

Media Release

OCBC Group Reports Third Quarter 2011 Net Profit of S\$513 million

Strong growth in core customer-related earnings offset by weaker financial markets-related income

Singapore, 3 November 2011 - Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit of S\$513 million for the third quarter of 2011 (“3Q11”). The Group’s core customer-related businesses continued to grow, as reflected in the growth of net interest income, fee income and insurance earnings from Great Eastern Holdings’ (“GEH”) Participating and Investment-linked funds. The volatility of the financial markets in 3Q11 had an adverse impact on trading income at OCBC Bank and insurance profits from GEH’s Non-participating fund¹, resulting in a 10% decline in the Group’s net profit from S\$570 million a year ago.

Compared with the third quarter of 2010 (“3Q10”), net interest income grew by 16% to S\$874 million, underpinned by broad-based loan growth of 27%. This was partly offset by a 13 basis point decline in net interest margins, largely attributable to the low interest rate environment and strong growth in lower-risk loans. Fees and commissions grew by 20% to S\$307 million, led by increases in wealth management, loans and trade-related fees. Trading performance was affected by the challenging financial markets, resulting in a significant decline in income from a year ago. GEH’s life assurance profits from Participating and Investment-linked funds grew 32% year-on-year to S\$67 million. Performance of the Non-participating fund was however adversely affected by the volatile financial markets, resulting in a decline of profits to S\$9 million from S\$105 million a year ago.

The Group’s operating expenses increased by 7% year-on-year to S\$611 million with most of the increase relating to higher staff costs, largely attributable to a 6% growth in staff strength. Allowances for loans and other assets declined to S\$38 million from S\$43 million in 3Q10. The Group’s asset quality remained sound, with the non-performing loans (“NPL”) ratio further improving to 0.7% from 1.1% a year ago.

¹ The Non-participating fund is made up of insurance policies and riders which have fixed policyholder benefits, e.g. term insurance, critical illness, accident, medical and disability insurance, and in which the policyholders do not participate or share in the profits of the fund.

Compared with 2Q11's net profit of S\$577 million, net profit for 3Q11 was 11% lower. The quarter-on-quarter movement was largely attributable to the poor trading performance and lower Non-participating fund insurance income in 3Q11, which more than offset the 6% quarter-on-quarter growth in net interest income and the 1% reduction in operating expenses.

For the first nine months of 2011 ("9M11"), the Group reported net profit of S\$1,718 million, marginally lower than S\$1,749 million for the same period a year ago. Core net profit, which excludes the gain from divestment of non-core property in Bassein Road, Singapore, in 1Q11, declined 4% year-on-year to S\$1,686 million. Net interest income grew by 14% year-on-year, underpinned by strong loan growth across all key markets. The growth in net interest income was more than offset by an 81% decline in trading income and an 11% reduction in life assurance profits, both resulting from the volatile financial markets, particularly in 3Q11. Operating expenses grew by 11%, largely attributable to higher staff-related costs as a result of the increase in headcount to support the continued growth of the Group's regional franchise as well as annual salary adjustments, and higher business volume-driven costs. Net allowances were 66% higher in 9M11, with the year-on-year increase largely contributed by increased portfolio allowances made for the strong loan growth.

The Group's revenue from various wealth management activities, comprising revenue from insurance, private banking, asset management, stockbroking and sales of other wealth management products, grew to S\$1,022 million for 9M11, an increase of 2% from a year ago. As a share of total revenue, wealth management contributed 25%, broadly similar to a year ago. OCBC's private banking franchise continued to expand, with assets under management increasing 11% in the first nine months to US\$29 billion as of 30 September 2011.

The Group's annualised return on equity, based on core earnings, for 9M11 was 11.1%, compared with 12.7% a year ago, while annualised core earnings per share for 9M11 was 64.5 cents, compared with 69.1 cents a year ago.

Net Interest Income

3Q11 net interest income rose 16% year-on-year to S\$874 million, led by a 24% growth in interest earning assets. Customer loans grew 27% to S\$129 billion, with broad-based growth in consumer, corporate and SME customer segments across all key markets. The biggest segmental increases came from housing, general commerce, non-bank financial institutions and investment and holding companies.

Net interest margin declined by 13 basis points year-on-year, from 1.98% to 1.85%, attributable to continued margin compression due to the persistently low interest rate environment, strong growth in lower-yielding trade-linked loans, and price competition, particularly for housing loans.

Compared with 2Q11, net interest income rose 6%, mainly driven by higher total assets.

Non-Interest Income

Non-interest income of S\$436 million for 3Q11 was 30% lower year-on-year, as the growth in customer revenues was more than offset by the decline in trading income and insurance profits. Fees and commissions grew 20% year-on-year to S\$307 million, led by wealth management, loan and trade-related fees. Volatile financial markets affected trading performance, such that a loss of S\$68 million was incurred, compared with a gain of S\$85 million a year ago.

Life assurance profits from GEH declined 51% year-on-year to S\$76 million as the volatile financial markets in 3Q11 impacted the performance of the Non-participating fund. Profits from the Participating fund on the other hand grew 17% year-on-year to S\$29 million, and profits from the Investment-linked fund grew 45% over the same period, to S\$38 million. Investment performance of the Non-participating fund suffered from unrealised mark-to-market losses during the quarter. Insurance profit was also affected by the net impact of falling interest rates on the values of assets and liabilities. Non-participating fund profit for 3Q11 was S\$9 million, down from S\$105 million in 3Q10.

With effect from 1 July 2011, GEH changed the discount rates used in valuing part of its liabilities in its Singapore insurance funds from Singapore Government Securities (“SGS”) yields to zero-coupon SGS yields. The use of zero-coupon SGS yields enables closer matching in valuation between assets and liabilities. The effect of this change on GEH was a reduction in policy liabilities and an overall financial impact in 3Q11 of S\$89 million, comprising S\$38 million attributable to changes in 3Q11 and S\$51 million attributable to the prior periods.

Despite the volatility in quarterly earnings, GEH’s underlying insurance business remained healthy. Total weighted new premium increased 8% year-on-year, underpinned by sustained sales growth in Singapore and Malaysia. Underlying long term profitability continued to improve, as reflected in the 13% year-on-year increase in new business embedded value.

On a quarter-on-quarter basis, non-interest income declined by 26%. Adverse financial market conditions resulted in weaker trading performance and lower profits from life assurance, which more than offset the growth in fee income.

Operating Expenses

Operating expenses were S\$611 million for the quarter, up 7% from 3Q10, reflecting the result of disciplined cost management. The year-on-year increase was largely explained by higher staff costs, which were up 9% to S\$362 million and this was largely attributable to a 6% growth in staff strength to support expansion of the bank’s regional franchise as well as the annual salary adjustments in 2Q11.

Compared with 2Q11, operating expenses were lower by 1%, largely contributed by a 3% reduction in staff costs.

The cost-to-income ratio was 46.6% for 3Q11 and 43.9% for 9M11.

Allowances and Asset Quality

Allowances for loans and other assets continue to reflect the active management of the credit portfolio. Net allowances were S\$38 million in 3Q11, compared with S\$56 million in 2Q11 and S\$43 million in 3Q10. The amount for the quarter comprised mainly portfolio allowances of S\$23 million and specific allowances of S\$16 million.

Net allowances for 9M11 were S\$143 million, compared with S\$86 million a year ago. The year-on-year difference was largely attributable to increases in portfolio allowances in line with robust loan growth.

The Group's NPL ratio and coverage ratios remained healthy. The NPL ratio improved to 0.7% from 0.8% in the previous quarter and 1.1% a year ago. Absolute NPLs were reduced by 1% from the previous quarter to S\$900 million. Cumulative allowances amounted to 130% of total non-performing assets ("NPAs") and 365% of unsecured NPAs, increased from 123% and 311%, respectively, in the previous quarter.

Capital Ratios

OCBC Bank remained well capitalised, with a Tier 1 capital adequacy ratio ("CAR") of 14.4%, and total CAR of 15.9% as of 30 September 2011. These capital positions were well above the regulatory minima of 6% and 10%, respectively. The Core Tier 1 ratio, which excludes Tier 1 preference shares, was 11.2%. The Group is also well positioned to meet MAS' capital requirements under Basel III.

CEO's Comments

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

"Given the volatile market conditions, overall, we are quite satisfied with our third quarter results, which clearly reflected the strength of our customer businesses. With economic growth slowing, we are well-positioned and intend to continue supporting our customers across all our key markets."

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. It is also ranked by Bloomberg Markets as the world's strongest bank.

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

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 500 branches and representative offices in 15 countries and territories, including more than 400 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which has been ranked among the top three private banks in Singapore.

For more information, please visit www.ocbc.com

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To Our Shareholders

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

Unaudited Financial Results for the Third Quarter Ended 30 September 2011

For the third quarter ended 30 September 2011, the Group's reported net profit was S\$513 million. 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 2011.

Preference Dividends

The Board of Directors has declared payment of semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class B Preference Shares at 5.1% (2010: 5.1%) per annum; Class E Preference Shares at 4.5% (2010: 4.5%) per annum and Class G Preference Shares at 4.2% (2010: 4.2%) per annum. These semi-annual dividends, computed for the period 20 June 2011 to 19 December 2011 (both dates inclusive) will be paid on 20 December 2011. Total amounts of dividend payable for the Class B, Class E and Class G Preference Shares are S\$25.6 million, 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 8 December 2011 to 9 December 2011 (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 7 December 2011 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividends.

Peter Yeoh
Secretary

Singapore, 3 November 2011

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

Oversea-Chinese Banking Corporation Limited
Third Quarter 2011 Group Financial Report



Incorporated in Singapore
Company Registration Number: 193200032W

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Notes:

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

FINANCIAL SUMMARY

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

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2011:

FRS 24 (Revised):	Related Party Disclosures
INT FRS 114 (Amendments):	Prepayment of a Minimum Funding Requirement
INT FRS 119:	Extinguishing Financial Liabilities with Equity Instruments
Improvements to FRSs 2010	

The revised FRS 24 requires disclosure of transactions in all direct relationships involving control, joint control or significant influence and excludes the need to disclose transactions between two entities in which a person has significant influence over one entity, and a close family member of that person has significant influence over the other entity.

The initial application of the above standards and interpretations does not have any material impact on the Group’s financial statements.

Financial Results

Group net profit attributable to shareholders for the third quarter ended 30 September 2011 (“3Q11”) was S\$513 million, a decline of 10% from a year ago.

Net interest income grew by 16% year-on-year to S\$874 million, driven by broad-based loan growth of 27%. Non-interest income declined 30%, as growth in fee income was more than offset by the decline in trading income and insurance profits. Operating expenses increased by 7% year-on-year to S\$611 million, largely attributable to higher staff costs arising from growth in staff strength and annual salary adjustments. Net allowances for loans and other assets were S\$38 million, compared to S\$43 million in 3Q10. The Group’s asset quality remained sound, the non-performing loans (“NPL”) ratio improved to 0.7% from 1.1% a year ago.

For the first nine months of 2011 (“9M11”), the Group achieved core net profit of S\$1,686 million (which excludes a S\$32 million divestment gain in 1Q11), a decrease of 4% year-on-year. Net interest income growth of 14% year-on-year was more than offset by an 81% decline in trading income and an 11% reduction in life assurance profits. Operating expenses grew by 11%, and net allowances increased by 66%.

Annualised return on equity, based on core earnings was 11.1% in 9M11, as compared to 12.7% a year ago, while annualised core earnings per share was 64.5 cents.

FINANCIAL SUMMARY *(continued)*

S\$ million	9M11	9M10	+ / (-)	3Q11	3Q10	+ / (-)	2Q11	+ / (-)
			%			%		%
Selected Income Statement Items								
Net interest income	2,486	2,178	14	874	754	16	827	6
Non-interest income	1,639	1,818	(10)	436	621	(30)	586	(26)
Total core income	4,125	3,996	3	1,310	1,375	(5)	1,413	(7)
Operating expenses	(1,810)	(1,634)	11	(611)	(573)	7	(618)	(1)
Operating profit before allowances and amortisation	2,315	2,362	(2)	699	802	(13)	795	(12)
Amortisation of intangible assets	(46)	(39)	17	(15)	(16)	(3)	(16)	–
Allowances for loans and impairment of other assets	(143)	(86)	66	(38)	(43)	(14)	(56)	(33)
Operating profit after allowances and amortisation	2,126	2,237	(5)	646	743	(13)	723	(11)
Share of results of associates and joint ventures	33	(1)	NM	3	0	336	19	(86)
Profit before income tax	2,159	2,236	(3)	649	743	(13)	742	(13)
Core net profit attributable to shareholders	1,686	1,749	(4)	513	570	(10)	577	(11)
Divestment gain, net of tax	32	–	–	–	–	–	–	–
Reported net profit attributable to shareholders	1,718	1,749	(2)	513	570	(10)	577	(11)
Cash basis net profit attributable to shareholders ^{1/}	1,764	1,788	(1)	528	586	(10)	593	(11)

Selected Balance Sheet Items

Ordinary equity	19,714	18,260	8	19,714	18,260	8	19,859	(1)
Total equity <i>(excluding non-controlling interests)</i>	21,610	20,156	7	21,610	20,156	7	21,755	(1)
Total assets	266,938	223,516	19	266,938	223,516	19	253,465	5
Assets excluding life assurance fund investment assets	219,829	176,248	25	219,829	176,248	25	205,567	7
Loans and bills receivable <i>(net of allowances)</i>	127,760	100,338	27	127,760	100,338	27	119,653	7
Deposits of non-bank customers	145,258	115,997	25	145,258	115,997	25	134,302	8

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	9M11	9M10	3Q11	3Q10	2Q11
Key Financial Ratios					
- based on core earnings					
Performance ratios (% p.a.)					
Return on equity ^{1/2/}					
SFRS ^{3/} basis	11.1	12.7	9.8	12.0	11.4
Cash basis	11.4	13.0	10.1	12.3	11.7
Return on assets ^{4/}					
SFRS ^{3/} basis	1.11	1.39	0.95	1.31	1.14
Cash basis	1.14	1.42	0.98	1.34	1.17
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	1.87	1.99	1.85	1.98	1.87
Net interest income to total income	60.3	54.5	66.7	54.9	58.6
Non-interest income to total income	39.7	45.5	33.3	45.1	41.4
Cost to income	43.9	40.9	46.6	41.7	43.7
Loans to deposits	88.0	86.5	88.0	86.5	89.1
NPL ratio	0.7	1.1	0.7	1.1	0.8
Earnings per share ^{2/} (annualised - cents)					
Basic earnings	64.5	69.1	57.5	66.1	66.4
Basic earnings (cash basis)	66.3	70.7	59.3	68.0	68.3
Diluted earnings	64.3	68.8	57.3	65.8	66.2
Net asset value per share (S\$)					
Before valuation surplus	5.82	5.55	5.82	5.55	5.86
After valuation surplus	6.81	7.03	6.81	7.03	7.18
Capital adequacy ratios (%)					
Tier 1	14.4	15.2	14.4	15.2	15.4
Total	15.9	15.5	15.9	15.5	17.0

Notes:

1. Preference equity and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on core net profit less preference dividends paid and estimated to be due at the end of the financial period.
3. "SFRS" refers to Singapore Financial Reporting Standards.
4. Computation of return on assets excludes life assurance fund investment assets.

NET INTEREST INCOME

Average Balance Sheet

S\$ million	9M11			9M10		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets						
Loans and advances to non-bank customers	114,837	2,684	3.12	91,303	2,352	3.44
Placements with and loans to banks	33,401	587	2.35	27,269	300	1.47
Other interest earning assets ^{1/}	29,348	586	2.67	27,801	550	2.64
Total	177,586	3,857	2.90	146,373	3,202	2.92
Interest bearing liabilities						
Deposits of non-bank customers	131,687	1,025	1.04	110,548	763	0.92
Deposits and balances of banks	22,910	139	0.81	14,513	74	0.68
Other borrowings ^{2/}	10,502	207	2.63	8,831	187	2.82
Total	165,099	1,371	1.11	133,892	1,024	1.02
Net interest income/margin ^{3/}		2,486	1.87		2,178	1.99

S\$ million	3Q11			3Q10			2Q11		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets									
Loans and advances to non-bank customers	122,701	938	3.03	96,912	833	3.41	114,250	890	3.13
Placements with and loans to banks	34,876	240	2.73	25,889	107	1.63	34,159	203	2.38
Other interest earning assets ^{1/}	29,805	203	2.70	28,487	188	2.62	29,352	191	2.62
Total	187,382	1,381	2.92	151,288	1,128	2.96	177,761	1,284	2.90
Interest bearing liabilities									
Deposits of non-bank customers	139,581	389	1.11	114,855	280	0.97	130,230	338	1.04
Deposits and balances of banks	22,579	46	0.81	14,284	28	0.78	25,016	50	0.82
Other borrowings ^{2/}	12,125	72	2.35	8,967	66	2.89	10,369	69	2.66
Total	174,285	507	1.15	138,106	374	1.07	165,615	457	1.11
Net interest income/margin ^{3/}		874	1.85		754	1.98		827	1.87

Notes:

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

NET INTEREST INCOME *(continued)*

Net interest income rose 16% year-on-year to S\$874 million in 3Q11, led by a 24% growth in interest earning assets. Net interest margin declined by 13 basis points year-on-year, from 1.98% to 1.85%, attributable to continued margin compression due to the persistent low interest rate environment, strong growth in lower-yielding trade-linked loans, and price competition, particularly for housing loans.

Compared with 2Q11, net interest income rose 6%, mainly driven by higher total assets. Net interest margin declined by 2 basis points quarter-on-quarter.

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	9M11 vs 9M10			3Q11 vs 3Q10			3Q11 vs 2Q11		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
Interest income									
Loans and advances to non-bank customers	606	(274)	332	221	(116)	105	67	(29)	38
Placements with and loans to banks	68	219	287	37	96	133	4	31	35
Other interest earning assets	30	6	36	9	6	15	3	6	9
Total	704	(49)	655	267	(14)	253	74	8	82
Interest expense									
Deposits of non-bank customers	146	116	262	60	49	109	24	24	48
Deposits and balances of banks	43	22	65	16	2	18	(5)	(1)	(6)
Other borrowings	34	(14)	20	23	(17)	6	12	(10)	2
Total	223	124	347	99	34	133	31	13	44
Impact on net interest income	481	(173)	308	168	(48)	120	43	(5)	38
Due to change in number of days			–			–			9
Net interest income			308			120			47

NON-INTEREST INCOME

S\$ million	9M11	9M10	+ / (-) %	3Q11	3Q10	+ / (-) %	2Q11	+ / (-) %
Fees and commissions								
Brokerage	55	62	(11)	20	21	(6)	16	30
Wealth management	197	140	41	65	52	26	64	2
Fund management	77	60	28	26	20	25	29	(14)
Credit card	35	33	5	15	11	24	10	48
Loan-related	159	159	–	62	56	12	52	20
Trade-related and remittances	159	124	29	53	45	18	58	(9)
Guarantees	16	15	2	5	5	(3)	5	6
Investment banking	83	68	22	27	26	6	27	3
Service charges	77	45	71	27	14	102	31	(13)
Others	22	23	(3)	7	7	7	7	(5)
Sub-total	880	729	21	307	257	20	299	3
Dividends	81	56	45	12	9	39	45	(73)
Rental income	57	60	(4)	19	20	(7)	19	(2)
Profit from life assurance	332	371	(11)	76	156	(51)	106	(28)
Premium income from general insurance	91	108	(16)	31	35	(13)	31	3
Other income								
Net trading income	54	287	(81)	(68)	85	(181)	41	(268)
Net gain from investment securities	97	141	(31)	44	23	88	31	43
Net gain/(loss) from disposal/liquidation of a subsidiary and associates	1	3	(67)	(0)	0	(109)	0	(101)
Net gain from disposal of properties	2	21	(89)	–	21	–	1	–
Others	44	42	3	15	15	(4)	13	10
Sub-total	198	494	(60)	(9)	144	(106)	86	(111)
Total core non-interest income	1,639	1,818	(10)	436	621	(30)	586	(26)
Divestment gain	39	–	–	–	–	–	–	–
Total non-interest income	1,678	1,818	(8)	436	621	(30)	586	(26)
Fees and commissions/Total income ^{1/}	21.3%	18.2%		23.4%	18.7%		21.1%	
Non-interest income/Total income ^{1/}	39.7%	45.5%		33.3%	45.1%		41.4%	

Note:

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

Non-interest income declined 30% year-on-year to S\$436 million, as growth in fee income was more than offset by the decline in trading income and insurance profits. Fees and commissions grew 20% year-on-year to S\$307 million, led by wealth management, loan and trade-related fees. Volatile financial markets affected trading performance, such that a loss of S\$68 million was incurred, compared with a gain of S\$85 million a year ago.

Profit from life assurance declined 51% year-on-year to S\$76 million as the volatile financial markets in 3Q11 impacted the performance of Great Eastern Holdings' ("GEH") Non-participating fund². Profits from GEH's Participating and Investment-linked funds grew 32% year-on-year to S\$67 million. Investment performance of the Non-participating fund suffered from unrealised market-to-market losses during the quarter. Insurance profit was also affected by the net impact of falling interest rates on the values of assets and liabilities. Non-participating fund profit for 3Q11 was S\$9 million, down from S\$105 million in 3Q10.

With effect from 1 July 2011, GEH changed the discount rates used in valuing part of its liabilities in its Singapore insurance funds from Singapore Government Securities ("SGS") yields to zero-coupon SGS yields. The use of zero-coupon SGS yields enables closer matching in valuation between assets and liabilities. The effect of this change on GEH was a reduction in policy liabilities and an overall financial impact in 3Q11 of S\$89 million, comprising S\$38 million attributable to changes in 3Q11 and S\$51 million attributable to the prior periods.

² The Non-participating fund is made up of insurance policies and riders which have fixed policyholder benefits, e.g. term insurance, critical illness, accident, medical and disability insurance, and in which the policyholders do not participate or share in the profits of the fund.

NON-INTEREST INCOME *(continued)*

Despite the volatility in quarterly earnings, GEH's underlying insurance business remained healthy. Total weighted new premium increased 8% year-on-year, underpinned by sustained sales growth in Singapore and Malaysia. Underlying long term profitability continued to improve, as reflected in the 13% year-on-year increase in new business embedded value.

On a quarter-on-quarter basis, non-interest income declined by 26%. Adverse financial market conditions resulted in weaker trading performance and lower profits from life assurance, which more than offset the growth in fee income.

OPERATING EXPENSES

S\$ million	9M11	9M10	+ / (-) %	3Q11	3Q10	+ / (-) %	2Q11	+ / (-) %
Staff costs								
Salaries and other costs	998	869	15	333	306	9	343	(3)
Share-based expenses	8	9	(13)	2	2	45	3	(17)
Contribution to defined contribution plans	80	70	15	27	24	17	27	2
	1,086	948	15	362	332	9	373	(3)
Property and equipment								
Depreciation	122	113	8	42	38	11	41	2
Maintenance and hire of property, plant & equipment	54	50	8	19	18	8	18	5
Rental expenses	50	45	13	17	15	12	16	4
Others	105	92	13	34	33	1	34	1
	331	300	10	112	104	7	109	3
Other operating expenses	393	386	2	137	137	(1)	136	1
Total operating expenses	1,810	1,634	11	611	573	7	618	(1)
Group staff strength								
Period end	22,749	21,555	6	22,749	21,555	6	22,345	2
Average	22,212	20,948	6	22,623	21,409	6	22,222	2
Cost to income ratio ^{1/}	43.9%	40.9%		46.6%	41.7%		43.7%	

Note:

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

Operating expenses increased 7% year-on-year to S\$611 million for 3Q11 and the increase was largely explained by higher staff-related costs. Staff costs rose 9% to S\$362 million, largely attributable to a 6% growth in staff strength to support expansion of the bank's regional franchise, as well as the regular annual salary adjustments in 2Q11.

Compared with 2Q11, operating expenses declined by 1%, largely contributed by a 3% reduction in staff costs, despite a 2% increase in staff strength.

The cost-to-income ratio was 46.6% in 3Q11, compared with 43.7% in 2Q11 and 41.7% in 3Q10. For 9M11, the cost-to-income ratio was 43.9%, up from 40.9% in 9M10.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	9M11	9M10	+ / (-) %	3Q11	3Q10	+ / (-) %	2Q11	+ / (-) %
Specific allowances/ (write-back) for loans								
Singapore	13	(6)	345	12	(9)	238	3	331
Malaysia	11	28	(62)	1	16	(93)	0	261
Others	7	10	(31)	3	9	(70)	(0)	990
	31	32	(5)	16	16	(3)	3	470
Portfolio allowances for loans	107	64	67	23	29	(22)	54	(58)
Allowances and impairment charges/(write-back) for other assets	5	(10)	155	(1)	(2)	45	(1)	(61)
Allowances for loans and impairment of other assets	143	86	66	38	43	(14)	56	(33)

Allowances for loans and other assets were S\$38 million in 3Q11, down from S\$43 million a year ago and S\$56 million in the previous quarter.

Specific allowances for loans, net of recoveries and writebacks were S\$16 million, marginally lower as compared to the previous year. Compared to 2Q11, specific allowances were higher, with the increase coming mainly from Singapore.

For 9M11, net allowances increased 66% to S\$143 million, largely attributable to higher portfolio allowances made for strong loan growth during the year.

LOANS AND ADVANCES

S\$ million	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Loans to customers	117,886	111,900	102,172	98,052
Bills receivable	11,420	9,276	4,277	3,783
Gross loans to customers	129,306	121,176	106,449	101,835
Allowances				
Specific allowances	(296)	(302)	(328)	(391)
Portfolio allowances	(1,197)	(1,168)	(1,094)	(1,068)
	127,813	119,706	105,027	100,376
Less: assets pledged	(53)	(53)	(38)	(38)
Loans net of allowances	127,760	119,653	104,989	100,338
By Maturity				
Within 1 year	50,789	47,995	39,053	37,556
1 to 3 years	20,420	17,943	17,515	20,860
Over 3 years	58,097	55,238	49,881	43,419
	129,306	121,176	106,449	101,835
By Industry				
Agriculture, mining and quarrying	3,421	3,135	2,909	2,603
Manufacturing	8,030	7,546	7,057	6,752
Building and construction	18,889	17,902	18,532	17,373
Housing loans	30,646	28,957	27,076	25,903
General commerce	19,442	17,378	11,793	10,980
Transport, storage and communication	7,999	7,595	6,447	6,135
Financial institutions, investment and holding companies	16,095	14,968	12,887	12,779
Professionals and individuals	12,769	12,215	10,954	10,349
Others	12,015	11,480	8,794	8,961
	129,306	121,176	106,449	101,835
By Currency				
Singapore Dollar	59,411	58,429	54,850	52,330
United States Dollar	33,432	28,863	18,937	17,588
Malaysian Ringgit	15,919	15,371	14,885	14,468
Indonesian Rupiah	4,013	3,746	3,551	3,360
Others	16,531	14,767	14,226	14,089
	129,306	121,176	106,449	101,835
By Geography ^{1/}				
Singapore	68,221	65,623	59,967	57,367
Malaysia	20,208	18,868	17,080	16,842
Rest of Southeast Asia (SEA)	9,001	7,828	6,884	6,216
Greater China	17,240	14,665	11,079	10,833
Other Asia Pacific	6,287	6,126	5,311	5,029
Rest of the World	8,349	8,066	6,128	5,548
	129,306	121,176	106,449	101,835

Note:

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

Gross loans grew 27% year-on-year, and 7% from the previous quarter to S\$129 billion as of 30 September 2011. Loan growth was broad-based, with the year-on-year and quarter-on-quarter increase led by the general commerce sector, housing, non-bank financial institutions, and investment and holding companies.

NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs ^{2/}	NPL Ratio ^{2/} %
Singapore							
30 Sep 2011	319	169	121	29	65.0	259	0.4
30 Jun 2011	317	228	59	30	55.8	240	0.4
31 Dec 2010	399	272	54	73	57.8	318	0.5
30 Sep 2010	370	229	61	80	77.5	368	0.6
Malaysia							
30 Sep 2011	516	381	92	43	55.8	423	2.1
30 Jun 2011	560	393	102	65	54.7	444	2.4
31 Dec 2010	605	419	114	72	53.3	478	2.8
30 Sep 2010	541	338	150	53	61.3	494	2.9
Rest of SEA							
30 Sep 2011	107	13	32	62	63.9	107	1.2
30 Jun 2011	115	12	33	70	56.1	115	1.5
31 Dec 2010	114	41	10	63	59.5	115	1.7
30 Sep 2010	146	43	17	86	56.9	146	2.4
Greater China							
30 Sep 2011	31	28	3	–	94.2	31	0.2
30 Jun 2011	30	26	4	–	91.8	30	0.2
31 Dec 2010	24	10	14	–	29.1	24	0.2
30 Sep 2010	54	11	43	–	15.3	54	0.5
Other Asia Pacific							
30 Sep 2011	133	133	–	–	82.0	32	0.5
30 Jun 2011	126	126	–	–	82.7	34	0.6
31 Dec 2010	–	–	–	–	–	–	–
30 Sep 2010	18	18	0	–	47.1	18	0.4
Rest of the World							
30 Sep 2011	52	33	17	2	86.7	48	0.6
30 Jun 2011	53	32	18	3	87.2	50	0.6
31 Dec 2010	66	37	25	4	78.1	60	1.0
30 Sep 2010	41	15	21	5	77.5	35	0.6
Group							
30 Sep 2011	1,158	757	265	136	64.5	900	0.7
30 Jun 2011	1,201	817	216	168	60.4	913	0.8
31 Dec 2010	1,208	779	217	212	56.2	995	0.9
30 Sep 2010	1,170	654	292	224	64.1	1,115	1.1

Notes:

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

NON-PERFORMING ASSETS (continued)

Non-performing loans (“NPLs”) declined marginally from the previous quarter to S\$900 million as of 30 September 2011. The decrease was mainly from manufacturing, building and construction, agriculture, mining and quarrying, and general commerce sectors. The Group’s NPL ratio continued to improve to 0.7%, from 0.8% in the previous quarter and 1.1% a year ago.

Including classified debt securities and contingent liabilities, the Group’s total non-performing assets (“NPAs”) were S\$1,158 million, 1% lower than a year ago and 4% lower as compared with the previous quarter. Of the total NPAs, 65% were in the substandard category, and 65% were secured by collateral.

	30 Sep 2011		30 Jun 2011		31 Dec 2010		30 Sep 2010	
	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	3	0.1	8	0.2	7	0.2	9	0.3
Manufacturing	245	3.1	255	3.4	299	4.2	353	5.2
Building and construction	82	0.4	87	0.5	97	0.5	134	0.8
Housing loans	186	0.6	173	0.6	190	0.7	203	0.8
General commerce	104	0.5	108	0.6	127	1.1	133	1.2
Transport, storage and communication	73	0.9	70	0.9	77	1.2	98	1.6
Financial institutions, investment and holding companies	61	0.4	62	0.4	29	0.2	8	0.1
Professionals and individuals	112	0.9	114	0.9	139	1.0	143	1.1
Others	34	0.3	36	0.3	30	0.5	34	0.5
Total NPLs	900	0.7	913	0.8	995	0.9	1,115	1.1
Classified debt securities	112		101		13		13	
Classified contingent liabilities	146		187		200		42	
Total NPAs	1,158		1,201		1,208		1,170	

	30 Sep 2011		30 Jun 2011		31 Dec 2010		30 Sep 2010	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
NPAs By Period Overdue								
Over 180 days	424	37	453	38	511	42	569	49
Over 90 to 180 days	184	16	91	8	98	8	103	9
30 to 90 days	135	11	231	19	166	14	104	9
Less than 30 days	82	7	40	3	20	2	36	3
Not overdue	333	29	386	32	413	34	358	30
	1,158	100	1,201	100	1,208	100	1,170	100

	30 Sep 2011		30 Jun 2011		31 Dec 2010		30 Sep 2010	
	S\$ million	Loan Allowance	Loan Allowance	Loan Allowance	Loan Allowance	Loan Allowance	Loan Allowance	
Restructured Loans								
Substandard	155	3	139	3	170	5	182	7
Doubtful	24	16	25	16	22	15	26	23
Loss	2	1	7	4	13	11	9	7
	181	20	171	23	205	31	217	37

CUMULATIVE ALLOWANCES FOR ASSETS

S\$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
Singapore					
30 Sep 2011	588	44	544	13.8	184.1
30 Jun 2011	574	40	534	12.7	181.4
31 Dec 2010	573	43	530	10.8	143.7
30 Sep 2010	572	54	518	14.5	154.6
Malaysia					
30 Sep 2011	484	195	289	37.7	93.7
30 Jun 2011	469	196	273	35.0	83.8
31 Dec 2010	453	202	251	33.5	75.0
30 Sep 2010	469	217	252	40.2	86.8
Rest of SEA					
30 Sep 2011	144	56	88	52.6	134.9
30 Jun 2011	143	64	79	55.1	123.4
31 Dec 2010	134	61	73	53.0	117.3
30 Sep 2010	144	75	69	51.5	98.3
Greater China					
30 Sep 2011	154	3	151	9.2	499.2
30 Jun 2011	154	3	151	8.9	507.0
31 Dec 2010	147	19	128	79.6	608.9
30 Sep 2010	166	46	120	84.7	308.5
Other Asia Pacific					
30 Sep 2011	67	–	67	–	50.4
30 Jun 2011	71	–	71	–	56.6
31 Dec 2010	63	–	63	–	–
30 Sep 2010	61	–	61	–	337.1
Rest of the World					
30 Sep 2011	66	8	58	15.7	127.4
30 Jun 2011	68	8	60	15.0	128.0
31 Dec 2010	65	16	49	23.4	96.8
30 Sep 2010	60	12	48	29.5	143.2
Group					
30 Sep 2011	1,503	306	1,197	26.4	129.8
30 Jun 2011	1,479	311	1,168	25.9	123.2
31 Dec 2010	1,435	341	1,094	28.2	118.8
30 Sep 2010	1,472	404	1,068	34.5	125.8

As of 30 September 2011, the Group's total cumulative allowances for assets were S\$1,503 million, comprising S\$306 million in specific allowances and S\$1,197 million in portfolio allowances. Total cumulative allowances were 130% of total NPAs and 365% of unsecured NPAs, up from 123% and 311%, respectively, as of 30 June 2011, and 126% and 350%, respectively, as of 30 September 2010.

DEPOSITS

S\$ million	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Deposits of non-bank customers	145,258	134,302	123,300	115,997
Deposits and balances of banks	22,630	24,501	16,508	16,858
	167,888	158,803	139,808	132,855
Loans to deposits ratio (net non-bank loans/non-bank deposits)	88.0%	89.1%	85.1%	86.5%

S\$ million	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Total Deposits By Maturity				
Within 1 year	165,000	156,484	137,926	130,685
1 to 3 years	2,143	1,544	1,277	1,716
Over 3 years	745	775	605	454
	167,888	158,803	139,808	132,855

Non-Bank Deposits By Product

Fixed deposits	65,078	59,434	58,602	56,946
Savings deposits	27,463	26,578	25,620	24,651
Current account	40,601	37,302	31,737	28,460
Others	12,116	10,988	7,341	5,940
	145,258	134,302	123,300	115,997

Non-Bank Deposits By Currency

Singapore Dollar	74,128	69,022	66,934	61,637
United States Dollar	20,173	18,479	16,918	17,433
Malaysian Ringgit	18,325	18,473	17,097	16,278
Indonesian Rupiah	4,860	4,444	4,423	4,023
Others	27,772	23,884	17,928	16,626
	145,258	134,302	123,300	115,997

Customer deposits grew 25% year-on-year and 8% from the previous quarter to S\$145 billion as of 30 September 2011. The year-on-year increase was driven by current account and fixed deposits, which grew 43% and 14% respectively, while savings deposits rose 11%. The ratio of current and savings deposits to total non-bank deposits was 46.9% as of 30 September 2011, up from 45.8% a year ago.

The Group's loans-to-deposits ratio was 88.0% at the end of 3Q11, compared to 89.1% in the previous quarter and 86.5% a year ago.

DEBT ISSUED

S\$ million	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Subordinated debt (unsecured)	4,205	6,568	6,339	5,702
Floating rate notes (unsecured)	631	–	–	–
Commercial papers (unsecured)	4,960	2,848	461	1,025
Structured notes (unsecured)	36	96	54	40
Total	9,832	9,512	6,854	6,767
Debt Issued By Maturity				
Within one year	4,991	5,424	3,105	3,761
Over one year	4,841	4,088	3,749	3,006
Total	9,832	9,512	6,854	6,767

CAPITAL ADEQUACY RATIOS

S\$ million	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Tier 1 Capital				
Ordinary and preference shares	8,603	8,612	8,211	7,817
Disclosed reserves/others	14,611	14,554	14,057	13,634
Goodwill/others	(5,560)	(5,402)	(5,120)	(5,232)
Eligible Tier 1 Capital	17,654	17,764	17,148	16,219
Tier 2 Capital				
Subordinated term notes	3,455	3,381	3,467	2,661
Revaluation surplus on available-for-sale equity securities	342	402	–	–
Others	(2,052)	(1,877)	(2,107)	(2,264)
Total Eligible Capital	19,399	19,670	18,508	16,616
Risk Weighted Assets	121,997	115,318	105,062	106,666
Tier 1 capital adequacy ratio	14.4%	15.4%	16.3%	15.2%
Total capital adequacy ratio	15.9%	17.0%	17.6%	15.5%

As of 30 September 2011, the Group's Tier 1 capital adequacy ratio ("CAR") and total CAR were 14.4% and 15.9%, respectively. These ratios remain well above the corresponding regulatory minima of 6% and 10%. The Group's core Tier 1 ratio, which excludes Tier 1 preference shares, was 11.2%, compared with 11.9% as of 30 June 2011.

UNREALISED VALUATION SURPLUS

S\$ million	30 Sep 2011	30 Jun 2011	31 Dec 2010	30 Sep 2010
Properties ^{1/}	2,721	2,699	2,549	2,322
Equity securities ^{2/}	610	1,747	2,216	2,513
Total	3,331	4,446	4,765	4,835

Notes:

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

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

The valuation surplus as at 30 September 2011 was S\$3.33 billion, a decline of 25% as compared to 30 June 2011, mainly attributable to lower quoted prices of equity securities. The decline of S\$1.14 billion on equity securities valuation surplus was primarily due to the Group's equity stake in GEH and Bank OCBC NISP.

PERFORMANCE BY BUSINESS SEGMENT

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

Operating Profit by Business Segment

S\$ million	9M11	9M10	+ / (-) %	3Q11	3Q10	+ / (-) %	2Q11	+ / (-) %
Global Consumer Financial Services	342	395	(14)	116	131	(11)	109	7
Global Corporate Banking	1,130	949	19	409	334	22	379	8
Global Treasury	472	448	6	130	140	(7)	178	(27)
Insurance	352	460	(23)	52	186	(72)	132	(60)
Others ^{1/}	257	349	(26)	65	85	(24)	82	(21)
Operating profit after allowances and amortisation for total business segments	2,553	2,601	(2)	772	876	(12)	880	(12)
Add/(Less):								
- Joint income elimination ^{2/}	(362)	(285)	27	(122)	(106)	15	(130)	(6)
- Items not attributed to business segments	(65)	(79)	(18)	(4)	(27)	(85)	(27)	(85)
Operating profit after allowances and amortisation	2,126	2,237	(5)	646	743	(13)	723	(11)

Notes:

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

2. These are joint income allocated to business segments to reward cross-selling activities.

Global Consumer Financial Services

Global Consumer Financial Services comprises a 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).

Compared with the prior year period, operating profit after allowances of the consumer segment declined by 14% in 9M11 and 11% in 3Q11. Higher fee and commission income were offset by an increase in operating expenses and portfolio allowances.

Global Corporate Banking

Global Corporate Banking serves 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 and custodian services.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate Banking's operating profit after allowances grew 19% to S\$1,130 million in 9M11, and 22% to S\$409 million in 3Q11. The profit growth was driven by higher net interest income and fee income, partly offset by higher portfolio allowances. The growth in net interest income was contributed by higher loan volumes.

Global Treasury

Global 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.

Global Treasury's operating profit increased by 6% to S\$472 million in 9M11 as a result of higher net interest income, partly offset by lower trading income and higher expenses. Operating profit in 3Q11 fell by 7% to S\$130 million as net trading losses more than offset higher net interest income.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.1%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Operating profit from GEH decreased 23% to S\$352 million in 9M11 and 72% to S\$52 million in 3Q11 mainly attributed to lower investment income.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$248 million in 9M11 and S\$25 million in 3Q11, as compared with S\$340 million in 9M10 and S\$137 million in 3Q10.

Others

The "Others" segment comprises Bank of Singapore, PacificMas Berhad, corporate finance, capital markets, property holding, stock brokerage and investment holding. Operating profit after allowances for this segment was S\$257 million in 9M11, down from S\$349 million in 9M10, mainly attributed to lower gains from investment securities and decrease in profits from stockbroking activities.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Total Business Segments
9M11						
- External customers	953	1,716	690	529	617	4,505
- Intersegment income	-	-	-	-	59	59
Total income ^{1/}	953	1,716	690	529	676	4,564
Operating profit before allowances and amortisation ^{1/}	385	1,221	476	388	272	2,742
Amortisation of intangible assets	-	-	-	(35)	(11)	(46)
Allowances and impairment for loans and other assets	(43)	(91)	(4)	(1)	(4)	(143)
Operating profit after allowances and amortisation ^{1/}	342	1,130	472	352	257	2,553
Other information:						
Capital expenditure	9	5	0	27	144	185
Depreciation	16	10	1	2	93	122
9M10						
- External customers	923	1,402	629	613	748	4,315
- Intersegment income	-	-	-	-	63	63
Total income	923	1,402	629	613	811	4,378
Operating profit before allowances and amortisation	414	958	448	499	407	2,726
Amortisation of intangible assets	-	-	-	(35)	(4)	(39)
Allowances and impairment for loans and other assets	(19)	(9)	(0)	(4)	(54)	(86)
Operating profit after allowances and amortisation	395	949	448	460	349	2,601
Other information:						
Capital expenditure	9	5	0	19	101	134
Depreciation	15	9	1	1	87	113

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Total Business Segments
3Q11						
- External customers	325	609	205	113	179	1,431
- Intersegment income	-	-	-	-	20	20
Total income	325	609	205	113	199	1,451
Operating profit before allowances and amortisation	132	439	133	64	57	825
Amortisation of intangible assets	-	-	-	(12)	(3)	(15)
Write-back/(allowances and impairment) for loans and other assets	(16)	(30)	(3)	(0)	11	(38)
Operating profit after allowances and amortisation	116	409	130	52	65	772
Other information:						
Capital expenditure	3	3	0	13	37	56
Depreciation	4	3	0	1	34	42
3Q10						
- External customers	315	500	206	234	239	1,494
- Intersegment income	-	-	-	-	21	21
Total income	315	500	206	234	260	1,515
Operating profit before allowances and amortisation	135	344	140	198	118	935
Amortisation of intangible assets	-	-	-	(12)	(4)	(16)
Write-back/(allowances and impairment) for loans and other assets	(4)	(10)	(0)	0	(29)	(43)
Operating profit after allowances and amortisation	131	334	140	186	85	876
Other information:						
Capital expenditure	2	1	0	8	43	54
Depreciation	5	3	1	0	29	38
2Q11						
- External customers	313	579	253	194	211	1,550
- Intersegment income	-	-	-	-	19	19
Total income	313	579	253	194	230	1,569
Operating profit before allowances and amortisation	121	412	178	144	97	952
Amortisation of intangible assets	-	-	-	(12)	(4)	(16)
Allowances and impairment for loans and other assets	(12)	(33)	(0)	(0)	(11)	(56)
Operating profit after allowances and amortisation	109	379	178	132	82	880
Other information:						
Capital expenditure	3	1	0	6	61	71
Depreciation	6	3	1	0	31	41

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer Financial Services	Global Corporate Banking	Global Treasury	Insurance	Others	Group
At 30 September 2011						
Segment assets	37,157	88,223	61,838	55,023	39,833	282,074
Unallocated assets						150
Elimination						(15,286)
Total assets						266,938
Segment liabilities	46,759	74,184	52,164	48,840	34,109	256,056
Unallocated liabilities						1,771
Elimination						(15,286)
Total liabilities						242,541
Other information:						
Gross non-bank loans	35,954	80,383	1,484	638	10,847	129,306
NPAs	251	857	–	3	47	1,158
At 30 June 2011						
Segment assets	35,272	84,026	55,361	55,233	36,535	266,427
Unallocated assets						127
Elimination						(13,089)
Total assets						253,465
Segment liabilities	45,609	67,354	46,950	48,871	31,316	240,100
Unallocated liabilities						1,886
Elimination						(13,089)
Total liabilities						228,897
Other information:						
Gross non-bank loans	34,079	74,502	1,713	618	10,264	121,176
NPAs	235	909	–	3	54	1,201
At 31 December 2010						
Segment assets	32,902	74,434	47,218	54,467	31,448	240,469
Unallocated assets						101
Elimination						(11,287)
Total assets						229,283
Segment liabilities	43,411	59,638	36,177	47,961	27,867	215,054
Unallocated liabilities						1,871
Elimination						(11,287)
Total liabilities						205,638
Other information:						
Gross non-bank loans	31,703	64,294	1,567	174	8,711	106,449
NPAs	255	885	–	7	61	1,208
At 30 September 2010						
Segment assets	31,782	69,918	48,299	54,190	30,491	234,680
Unallocated assets						89
Elimination						(11,253)
Total assets						223,516
Segment liabilities	43,190	53,238	37,119	47,808	28,653	210,008
Unallocated liabilities						1,799
Elimination						(11,253)
Total liabilities						200,554
Other information:						
Gross non-bank loans	30,596	61,734	1,364	261	7,880	101,835
NPAs	274	833	–	7	56	1,170

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	9M11		9M10		3Q11		3Q10		2Q11	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total core income										
Singapore ^{1/}	2,503	61	2,540	63	752	58	866	63	860	61
Malaysia	904	22	908	23	303	23	310	23	303	22
Rest of SEA	315	7	293	7	111	8	102	7	106	7
Greater China	275	7	157	4	101	8	61	4	100	7
Other Asia Pacific	91	2	67	2	31	2	26	2	30	2
Rest of the World	37	1	31	1	12	1	10	1	14	1
	4,125	100	3,996	100	1,310	100	1,375	100	1,413	100
Profit before income tax										
Singapore ^{1/}	1,253	58	1,486	67	350	54	494	67	418	56
Malaysia	546	25	568	25	177	27	187	25	185	25
Rest of SEA	97	5	66	3	38	6	17	2	29	4
Greater China	148	7	53	2	50	8	23	3	61	8
Other Asia Pacific	74	3	54	3	26	4	20	3	27	4
Rest of the World	41	2	9	–	8	1	2	–	22	3
	2,159	100	2,236	100	649	100	743	100	742	100

Note:

1. Excludes gain of S\$39 million from divestment of non-core assets for 9M11.

	30 Sep 2011		30 Jun 2011		31 Dec 2010		30 Sep 2010	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total assets								
Singapore	166,985	63	159,952	63	145,864	64	142,471	64
Malaysia	51,824	19	50,854	20	47,673	21	46,885	21
Rest of SEA	9,814	4	8,887	4	8,550	4	7,536	3
Greater China	27,322	10	23,215	9	17,263	7	16,682	7
Other Asia Pacific	7,625	3	7,169	3	6,987	3	6,623	3
Rest of the World	3,368	1	3,388	1	2,946	1	3,319	2
	266,938	100	253,465	100	229,283	100	223,516	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 3Q11, Singapore accounted for 58% of total income and 54% of pre-tax profit, while Malaysia accounted for 23% of total income and 27% of pre-tax profit. Pre-tax profit for Singapore declined 29% from 3Q10, as growth in net interest income and fee income were more than offset by trading losses, lower insurance income and higher expenses. Malaysia's pre-tax profit declined 5% from 3Q10, largely attributable to lower net trading gains and fee income.

For 9M11, Singapore accounted for 61% of total income and 58% of pre-tax profit, while Malaysia accounted for 22% of total income and 25% of pre-tax profit.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	9M11	9M10	+ / (-) %	3Q11	3Q10	+ / (-) %	2Q11	+ / (-) %
Interest income	3,857	3,202	20	1,381	1,128	22	1,284	7
Interest expense	(1,371)	(1,024)	34	(507)	(374)	36	(457)	11
Net interest income	2,486	2,178	14	874	754	16	827	6
Premium income	4,509	4,153	9	1,611	1,575	2	1,512	7
Investment income	1,143	1,644	(30)	25	793	(97)	503	(95)
Net claims, surrenders and annuities	(3,343)	(2,797)	20	(1,116)	(1,074)	4	(1,193)	(6)
Change in life assurance fund contract liabilities	(1,218)	(1,908)	(36)	(236)	(838)	(72)	(446)	(47)
Commission and others	(759)	(721)	5	(208)	(300)	(31)	(270)	(23)
Profit from life assurance	332	371	(11)	76	156	(51)	106	(28)
Premium income from general insurance	91	108	(16)	31	35	(13)	31	3
Fees and commissions (net)	880	729	21	307	257	20	299	3
Dividends	81	56	45	12	9	39	45	(73)
Rental income	57	60	(4)	19	20	(7)	19	(2)
Other income	237	494	(52)	(9)	144	(106)	86	(111)
Non-interest income	1,678	1,818	(8)	436	621	(30)	586	(26)
Total income	4,164	3,996	4	1,310	1,375	(5)	1,413	(7)
Staff costs	(1,086)	(948)	15	(362)	(332)	9	(373)	(3)
Other operating expenses	(724)	(686)	5	(249)	(241)	3	(245)	2
Total operating expenses	(1,810)	(1,634)	11	(611)	(573)	7	(618)	(1)
Operating profit before allowances and amortisation	2,354	2,362	-	699	802	(13)	795	(12)
Amortisation of intangible assets	(46)	(39)	17	(15)	(16)	(3)	(16)	-
Allowances for loans and impairment of other assets	(143)	(86)	66	(38)	(43)	(14)	(56)	(33)
Operating profit after allowances and amortisation	2,165	2,237	(3)	646	743	(13)	723	(11)
Share of results of associates and joint ventures	33	(1)	NM	3	0	336	19	(86)
Profit before income tax	2,198	2,236	(2)	649	743	(13)	742	(13)
Income tax expense	(351)	(343)	2	(101)	(123)	(18)	(120)	(17)
Profit for the period	1,847	1,893	(2)	548	620	(12)	622	(12)
Profit attributable to:								
Equity holders of the Bank	1,718	1,749	(2)	513	570	(10)	577	(11)
Non-controlling interests	129	144	(11)	35	50	(31)	45	(22)
	1,847	1,893	(2)	548	620	(12)	622	(12)
Earnings per share (for the period – cents) ^{1/}								
Basic	49.8	52.4		15.2	17.3		15.9	
Diluted	49.7	52.2		15.1	17.3		15.8	

Note:

1. "Earnings per share" was computed including gains from divestment of non-core assets.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	9M11	9M10	+ / (-) %	3Q11	3Q10	+ / (-) %	2Q11	+ / (-) %
Profit for the period	1,847	1,893	(2)	548	620	(12)	622	(12)
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the period	(187)	232	(180)	(228)	357	(164)	(121)	(88)
Reclassification of (gains)/losses to income statement								
– on disposal	(97)	(141)	31	(44)	(23)	(88)	(31)	(43)
– on impairment	(8)	(5)	(52)	(9)	(0)	NM	1	NM
Tax on net movements	36	(59)	161	33	(48)	167	3	940
Exchange differences on translating foreign operations	(8)	33	(125)	95	(110)	186	(92)	203
Other comprehensive income of associates and joint ventures	4	(3)	269	5	(4)	249	(0)	NM
Total other comprehensive income, net of tax	(260)	57	(562)	(148)	172	(187)	(240)	38
Total comprehensive income for the period, net of tax	1,587	1,950	(19)	400	792	(49)	382	5
Total comprehensive income attributable to:								
Equity holders of the Bank	1,475	1,772	(17)	369	739	(50)	349	6
Non-controlling interests	112	178	(37)	31	53	(42)	33	(6)
	1,587	1,950	(19)	400	792	(49)	382	5

BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP				BANK			
	30 Sep 2011	30 Jun 2011	31 Dec 2010 [@]	30 Sep 2010	30 Sep 2011	30 Jun 2011	31 Dec 2010 [@]	30 Sep 2010
EQUITY								
Attributable to equity holders of the Bank								
Share capital	8,603	8,612	8,211	7,817	8,603	8,612	8,211	7,817
Capital reserves	376	461	613	710	186	268	432	525
Fair value reserves	1,128	1,368	1,374	1,510	531	657	606	748
Revenue reserves	11,503	11,314	10,592	10,119	7,213	7,196	6,605	6,226
	21,610	21,755	20,790	20,156	16,533	16,733	15,854	15,316
Non-controlling interests	2,787	2,813	2,855	2,806	–	–	–	–
Total equity	24,397	24,568	23,645	22,962	16,533	16,733	15,854	15,316
LIABILITIES								
Deposits of non-bank customers	145,258	134,302	123,300	115,997	102,639	94,511	88,891	83,894
Deposits and balances of banks	22,630	24,501	16,508	16,858	21,127	22,634	13,811	14,342
Due to subsidiaries	–	–	–	–	5,366	4,652	4,624	4,279
Due to associates	169	128	139	124	155	115	118	111
Trading portfolio liabilities	1,723	2,156	1,734	2,459	1,723	2,156	1,734	2,459
Derivative payables	8,957	4,642	4,563	5,154	8,248	4,240	4,222	4,894
Other liabilities	4,318	3,845	3,187	4,144	1,914	1,382	1,063	1,600
Current tax	746	750	745	668	268	290	311	272
Deferred tax	1,026	1,135	1,127	1,130	115	131	131	132
Debt issued	9,832	9,512	6,854	6,767	10,445	10,153	7,887	7,987
	194,659	180,971	158,157	153,301	152,000	140,264	122,792	119,970
Life assurance fund liabilities	47,882	47,926	47,481	47,253	–	–	–	–
Total liabilities	242,541	228,897	205,638	200,554	152,000	140,264	122,792	119,970
Total equity and liabilities	266,938	253,465	229,283	223,516	168,533	156,997	138,646	135,286
ASSETS								
Cash and placements with central banks	10,199	11,160	11,493	11,245	4,702	5,541	6,787	7,216
Singapore government treasury bills and securities	11,740	11,853	11,156	11,333	11,037	11,310	10,485	10,692
Other government treasury bills and securities	6,450	6,239	5,944	6,094	3,689	3,620	3,174	3,306
Placements with and loans to banks	29,927	26,353	18,569	17,078	21,346	18,998	13,612	12,292
Loans and bills receivable	127,760	119,653	104,989	100,338	93,022	87,193	75,877	72,384
Debt and equity securities	14,929	14,181	14,255	14,117	9,960	9,545	9,836	9,901
Assets pledged	1,031	1,155	746	505	836	1,055	708	447
Assets held for sale	2	2	4	2	–	–	2	2
Derivative receivables	7,719	4,821	4,837	5,635	7,033	4,428	4,462	5,338
Other assets	3,269	3,404	3,116	3,168	978	990	828	701
Deferred tax	92	75	79	64	6	6	6	6
Associates and joint ventures	349	346	255	261	173	176	113	116
Subsidiaries	–	–	–	–	12,891	11,279	9,934	10,060
Property, plant and equipment	1,656	1,623	1,625	1,606	425	421	401	405
Investment property	738	761	733	767	568	568	554	553
Goodwill and intangible assets	3,968	3,941	3,996	4,035	1,867	1,867	1,867	1,867
	219,829	205,567	181,797	176,248	168,533	156,997	138,646	135,286
Life assurance fund investment assets	47,109	47,898	47,486	47,268	–	–	–	–
Total assets	266,938	253,465	229,283	223,516	168,533	156,997	138,646	135,286
Net Asset Value Per Ordinary Share (before valuation surplus – S\$)	5.82	5.86	5.66	5.55	4.32	4.38	4.18	4.08
OFF-BALANCE SHEET ITEMS								
Contingent liabilities	10,095	8,905	8,513	7,652	7,296	6,684	6,835	6,319
Commitments	62,475	59,073	55,073	54,119	44,122	43,228	40,143	39,488
Derivative financial instruments	552,603	487,753	423,149	427,387	493,609	436,273	391,147	401,081

Note:

1. “@” represents audited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the nine months ended 30 September 2011

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
Balance at 1 January 2011	8,211	613	1,374	10,592	20,790	2,855	23,645
Total comprehensive income for the period	–	–	(246)	1,721	1,475	112	1,587
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(248)	–	248	–	–	–
Distributions and dividends to non-controlling interests	–	–	–	–	–	(187)	(187)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(637)	(637)	–	(637)
Share-based staff costs capitalised	–	8	–	–	8	–	8
Share buyback held in treasury	(90)	–	–	–	(90)	–	(90)
Shares issued in-lieu of ordinary dividends	416	–	–	(416)	–	–	–
Shares issued to non-executive directors	0	–	–	–	0	–	0
Shares purchased by DSP Trust	–	(2)	–	–	(2)	–	(2)
Shares vested under DSP Scheme	–	29	–	–	29	–	29
Treasury shares transferred/sold	66	(24)	–	–	42	–	42
Total contributions by and distributions to owners	392	(237)	–	(803)	(648)	(187)	(835)
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	–	–	–	(7)	(7)	7	–
Total changes in ownership interests in a subsidiary	–	–	–	(7)	(7)	7	–
Balance at 30 September 2011	8,603	376	1,128	11,503	21,610	2,787	24,397
Included:							
Share of reserves of associates and joint ventures	–	–	0	62	62	(4)	58
Balance at 1 January 2010	7,376	986	1,506	9,103	18,971	2,808	21,779
Total comprehensive income for the period	–	–	4	1,768	1,772	178	1,950
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(262)	–	262	–	–	–
Divestment of an associate	–	–	–	0	0	(0)	–
Dividends to non-controlling interests	–	–	–	–	–	(133)	(133)
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3
Ordinary and preference dividends	–	–	–	(631)	(631)	–	(631)
Share-based staff costs capitalised	–	11	–	–	11	–	11
Share buyback held in treasury	(9)	–	–	–	(9)	–	(9)
Shares issued in-lieu of ordinary dividends	359	–	–	(359)	–	–	–
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(2)	–	–	(2)	–	(2)
Shares vested under DSP Scheme	–	8	–	–	8	–	8
Treasury shares transferred/sold	90	(31)	–	–	59	–	59
Total contributions by and distributions to owners	441	(276)	–	(725)	(560)	(133)	(693)
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	–	–	–	(27)	(27)	(47)	(74)
Total changes in ownership interests in a subsidiary	–	–	–	(27)	(27)	(47)	(74)
Balance at 30 September 2010	7,817	710	1,510	10,119	20,156	2,806	22,962
Included:							
Share of reserves of associates and joint ventures	–	–	0	28	28	(3)	25

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 September 2011

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
Balance at 1 July 2011	8,612	461	1,368	11,314	21,755	2,813	24,568
Total comprehensive income for the period	–	–	(240)	609	369	31	400
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(88)	–	88	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(57)	(57)
DSP reserve from dividends on unvested shares	–	–	–	0	0	–	0
Ordinary dividends	–	–	–	(508)	(508)	–	(508)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(35)	–	–	–	(35)	–	(35)
Treasury shares transferred/sold	26	–	–	–	26	–	26
Total contributions by and distributions to owners	(9)	(85)	–	(420)	(514)	(57)	(571)
Balance at 30 September 2011	8,603	376	1,128	11,503	21,610	2,787	24,397
Included:							
Share of reserves of associates and joint ventures	–	–	0	62	62	(4)	58
Balance at 1 July 2010	7,792	794	1,239	10,056	19,881	2,807	22,688
Total comprehensive income for the period	–	–	271	468	739	53	792
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(87)	–	87	–	–	–
Divestment of an associate	–	–	–	0	0	(0)	–
Dividends to non-controlling interests	–	–	–	–	–	(57)	(57)
Ordinary dividends	–	–	–	(492)	(492)	–	(492)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(9)	–	–	–	(9)	–	(9)
Treasury shares transferred/sold	34	–	–	–	34	–	34
Total contributions by and distributions to owners	25	(84)	–	(405)	(464)	(57)	(521)
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Changes in non-controlling interests	–	–	–	–	–	3	3
Total changes in ownership interests in a subsidiary	–	–	–	–	–	3	3
Balance at 30 September 2010	7,817	710	1,510	10,119	20,156	2,806	22,962
Included:							
Share of reserves of associates and joint ventures	–	–	0	28	28	(3)	25

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the nine months ended 30 September 2011

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2011	8,211	432	606	6,605	15,854
Total comprehensive income for the period	–	–	(75)	1,275	1,200
Transfers	–	(254)	–	254	–
Arising from merger of subsidiaries	–	–	–	130	130
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(637)	(637)
Share-based staff costs capitalised	–	8	–	–	8
Share buyback held in treasury	(90)	–	–	–	(90)
Shares issued in-lieu of ordinary dividends	416	–	–	(416)	–
Shares issued to non-executive directors	0	–	–	–	0
Treasury shares transferred/sold	66	–	–	–	66
Balance at 30 September 2011	8,603	186	531	7,213	16,533
Balance at 1 January 2010	7,376	768	603	5,716	14,463
Total comprehensive income for the period	–	–	145	1,243	1,388
Transfers	–	(254)	–	254	–
DSP reserve from dividends on unvested shares	–	–	–	3	3
Ordinary and preference dividends	–	–	–	(631)	(631)
Share-based staff costs capitalised	–	11	–	–	11
Share buyback held in treasury	(9)	–	–	–	(9)
Shares issued in-lieu of ordinary dividends	359	–	–	(359)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	90	–	–	–	90
Balance at 30 September 2010	7,817	525	748	6,226	15,316

For the three months ended 30 September 2011

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 July 2011	8,612	268	657	7,196	16,733
Total comprehensive income for the period	–	–	(126)	440	314
Transfers	–	(85)	–	85	–
DSP reserve from dividends on unvested shares	–	–	–	0	0
Ordinary dividends	–	–	–	(508)	(508)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(35)	–	–	–	(35)
Treasury shares transferred/sold	26	–	–	–	26
Balance at 30 September 2011	8,603	186	531	7,213	16,533
Balance at 1 July 2010	7,792	606	610	6,275	15,283
Total comprehensive income for the period	–	–	138	359	497
Transfers	–	(84)	–	84	–
Ordinary dividends	–	–	–	(492)	(492)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(9)	–	–	–	(9)
Treasury shares transferred/sold	34	–	–	–	34
Balance at 30 September 2010	7,817	525	748	6,226	15,316

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months ended 30 September 2011

S\$ million	9M11	9M10	3Q11	3Q10
Cash flows from operating activities				
Profit before income tax	2,198	2,236	649	743
Adjustments for non-cash items				
Amortisation of intangible assets	46	39	15	16
Allowances for loans and impairment of other assets	143	86	38	43
Change in fair value for hedging transactions and trading securities	64	(46)	68	(46)
Depreciation of property, plant and equipment and investment property	122	113	42	38
Net gain on disposal of property, plant and equipment and investment property	(41)	(23)	(0)	(22)
Net gain on disposal of government, debt and equity securities	(97)	(141)	(44)	(23)
Net (gain)/loss on disposal/liquidation of a subsidiary and associates	(1)	(3)	0	(0)
Share-based staff costs	8	9	2	2
Share of results of associates and joint ventures	(33)	1	(3)	(0)
Items relating to life assurance fund				
Surplus before income tax	363	505	31	235
Surplus transferred from life assurance fund	(332)	(371)	(76)	(156)
Operating profit before change in operating assets and liabilities	2,440	2,405	722	830
Change in operating assets and liabilities				
Deposits of non-bank customers	21,988	9,369	10,997	3,693
Deposits and balances of banks	6,122	5,666	(1,870)	3,197
Derivative payables and other liabilities	4,853	1,459	4,333	318
Trading portfolio liabilities	(12)	442	(433)	452
Government securities and treasury bills	(935)	(211)	96	(160)
Trading securities	(320)	(643)	(490)	178
Placements with and loans to banks	(11,441)	794	(3,510)	(180)
Loans and bills receivable	(22,922)	(14,797)	(8,144)	(6,408)
Derivative receivables and other assets	(3,291)	(1,916)	(3,110)	(1,324)
Net change in investment assets and liabilities of life assurance fund	712	(129)	705	(83)
Cash (used in)/from operating activities	(2,806)	2,439	(704)	513
Income tax paid	(365)	(336)	(108)	(120)
Net cash (used in)/from operating activities	(3,171)	2,103	(812)	393
Cash flows from investing activities				
Dividends from associates	1	4	1	1
Decrease/(increase) in associates and joint ventures	(64)	(52)	(2)	10
Net cashflow from acquisition of a business/subsidiaries	10	(2,003)	-	7
Purchases of debt and equity securities	(4,747)	(5,201)	(1,705)	(1,746)
Purchases of property, plant and equipment and investment property	(185)	(134)	(56)	(54)
Proceeds from disposal of debt and equity securities	3,943	3,439	1,285	927
Proceeds from disposal of interest in a subsidiary	82	-	-	-
Proceeds from disposal of associates	2	14	-	-
Proceeds from disposal of property, plant and equipment and investment property	45	30	3	27
Net cash used in investing activities	(913)	(3,903)	(474)	(828)
Cash flows from financing activities				
Changes in non-controlling interests	-	(77)	-	-
Dividends paid to equity holders of the Bank	(130)	(139)	-	-
Distributions and dividends paid to non-controlling interests	(187)	(133)	(57)	(57)
Increase/(decrease) in debt issued	3,164	100	338	(31)
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	42	60	26	35
Share buyback held in treasury	(90)	(9)	(35)	(9)
Net cash from/(used in) financing activities	2,799	(198)	272	(62)
Net currency translation adjustments	(9)	72	53	(42)
Net change in cash and cash equivalents	(1,294)	(1,926)	(961)	(539)
Cash and cash equivalents at beginning of period	11,493	13,171	11,160	11,784
Cash and cash equivalents at end of period	10,199	11,245	10,199	11,245

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

Number of Shares	Nine months ended 30 Sep		Three months ended 30 Sep	
	2011	2010	2011	2010
Issued ordinary shares				
Balance at beginning of period	3,341,044,969	3,245,120,283	3,390,371,001	3,290,465,030
Shares issued to non-executive directors	48,000	60,000	–	–
Shares issued pursuant to Scrip Dividend Scheme	49,278,032	45,284,747	–	–
Balance at end of period	3,390,371,001	3,290,465,030	3,390,371,001	3,290,465,030
Treasury shares				
Balance at beginning of period	(3,269,326)	(14,781,749)	(3,930,259)	(7,124,365)
Share buyback	(9,738,000)	(1,034,000)	(3,911,000)	(1,034,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Schemes	2,483,624	5,862,774	596,337	1,904,977
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	4,062,314	3,286,636	3,370,815	3,056,864
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	2,587,281	3,469,655	–	–
Shares sold for cash	–	3,917	–	3,757
Balance at end of period	(3,874,107)	(3,192,767)	(3,874,107)	(3,192,767)
Total	3,386,496,894	3,287,272,263	3,386,496,894	3,287,272,263

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 15 April 2011, the Bank purchased a total of 3,911,000 ordinary shares in the third quarter ended 30 September 2011. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$8.02 to S\$9.50 per share and the total consideration paid was S\$34,408,693 (including transaction costs).

From 1 July 2011 to 30 September 2011 (both dates inclusive), the Bank utilised 596,337 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As at 30 September 2011, the number of options outstanding under the OCBC SOS 2001 was 33,086,315 (30 September 2010: 36,884,707).

From 1 July 2011 to 30 September 2011 (both dates inclusive), the Bank utilised 3,370,815 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As at 30 September 2011, the number of acquisition rights outstanding under the OCBC ESPP was 11,015,549 (30 September 2010: 9,680,080).

No new preference shares were allotted and issued by the Bank in the third quarter ended 30 September 2011.

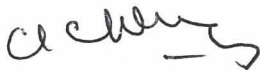
OTHER MATTERS / SUBSEQUENT EVENTS

1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.
2. On 7 October 2011, OCBC Bank announced that it had allotted and issued 50,672,175 new ordinary shares on 7 October 2011 to ordinary shareholders who elected to participate in the Scrip Dividend Scheme in respect of the FY 2011 interim tax exempt dividend of 15 cents per share. The participation rate for the scrip dividend was 80.4% of shareholdings. The new shares rank pari passu in all respects with the existing ordinary shares of the Bank. Following the allotment and issuance of the new shares, the issued ordinary shares of the Bank increased by 1.5% to 3,441,043,176 shares.

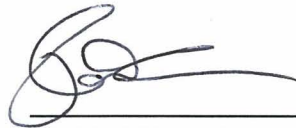
CONFIRMATION BY THE BOARD

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 unaudited financial results of the Bank and of the Group for the quarter ended 30 September 2011 to be false or misleading.

On behalf of the Board of Directors



Cheong Choong Kong
Chairman



David Philbrick Conner
Chief Executive Officer / Director

2 November 2011