

## Media Release

### **OCBC Group Reports Third Quarter Net Profit of S\$463 million**

***Core net profit rose 12% to S\$425 million in the quarter,  
and 44% to S\$1,453 million for the first nine months***

Singapore, 6 November 2007 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) today reported an increase of 12% in its core net profit to S\$425 million for the third quarter of 2007 (“3Q07”). Earnings were lifted by strong revenue growth, with net interest income rising by 19% to S\$565 million, and non-interest income increasing by 35% to S\$481 million. Net interest income growth was driven by loans growth of 15%, while non-interest income was boosted by a 36% increase in fee and commission income as well as higher foreign exchange income.

An allowance of S\$221 million<sup>1</sup> was taken in the third quarter income statement for the Bank’s asset-backed securities (“ABS”) collateralised debt obligations (“CDO”) portfolio of S\$270 million, which is part of the total CDO portfolio of S\$641 million. This allowance was partially offset by net write-backs in allowances for loans and properties, resulting in an overall net allowance of S\$39 million for the quarter.

Compared to 2Q07, core net profit was lower by 18% due mainly to the net allowance of S\$39 million in 3Q07, as compared to a S\$16 million write-back in 2Q07. In addition, the 3Q07 effective tax rate was higher as a portion of the CDO allowance was not tax deductible. The Group’s diversified revenue streams helped to keep its overall revenue largely unchanged from the previous quarter despite the impact of the US sub-prime crisis on markets globally.

For the first nine months of 2007 (“9M07”), the Group achieved core earnings of S\$1,453 million, up 44% compared with 9M06, supported by broad-based revenue growth.

Annualised return on equity, based on core earnings, was 11.5% in 3Q07 and 14.1% in 9M07, compared with 12.3% in 3Q06 and 11.2% in 9M06. Equity was boosted by a mark-to-market gain of S\$1.02 billion on the Group’s investment in Bank of Ningbo following its listing on the Shenzhen Stock Exchange in July 2007. Excluding this effect, return on equity would have been 12.2% for 3Q07, and 14.4% for 9M07. Annualised core earnings per share for 9M07 grew by 46% to 61.8 cents.

Core earnings exclude one-time gains from the divestment of non-core assets and tax refunds. A tax refund of S\$38 million was received in the third quarter. Reported group net profit, which includes divestment gains and tax refunds, was S\$463 million for 3Q07 and S\$1,642 million for 9M07, representing year-on-year growth of 22% and 10% respectively.

<sup>1</sup> For details of the allowance, please refer to page 9 of the Group Financial Report.

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## **Third Quarter Revenues**

The Group's core revenue grew by 26% year-on-year to S\$1,047 million in 3Q07.

Net interest income rose 19% from a year ago and 1% from the previous quarter to S\$565 million, driven mainly by growth in interest earning assets. Customer loans grew by 15% year-on-year, and 4% from the previous quarter, to S\$68.0 billion, contributed largely by growth in corporate and SME loans in Singapore, Malaysia, Indonesia and other overseas markets. Housing loans grew by 3% over the previous quarter to S\$18.6 billion, contributed mainly by increase in Singapore private housing loans. Following a significant increase in the second quarter, net interest margin fell 6 basis points to 2.07% in the third quarter as yields on loans and inter-bank placements fell more than the cost of funds.

Non-interest income grew 35% year-on-year to S\$481 million, contributed mainly by higher fee and commission income, and foreign exchange income. Fees and commissions rose 36% to S\$211 million, with strong contributions from stock-broking, wealth management, loan-related and trade-related income. Foreign exchange income increased from S\$23 million to S\$68 million. Compared with 2Q07, non-interest income was marginally lower by 2%, as higher foreign exchange income was mainly offset by lower contributions from securities and derivatives dealing, life assurance profits, dividend income and investment banking income.

## **Third Quarter Operating Expenses**

Operating expenses increased 28% year-on-year and 3% quarter-on-quarter, to S\$427 million, attributed mainly to higher staff costs and business promotion expenses. Staff costs rose 38% year-on-year, due to higher bonus accruals driven by the Group's better performance, higher base salaries, and a 16% increase in headcount mainly in Indonesia and Malaysia. Higher business promotion expenses were incurred in support of the growth in business and the Group's regional expansion.

The cost-to-income ratio for 3Q07 was 40.8%, compared with 40.0% in 3Q06 and 39.6% in 2Q07.

## **Allowances and Asset Quality**

A net allowance of S\$39 million was made in 3Q07, compared to S\$3 million allowance in 3Q06. Continued loan recoveries and upgrades resulted in a S\$82 million net write-back in specific allowances for loans during the quarter. In addition, there was a net write-back of S\$101 million to allowances for other assets, mainly on office properties in Singapore. Allowances had been made for these properties from 2001 to 2004, and were written back in 3Q07 following the continued strong recovery in the office property market.

These write-backs were offset by allowances of S\$221 million for the Bank's investments in CDOs. The allowances were specifically for the ABS CDOs of S\$270 million (out of a total CDO portfolio of S\$641 million) which had exposures to US sub-prime mortgages. Given the illiquid and inactive ABS CDO market, the Bank ceased using counterparty quotes to value its ABS CDOs in 3Q07. Instead, a third party valuation model was used to estimate the fair value of the ABS CDO portfolio, and allowances to adjust the fair value were taken to income statement accordingly. The Bank's corporate CDO portfolio of S\$372 million continues to be marked to market based on counterparty quotes. As of 30 September 2007, the fair value of the corporate CDOs was S\$357 million.

The Group's non-performing loans ("NPLs") fell 8% from S\$1.61 billion as at 30 June 2007 to S\$1.48 billion as at 30 September 2007, while the NPL ratio improved from 2.4% to 2.1%. Total cumulative specific and portfolio allowances amounted to S\$1.59 billion, providing coverage of 107.2% of total NPLs, higher than the coverage of 104.0% at 30 June 2007.

## **Nine Months' Results**

Core net profit for 9M07 rose by 44% to S\$1,453 million. Net interest income grew 25% to S\$1,631 million, driven by a 10 basis-point improvement in net interest margin from 1.98% to 2.08% and a 19% growth in interest earning assets. Higher fee and commission income, profits from life assurance, as well as net gains from investment securities and foreign exchange income lifted non-interest income by 43% to S\$1,480 million. For 9M07, non-interest income accounted for 47.6% of the Group's total income, up from 44.3% in 9M06.

Operating expenses increased 21% to S\$1,195 million, attributable mainly to higher staff costs and business promotion expenses. The cost-to-income ratio for 9M07 was 38.4%, lower than the 42.3% for 9M06.

Continued loan recovery efforts yielded a net write-back of S\$103 million in specific allowances for loans for 9M07, compared to a net charge of S\$6 million in 9M06. Net write-backs of allowances on other assets amounted to S\$95 million, mainly for office properties in Singapore. These were offset by the CDO-related allowances of S\$221 million, resulting in an overall net allowance of S\$23 million for the nine months.

## **Capital Position**

As of 30 September 2007, the Group's total capital adequacy ratio ("CAR") was 12.8% and Tier 1 CAR was 11.9%. These were lower than the ratios of 14.6% and 12.5% respectively as at 30 June 2007, mainly due to the growth in risk weighted assets, payment of the Bank's interim dividend and annual amortisation of the Tier 2 subordinated debt.

During the third quarter, the Bank bought back approximately 0.5 million of its ordinary shares for S\$4.2 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\$269 million have been utilised to purchase approximately 39.2 million shares under the programme.

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

"Our core earnings held up well in a quarter which saw significant upheavals in financial markets globally. We have exercised prudence in making substantial allowances for our ABS CDO portfolio. Given the sound economic fundamentals in our main markets – Singapore, Malaysia, Indonesia and China – growth opportunities for OCBC continue to be encouraging."

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### **About OCBC Bank**

Singapore's longest established local bank, OCBC Bank currently has assets of S\$170 billion and a network of more than 420 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 310 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](http://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:

### **Unaudited Financial Results for the Third Quarter Ended 30 September 2007**

For the quarter ended 30 September 2007, Group reported net profit was S\$463 million, up 22% from a year ago. Details of the financial results are in the accompanying Group Financial Report.

### **Ordinary Dividend**

No interim dividend on ordinary shares has been declared for the third quarter ended 30 September 2007.

### **Preference Dividend**

The Board of Directors has declared payment of one-tier tax-exempt dividend on its non-cumulative non-convertible Class E Preference Shares, at 4.5% per annum (2006: 4.5% net of tax) and dividend on its 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). These semi-annual dividends, computed for the period 20 June 2007 to 19 December 2007, both dates inclusive, will be paid on 21 December 2007. Total amounts of dividend payable for the Class E and Class G Preference Shares are S\$11.3 million and S\$8.3 million respectively. Notice is hereby given that the Transfer Books and the Registers of Preference Shareholders will be closed from 6 December 2007 to 7 December 2007 (both dates inclusive). Duly completed transfers 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 5 December 2007 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividends.

Peter Yeoh  
Secretary

Singapore, 6 November 2007

More details on the results are available on the Bank's website at [www.ocbc.com](http://www.ocbc.com)

**Oversea-Chinese Banking Corporation Limited**  
**Third 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 its life assurance funds, and the cost model for other investment properties. Other than the adjustments made on the life assurance funds on 1 January 2007, there is no overall impact to equity or profit and loss on adoption of the above models under FRS 40. Investment properties held under the life assurance funds are included as part of the life assurance fund investment assets, consistent with last year’s presentation. Other investment properties are now shown separately from property, plant and equipment and the relevant amounts of cost, accumulated depreciation and impairment, including prior year comparatives, have been reclassified accordingly.

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

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

## Financial Results

The Group reported an increase of 12% in its core net profit to S\$425 million for the third quarter of 2007 (“3Q07”). Earnings were lifted by strong revenue growth, with net interest income rising by 19% to S\$565 million, and non-interest income increasing by 35% to S\$481 million. Net interest income growth was driven by loans growth of 15%, while non-interest income was boosted by a 36% increase in fee and commission income as well as higher foreign exchange income.

An allowance of S\$221 million was taken to the third quarter income statement for the Bank’s ABS CDO portfolio of S\$270 million, which is part of the total CDO portfolio of S\$641 million. This allowance was partially offset by net write-backs in allowances for loans and properties, resulting in an overall net allowance of S\$39 million for the quarter.

Annualised return on equity, based on core earnings, was 11.5% in 3Q07 and 14.1% in 9M07, compared with 12.3% in 3Q06 and 11.2% in 9M06. Annualised core earnings per share for 9M07 grew by 46% to 61.8 cents.



## FINANCIAL SUMMARY (continued)

S\$ million	9M07	9M06	+/(-) %	3Q07	3Q06	+/(-) %	2Q07	+/(-) %
<b>Selected Income Statement Items</b>								
Net interest income	1,631	1,303	25	565	473	19	558	1
Non-interest income	1,480	1,035	43	481	357	35	493	(2)
Total income	3,111	2,339	33	1,047	831	26	1,050	–
Operating expenses	(1,195)	(989)	21	(427)	(333)	28	(416)	3
Operating profit before allowances and amortisation	1,916	1,349	42	620	498	24	634	(2)
Amortisation of intangible assets (Allowances and impairment) / write-back for loans and other assets	(35)	(32)	8	(12)	(11)	3	(12)	–
	(23)	9	(349)	(39)	(3)	n.m.	16	(345)
Operating profit after allowances and amortisation	1,858	1,327	40	570	484	18	639	(11)
Share of results of associates and joint ventures	22	9	143	2	4	(57)	4	(55)
Profit before income tax	1,880	1,336	41	572	489	17	643	(11)
<b>Core net profit attributable to shareholders</b>	1,453	1,011	44	425	379	12	518	(18)
Divestment gains (net of tax)	90	481	(81)	–	–	–	–	–
Tax refund	100	–	–	38	–	–	15	161
<b>Reported net profit attributable to shareholders</b>	1,642	1,493	10	463	379	22	532	(13)
<b>Cash basis net profit attributable to shareholders</b> <sup>1/</sup>	1,677	1,525	10	475	391	22	544	(13)

## Selected Balance Sheet Items

Ordinary equity	14,559	11,998	21	14,559	11,998	21	13,547	7
Total equity (excluding minority interests)	15,455	12,894	20	15,455	12,894	20	14,443	7
Total assets	170,334	144,324	18	170,334	144,324	18	163,939	4
Assets excluding life assurance fund investment assets <sup>4/</sup>	129,495	108,320	20	129,495	108,320	20	123,759	5
Loans and bills receivable (net of allowances)	66,506	57,495	16	66,506	57,495	16	63,656	4
Deposits of non-bank customers	85,651	69,623	23	85,651	69,623	23	82,233	4

### Notes:

1. Excludes amortisation of intangible assets.
2. "n.m." denotes not meaningful.
3. Certain figures may not add up to the relevant totals due to rounding.
4. 30 Sep 2006 comparatives have been restated to include in the respective lines, life assurance fund current tax liabilities, deferred tax liabilities, property, plant and equipment, and cash in hand and balances with banks. These were previously included in the life assurance fund liabilities and investment assets.

## FINANCIAL SUMMARY *(continued)*

	9M07	9M06	3Q07	3Q06	2Q07
<b>Key Financial Ratios</b>					
<b>- based on core earnings</b>					
<b>Performance ratios (% p.a.)</b>					
Return on equity <sup>1/</sup>					
GAAP basis	<b>14.1</b>	11.2	<b>11.5</b>	12.3	15.4
Cash basis	<b>14.5</b>	11.5	<b>11.8</b>	12.7	15.7
Return on assets <sup>2/</sup>					
GAAP basis	<b>1.60</b>	1.32	<b>1.33</b>	1.43	1.71
Cash basis	<b>1.64</b>	1.36	<b>1.37</b>	1.47	1.75
<b>Revenue mix / efficiency ratios (%)</b>					
Net interest margin (annualised)	<b>2.08</b>	1.98	<b>2.07</b>	2.06	2.13
Net interest income to total income	<b>52.4</b>	55.7	<b>54.0</b>	57.0	53.1
Non-interest income to total income	<b>47.6</b>	44.3	<b>46.0</b>	43.0	46.9
Cost to income	<b>38.4</b>	42.3	<b>40.8</b>	40.0	39.6
Loans to deposits	<b>77.6</b>	82.6	<b>77.6</b>	82.6	77.4
NPL ratio	<b>2.1</b>	3.3	<b>2.1</b>	3.3	2.4
<b>Earnings per share (annualised - cents)</b>					
Basic earnings	<b>61.8</b>	42.3	<b>53.4</b>	47.5	66.1
Basic earnings (cash basis)	<b>63.3</b>	43.7	<b>54.9</b>	48.9	67.6
Diluted earnings	<b>61.4</b>	42.1	<b>53.1</b>	47.3	65.7
<b>Net asset value (S\$)</b>					
Before valuation surplus	<b>4.72</b>	3.90	<b>4.72</b>	3.90	4.39
After valuation surplus	<b>6.51</b>	5.34	<b>6.51</b>	5.34	6.18
<b>Capital adequacy ratios (%)</b>					
Tier 1	<b>11.9</b>	12.9	<b>11.9</b>	12.9	12.5
Total	<b>12.8</b>	15.8	<b>12.8</b>	15.8	14.6

Notes:

1. Preference equity and minority interests are not included in the computation for return on equity. Computation of return on equity for 3Q07 included the fair value reserve arising from the mark-to-market gain on the Group's investment in Bank of Ningbo following its listing on the Shenzhen Stock Exchange in July 2007. As at 30 September 2007, the gain was S\$1.02 billion. Excluding this fair value reserve, return on equity on GAAP basis would have been 12.2% for 3Q07 and 14.4% for 9M07.
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	9M07			9M06		
	Average Balance	Interest	Average Rate <sup>4/</sup> %	Average Balance	Interest	Average Rate <sup>4/</sup> %
<b>Interest earning assets</b>						
Loans and advances to non-bank customers	62,436	2,622	5.61	55,047	2,260	5.49
Placements with and loans to banks	22,235	642	3.86	16,767	534	4.26
Other interest earning assets <sup>1/</sup>	19,921	624	4.19	16,000	480	4.01
<b>Total</b>	<b>104,592</b>	<b>3,887</b>	<b>4.97</b>	<b>87,814</b>	<b>3,274</b>	<b>4.98</b>
<b>Interest bearing liabilities</b>						
Deposits of non-bank customers	80,233	1,622	2.70	66,539	1,426	2.87
Deposits and balances of banks	12,370	424	4.58	10,305	335	4.35
Other borrowings <sup>2/</sup>	5,574	210	5.05	5,842	209	4.79
<b>Total</b>	<b>98,177</b>	<b>2,257</b>	<b>3.07</b>	<b>82,686</b>	<b>1,971</b>	<b>3.19</b>
<b>Net interest income / margin<sup>3/</sup></b>		<b>1,631</b>	<b>2.08</b>		<b>1,303</b>	<b>1.98</b>

S\$ million	3Q07			3Q06			2Q07		
	Average Balance	Interest	Average Rate <sup>4/</sup> %	Average Balance	Interest	Average Rate <sup>4/</sup> %	Average Balance	Interest	Average Rate <sup>4/</sup> %
<b>Interest earning assets</b>									
Loans and advances to non-bank customers	64,596	896	5.50	56,493	821	5.76	62,667	879	5.63
Placements with and loans to banks	22,578	207	3.64	18,290	200	4.34	22,737	220	3.89
Other interest earning assets <sup>1/</sup>	21,006	218	4.11	16,366	173	4.20	19,418	203	4.19
<b>Total</b>	<b>108,180</b>	<b>1,321</b>	<b>4.84</b>	<b>91,149</b>	<b>1,194</b>	<b>5.20</b>	<b>104,822</b>	<b>1,303</b>	<b>4.98</b>
<b>Interest bearing liabilities</b>									
Deposits of non-bank customers	83,521	537	2.55	68,704	514	2.97	80,686	540	2.68
Deposits and balances of banks	12,602	152	4.78	10,952	131	4.75	12,020	134	4.47
Other borrowings <sup>2/</sup>	5,193	67	5.12	5,829	75	5.10	5,711	71	4.98
<b>Total</b>	<b>101,316</b>	<b>755</b>	<b>2.96</b>	<b>85,485</b>	<b>721</b>	<b>3.34</b>	<b>98,416</b>	<b>745</b>	<b>3.04</b>
<b>Net interest income / margin<sup>3/</sup></b>		<b>565</b>	<b>2.07</b>		<b>473</b>	<b>2.06</b>		<b>558</b>	<b>2.13</b>

### 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 to \$565 million in 3Q07, up by 19% year-on-year. This was driven mainly by 19% growth in interest earning assets, mainly in corporate and SME loans in Singapore, Malaysia, Indonesia and other overseas markets. Net interest margin was up by 1 basis-point at 2.07%.

Compared with 2Q07, net interest income rose marginally by 1%, mainly due to higher volume and a longer quarter. Following a strong increase in the previous quarter, net interest margin fell by 6 basis-points, as average yields on loans and inter-bank placements declined faster than the average cost of funds.

### Volume and Rate Analysis

Increase / (decrease) due to change in: (S\$ million)	9M07 vs 9M06			3Q07 vs 3Q06			3Q07 vs 2Q07		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
<b>Interest income</b>									
Loans and advances to non-bank customers	303	58	362	118	(43)	75	27	(21)	7
Placements with and loans to banks	174	(66)	108	47	(40)	7	(2)	(14)	(16)
Other interest earning assets	118	26	144	49	(5)	44	17	(4)	13
<b>Total</b>	<b>595</b>	<b>18</b>	<b>613</b>	<b>214</b>	<b>(87)</b>	<b>127</b>	<b>43</b>	<b>(39)</b>	<b>4</b>
<b>Interest expense</b>									
Deposits of non-bank customers	293	(97)	196	111	(89)	22	19	(29)	(9)
Deposits and balances of banks	67	21	89	20	1	21	7	10	16
Other borrowings	(10)	11	1	(8)	#	(8)	(7)	2	(5)
<b>Total</b>	<b>351</b>	<b>(65)</b>	<b>286</b>	<b>123</b>	<b>(88)</b>	<b>35</b>	<b>19</b>	<b>(17)</b>	<b>2</b>
<b>Impact on net interest income</b>	<b>244</b>	<b>83</b>	<b>327</b>	<b>91</b>	<b>1</b>	<b>92</b>	<b>23</b>	<b>(22)</b>	<b>2</b>
Due to change in number of days			-			-			6
<b>Net interest income</b>			<b>327</b>			<b>92</b>			<b>8</b>

Note:

1. “#” represents amounts less than S\$0.5 million.

## NON-INTEREST INCOME

S\$ million	9M07	9M06	+ / (-) %	3Q07	3Q06	+ / (-) %	2Q07	+ / (-) %
<b>Fees and commissions</b>								
Brokerage	106	54	97	40	15	164	36	12
Wealth management	118	100	18	41	31	33	44	(7)
Fund management	66	50	32	21	18	19	23	(9)
Credit card	41	35	17	14	13	8	13	6
Loan-related	91	59	55	33	23	44	34	(5)
Trade-related and remittances	85	69	23	31	23	30	27	13
Guarantees	17	18	(3)	6	6	10	6	7
Investment banking	34	22	58	9	13	(29)	18	(47)
Service charges	34	22	54	11	9	16	13	(15)
Others	14	9	56	5	4	33	3	61
Sub-total	606	437	39	211	155	36	217	(3)
<b>Dividends</b>	47	61	(24)	10	17	(40)	20	(48)
<b>Rental income</b>	48	59	(18)	15	20	(26)	16	(6)
<b>Profit from life assurance</b>	329	251	31	107	106	1	123	(13)
<b>Premium income from general insurance</b>	48	44	9	16	15	8	15	8
<b>Other income<sup>1/</sup></b>								
Net dealing income:								
Foreign exchange	141	99	42	68	23	195	18	286
Securities and derivatives	35	(1)	n.m.	3	(13)	123	28	(89)
Net gains from investment securities	175	40	336	32	14	138	39	(18)
Net gains from disposal of properties	4	2	181	1	#	305	1	(58)
Net loss from disposal of subsidiaries	-	(6)	-	-	-	-	-	-
Others	48	51	(5)	18	20	(11)	15	17
Sub-total	403	184	119	121	44	177	102	19
<b>Total core non-interest income</b>	1,480	1,035	43	481	357	35	493	(2)
Fees and commissions / Total income <sup>1/</sup>	19.5%	18.7%		20.2%	18.7%		20.7%	
Non-interest income / Total income <sup>1/</sup>	47.6%	44.3%		46.0%	43.0%		46.9%	

Notes:

1. Pre-tax divestment gains of S\$92 million for 9M07 and S\$515 million for 9M06 are not included.
2. "n.m." denotes not meaningful.
3. "#" represents amounts less than S\$0.5 million.

Non-interest income, excluding divestment gains, increased by 35% to S\$481 million in 3Q07, contributed mainly by higher fee and commission income and foreign exchange income. Fees and commissions rose 36% to S\$211 million, with strong contributions from stock-broking, wealth management, loan-related and trade-related income. Foreign exchange income increased from S\$23 million to S\$68 million.

Compared with 2Q07, non-interest income was marginally lower by 2%, as higher foreign exchange income was offset largely by lower contributions from securities and derivatives dealing, life assurance profits dividend income and fees from investment banking.

Non-interest income accounted for 46.0% of the Group's total core income in 3Q07, compared with 43.0% in 3Q06 and 46.9% in 2Q07.

## OPERATING EXPENSES

S\$ million	9M07	9M06	+ / (-) %	3Q07	3Q06	+ / (-) %	2Q07	+ / (-) %
<b>Staff costs</b>								
Salaries and other costs	625	482	29	227	163	39	213	7
Share-based expenses	7	7	6	2	3	(26)	3	(31)
Employer's contribution to defined contribution plans	47	40	19	19	14	34	16	19
	<b>679</b>	<b>529</b>	<b>28</b>	<b>247</b>	<b>179</b>	<b>38</b>	<b>231</b>	<b>7</b>
<b>Property and equipment</b>								
Depreciation	79	81	(3)	24	23	7	30	(20)
Maintenance and hire	48	46	6	16	16	1	17	(6)
Rental expenses	21	18	18	7	6	21	7	2
Others	79	71	11	23	19	21	32	(29)
	<b>227</b>	<b>216</b>	<b>5</b>	<b>71</b>	<b>64</b>	<b>11</b>	<b>87</b>	<b>(19)</b>
<b>Other operating expenses</b>	<b>289</b>	<b>245</b>	<b>18</b>	<b>108</b>	<b>89</b>	<b>21</b>	<b>98</b>	<b>11</b>
<b>Total operating expenses</b>	<b>1,195</b>	<b>989</b>	<b>21</b>	<b>427</b>	<b>333</b>	<b>28</b>	<b>416</b>	<b>3</b>
<b>Group staff strength</b>								
Period end	18,126	15,585	16	18,126	15,585	16	17,277	5
Average	17,061	15,114	13	17,846	15,450	16	17,018	5
Cost to income ratio <sup>1/</sup>	38.4%	42.3%		40.8%	40.0%		39.6%	

Note:

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

The Group's 3Q07 operating expenses increased 28% from a year ago to S\$427 million.

Staff costs increased by 38% on higher bonus accruals in tandem with the Group's better performance, higher base salaries and increased headcount. Group headcount was 18,126 as at 30 September 2007, an increase of 16% 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 and the Group's regional expansion.

Compared with 2Q07, total operating expenses increased by 3%, mainly due to higher staff costs as a result of increased headcount, as well as higher employer CPF contribution rates in Singapore.

The cost to income ratio was 40.8% in 3Q07, compared to 40.0% in 3Q06 and 39.6% in 2Q07.

## ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	9M07	9M06	+ / (-) %	3Q07	3Q06	+ / (-) %	2Q07	+ / (-) %
Specific allowances / (write-back) for loans								
Singapore	(43)	(3)	n.m.	(28)	(2)	n.m.	(2)	n.m.
Malaysia	(8)	17	(144)	(6)	5	(209)	(9)	(40)
Others	(52)	(8)	550	(48)	(2)	n.m.	(7)	612
	<b>(103)</b>	6	n.m.	<b>(82)</b>	1	n.m.	(18)	351
Allowances for CDOs	221	–	–	221	–	–	–	–
Allowances and impairment charges / (write-back) for other assets	(95)	(16)	512	(101)	2	n.m.	2	n.m.
<b>Allowances and impairment / (write-back) for loans and other assets</b>	<b>23</b>	(9)	(349)	<b>39</b>	3	n.m.	(16)	(345)

Note:

1. "n.m." denotes not meaningful.

A net allowance of S\$39 million was made in 3Q07, compared to S\$3 million allowance in 3Q06. The 3Q07 net allowance comprised allowances of S\$221 million for the Bank's investments in ABS CDOs, offset partially by S\$82 million net write-back in specific allowances for loans and S\$101 million net write-back in allowances for properties and other assets.

The S\$82 million net write-back in specific allowances on loans was due to loan recoveries and upgrades. By comparison, in 3Q06 there was a net specific loan allowance of S\$1 million, while a net write-back of S\$18 million was registered in 2Q07.

The S\$101 million net write-backs in allowances for other assets were mainly for office properties in Singapore. Allowances for these properties had been made between 2001 and 2004, when office property prices in Singapore fell. Following the continued strong recovery in the office property market, the allowances on these properties were written back in 3Q07. As at 30 September 2007, the market values of these properties were 21% above the carrying book values.

### Allowances for CDOs

OCBC Bank has investments of US\$430 million (S\$641 million) in CDOs, including US\$181 million (S\$270 million) in ABS CDOs which have exposures to US sub-prime mortgages. Prior to 3Q07, the Bank had used counterparty quotes as the basis to determine the fair value of its CDO portfolio.

### **Allowances for CDOs** *(continued)*

Following the US sub-prime market shakeout in 3Q07, spreads for residential mortgage-backed securities have widened considerably, and the ABS CDO market has come to a virtual standstill. As the ABS CDO market is now illiquid and inactive, quotations are no longer a reliable measure of fair value for the ABS CDOs. Given these market conditions, OCBC has ceased using counterparty quotes to value its ABS CDOs. Instead, a third party valuation model was used to estimate the fair value of the ABS CDOs, and to adjust their carrying value accordingly. Inputs to the model are based on observable US housing market data, including delinquency rates and foreclosures.

Based on the results of the valuation model, allowances of S\$221 million were made on the ABS CDOs in the 3Q07 income statement. The value of the ABS CDOs was reduced to S\$48 million (US\$32 million) as at 30 September 2007. Had the Bank continued to rely on counterparty quotes, the value of the ABS CDOs would have been S\$65 million.

As at 30 September 2007, all interest servicing on the ABS CDO portfolio remained current. However, four tranches of ABS CDOs amounting to S\$57 million (at investment cost) have exhibited evidence of weakness, and were accordingly classified as non-performing assets in the 3Q07 financial results.

For the corporate CDO portfolio of S\$372 million (US\$249 million), the Bank continues to use counterparty quotes to measure their fair value. As at 30 September 2007, the fair value of the corporate CDO portfolio was S\$357 million (US\$239 million).

### CDOs of Great Eastern Holdings and Lion Capital Management

As at 30 September 2007, the Bank's subsidiary Great Eastern Holdings ("GEH") had investments of S\$9 million in CDOs (on mark-to-market basis) under its shareholders' funds, down from S\$11 million as at 30 June 2007. The change in value was recognised in GEH's fair value reserves in equity. GEH's life assurance funds contained S\$167 million of investments in CDOs as at 30 September 2007 (mark-to-market basis), with S\$18 million in ABS CDOs, out of total life assurance fund assets of S\$42 billion.

Lion Capital Management, a subsidiary of the Group, had S\$5.6 billion of CDO funds under management as at 30 September 2007, out of S\$34.5 billion in total assets under management. Approximately 74% of the Lion Capital managed CDO funds are corporate CDOs, while the balance 26% consists of one high grade ABS CDO which has exposure to US sub-prime mortgages. As with other types of managed accounts, the investment returns and risks in these CDO funds are borne by the investors, which comprise mainly financial institutions, corporates and other fund management companies.



## LOANS AND ADVANCES

S\$ million	30 Sep 2007	30 Jun 2007	31 Dec 2006	30 Sep 2006
Loans to customers	<b>66,846</b>	64,414	60,390	58,699
Bills receivable	<b>1,169</b>	895	743	683
Gross loans to customers	<b>68,016</b>	65,309	61,132	59,382
Allowances:				
Specific allowances	<b>(551)</b>	(687)	(862)	(923)
Portfolio allowances	<b>(958)</b>	(967)	(961)	(963)
Loans net of allowances	<b>66,506</b>	63,656	59,309	57,495
<b>By Maturity</b>				
Less than 1 year	<b>23,651</b>	22,904	21,198	20,738
1 to 3 years	<b>11,691</b>	11,308	10,881	10,373
Over 3 years	<b>32,673</b>	31,096	29,053	28,270
	<b>68,016</b>	65,309	61,132	59,382
<b>By Industry</b>				
Agriculture, mining and quarrying	<b>1,212</b>	1,125	986	922
Manufacturing	<b>6,456</b>	5,854	5,043	4,893
Building and construction	<b>11,858</b>	11,204	9,332	8,876
Housing loans	<b>18,631</b>	18,095	18,149	18,149
General commerce	<b>6,124</b>	5,961	5,812	5,507
Transport, storage and communication	<b>3,322</b>	3,055	2,537	2,403
Financial institutions, investment and holding companies	<b>9,241</b>	9,338	8,416	7,974
Professionals and individuals	<b>7,297</b>	7,217	7,330	7,450
Others	<b>3,874</b>	3,460	3,528	3,206
	<b>68,016</b>	65,309	61,132	59,382
<b>By Currency</b>				
Singapore Dollar	<b>39,806</b>	38,635	37,114	36,283
United States Dollar	<b>9,061</b>	8,567	7,990	8,479
Malaysian Ringgit	<b>10,237</b>	9,709	9,044	8,440
Indonesian Rupiah	<b>2,451</b>	2,466	2,323	2,131
Others	<b>6,460</b>	5,933	4,662	4,049
	<b>68,016</b>	65,309	61,132	59,382
<b>By Geographical Sector <sup>1/</sup></b>				
Singapore	<b>42,782</b>	41,293	39,491	38,940
Malaysia	<b>11,524</b>	11,028	10,417	10,097
Other ASEAN	<b>4,305</b>	4,215	3,737	3,427
Greater China	<b>4,286</b>	3,891	3,103	2,890
Other Asia Pacific	<b>2,573</b>	2,291	1,866	1,597
Rest of the World	<b>2,547</b>	2,593	2,519	2,431
	<b>68,016</b>	65,309	61,132	59,382

Note:

1. Loans by geographical sector is based on where the credit risk resides, regardless of where the transactions are booked.

Gross loans to customers increased 15% year-on-year to S\$68.0 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, non-bank financial institutions, investment and holding companies, transport and communication, and general commerce sectors.

Compared with 30 June 2007, gross loans increased by 4%, registered mainly in building and construction, manufacturing and housing loans.

## NON-PERFORMING LOANS <sup>1/</sup>

S\$ million	Total	Substandard	Doubtful <sup>2/</sup>	Loss	Secured NPLs/ Total NPLs %	Non-bank NPLs/ Non-bank loans <sup>3/</sup> %
<b>Singapore</b>						
<b>30 Sep 2007</b>	<b>617</b>	<b>226</b>	<b>218</b>	<b>173</b>	<b>66.1</b>	<b>1.4</b>
30 Jun 2007	749	285	251	213	65.9	1.8
31 Dec 2006	951	382	336	233	60.6	2.4
30 Sep 2006	1,031	411	338	282	62.5	2.6
<b>Malaysia</b>						
<b>30 Sep 2007</b>	<b>581</b>	<b>353</b>	<b>135</b>	<b>93</b>	<b>62.3</b>	<b>4.8</b>
30 Jun 2007	621	371	146	104	61.1	5.4
31 Dec 2006	652	401	143	108	57.9	6.0
30 Sep 2006	673	408	145	121	57.0	6.4
<b>Others</b>						
<b>30 Sep 2007</b>	<b>286</b>	<b>95</b>	<b>115</b>	<b>76</b>	<b>45.2</b>	<b>1.6</b>
30 Jun 2007	244	80	78	86	62.9	1.8
31 Dec 2006	226	72	103	51	42.0	2.0
30 Sep 2006	262	96	108	58	52.0	2.5
<b>Group Total</b>						
<b>30 Sep 2007</b>	<b>1,484</b>	<b>674</b>	<b>468</b>	<b>341</b>	<b>60.6</b>	<b>2.1</b>
30 Jun 2007	1,614	736	475	403	63.6	2.4
31 Dec 2006	1,829	854	583	392	57.3	3.0
30 Sep 2006	1,966	914	590	461	59.2	3.3

Notes:

1. Comprises non-bank loans, debt securities and contingent facilities.
2. Included CDOs of S\$57 million as at 30 September 2007.
3. Excludes debt securities.

The Group's asset quality remained strong. As at 30 September 2007, total NPLs were S\$1.48 billion, down 25% from 30 September 2006, and 8% lower compared to 30 June 2007. Singapore NPLs amounted to S\$0.62 billion, while Malaysia NPLs were S\$0.58 billion. These accounted for 42% and 39% of total NPLs respectively. Of the total NPLs, 45% were in the substandard category while 61% were secured by collateral.

The Group's NPL ratio was 2.1% in September 2007, an improvement over 3.3% in September 2006 and 2.4% in June 2007.

## NON-PERFORMING LOANS (continued)

	30 Sep 2007		30 Jun 2007		31 Dec 2006		30 Sep 2006	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
<b>NPLs by Industry</b>								
Loans and advances								
Agriculture, mining and quarrying	10	0.8	12	1.0	14	1.4	14	1.5
Manufacturing	293	4.5	311	5.3	365	7.2	342	7.0
Building and construction	210	1.8	214	1.9	251	2.7	295	3.3
Housing loans	321	1.7	371	2.1	380	2.1	407	2.2
General commerce	190	3.1	219	3.7	304	5.2	305	5.5
Transport, storage and communication	20	0.6	23	0.7	20	0.8	54	2.2
Financial institutions, investment and holding companies	95	1.0	117	1.3	155	1.8	169	2.2
Professionals and individuals	192	2.6	237	3.3	253	3.4	259	3.5
Others	66	1.7	79	2.3	63	1.8	95	2.7
Sub-total	1,396	2.1	1,583	2.4	1,804	3.0	1,941	3.3
Debt securities	88		32		25		25	
	1,484		1,614		1,829		1,966	

	30 Sep 2007		30 Jun 2007		31 Dec 2006		30 Sep 2006	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>NPLs by Period Overdue</b>								
Over 180 days	780	53	871	54	1,043	57	1,179	60
Over 90 to 180 days	169	11	181	11	215	12	201	10
30 to 90 days	125	8	189	12	164	9	154	8
Less than 30 days	28	2	36	2	76	4	42	2
Not overdue	381	26	337	21	331	18	390	20
	1,484	100	1,614	100	1,829	100	1,966	100

	30 Sep 2007		30 Jun 2007		31 Dec 2006		30 Sep 2006	
	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
<b>Restructured Loans</b>								
Substandard	102	7	118	11	216	40	228	27
Doubtful	91	99	128	126	120	125	119	128
Loss	24	8	23	6	33	33	48	31
	217	114	269	143	369	198	395	186

## CUMULATIVE ALLOWANCES FOR LOANS <sup>1/</sup>

S\$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPLs	Cumulative allowances as % of total NPLs
				%	%
<b>Singapore</b>					
<b>30 Sep 2007</b>	<b>806</b>	<b>240</b>	<b>567</b>	<b>38.8</b>	<b>130.7</b>
30 Jun 2007	894	300	594	40.0	119.3
31 Dec 2006	1,025	397	628	41.8	107.8
30 Sep 2006	1,095	444	651	43.1	106.2
<b>Malaysia</b>					
<b>30 Sep 2007</b>	<b>424</b>	<b>240</b>	<b>183</b>	<b>41.4</b>	<b>72.9</b>
30 Jun 2007	434	260	174	41.9	69.9
31 Dec 2006	472	310	163	47.5	72.5
30 Sep 2006	479	325	154	48.3	71.1
<b>Others</b>					
<b>30 Sep 2007</b>	<b>361 <sup>2/</sup></b>	<b>153 <sup>2/</sup></b>	<b>208</b>	<b>53.4</b>	<b>126.3</b>
30 Jun 2007	350	151	199	62.0	143.6
31 Dec 2006	348	178	170	78.6	153.7
30 Sep 2006	335	177	158	67.6	128.0
<b>Group Total</b>					
<b>30 Sep 2007</b>	<b>1,591 <sup>2/</sup></b>	<b>633 <sup>2/</sup></b>	<b>958</b>	<b>42.6</b>	<b>107.2</b>
30 Jun 2007	1,678	712	967	44.1	104.0
31 Dec 2006	1,845	884	961	48.4	100.9
30 Sep 2006	1,909	946	963	48.1	97.1

Notes:

1. Includes specific and portfolio allowances for debt securities.
2. These included allowances of S\$57 million for classified CDOs.

As at 30 September 2007, the Group's total cumulative allowances for loans amounted to S\$1.59 billion, comprising S\$0.63 billion in cumulative specific allowances and S\$0.96 billion in cumulative portfolio allowances. The cumulative specific allowances included S\$57 million in allowances for classified CDOs. Total cumulative allowances were 107.2% of total NPLs at 30 September 2007, higher than the coverage of 97.1% at 30 September 2006 and 104.0% at 30 June 2007.

## DEPOSITS

S\$ million	30 Sep 2007	30 Jun 2007	31 Dec 2006	30 Sep 2006
Deposits of non-bank customers	85,651	82,233	75,115	69,623
Deposits and balances of banks	13,710	13,004	11,869	12,677
	<b>99,361</b>	<b>95,237</b>	<b>86,984</b>	<b>82,300</b>
Loans to deposits ratio (net non-bank loans / non-bank deposits)	77.6%	77.4%	79.0%	82.6%

S\$ million	30 Sep 2007	30 Jun 2007	31 Dec 2006	30 Sep 2006
<b>Total Deposits By Maturity</b>				
Less than 1 year	95,562	91,286	82,851	78,197
1 to 3 years	2,682	2,485	1,921	1,755
Over 3 years	1,117	1,466	2,212	2,349
	<b>99,361</b>	<b>95,237</b>	<b>86,984</b>	<b>82,300</b>
<b>Non-Bank Deposits By Product</b>				
Fixed deposits	57,166	53,250	50,197	46,726
Savings deposits	12,857	12,956	11,215	10,619
Current account	11,585	11,580	10,035	9,178
Others	4,043	4,447	3,668	3,101
	<b>85,651</b>	<b>82,233</b>	<b>75,115</b>	<b>69,623</b>
<b>Non-Bank Deposits By Currency</b>				
Singapore Dollar	52,048	50,881	46,018	41,302
United States Dollar	10,117	9,091	8,352	9,004
Malaysian Ringgit	13,370	13,398	11,957	10,835
Indonesian Rupiah	2,857	2,864	2,957	2,651
Others	7,259	5,999	5,831	5,832
	<b>85,651</b>	<b>82,233</b>	<b>75,115</b>	<b>69,623</b>

As at 30 September 2007, total deposits were S\$99.4 billion, an increase of 21% year-on-year. Non-bank customer deposits grew by 23% to S\$85.7 billion, with increases of 22% in fixed deposits, 21% in savings deposits, and 26% in current account deposits. Deposits and balances of banks grew by 8% to S\$13.7 billion. Compared with 30 June 2007, total deposits and customer deposits increased by 4%.

The Group's loans to deposits ratio was 77.6% at 30 September 2007, lower than the 82.6% in September 2006, and slightly higher than the 77.4% in June 2007.

## CAPITAL ADEQUACY RATIOS

S\$ million	30 Sep 2007	30 Jun 2007	31 Dec 2006	30 Sep 2006
<b>Tier 1 Capital</b>				
Paid-up ordinary and preference shares	5,513	5,503	5,481	5,528
Disclosed reserves / others	9,023	9,054	8,136	7,620
Goodwill / others	(3,485)	(3,508)	(3,560)	(3,572)
	<b>11,051</b>	<b>11,049</b>	<b>10,057</b>	<b>9,575</b>
<b>Tier 2 Capital</b>				
Cumulative portfolio allowances	712	717	704	714
Subordinated term notes	2,425	3,208	3,112	3,110
Revaluation surplus on equity securities	243	251	205	208
	<b>3,381</b>	<b>4,176</b>	<b>4,021</b>	<b>4,032</b>
<b>Tier 1 and Tier 2 Capital</b>	<b>14,431</b>	<b>15,225</b>	<b>14,078</b>	<b>13,607</b>
Capital investments in insurance subsidiaries	(2,357)	(2,258)	(1,889)	(1,798)
Others	(126)	(122)	(85)	(83)
	<b>11,949</b>	<b>12,844</b>	<b>12,105</b>	<b>11,726</b>
<b>Eligible Total Capital</b>	<b>11,949</b>	<b>12,844</b>	<b>12,105</b>	<b>11,726</b>
<b>Risk weighted assets including market risk</b>	<b>92,849</b>	<b>87,846</b>	<b>76,514</b>	<b>74,024</b>
<b>Tier 1 ratio</b>	<b>11.9%</b>	<b>12.5%</b>	<b>13.1%</b>	<b>12.9%</b>
<b>Total capital adequacy ratio</b>	<b>12.8%</b>	<b>14.6%</b>	<b>15.8%</b>	<b>15.8%</b>

As of 30 September 2007, the Group's total capital adequacy ratio ("CAR") was 12.8%, compared with 14.6% in June 2007 and 15.8% in September 2006. Tier 1 CAR was 11.9%, down from 12.5% in June 2007 and 12.9% in September 2006, largely as a result of the growth in risk weighted assets and the payment of the interim dividend. Total CAR was in addition impacted by the annual amortisation of the Bank's Tier 2 subordinated debt, which commenced in September 2006.

In 3Q07, the Bank bought back approximately 0.5 million of its ordinary shares for S\$4.2 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\$269 million have been utilised to buy back approximately 39.2 million shares under the programme.

## VALUATION SURPLUS

<b>S\$ million</b>	<b>30 Sep 2007</b>	<b>30 Jun 2007</b>	<b>31 Dec 2006</b>	<b>30 Sep 2006</b>
Properties <sup>1/</sup>	<b>2,174</b>	1,967	1,600	1,444
Equity securities <sup>2/</sup>	<b>3,341</b>	3,541	2,962	3,002
<b>Total</b>	<b>5,514</b>	5,508	4,562	4,446

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 September 2007, an increase of 21% compared to 31 December 2006. The surplus for properties amounted to S\$2.17 billion. The surplus of S\$3.34 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	9M07	9M06	+/(-) %	3Q07	3Q06	+/(-) %	2Q07	+/(-) %
Consumer Banking	483	333	45	169	128	33	159	6
Business Banking	768	589	30	272	218	25	270	1
Treasury	270	142	90	99	54	84	84	18
Insurance <sup>1/</sup>	454	310	46	139	122	13	163	(15)
Others <sup>2/</sup>	(117)	(47)	146	(109)	(39)	182	(39)	178
<b>Core operating profit after allowances and amortisation</b>	<b>1,858</b>	<b>1,327</b>	<b>40</b>	<b>570</b>	<b>484</b>	<b>18</b>	<b>639</b>	<b>(11)</b>

Notes:

1. Pre-tax divestment gains of S\$24 million in 9M06 are not included.
2. Pre-tax divestment gains of S\$92 million in 9M07 and S\$491 million in 9M06 are not included.

### Consumer Banking

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

For 9M07, operating profit of the consumer segment reported increased 45% to S\$483 million, boosted by broad-based revenue growth in net interest income and fee income, as well as lower loan allowances. For 3Q07, profit grew by 33% to S\$169 million.

### Business Banking

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

Business Banking's operating profit grew by 30% to S\$768 million in 9M07 and by 25% to S\$272 million in 3Q07. The improved performance was driven by increase in net interest income due to strong loans growth, higher fee income, as well as higher recoveries from non-performing assets.



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## 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 90% to S\$270 million in 9M07, and 84% to S\$99 million in 3Q07. The strong profit growth was driven by significantly higher net interest income, as well as higher foreign exchange and trading gains.

### 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 9M07, operating profit after allowances and amortisation from GEH grew 46% to S\$454 million, driven by higher insurance income. For 3Q07, operating profit after allowances and amortisation registered an increase of 13% to S\$139 million.

After minority interests and tax, GEH's contribution to Group net profit was S\$332 million in 9M07 and S\$100 million in 3Q07, an increase of 60% from S\$207 million in 9M06 and 11% from S\$90 million in 3Q06.

### 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
<b>9M07</b>						
<b>Total income <sup>1/</sup></b>	<b>892</b>	<b>1,009</b>	<b>360</b>	<b>575</b>	<b>276</b>	<b>3,111</b>
Operating profit / (loss) before allowances and amortisation <sup>1/</sup>	499	698	270	489	(41)	1,916
Amortisation of intangible assets (Allowances and impairment) / write-back for loans and other assets	(17)	70	–	(35)	–	(35)
<b>Operating profit / (loss) after allowances and amortisation <sup>1/</sup></b>	<b>483</b>	<b>768</b>	<b>270</b>	<b>454</b>	<b>(117)</b>	<b>1,858</b>
<b>Other information:</b>						
Capital expenditure	9	6	–	69	85	169
Depreciation	6	3	–	2	68	79
<b>9M06</b>						
<b>Total income <sup>1/</sup></b>	<b>737</b>	<b>827</b>	<b>205</b>	<b>426</b>	<b>144</b>	<b>2,339</b>
Operating profit / (loss) before allowances and amortisation <sup>1/</sup>	390	563	142	342	(88)	1,349
Amortisation of intangible assets (Allowances and impairment) / write-back for loans and other assets	(58)	26	–	(32)	–	(32)
<b>Operating profit / (loss) after allowances and amortisation <sup>1/</sup></b>	<b>333</b>	<b>589</b>	<b>142</b>	<b>310</b>	<b>(47)</b>	<b>1,327</b>
<b>Other information:</b>						
Capital expenditure	4	2	–	46	88	140
Depreciation	11	5	–	1	64	81

Note:

1. Pre-tax divestment gains of S\$92 million for 9M07 and S\$515 million for 9M06 are not included.

## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
<b>3Q07</b>						
<b>Total income</b>	<b>311</b>	<b>348</b>	<b>134</b>	<b>179</b>	<b>75</b>	<b>1,047</b>
Operating profit / (loss) before allowances and amortisation	165	236	99	150	(30)	620
Amortisation of intangible assets	–	–	–	(12)	–	(12)
(Allowances and impairment) / write-back for loans and other assets	4	36	–	–	(79)	(39)
<b>Operating profit / (loss) after allowances and amortisation</b>	<b>169</b>	<b>272</b>	<b>99</b>	<b>139</b>	<b>(109)</b>	<b>570</b>
<b>Other information:</b>						
Capital expenditure	5	3	–	9	27	44
Depreciation	1	–	–	2	21	24
<b>3Q06</b>						
<b>Total income</b>	<b>263</b>	<b>303</b>	<b>74</b>	<b>160</b>	<b>31</b>	<b>831</b>
Operating profit / (loss) before allowances and amortisation	145	213	54	134	(48)	498
Amortisation of intangible assets	–	–	–	(11)	–	(11)
(Allowances and impairment) / write-back for loans and other assets	(17)	5	–	–	9	(3)
<b>Operating profit / (loss) after allowances and amortisation</b>	<b>128</b>	<b>218</b>	<b>54</b>	<b>122</b>	<b>(39)</b>	<b>484</b>
<b>Other information:</b>						
Capital expenditure	1	1	–	19	27	48
Depreciation	1	3	–	–	19	23
<b>2Q07</b>						
<b>Total income</b>	<b>303</b>	<b>351</b>	<b>112</b>	<b>204</b>	<b>80</b>	<b>1,050</b>
Operating profit / (loss) before allowances and amortisation	168	242	84	175	(35)	634
Amortisation of intangible assets	–	–	–	(12)	–	(12)
(Allowances and impairment) / Write-back for loans and other assets	(8)	28	–	–	(4)	16
<b>Operating profit / (loss) after allowances and amortisation</b>	<b>159</b>	<b>270</b>	<b>84</b>	<b>163</b>	<b>(39)</b>	<b>639</b>
<b>Other information:</b>						
Capital expenditure	3	1	–	27	31	62
Depreciation	5	2	–	–	23	30

## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Consumer Banking	Business Banking	Treasury	Insurance	Others	Group
<b>At 30 September 2007</b>						
Segment assets	25,868	46,586	36,105	46,932	19,236	174,727
Unallocated assets						87
Elimination						(4,480)
<b>Total assets</b>						<b>170,334</b>
Segment liabilities	38,340	45,487	19,424	41,846	11,927	157,024
Unallocated liabilities						1,182
Elimination						(4,480)
<b>Total liabilities</b>						<b>153,726</b>
<b>Other information:</b>						
Gross non-bank loans	24,218	39,442	–	329	4,027	68,016
NPLs (include debt securities)	427	922	–	–	135	1,484
<b>At 30 June 2007</b>						
Segment assets	25,359	43,882	34,080	46,296	18,508	168,125
Unallocated assets						79
Elimination						(4,265)
<b>Total assets</b>						<b>163,939</b>
Segment liabilities	37,919	42,531	18,492	41,233	11,242	151,417
Unallocated liabilities						1,194
Elimination						(4,265)
<b>Total liabilities</b>						<b>148,346</b>
<b>Other information:</b>						
Gross non-bank loans	23,659	37,327	–	365	3,958	65,309
NPLs (include debt securities)	496	1,034	–	–	84	1,614
<b>At 31 December 2006</b>						
Segment assets	25,084	38,936	30,565	43,288	16,571	154,444
Unallocated assets						106
Elimination						(3,330)
<b>Total assets</b>						<b>151,220</b>
Segment liabilities	35,378	34,280	19,320	38,464	11,516	138,958
Unallocated liabilities						1,101
Elimination						(3,330)
<b>Total liabilities</b>						<b>136,729</b>
<b>Other information:</b>						
Gross non-bank loans	23,851	33,610	–	385	3,286	61,132
NPLs (include debt securities)	509	1,254	–	–	66	1,829
<b>At 30 September 2006</b>						
Segment assets	25,316	37,531	28,732	41,462	15,145	148,186
Unallocated assets						97
Elimination						(3,959)
<b>Total assets</b>						<b>144,324</b>
Segment liabilities	32,741	31,480	21,549	37,225	10,655	133,650
Unallocated liabilities						684
Elimination						(3,959)
<b>Total liabilities</b>						<b>130,375</b>
<b>Other information:</b>						
Gross non-bank loans	23,977	32,200	–	288	2,917	59,382
NPLs (include debt securities)	563	1,322	–	–	81	1,966

## PERFORMANCE BY GEOGRAPHICAL SEGMENT

	9M07		9M06		3Q07		3Q06		2Q07	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>Total income</b>										
Singapore <sup>1/</sup>	2,067	66	1,546	66	702	67	547	66	714	68
Malaysia	667	21	536	23	221	21	186	22	222	21
Other ASEAN	241	8	156	7	73	7	59	7	73	7
Asia Pacific	108	3	75	3	40	4	29	3	33	3
Rest of the World	28	1	26	1	10	1	10	1	10	1
	<b>3,111</b>	<b>100</b>	<b>2,339</b>	<b>100</b>	<b>1,047</b>	<b>100</b>	<b>831</b>	<b>100</b>	<b>1,050</b>	<b>100</b>
<b>Profit before income tax</b>										
Singapore <sup>1/</sup>	1,365	73	886	66	504	88	331	68	443	69
Malaysia	357	19	351	26	36	6	119	24	157	24
Other ASEAN	83	4	41	3	21	4	18	4	15	2
Asia Pacific	51	3	41	3	7	1	14	3	23	4
Rest of the World	25	1	16	1	4	1	6	1	5	1
	<b>1,880</b>	<b>100</b>	<b>1,336</b>	<b>100</b>	<b>572</b>	<b>100</b>	<b>489</b>	<b>100</b>	<b>643</b>	<b>100</b>

Note:

1. Pre-tax divestment gains of S\$92 million for 9M07 and S\$515 million for 9M06 are not included in total income and profit before income tax.

	30 Sep 2007		30 Jun 2007		31 Dec 2006		30 Sep 2006	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>Total assets</b>								
Singapore	116,415	68	110,997	68	105,706	70	101,249	71
Malaysia	34,627	20	35,126	21	31,275	21	28,783	20
Other ASEAN	5,959	4	5,766	4	5,126	3	4,912	3
Asia Pacific	9,910	6	8,623	5	6,349	4	6,636	5
Rest of the World	3,424	2	3,427	2	2,764	2	2,745	2
	<b>170,334</b>	<b>100</b>	<b>163,939</b>	<b>100</b>	<b>151,220</b>	<b>100</b>	<b>144,324</b>	<b>100</b>

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

For 3Q07, pre-tax profit for Malaysia fell significantly to S\$36 million, compared to S\$119 million a year ago and S\$157 million in 2Q07. This was due to allowances of S\$117 million for CDOs being classified under the Malaysia geography, as the relevant CDOs were booked in Labuan.

For 9M07, Singapore accounted for 66% of total income and 73% of pre-tax profit, while Malaysia accounted for 21% of total income and 19% of pre-tax profit.

## CONSOLIDATED INCOME STATEMENT (Unaudited)

S\$ million	9M07	9M06	+ / (-)	3Q07	3Q06	+ / (-)	2Q07	+ / (-)
						%		%
Interest income	3,887	3,274	19	1,321	1,194	11	1,303	1
Interest expense	(2,257)	(1,971)	15	(755)	(721)	5	(745)	1
<b>Net interest income</b>	<b>1,631</b>	<b>1,303</b>	<b>25</b>	<b>565</b>	<b>473</b>	<b>19</b>	<b>558</b>	<b>1</b>
Premium income	4,005	3,714	8	1,340	1,307	2	1,444	(7)
Investment income	2,485	1,564	59	722	518	39	1,003	(28)
Net claims, surrenders and annuities	(3,298)	(3,613)	(9)	(1,102)	(1,098)	-	(1,076)	2
Change in life assurance fund contract liabilities	(2,185)	(809)	170	(611)	(418)	46	(1,001)	(39)
Commission and others	(679)	(606)	12	(242)	(203)	19	(248)	(2)
Profit from life assurance	329	251	31	107	106	1	123	(13)
Premium income from general insurance	48	44	9	16	15	8	15	8
Fees and commissions (net)	606	437	39	211	155	36	217	(3)
Dividends	47	61	(24)	10	17	(40)	20	(48)
Rental income	48	59	(18)	15	20	(26)	16	(6)
Other income	496	699	(29)	121	44	177	102	19
<b>Non-interest income</b>	<b>1,573</b>	<b>1,550</b>	<b>1</b>	<b>481</b>	<b>357</b>	<b>35</b>	<b>493</b>	<b>(2)</b>
<b>Total income</b>	<b>3,204</b>	<b>2,854</b>	<b>12</b>	<b>1,047</b>	<b>831</b>	<b>26</b>	<b>1,050</b>	<b>-</b>
Staff costs	(679)	(529)	28	(247)	(179)	38	(231)	7
Other operating expenses	(516)	(461)	12	(179)	(153)	17	(185)	(3)
<b>Total operating expenses</b>	<b>(1,195)</b>	<b>(989)</b>	<b>21</b>	<b>(427)</b>	<b>(333)</b>	<b>28</b>	<b>(416)</b>	<b>3</b>
<b>Operating profit before allowances and amortisation</b>	<b>2,008</b>	<b>1,865</b>	<b>8</b>	<b>620</b>	<b>498</b>	<b>24</b>	<b>634</b>	<b>(2)</b>
Amortisation of intangible assets (Allowances and impairment) / write-back for loans and other assets	(35)	(32)	8	(12)	(11)	3	(12)	-
	(23)	9	(349)	(39)	(3)	n.m.	16	(345)
<b>Operating profit after allowances and amortisation</b>	<b>1,951</b>	<b>1,842</b>	<b>6</b>	<b>570</b>	<b>484</b>	<b>18</b>	<b>639</b>	<b>(11)</b>
Share of results of associates and joint ventures	22	9	143	2	4	(57)	4	(55)
<b>Profit before income tax</b>	<b>1,973</b>	<b>1,851</b>	<b>7</b>	<b>572</b>	<b>489</b>	<b>17</b>	<b>643</b>	<b>(11)</b>
Income tax expense <sup>1/</sup>	(238)	(282)	(15)	(75)	(80)	(7)	(87)	(14)
<b>Profit for the period</b>	<b>1,734</b>	<b>1,569</b>	<b>11</b>	<b>497</b>	<b>409</b>	<b>22</b>	<b>556</b>	<b>(11)</b>
<b>Attributable to:</b>								
Equity holders of the Bank	1,642	1,493	10	463	379	22	532	(13)
Minority interests	92	76	20	33	29	14	23	43
	1,734	1,569	11	497	409	22	556	(11)
<b>Earnings per share (for the period – cents) <sup>2/</sup></b>								
Basic	52.7	47.5		15.0	12.3		16.6	
Diluted	52.4	47.3		14.9	12.2		16.5	

### Notes:

1. 9M07, 3Q07, 2Q07 and 1Q07 tax expense included tax refunds of S\$100 million, S\$38 million, S\$15 million and S\$47 million respectively. The refunds in 3Q07 and 2Q07 relate to 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 and tax refunds.
3. "n.m." denotes not meaningful.

## BALANCE SHEETS (Unaudited)

S\$ million	GROUP				BANK			
	30 Sep 2007	30 Jun 2007	31 Dec 2006	30 Sep 2006	30 Sep 2007	30 Jun 2007	31 Dec 2006	30 Sep 2006
<b>EQUITY</b>								
<b>Attributable to the Bank's equity holders</b>								
Share capital	5,513	5,503	5,481	5,528	5,513	5,503	5,481	5,528
Capital reserves	57	55	103	100	92	89	83	80
Statutory reserves	2,049	2,049	2,028	2,017	1,719	1,719	1,698	1,688
Fair value reserves	1,868	850	668	603	503	468	405	327
Revenue reserves	5,968	5,986	5,125	4,646	3,133	3,089	2,562	2,393
	<b>15,455</b>	<b>14,443</b>	<b>13,404</b>	<b>12,894</b>	<b>10,959</b>	<b>10,867</b>	<b>10,229</b>	<b>10,016</b>
Minority interests	1,152	1,150	1,087	1,055	–	–	–	–
<b>Total equity</b>	<b>16,607</b>	<b>15,593</b>	<b>14,491</b>	<b>13,949</b>	<b>10,959</b>	<b>10,867</b>	<b>10,229</b>	<b>10,016</b>
<b>LIABILITIES</b>								
Deposits of non-bank customers	85,651	82,233	75,115	69,623	67,891	64,891	59,363	55,267
Deposits and balances of banks	13,710	13,004	11,869	12,677	12,122	11,855	11,234	12,202
Due to subsidiaries	–	–	–	–	974	1,398	1,083	1,551
Due to associates	23	22	120	72	2	3	3	3
Trading portfolio liabilities	362	112	422	756	362	112	422	756
Derivative payables	2,283	2,028	2,114	2,150	2,191	1,949	2,051	2,096
Other liabilities	3,891	4,144	2,578	2,173	1,025	1,421	1,120	939
Current tax <sup>1/</sup>	584	587	599	665	279	286	287	305
Deferred tax <sup>1/</sup>	598	608	502	405	126	116	137	120
Debts issued <sup>2/</sup>	5,055	4,661	5,131	5,219	5,286	4,888	5,359	5,534
	<b>112,157</b>	<b>107,399</b>	<b>98,449</b>	<b>93,740</b>	<b>90,259</b>	<b>86,919</b>	<b>81,059</b>	<b>78,771</b>
Life assurance fund liabilities <sup>1/</sup>	41,570	40,947	38,280	36,635	–	–	–	–
<b>Total liabilities</b>	<b>153,726</b>	<b>148,346</b>	<b>136,729</b>	<b>130,375</b>	<b>90,259</b>	<b>86,919</b>	<b>81,059</b>	<b>78,771</b>
<b>Total equity and liabilities</b>	<b>170,334</b>	<b>163,939</b>	<b>151,220</b>	<b>144,324</b>	<b>101,218</b>	<b>97,786</b>	<b>91,288</b>	<b>88,787</b>
<b>ASSETS</b>								
Cash and placements with central banks <sup>1/</sup>	8,377	7,982	5,741	4,063	6,150	5,001	3,208	2,443
Singapore government treasury bills and securities	8,888	8,055	8,147	7,585	8,351	7,552	7,645	7,044
Other government treasury bills and securities	3,860	3,522	2,195	2,509	369	307	286	289
Placements with and loans to banks <sup>1/</sup>	16,499	17,747	17,750	17,031	14,343	15,277	16,410	16,058
Loans and bills receivable	66,506	63,656	59,309	57,495	50,222	49,484	46,479	45,418
Debt and equity securities	12,395	10,557	7,558	7,178	8,193	7,525	5,381	4,745
Assets pledged	869	540	1,897	2,178	869	343	524	1,097
Assets held for sale	#	1	7	–	#	#	1	–
Derivative receivables	2,375	1,940	2,414	2,217	2,274	1,857	2,354	2,157
Other assets	3,691	3,765	2,524	2,123	1,131	1,912	1,201	978
Deferred tax	45	42	48	51	1	2	2	#
Associates and joint ventures	249	257	309	213	96	97	97	97
Subsidiaries	–	–	–	–	6,542	5,857	5,122	5,885
Property, plant and equipment <sup>3/4/</sup>	1,597	1,601	1,415	1,483	313	292	299	293
Investment property <sup>3/</sup>	671	598	644	655	496	413	414	416
Goodwill and intangible assets	3,474	3,496	3,521	3,536	1,867	1,867	1,867	1,867
	<b>129,495</b>	<b>123,759</b>	<b>113,480</b>	<b>108,320</b>	<b>101,218</b>	<b>97,786</b>	<b>91,288</b>	<b>88,787</b>
Life assurance fund investment assets <sup>1/4/</sup>	40,839	40,180	37,740	36,005	–	–	–	–
<b>Total assets</b>	<b>170,334</b>	<b>163,939</b>	<b>151,220</b>	<b>144,324</b>	<b>101,218</b>	<b>97,786</b>	<b>91,288</b>	<b>88,787</b>
<b>Net Asset Value Per Ordinary Share (before valuation surplus – in S\$)</b>								
	4.72	4.39	4.07	3.90	3.26	3.23	3.04	2.96
<b>OFF-BALANCE SHEET ITEMS</b>								
Contingent liabilities	8,180	8,209	6,819	6,580	6,168	6,258	5,154	4,933
Commitments	46,047	42,364	37,179	38,274	37,280	34,437	31,370	31,390
Derivative financial instruments	340,294	310,402	242,467	248,265	318,754	287,232	227,403	234,416

### Notes:

- 30 Sep 2006 comparatives have been restated to include in the respective lines, life assurance fund current tax liabilities, deferred tax liabilities and cash in hand and balances with banks. These were previously included in the life assurance fund liabilities and investment assets.
- Comprises S\$1,020 million (30 Jun 2007: S\$651 million; 31 Dec 2006: S\$1,088 million; 30 Sep 2006: S\$1,174 million) repayable in one year or less and S\$4,034 million (30 Jun 2007: S\$4,010 million; 31 Dec 2006: S\$4,043 million; 30 Sep 2006: S\$4,045 million) repayable after one year. Debts issued at the respective period ends are unsecured.
- 31 Dec 2006 and 30 Sep 2006 comparatives have been restated for the implementation of FRS 40 *Investment Property*.
- 31 Dec 2006 and 30 Sep 2006 comparatives have been restated for the reclassification of life assurance fund's property, plant and equipment from life assurance fund investment assets.
- # represents amounts less than S\$0.5 million.

## STATEMENT OF CHANGES IN EQUITY – GROUP (Unaudited)

For the nine months ended 30 September 2007

S\$ million	Attributable to equity holders of the Bank					Total	Minority interests	Total equity
	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves			
<b>Balance at 1 January 2007</b>	<b>5,481</b>	<b>103</b>	<b>2,028</b>	<b>668</b>	<b>5,125</b>	<b>13,404</b>	<b>1,087</b>	<b>14,491</b>
Movements in fair value reserves:								
Gains taken to equity	–	–	–	1,359	–	1,359	17	1,376
Transferred to income statement on sale	–	–	–	(165)	–	(165)	(10)	(175)
Tax on net movements	–	–	–	7	–	7	(1)	6
Currency translation	–	–	–	–	(7)	(7)	(6)	(13)
Net gain / (loss) recognised in equity	–	–	–	1,201	(7)	1,194	#	1,194
Profit for the period	–	–	–	–	1,642	1,642	92	1,734
<b>Total recognised gains for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,201</b>	<b>1,636</b>	<b>2,836</b>	<b>92</b>	<b>2,929</b>
Transfers	–	(50)	21	–	29	–	–	–
Dividends paid to minority interests	–	–	–	–	–	–	(58)	(58)
Ordinary and preference dividends	–	–	–	–	(821)	(821)	–	(821)
Rights issue by a subsidiary and change in minority interests	–	–	–	–	–	–	32	32
Share-based staff costs capitalised	–	9	–	–	–	9	–	9
Share buyback – held in treasury	(43)	–	–	–	–	(43)	–	(43)
Shares issued to non-executive directors	1	–	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(11)	–	–	–	(11)	–	(11)
Shares vested under DSP Scheme	–	6	–	–	–	6	–	6
Treasury shares transferred to employees	75	–	–	–	–	75	–	75
<b>Balance at 30 September 2007</b>	<b>5,513</b>	<b>57</b>	<b>2,049</b>	<b>1,868</b>	<b>5,968</b>	<b>15,455</b>	<b>1,152</b>	<b>16,607</b>
Included:								
Share of reserves of associates and joint ventures	–	3	–	#	34	37	#	37
<b>Balance at 1 January 2006</b>	<b>1,561</b>	<b>4,292</b>	<b>1,959</b>	<b>618</b>	<b>3,908</b>	<b>12,338</b>	<b>1,149</b>	<b>13,487</b>
Movements in fair value reserves:								
Gains taken to equity	–	–	–	253	–	253	19	272
Transferred to income statement on sale	–	–	–	(279)	–	(279)	(7)	(286)
Tax on net movements	–	–	–	11	–	11	(3)	8
Currency translation	–	–	–	–	(20)	(20)	(2)	(23)
Net gain / (loss) recognised in equity	–	–	–	(15)	(20)	(35)	6	(29)
Profit for the period	–	–	–	–	1,493	1,493	76	1,569
<b>Total recognised gains / (losses) for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(15)</b>	<b>1,472</b>	<b>1,458</b>	<b>82</b>	<b>1,540</b>
Transfers	–	(24)	58	–	(34)	–	–	–
Acquisition of additional interests in subsidiaries	41	–	–	–	–	41	(122)	(81)
Dividends paid to minority interests	–	–	–	–	–	–	(54)	(54)
Effect of Companies (Amendment) Act 2005	4,185	(4,185)	–	–	–	–	–	–
Ordinary and preference dividends	–	–	–	–	(657)	(657)	–	(657)
Share-based staff costs capitalised	–	8	–	–	–	8	–	8
Share buyback – cancelled	(3)	3	–	–	(43)	(43)	–	(43)
Share buyback – held in treasury	(323)	–	–	–	–	(323)	–	(323)
Shares issued to non-executive directors	#	–	–	–	–	#	–	#
Shares issued pursuant to the Bank's employee share schemes	52	10	–	–	–	62	–	62
Shares purchased by DSP Trust	–	(8)	–	–	–	(8)	–	(8)
Shares vested under DSP Scheme	–	5	–	–	–	5	–	5
Treasury shares transferred to employees	14	–	–	–	–	14	–	14
<b>Balance at 30 September 2006</b>	<b>5,528</b>	<b>100</b>	<b>2,017</b>	<b>603</b>	<b>4,646</b>	<b>12,894</b>	<b>1,055</b>	<b>13,949</b>
Included:								
Share of reserves of associates and joint ventures	–	1	–	–	41	42	(#)	42

Note:

1. “#” represents amounts less than S\$0.5 million.



## STATEMENT OF CHANGES IN EQUITY – GROUP (Unaudited)

For the three months ended 30 September 2007

S\$ million	Attributable to equity holders of the Bank					Total	Minority interests	Total equity
	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves			
<b>Balance at 1 July 2007</b>	<b>5,503</b>	<b>55</b>	<b>2,049</b>	<b>850</b>	<b>5,986</b>	<b>14,443</b>	<b>1,150</b>	<b>15,593</b>
Movements in fair value reserves:								
Gains taken to equity	–	–	–	1,037	–	1,037	2	1,039
Transferred to income statement on sale	–	–	–	(31)	–	(31)	(1)	(32)
Tax on net movements	–	–	–	12	–	12	(#)	11
Currency translation	–	–	–	–	(49)	(49)	(9)	(58)
Net gain / (loss) recognised in equity	–	–	–	1,018	(49)	969	(8)	960
Profit for the period	–	–	–	–	463	463	33	497
<b>Total recognised gains for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,018</b>	<b>414</b>	<b>1,432</b>	<b>25</b>	<b>1,457</b>
Transfers	–	#	–	–	(#)	–	–	–
Dividends paid to minority interests	–	–	–	–	–	–	(22)	(22)
Ordinary dividends	–	–	–	–	(432)	(432)	–	(432)
Change in minority interests	–	–	–	–	–	–	(1)	(1)
Share-based staff costs capitalised	–	2	–	–	–	2	–	2
Share buyback – held in treasury	(4)	–	–	–	–	(4)	–	(4)
Shares purchased by DSP Trust	–	(1)	–	–	–	(1)	–	(1)
Treasury shares transferred to employees	14	–	–	–	–	14	–	14
<b>Balance at 30 September 2007</b>	<b>5,513</b>	<b>57</b>	<b>2,049</b>	<b>1,868</b>	<b>5,968</b>	<b>15,455</b>	<b>1,152</b>	<b>16,607</b>
Included:								
Share of reserves of associates and joint ventures	–	3	–	#	34	37	#	37
<b>Balance at 1 July 2006</b>	<b>5,629</b>	<b>97</b>	<b>2,002</b>	<b>449</b>	<b>4,615</b>	<b>12,792</b>	<b>1,135</b>	<b>13,927</b>
Movements in fair value reserves:								
Gains taken to equity	–	–	–	193	–	193	9	202
Transferred to income statement on sale	–	–	–	(16)	–	(16)	2	(14)
Tax on net movements	–	–	–	(23)	–	(23)	(2)	(25)
Currency translation	–	–	–	–	6	6	#	6
Net gain recognised in equity	–	–	–	155	6	161	9	170
Profit for the period	–	–	–	–	379	379	29	409
<b>Total recognised gains for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>155</b>	<b>386</b>	<b>540</b>	<b>38</b>	<b>579</b>
Transfers	–	(#)	15	–	(15)	–	–	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	(100)	(100)
Dividends paid to minority interests	–	–	–	–	–	–	(18)	(18)
Ordinary dividends	–	–	–	–	(340)	(340)	–	(340)
Share-based staff costs capitalised	–	3	–	–	–	3	–	3
Share buyback – held in treasury	(122)	–	–	–	–	(122)	–	(122)
Shares issued pursuant to the Bank's employee share schemes	7	–	–	–	–	7	–	7
Treasury shares transferred to employees	14	–	–	–	–	14	–	14
<b>Balance at 30 September 2006</b>	<b>5,528</b>	<b>100</b>	<b>2,017</b>	<b>603</b>	<b>4,646</b>	<b>12,894</b>	<b>1,055</b>	<b>13,949</b>
Included:								
Share of reserves of associates and joint ventures	–	1	–	–	41	42	(#)	42

Note:

1. “#” represents amounts less than S\$0.5 million.

## STATEMENT OF CHANGES IN EQUITY – BANK (Unaudited)

For the nine months ended 30 September 2007

S\$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total
<b>Balance at 1 January 2007</b>	<b>5,481</b>	<b>83</b>	<b>1,698</b>	<b>405</b>	<b>2,562</b>	<b>10,229</b>
Movements in fair value reserves:						
Gains taken to equity	–	–	–	162	–	162
Transferred to income statement on sale	–	–	–	(74)	–	(74)
Tax on net movements	–	–	–	9	–	9
Currency translation	–	–	–	–	31	31
Net gain recognised in equity	–	–	–	98	31	129
Profit for the period	–	–	–	–	1,381	1,381
<b>Total recognised gains for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>98</b>	<b>1,412</b>	<b>1,510</b>
Transfers	–	–	21	–	(21)	–
Ordinary and preference dividends	–	–	–	–	(821)	(821)
Share-based staff costs capitalised	–	9	–	–	–	9
Share buyback – held in treasury	(43)	–	–	–	–	(43)
Shares issued to non-executive directors	1	–	–	–	–	1
Treasury shares transferred to employees	75	–	–	–	–	75
<b>Balance at 30 September 2007</b>	<b>5,513</b>	<b>92</b>	<b>1,719</b>	<b>503</b>	<b>3,133</b>	<b>10,959</b>
<b>Balance at 1 January 2006</b>	<b>1,561</b>	<b>4,245</b>	<b>1,631</b>	<b>396</b>	<b>2,033</b>	<b>9,867</b>
Movements in fair value reserves:						
Gains taken to equity	–	–	–	138	–	138
Transferred to income statement on sale	–	–	–	(228)	–	(228)
Tax on net movements	–	–	–	21	–	21
Currency translation	–	–	–	–	(13)	(13)
Net loss recognised in equity	–	–	–	(69)	(13)	(82)
Profit for the period	–	–	–	–	1,130	1,130
<b>Total recognised gains / (losses) for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(69)</b>	<b>1,117</b>	<b>1,048</b>
Transfers	–	–	57	–	(57)	–
Acquisition of additional interests in a subsidiary	41	–	–	–	–	41
Effect of Companies (Amendment) Act 2005	4,185	(4,185)	–	–	–	–
Ordinary and preference dividends	–	–	–	–	(657)	(657)
Share-based staff costs capitalised	–	8	–	–	–	8
Share buyback – cancelled	(3)	3	–	–	(43)	(43)
Share buyback – held in treasury	(323)	–	–	–	–	(323)
Shares issued to non-executive directors	#	–	–	–	–	#
Shares issued pursuant to the Bank's employee share schemes	52	10	–	–	–	62
Treasury shares transferred to employees	14	–	–	–	–	14
<b>Balance at 30 September 2006</b>	<b>5,528</b>	<b>80</b>	<b>1,688</b>	<b>327</b>	<b>2,393</b>	<b>10,016</b>

Note:

1. “#” represents amounts less than S\$0.5 million.

## STATEMENT OF CHANGES IN EQUITY – BANK (Unaudited)

For the three months ended 30 September 2007

S\$ million	Share capital	Capital reserves	Statutory reserves	Fair value reserves	Revenue reserves	Total
<b>Balance at 1 July 2007</b>	<b>5,503</b>	<b>89</b>	<b>1,719</b>	<b>468</b>	<b>3,089</b>	<b>10,867</b>
Movements in fair value reserves:						
Gains taken to equity	–	–	–	47	–	47
Transferred to income statement on sale	–	–	–	(14)	–	(14)
Tax on net movements	–	–	–	2	–	2
Currency translation	–	–	–	–	(1)	(1)
Net gain / (loss) recognised in equity	–	–	–	35	(1)	34
Profit for the period	–	–	–	–	477	477
<b>Total recognised gains for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>35</b>	<b>476</b>	<b>511</b>
Ordinary dividends	–	–	–	–	(432)	(432)
Share-based staff costs capitalised	–	2	–	–	–	2
Share buyback – held in treasury	(4)	–	–	–	–	(4)
Treasury shares transferred to employees	14	–	–	–	–	14
<b>Balance at 30 September 2007</b>	<b>5,513</b>	<b>92</b>	<b>1,719</b>	<b>503</b>	<b>3,133</b>	<b>10,959</b>
<b>Balance at 1 July 2006</b>	<b>5,629</b>	<b>77</b>	<b>1,673</b>	<b>254</b>	<b>2,453</b>	<b>10,088</b>
Movements in fair value reserves:						
Gains taken to equity	–	–	–	89	–	89
Transferred to income statement on sale	–	–	–	(13)	–	(13)
Tax on net movements	–	–	–	(4)	–	(4)
Currency translation	–	–	–	–	5	5
Net gain recognised in equity	–	–	–	72	5	78
Profit for the period	–	–	–	–	289	289
<b>Total recognised gains for the financial period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>72</b>	<b>294</b>	<b>366</b>
Transfers	–	–	14	–	(14)	–
Ordinary dividends	–	–	–	–	(340)	(340)
Share-based staff costs capitalised	–	3	–	–	–	3
Share buyback – held in treasury	(122)	–	–	–	–	(122)
Shares issued pursuant to the Bank's employee share schemes	7	–	–	–	–	7
Treasury shares transferred to employees	14	–	–	–	–	14
<b>Balance at 30 September 2006</b>	<b>5,528</b>	<b>80</b>	<b>1,688</b>	<b>327</b>	<b>2,393</b>	<b>10,016</b>

## CONSOLIDATED CASH FLOW STATEMENT (Unaudited)

For the financial period ended 30 September 2007

S\$ million	9M07	9M06	3Q07	3Q06
<b>Cash flows from operating activities</b>				
Profit before income tax	1,973	1,851	572	489
Adjustments for non-cash items				
Amortisation of intangible assets	35	32	12	11
Allowances and impairment / (write-back) for loans and other assets	23	(9)	39	3
Change in fair value of hedging transactions and trading securities	(25)	10	(15)	(5)
Depreciation of property, plant and equipment and investment property	79	81	24	23
Net gain from disposal of government, debt and equity securities	(175)	(287)	(32)	(14)
Net gain from disposal of property, plant and equipment and investment property	(97)	(272)	(#)	(2)
Share-based staff costs	8	7	2	3
Share of results of associates and joint ventures	(22)	(9)	(2)	(4)
Write-offs of plant and equipment	9	14	-	#
Items relating to life assurance fund				
Excess of income over expenses before income tax	448	379	137	150
Surplus transferred from life assurance fund but not yet withdrawn	(329)	(251)	(107)	(106)
Operating profit before change in operating assets and liabilities	1,925	1,546	630	547
Change in operating assets and liabilities				
Deposits of non-bank customers	10,440	5,586	3,418	982
Deposits and balances of banks	1,841	2,370	707	3,657
Derivative payables and other liabilities	1,463	305	(25)	(554)
Trading portfolio liabilities	(59)	300	251	390
Government securities and treasury bills	(1,152)	(1,638)	(1,071)	(1,175)
Trading securities	(866)	(182)	51	(6)
Placements with and loans to banks	1,117	(4,909)	864	(2,797)
Loans and bills receivable	(7,090)	(2,362)	(2,764)	(1,369)
Derivative receivables and other assets	(1,203)	(101)	(287)	475
Net change in investment assets and liabilities of life assurance fund	84	(234)	(29)	(232)
Cash from / (used in) operating activities	6,499	681	1,743	(82)
Income tax paid	(227)	(196)	(75)	(36)
<b>Net cash from / (used in) operating activities</b>	<b>6,271</b>	<b>485</b>	<b>1,668</b>	<b>(118)</b>
<b>Cash flows from investing activities</b>				
Acquisition of additional interests in subsidiaries	-	(302)	-	(284)
Dividends from associates	30	8	-	5
Decrease / (increase) in associates and joint ventures	52	(27)	7	1
Purchases of debt and equity securities	(5,135)	(1,979)	(1,703)	(992)
Purchases of property, plant and equipment and investment property	(169)	(140)	(44)	(48)
Proceeds from disposal of debt and equity securities	2,333	2,626	584	836
Proceeds from disposal of property, plant and equipment and investment property	146	346	3	305
<b>Net cash (used in) / from investing activities</b>	<b>(2,744)</b>	<b>532</b>	<b>(1,153)</b>	<b>(177)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to equity holders of the Bank	(821)	(657)	(432)	(340)
Dividends paid to minority interests	(58)	(54)	(22)	(18)
(Decrease) / increase in debts issued	(67)	(108)	378	(293)
Proceeds from exercise of options and rights under the Bank's employee share schemes	75	76	14	21
Proceeds from minority interests from subscription of shares in a subsidiary	32	-	-	-
Share buyback	(43)	(367)	(4)	(122)
<b>Net cash used in financing activities</b>	<b>(883)</b>	<b>(1,110)</b>	<b>(66)</b>	<b>(752)</b>
<b>Net currency translation adjustments</b>	<b>(9)</b>	<b>(25)</b>	<b>(53)</b>	<b>4</b>
<b>Net change in cash and cash equivalents</b>	<b>2,635</b>	<b>(119)</b>	<b>395</b>	<b>(1,043)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>5,741</b>	<b>4,182</b>	<b>7,982</b>	<b>5,106</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>8,377</b>	<b>4,063</b>	<b>8,377</b>	<b>4,063</b>

Note:

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

## 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	Nine months ended 30 Sep		Three months ended 30 Sep	
	2007	2006	2007	2006
<b>Issued ordinary shares</b>				
Balance at beginning of period	3,126,459,912	3,114,337,745	3,126,512,712	3,124,921,425
Exercise of options by officers pursuant to the Bank's Share Option Schemes	–	11,333,946	–	1,535,521
Exercise of acquisition rights pursuant to the Bank's Employee Share Purchase Plan	–	1,728,000	–	2,966
Shares issued to non-executive directors	52,800	48,000	–	–
Acquisition of additional interests in a subsidiary	–	6,019,968	–	–
Share buyback - cancelled	–	(7,007,747)	–	–
<b>Balance at end of period</b>	<b>3,126,512,712</b>	<b>3,126,459,912</b>	<b>3,126,512,712</b>	<b>3,126,459,912</b>
<b>Treasury shares</b>				
Balance at beginning of period	(51,668,796)	–	(43,810,406)	(30,369,203)
Share buyback	(4,985,870)	(49,404,017)	(458,412)	(19,034,814)
Exercise of options by officers pursuant to the Bank's Share Option Schemes	13,643,891	525,037	1,258,043	525,037
Exercise of acquisition rights pursuant to the Bank's Employee Share Purchase Plan	1,210,667	2,258,382	1,210,667	2,258,382
<b>Balance at end of period</b>	<b>(41,800,108)</b>	<b>(46,620,598)</b>	<b>(41,800,108)</b>	<b>(46,620,598)</b>
<b>Total</b>	<b>3,084,712,604</b>	<b>3,079,839,314</b>	<b>3,084,712,604</b>	<b>3,079,839,314</b>

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 19 April 2007, the Bank purchased a total of 458,412 ordinary shares in the third quarter ended 30 September 2007. The ordinary shares were purchased by way of market acquisitions at prices ranging from S\$8.25 to S\$9.45 per share and the total consideration paid was S\$4,207,926 (including transaction costs).

From 1 July 2007 to 30 September 2007 (both dates inclusive), the Bank delivered 1,258,043 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 September 2007, there were 44,809,820 ordinary shares (30 September 2006: 58,791,723) that may be issued on the exercise of options.

From 1 July 2007 to 30 September 2007 (both dates inclusive), the Bank transferred 1,210,667 ordinary shares by way of transfer of treasury shares upon the exercise of acquisition rights by employees of the Group under the OCBC Employee Share Purchase Plan ("ESPP"). As at 30 September 2007, the number of un-issued ordinary shares outstanding under the Second Offering of the OCBC ESPP was 5,769,236 (30 September 2006: 7,990,091), including 11,162 (30 September 2006: 11,162) 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 third quarter ended 30 September 2007.

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

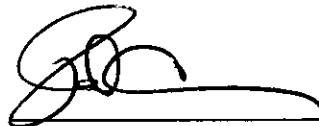
We, Cheong Choong Kong and David Philbrick Conner, being directors of Oversea-Chinese Banking Corporation Limited ("the Bank"), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the financial results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

On behalf of the Board of Directors



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Cheong Choong Kong  
Chairman



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David Philbrick Conner  
Chief Executive Officer / Director

6 November 2007