mar 07		31 Dec 06		30 Jun 06	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total assets								
Singapore	**110,997**	**68**	108,237	69	105,706	70	97,555	70
Malaysia	**35,126**	**21**	33,193	21	31,275	21	27,665	20
Other ASEAN	**5,766**	**4**	5,834	4	5,126	3	4,637	3
Asia Pacific	**8,623**	**5**	7,105	5	6,349	4	6,537	5
Rest of the World	**3,427**	**2**	2,752	2	2,764	2	2,542	2
	163,939	**100**	157,121	100	151,220	100	138,936	100

The geographical segment analysis is based on the location where the assets or transactions are booked.

For 2Q07, Singapore accounted for 67% of both total income and profit before income tax, while Malaysia accounted for 21% of total income and 24% of profit before income tax.

CONSOLIDATED INCOME STATEMENT

S$ million	1H07	1H06	+/(-)	2Q07	2Q06	+/(-)	1Q07	+/(-)
						%		%
Interest income	**2,567**	2,080	23	**1,303**	1,100	18	1,264	3
Interest expense	**(1,501)**	(1,250)	20	**(745)**	(665)	12	(756)	(1)
Net interest income	**1,065**	830	28	**558**	435	28	508	10
Premium income	**2,665**	2,407	11	**1,444**	1,255	15	1,221	18
Investment income	**1,763**	1,045	69	**1,003**	573	75	760	32
Net claims, surrenders and annuities	**(2,196)**	(2,515)	(13)	**(1,076)**	(1,258)	(15)	(1,120)	(4)
Change in life assurance fund contract liabilities	**(1,574)**	(391)	303	**(1,001)**	(294)	240	(573)	75
Commission and others	**(437)**	(402)	8	**(248)**	(212)	17	(188)	32
Profit from life assurance	**222**	145	54	**123**	64	94	99	24
Premium income from general insurance	**31**	29	9	**15**	14	8	16	(4)
Fees and commissions (net)	**395**	282	40	**217**	141	53	178	22
Dividends	**36**	44	(18)	**20**	27	(25)	16	24
Rental income	**33**	39	(15)	**16**	19	(19)	17	(8)
Other income	**374**	656	(43)	**102**	580	(82)	273	(63)
Non-interest income	**1,091**	1,193	(9)	**493**	845	(42)	598	(18)
Total income	**2,157**	2,023	7	**1,050**	1,280	(18)	1,106	(5)
Staff costs	**(431)**	(349)	24	**(231)**	(179)	29	(200)	15
Other operating expenses	**(337)**	(307)	10	**(185)**	(170)	9	(152)	22
Total operating expenses	**(768)**	(657)	17	**(416)**	(349)	19	(352)	18
Operating profit before allowances and amortisation of intangible assets	**1,389**	1,366	2	**634**	931	(32)	754	(16)
Amortisation of intangible assets	**(23)**	(21)	11	**(12)**	(11)	10	(12)	–
Write-back / (Allowances) for loans and impairment of other assets	**15**	12	29	**16**	5	203	(#)	n.m.
Operating profit after allowances and amortisation of intangible assets	**1,381**	1,357	2	**639**	926	(31)	742	(14)
Share of results of associates and joint ventures	**20**	5	338	**4**	1	419	16	(73)
Profit before income tax	**1,401**	1,362	3	**643**	927	(31)	758	(15)
Income tax expense [1/]	**(164)**	(202)	(19)	**(87)**	(114)	(23)	(76)	14
Profit for the period	**1,237**	1,160	7	**556**	813	(32)	682	(18)
Attributable to:								
Equity holders of the Bank	**1,179**	1,113	6	**532**	795	(33)	647	(18)
Minority interests	**58**	47	24	**23**	18	32	35	(33)
	1,237	1,160	7	**556**	813	(32)	682	(18)
Earnings per share (for the period – cents) [2/]								
Basic	**37.7**	35.2		**16.6**	25.0		21.0	
Diluted	**37.4**	35.0		**16.5**	24.9		20.9	

Notes:
1. 2Q07 and 1Q07 tax expense include tax refunds of S$15 million and S$47 million respectively. The refund in 2Q07 relates to both Singapore and Malaysia tax while the refund in 1Q07 was received following the finalisation of tax treatment for certain loan allowances previously made by Keppel Capital Holdings Group, which was acquired by OCBC Bank in 2001.
2. Earnings per share was computed including divestment gains.
3. n.m. - not meaningful
4. # - amounts less than S$0.5 million

BALANCE SHEETS

S$ million	GROUP 30 Jun 2007	31 Mar 2007	31 Dec 2006	30 Jun 2006	BANK 30 Jun 2007	31 Mar 2007	31 Dec 2006	30 Jun 2006
EQUITY								
Attributable to the Bank's equity holders								
Share capital	**5,503**	5,481	5,481	5,629	**5,503**	5,481	5,481	5,629
Capital reserves	**55**	104	103	97	**89**	86	83	77
Statutory reserves	**2,049**	2,049	2,028	2,002	**1,719**	1,719	1,698	1,673
Fair value reserves	**850**	805	668	449	**468**	498	405	254
Revenue reserves	**5,986**	5,743	5,125	4,615	**3,089**	2,962	2,562	2,453
	14,443	14,182	13,404	12,792	**10,867**	10,746	10,229	10,088
Minority interests	**1,150**	1,110	1,087	1,135	**–**	–	–	–
Total equity	**15,593**	15,292	14,491	13,927	**10,867**	10,746	10,229	10,088
LIABILITIES								
Deposits of non-bank customers	**82,233**	77,989	75,115	68,693	**64,891**	60,919	59,363	54,603
Deposits and balances of banks	**13,004**	11,459	11,869	9,020	**11,855**	10,535	11,234	8,761
Due to subsidiaries	**–**	–	–	–	**1,398**	1,182	1,083	1,099
Due to associates	**22**	65	120	20	**3**	3	3	4
Trading portfolio liabilities	**112**	1,154	422	366	**112**	1,154	422	366
Derivative payables	**2,028**	1,978	2,114	2,519	**1,949**	1,919	2,051	2,424
Other liabilities	**4,144**	2,980	2,578	2,351	**1,421**	1,091	1,120	1,110
Current tax [1/]	**587**	641	599	615	**286**	332	287	290
Deferred tax [1/]	**608**	550	502	332	**116**	127	137	114
Debts issued [2/]	**4,661**	5,145	5,131	5,433	**4,888**	5,375	5,359	5,748
	107,399	101,961	98,449	89,349	**86,919**	82,637	81,059	74,519
Life assurance fund liabilities [1/]	**40,947**	39,868	38,280	35,661	**–**	–	–	–
Total liabilities	**148,346**	141,829	136,729	125,010	**86,919**	82,637	81,059	74,519
Total equity and liabilities	**163,939**	157,121	151,220	138,936	**97,786**	93,383	91,288	84,606
ASSETS								
Cash and placements with central banks [1/]	**7,982**	5,766	5,741	5,106	**5,001**	3,196	3,208	3,185
Singapore government treasury bills and securities	**8,055**	7,395	8,147	6,944	**7,552**	7,037	7,645	6,395
Other government treasury bills and securities	**3,522**	2,306	2,195	1,822	**307**	208	286	222
Placements with and loans to banks [1/]	**17,747**	17,617	17,750	14,312	**15,277**	16,158	16,410	12,926
Loans and bills receivable	**63,656**	61,550	59,309	56,122	**49,484**	48,108	46,479	44,418
Debt and equity securities	**10,557**	9,518	7,558	6,777	**7,525**	7,003	5,381	4,500
Assets pledged	**540**	2,712	1,897	2,108	**343**	856	524	976
Assets held for sale	**1**	1	7	–	**#**	#	1	–
Derivative receivables	**1,940**	2,087	2,414	2,735	**1,857**	2,028	2,354	2,637
Other assets	**3,765**	2,973	2,524	2,478	**1,912**	1,094	1,201	1,144
Deferred tax	**42**	42	48	63	**2**	2	2	–
Associates and joint ventures	**257**	290	309	215	**97**	97	97	97
Subsidiaries	**–**	–	–	–	**5,857**	5,020	5,122	5,535
Property, plant and equipment [3/ 4/]	**1,601**	1,578	1,415	1,460	**292**	296	299	289
Investment property [3/]	**598**	602	644	660	**413**	414	414	416
Goodwill and intangible assets	**3,496**	3,502	3,521	3,361	**1,867**	1,867	1,867	1,867
	123,759	117,940	113,480	104,162	**97,786**	93,383	91,288	84,606
Life assurance fund investment assets [1/ 4/]	**40,180**	39,181	37,740	34,774	**–**	–	–	–
Total assets	**163,939**	157,121	151,220	138,936	**97,786**	93,383	91,288	84,606
Net Asset Value Per Ordinary Share (before valuation surplus – in S$)	**4.39**	4.32	4.07	3.84	**3.23**	3.20	3.04	2.97
OFF-BALANCE SHEET ITEMS								
Contingent liabilities	**8,209**	7,691	6,819	6,840	**6,258**	5,780	5,154	5,370
Commitments	**42,364**	41,903	37,179	36,528	**34,437**	34,502	31,370	30,030
Derivative financial instruments	**310,402**	277,844	242,467	259,081	**287,232**	260,729	227,403	245,990

Notes:
1. 30 Jun 06 comparatives have been restated to include in the respective lines, life assurance fund current tax liabilities, deferred tax liabilities and cash in hand and balance with banks. These were previously included in the life assurance fund liabilities and investment assets. In addition, certain liabilities of the life assurance fund have been reclassified from "life assurance fund investment assets" to "life assurance fund liabilities".
2. Comprises S$651 million (31 Mar 07: S$1,111 million; 31 Dec 2006: S$1,088 million; 30 Jun 2006: S$1,464 million) repayable in one year or less and S$4,010 million (31 Mar 07: S$4,034 million; 31 Dec 2006: S$4,043 million; 30 Jun 2006: S$3,969 million) repayable after one year. Debts issued at the respective period ends are unsecured.
3. 31 Dec 06 and 30 Jun 06 comparatives have been restated for the implementation of FRS 40 *Investment Property*.
4. 31 Mar 07, 31 Dec 06 and 30 Jun 06 comparatives have been restated for the reclassification of life assurance fund's property, plant and equipment from life assurance fund investment assets.
5. # - amounts less than S$0.5 million

STATEMENT OF CHANGES IN EQUITY – GROUP

For the half year ended 30 June 2007

S$ million	Attributable to equity holders of the Bank: Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total	Minority interests	Total equity
Balance at 1 January 2007	5,481	103	2,028	668	5,125	13,404	1,087	14,491
Movements in fair value reserves:								
Gains taken to equity	–	–	–	322	–	322	15	337
Transferred to income statements	–	–	–	(135)	–	(135)	(8)	(143)
Tax on net movements	–	–	–	(5)	–	(5)	(#)	(5)
Currency translation	–	–	–	–	43	43	2	45
Net gain recognised in equity	–	–	–	183	43	225	9	234
Profit for the period	–	–	–	–	1,179	1,179	58	1,237
Total recognised gains for the financial period	–	–	–	183	1,222	1,404	67	1,471
Transfers	–	(50)	21	–	29	–	–	–
Dividends paid to minority interests	–	–	–	–	–	–	(36)	(36)
Ordinary and preference dividends	–	–	–	–	(389)	(389)	–	(389)
Rights issue by a subsidiary and change in minority interests	–	–	–	–	–	–	33	33
Share-based staff costs capitalised	–	6	–	–	–	6	–	6
Share buyback – held in treasury	(39)	–	–	–	–	(39)	–	(39)
Shares issued to non-executive directors	1	–	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(10)	–	–	–	(10)	–	(10)
Shares vested under DSP Scheme	–	6	–	–	–	6	–	6
Treasury shares transferred to employees	61	–	–	–	–	61	–	61
Balance at 30 June 2007	5,503	55	2,049	850	5,986	14,443	1,150	15,593
Included:								
Share of reserves of associates and joint ventures	–	3	–	#	32	35	#	36
Balance at 1 January 2006	1,561	4,292	1,959	618	3,907	12,338	1,149	13,487
Movements in fair value reserves:								
Gains taken to equity	–	–	–	60	–	60	9	69
Transferred to income statements	–	–	–	(263)	–	(263)	(10)	(273)
Tax on net movements	–	–	–	34	–	34	(#)	34
Currency translation	–	–	–	–	(26)	(26)	(2)	(29)
Net loss recognised in equity	–	–	–	(169)	(26)	(196)	(3)	(199)
Profit for the period	–	–	–	–	1,113	1,113	47	1,160
Total recognised gains / (losses) for the financial period	–	–	–	(169)	1,087	918	44	962
Transfers	–	(24)	43	–	(19)	–	–	–
Acquisition of additional interests in subsidiaries	41	–	–	–	–	41	(22)	19
Dividends paid to minority interests	–	–	–	–	–	–	(36)	(36)
Effect of Companies (Amendment) Act 2005	4,185	(4,185)	–	–	–	–	–	–
Ordinary and preference dividends	–	–	–	–	(318)	(318)	–	(318)
Share-based staff costs capitalised	–	5	–	–	–	5	–	5
Share buyback – cancelled	(3)	3	–	–	(43)	(43)	–	(43)
Share buyback – held in treasury	(201)	–	–	–	–	(201)	–	(201)
Shares issued to non-executive directors	#	–	–	–	–	#	–	#
Shares issued pursuant to the Bank's employee share schemes	45	10	–	–	–	55	–	55
Shares purchased by DSP Trust	–	(8)	–	–	–	(8)	–	(8)
Shares vested under DSP Scheme	–	5	–	–	–	5	–	5
Balance at 30 June 2006	5,629	97	2,002	449	4,615	12,792	1,135	13,927
Included:								
Share of reserves of associates and joint ventures	–	1	–	–	43	44	(#)	44

Note:
- amounts less than S$0.5 million

STATEMENT OF CHANGES IN EQUITY – GROUP
For the three months ended 30 June 2007

	Attributable to equity holders of the Bank							
S$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total	Minority interests	Total equity
Balance at 1 April 2007	**5,481**	**104**	**2,049**	**805**	**5,743**	**14,182**	**1,110**	**15,292**
Movements in fair value reserves:								
Gains taken to equity	**–**	**–**	**–**	**94**	**–**	**94**	**7**	**101**
Transferred to income statements	**–**	**–**	**–**	**(37)**	**–**	**(37)**	**(2)**	**(39)**
Tax on net movements	**–**	**–**	**–**	**(11)**	**–**	**(11)**	**(1)**	**(12)**
Currency translation	**–**	**–**	**–**	**–**	**48**	**48**	**4**	**52**
Net gain recognised in equity	**–**	**–**	**–**	**45**	**48**	**93**	**9**	**102**
Profit for the period	**–**	**–**	**–**	**–**	**532**	**532**	**23**	**556**
Total recognised gains for the financial period	**–**	**–**	**–**	**45**	**580**	**626**	**32**	**658**
Transfers	**–**	**(52)**	**#**	**–**	**52**	**–**	**–**	**–**
Dividends paid to minority interests	**–**	**–**	**–**	**–**	**–**	**–**	**(25)**	**(25)**
Ordinary and preference dividends	**–**	**–**	**–**	**–**	**(389)**	**(389)**	**–**	**(389)**
Rights issue by a subsidiary and change in minority interests	**–**	**–**	**–**	**–**	**–**	**–**	**33**	**33**
Share-based staff costs capitalised	**–**	**3**	**–**	**–**	**–**	**3**	**–**	**3**
Share buyback – held in treasury	**(12)**	**–**	**–**	**–**	**–**	**(12)**	**–**	**(12)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**–**	**1**	**–**	**1**
Shares purchased by DSP Trust	**–**	**(1)**	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Shares vested under DSP Scheme	**–**	**1**	**–**	**–**	**–**	**1**	**–**	**1**
Treasury shares transferred to employees	**33**	**–**	**–**	**–**	**–**	**33**	**–**	**33**
Balance at 30 June 2007	**5,503**	**55**	**2,049**	**850**	**5,986**	**14,443**	**1,150**	**15,593**
Included:								
Share of reserves of associates and joint ventures	**–**	**3**	**–**	**#**	**32**	**35**	**#**	**36**
Balance at 1 April 2006	5,739	90	1,975	702	4,211	12,717	1,163	13,880
Movements in fair value reserves:								
Losses taken to equity	–	–	–	(60)	–	(60)	(2)	(62)
Transferred to income statements	–	–	–	(251)	–	(251)	(6)	(257)
Tax on net movements	–	–	–	58	–	58	2	59
Currency translation	–	–	–	–	(45)	(45)	(8)	(53)
Net loss recognised in equity	–	–	–	(253)	(45)	(298)	(14)	(312)
Profit for the period	–	–	–	–	795	795	18	813
Total recognised gains / (losses) for the financial period	–	–	–	(253)	750	497	4	501
Transfers	–	1	27	–	(28)	–	–	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	(7)	(7)
Dividends paid to minority interests	–	–	–	–	–	–	(25)	(25)
Ordinary and preference dividends	–	–	–	–	(318)	(318)	–	(318)
Share-based staff costs capitalised	–	2	–	–	–	2	–	2
Share buyback – held in treasury	(138)	–	–	–	–	(138)	–	(138)
Shares issued pursuant to the Bank's employee share schemes	27	–	–	–	–	27	–	27
Shares issued to non-executive directors	#	–	–	–	–	#	–	#
Shares purchased by DSP Trust	–	(1)	–	–	–	(1)	–	(1)
Shares vested under DSP Scheme	–	5	–	–	–	5	–	5
Balance at 30 June 2006	5,629	97	2,002	449	4,615	12,792	1,135	13,927
Included:								
Share of reserves of associates and joint ventures	–	1	–	–	43	44	(#)	44

Note:
- amounts less than S$0.5 million

STATEMENT OF CHANGES IN EQUITY – BANK
For the half year ended 30 June 2007

S$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total
Balance at 1 January 2007	**5,481**	**83**	**1,698**	**405**	**2,562**	**10,229**
Movements in fair value reserves:						
Gains taken to equity	**–**	**–**	**–**	**115**	**–**	**115**
Transferred to income statements	**–**	**–**	**–**	**(60)**	**–**	**(60)**
Tax on net movements	**–**	**–**	**–**	**7**	**–**	**7**
Currency translation	**–**	**–**	**–**	**–**	**33**	**33**
Net gain recognised in equity	**–**	**–**	**–**	**62**	**33**	**95**
Profit for the period	**–**	**–**	**–**	**–**	**904**	**904**
Total recognised gains for the financial period	**–**	**–**	**–**	**62**	**937**	**999**
Transfers	**–**	**–**	**21**	**–**	**(21)**	**–**
Ordinary and preference dividends	**–**	**–**	**–**	**–**	**(389)**	**(389)**
Share-based staff costs capitalised	**–**	**6**	**–**	**–**	**–**	**6**
Share buyback – held in treasury	**(39)**	**–**	**–**	**–**	**–**	**(39)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**–**	**1**
Treasury shares transferred to employees	**61**	**–**	**–**	**–**	**–**	**61**
Balance at 30 June 2007	**5,503**	**89**	**1,719**	**468**	**3,089**	**10,867**
Balance at 1 January 2006	1,561	4,245	1,631	396	2,033	9,867
Movements in fair value reserves:						
Gains taken to equity	–	–	–	49	–	49
Transferred to income statements	–	–	–	(215)	–	(215)
Tax on net movements	–	–	–	24	–	24
Currency translation	–	–	–	–	(18)	(18)
Net loss recognised in equity	–	–	–	(142)	(18)	(160)
Profit for the period	–	–	–	–	841	841
Total recognised gains / (losses) for the financial period	–	–	–	(142)	823	681
Transfers	–	–	42	–	(42)	–
Acquisition of additional interests in a subsidiary	41	–	–	–	–	41
Effect of Companies (Amendment) Act 2005	4,185	(4,185)	–	–	–	–
Ordinary and preference dividends	–	–	–	–	(318)	(318)
Share-based staff costs capitalised	–	5	–	–	–	5
Share buyback – cancelled	(3)	3	–	–	(43)	(43)
Share buyback – held in treasury	(201)	–	–	–	–	(201)
Shares issued to non-executive directors	#	–	–	–	–	#
Shares issued pursuant to the Bank's employee share schemes	45	10	–	–	–	55
Balance at 30 June 2006	5,629	77	1,673	254	2,453	10,088

STATEMENT OF CHANGES IN EQUITY – BANK
For the three months ended 30 June 2007

S$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total
Balance at 1 April 2007	**5,481**	**86**	**1,719**	**498**	**2,962**	**10,746**
Movements in fair value reserves:						
Gains taken to equity	**–**	**–**	**–**	**(9)**	**–**	**(9)**
Transferred to income statements	**–**	**–**	**–**	**(24)**	**–**	**(24)**
Tax on net movements	**–**	**–**	**–**	**2**	**–**	**2**
Currency translation	**–**	**–**	**–**	**–**	**24**	**24**
Net gain / (loss) recognised in equity	**–**	**–**	**–**	**(31)**	**24**	**(7)**
Profit for the period	**–**	**–**	**–**	**–**	**492**	**492**
Total recognised gains / (losses) for the financial period	**–**	**–**	**–**	**(31)**	**516**	**485**
Ordinary and preference dividends	**–**	**–**	**–**	**–**	**(389)**	**(389)**
Share-based staff costs capitalised	**–**	**3**	**–**	**–**	**–**	**3**
Share buyback – held in treasury	**(12)**	**–**	**–**	**–**	**–**	**(12)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**–**	**1**
Treasury shares transferred to employees	**33**	**–**	**–**	**–**	**–**	**33**
Balance at 30 June 2007	**5,503**	**89**	**1,719**	**468**	**3,089**	**10,867**
Balance at 1 April 2006	5,739	75	1,647	432	2,272	10,165
Movements in fair value reserves:						
Gains taken to equity	–	–	–	1	–	1
Transferred to income statements	–	–	–	(221)	–	(221)
Tax on net movements	–	–	–	43	–	43
Currency translation	–	–	–	–	(5)	(5)
Net loss recognised in equity	–	–	–	(177)	(5)	(182)
Profit for the period	–	–	–	–	531	531
Total recognised gains / (losses) for the financial period	–	–	–	(177)	526	349
Transfers	–	–	27	–	(27)	–
Ordinary and preference dividends	–	–	–	–	(318)	(318)
Share-based staff costs capitalised	–	2	–	–	–	2
Share buyback – held in treasury	(138)	–	–	–	–	(138)
Shares issued to non-executive directors	#	–	–	–	–	#
Shares issued pursuant to the Bank's employee share schemes	27	–	–	–	–	27
Balance at 30 June 2006	5,629	77	1,673	254	2,453	10,088

CONSOLIDATED CASH FLOW STATEMENT

For the financial period ended 30 June 2007

S$ million	1H07	1H06	2Q07	2Q06
Cash flows from operating activities				
Profit before income tax	**1,401**	1,362	**643**	927
Adjustments for non-cash items				
Amortisation of intangible assets	**23**	21	**12**	11
Write-back for loans and impairment of other assets	**(15)**	(12)	**(16)**	(5)
Change in fair value of hedging transactions and trading securities	**(10)**	15	**(10)**	2
Depreciation of property, plant and equipment and investment property	**55**	58	**30**	35
Net gain from disposal of government, debt and equity securities	**(143)**	(274)	**(39)**	(257)
Net gain from disposal of property, plant and equipment and investment property	**(97)**	(270)	**(2)**	(269)
Share-based staff costs	**6**	5	**3**	2
Share of results of associates and joint ventures	**(20)**	(5)	**(4)**	(1)
Write-off of plant and equipment	**9**	14	**9**	14
Items relating to life assurance fund				
Excess of income over expenses before income tax	**311**	229	**165**	105
Surplus transferred from life assurance fund but not yet withdrawn	**(222)**	(145)	**(123)**	(64)
Operating profit before change in operating assets and liabilities	**1,298**	999	**668**	499
Change in operating assets and liabilities				
Deposits of non-bank customers	**7,021**	4,604	**4,202**	4,193
Deposits and balances of banks	**1,134**	(1,287)	**1,544**	(1,428)
Derivative payables and other liabilities	**1,487**	858	**1,235**	(66)
Trading portfolio liabilities	**(310)**	(90)	**(1,042)**	(1)
Government securities and treasury bills	**(81)**	(463)	**(83)**	(55)
Trading securities	**(917)**	(176)	**(458)**	(74)
Placements with and loans to banks	**254**	(2,111)	**199**	(1,587)
Loans and bills receivable	**(4,327)**	(993)	**(2,091)**	(1,554)
Derivative receivables and other assets	**(916)**	(576)	**(822)**	201
Net change in investment assets and liabilities of life assurance fund	**104**	(2)	**94**	(3)
Cash from operating activities	**4,746**	763	**3,446**	126
Income tax paid	**(152)**	(160)	**(142)**	(79)
Net cash from operating activities	**4,594**	603	**3,304**	47
Cash flows from investing activities				
Acquisition of additional interests in subsidiaries	**–**	(18)	**–**	(18)
Dividends from associates	**30**	3	**3**	3
Decrease / (Increase) in associates and joint ventures	**45**	(27)	**36**	2
Purchases of debt and equity securities	**(3,432)**	(987)	**(965)**	(602)
Purchases of property, plant and equipment and investment property	**(125)**	(93)	**(62)**	(46)
Proceeds from disposal of debt and equity securities	**1,749**	1,790	**572**	982
Proceeds from disposal of property, plant and equipment and investment property	**152**	41	**122**	33
Net cash from / (used in) investing activities	**(1,581)**	709	**(294)**	355
Cash flows from financing activities				
Dividends paid to equity holders of the Bank	**(389)**	(318)	**(389)**	(318)
Dividends paid to minority interests	**(36)**	(36)	**(24)**	(25)
(Decrease) / Increase in debts issued	**(445)**	185	**(477)**	327
Proceeds from exercise of options and rights under the Bank's employee share schemes	**61**	55	**33**	27
Proceeds from minority interests from subscription of shares in a subsidiary	**32**	–	**32**	–
Share buyback	**(39)**	(244)	**(12)**	(138)
Net cash used in financing activities	**(816)**	(358)	**(837)**	(126)
Net currency translation adjustments	**44**	(30)	**42**	(31)
Net change in cash and cash equivalents	**2,240**	924	**2,215**	244
Cash and cash equivalents at beginning of the financial period	**5,741**	4,182	**5,766**	4,862
Cash and cash equivalents at end of the financial period	**7,981**	5,106	**7,981**	5,106

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

Number of Shares	Half year ended 30 June 2007	Half year ended 30 June 2006	Three months ended 30 June 2007	Three months ended 30 June 2006
Issued ordinary shares				
Balance as at beginning of period	**3,126,459,912**	3,114,337,745	**3,126,459,912**	3,119,019,245
Exercise of options by officers pursuant to the Bank's Share Option Schemes	**–**	9,798,425	**–**	4,682,859
Exercise of acquisition rights pursuant to the Bank's Employee Share Purchase Plan	**–**	1,725,034	**–**	1,171,321
Shares issued to non-executive directors	**52,800**	48,000	**52,800**	48,000
Acquisition of additional interests in a subsidiary	**–**	6,019,968	**–**	–
Share buyback - cancelled	**–**	(7,007,747)	**–**	–
Balance as at end of period	**3,126,512,712**	3,124,921,425	**3,126,512,712**	3,124,921,425
Treasury shares				
Balance as at beginning of period	**(51,668,796)**	–	**(49,320,807)**	(9,311,481)
Share buyback	**(4,527,458)**	(30,369,203)	**(1,296,471)**	(21,057,722)
Exercise of options by officers pursuant to Share Option Schemes	**12,385,848**	–	**6,806,872**	–
Balance as at end of period	**(43,810,406)**	(30,369,203)	**(43,810,406)**	(30,369,203)
Total	**3,082,702,306**	3,094,552,222	**3,082,702,306**	3,094,552,222

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 19 April 2007, the Bank purchased a total of 1,296,471 ordinary shares in the second quarter ended 30 June 2007. The ordinary shares were purchased by way of market acquisitions at prices ranging from S$9.10 to S$9.60 per share and the total consideration paid was S$12,178,112 (including transaction costs).

From 1 April 2007 to 30 June 2007 (both dates inclusive), the Bank delivered 6,806,872 shares by way of transfer of treasury shares, upon the exercise of options by officers of the Group pursuant to the OCBC Share Option Schemes 1994 and 2001. As at 30 June 2007, there were 46,179,051 ordinary shares (30 June 2006: 61,453,250) that may be issued on the exercise of options.

As at 30 June 2007, the number of unissued ordinary shares outstanding under the OCBC Employee Share Purchase Plan (Second Offering) was 7,140,585 (30 June 2006: 2,259,842), including 11,162 (30 June 2006: 14,257) ordinary shares from the participation by the Chief Executive Officer of the Bank.

No new preference shares were allotted and issued by the Bank in the second quarter ended 30 June 2007.

Other Matters/ Subsequent Events

1. On 13 July 2007, the Bank announced that it had received final approval from the China Banking Regulatory Commission to operate a locally incorporated bank in China. The new entity will have a registered capital of RMB 3.5 billion. On 1 August 2007, the new wholly-owned subsidiary, OCBC Bank (China) Ltd, was officially opened.

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The Board of Directors
Oversea-Chinese Banking Corporation Limited
65 Chulia Street
#29-00 OCBC Centre
Singapore 049513

8 August 2007

Dear Sirs

Oversea-Chinese Banking Corporation Limited ("Bank") and its Subsidiaries ("Group")
Review of Interim Financial Information for half year ended 30 June 2007

Introduction

We have reviewed the accompanying Interim Financial Information of the Bank and of the Group for the half year ended 30 June 2007. The Interim Financial Information consists of the following:

- Consolidated income statement for the half year ended 30 June 2007;
- Bank and consolidated balance sheets as at 30 June 2007;
- Bank and consolidated statements of changes in equity for the half year ended 30 June 2007;
- Consolidated statement of cash flows for the half year ended 30 June 2007; and
- Certain explanatory notes to the above financial information.

Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting,* 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.

Yours faithfully

KPMG

KPMG
Certified Public Accountants
Singapore

OCBC Bank

CONFIRMATION BY THE BOARD
PURSUANT TO RULE 705(4) OF THE SGX-ST LISTING MANUAL

We, Cheong Choong Kong and David Philbrick Conner, being directors of Oversea-Chinese Banking Corporation Limited ("the Bank"), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the financial results of the Bank and of the Group for the quarter ended 30 June 2007 to be false or misleading.

On behalf of the Board of Directors

Cheong Choong Kong
Chairman

David Philbrick Conner
Chief Executive Officer / Director

8 August 2007