

Media Release

OCBC Group Reports Record First Half Net Profit of S\$1,480 million Up 23% Year-on-Year

Strong revenue growth, led by robust customer-related businesses

Singapore, 2 August 2012 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") achieved record net profit of S\$1,480 million for the first half of 2012 ("1H12"), an increase of 23% from S\$1,205 million a year ago ("1H11"). The record results were driven by robust net interest income growth, higher fee, trading and investment income, and healthy insurance revenue from Great Eastern Holdings ("GEH").

First half net interest income increased 17% to S\$1,882 million on strong asset growth. Non-interest income was 16% higher at \$1,442 million, as net trading income grew strongly to S\$235 million and life assurance profits rose 14% to S\$292 million. Fees and commissions reflected healthy contributions from wealth management and loan-related activities, growing by 3% from a year ago to S\$591 million. Operating expenses of S\$1,286 million were 7% higher than the previous year, while allowances for loans and other assets increased by 27% to S\$134 million (on loans of S\$138 billion), comprising portfolio allowances of S\$74 million and specific allowances of S\$56 million.

Core net profit for 1H12, which excluded the S\$42 million gain from the divestment of non-core assets in the first quarter of 2012 ("1Q12"), was S\$1,438 million, up 23% year-on-year. Annualised return on equity, based on core earnings, was 13.1% in 1H12, compared with 11.8% in 1H11, while annualised core earnings per share rose 20% year-on-year to 81.5 cents from 68.1 cents a year ago.

The Group's 1H12 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\$860 million, up 18% from a year ago. As a share of total revenue, wealth management contributed 26%, unchanged year-on-year. OCBC's private banking business continued to expand, with assets under management growing 20% year-on-year to US\$36 billion (S\$45 billion) as at 30 June 2012.

Second Quarter Performance

The Group recorded a net profit of S\$648 million for the second quarter of 2012 ("2Q12"), an increase of 12% from S\$577 million a year ago ("2Q11"). Earnings growth was underpinned by higher net interest income, fees and commissions, trading revenues and lower allowances, but the growth was partly offset by lower profit from life insurance, as GEH's investment performance was impacted by less favourable market conditions.

Net interest income increased 13% year-on-year to S\$931 million. The increase was driven by broad-based loan growth of 14% across all key sectors and geographies, which more than offset the compression in net interest margin. Increased liquidity was deployed into high quality but lower-yielding financial assets and interbank placements. Together with the flat interest rate curve, they contributed to the lower net interest margin.

Non-interest income grew 2% year-on-year to S\$596 million, as higher fee and trading income were partially offset by lower contributions from insurance. Fees and commissions increased 6% to S\$317 million, driven by higher wealth management income, loan-related and investment banking fees. Net trading income rose 84% to S\$75 million on higher gains from securities and derivatives trading. GEH continued to deliver healthy growth in its underlying business; weighted new business premiums and new business embedded value both grew 4% year-on-year. However, profit from life assurance declined 33% to S\$71 million due to weaker investment performance of the Non-Participating Fund, as widened credit spreads and decreases in equity prices resulted in mark-to-market losses. Operating expenses increased by 7% year-on-year to S\$661 million, largely attributed to higher staff costs arising from headcount growth of 7% and annual salary increments.

Compared with 1Q12's record core net profit of S\$790 million, 2Q12 core net profit was 18% lower. Net interest income declined marginally by 2%, as asset growth of 3% was more than offset by a decline in net interest margins, resulting mainly from increased interbank placements as mentioned above. Fees and commissions rose 16% quarter-on-quarter, driven by higher loan and trade-related income and investment banking fees. However, fee income growth was offset by a 54% reduction in trading income and a 68% decline in life assurance profit. Operating expenses increased by 6% from the previous quarter, mainly from higher staff costs. Net allowances were lower at S\$38 million, compared with S\$96 million in 1Q12.

Allowances and Asset Quality

The Group's asset quality remained healthy. The non-performing loans ("NPL") ratio was 0.9%, compared with 1.0% in 1Q12 and 0.8% in 2Q11, and total non-performing assets ("NPAs") of S\$1,280 million were 15% lower quarter-on-quarter and 7% higher than a year ago. Allowances for loans and other assets were S\$38 million, significantly lower than the S\$96 million in 1Q12 and S\$56 million a year ago. Total cumulative allowances increased to 125% of total NPAs and 373% of unsecured NPAs, from 106% and 353%, respectively in 1Q12.

Capital Ratios

OCBC Group continues to be strongly capitalised, with a Tier 1 ratio of 14.1%, and total capital adequacy ratio of 15.5% as at 30 June 2012. These ratios remain well above the regulatory minimums of 6% and 10%, respectively. The Core Tier 1 ratio, which excludes Tier 1 preference shares, was 11.1%. The Group is well positioned to meet MAS' capital requirements for Basel III.

Interim Dividend

An interim dividend of 16 cents per share has been declared for the first half-year of 2012. The Scrip Dividend Scheme will not be applicable to the interim dividend. The interim dividend payout will amount to approximately S\$550 million, representing 38% of the Group's core net profit.

CEO's Comments

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

"We are pleased with the resilient set of results for the first half, which reflects the underlying strength of our customer businesses. Our asset quality also remains strong as a result of continued prudent risk management and active portfolio reviews. While the economic environment remains uncertain, we will continue to grow our customer franchise across all key markets with our strong capital and liquidity base."

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 ranked by Bloomberg Markets as the world's strongest bank in 2011 and 2012.

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

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 500 branches and representative offices in 15 countries and territories, including about 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 continued to gain industry recognition in 2011 including being voted the "Outstanding Private Bank in Asia Pacific" by Private Banker International.

For more information, please visit www.ocbc.com

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To Our Shareholders

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

Unaudited Financial Results for the Second Quarter Ended 30 June 2012

For the second quarter ended 30 June 2012, Group reported net profit was S\$1,480 million. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend

An interim tax exempt dividend of 16 cents per share (2011: 15 cents tax exempt) has been declared for the first half-year 2012. The interim dividend payout will amount to an estimated S\$550 million (2011: S\$508 million) or approximately 38% of the Group’s core net profit of S\$1,438 million for 1H12.

Closure of Books

The books closure date is 14 August 2012. Please refer to the separate announcement titled “Notice of Books Closure and Payment of Interim One-Tier Tax Exempt Dividend on Ordinary Shares For The Financial Year Ending 31 December 2012” released by the Bank today.

Scrip Dividend Scheme

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

Preference Dividends

On 20 June 2012, the Bank paid semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class B Preference Shares at 5.1% (2011: 5.1%) per annum; Class E Preference Shares at 4.5% (2011: 4.5%) per annum and Class G Preference Shares at 4.2% (2011: 4.2%) per annum. Total amount of dividends paid for the Class B, Class E and Class G Preference Shares were S\$25.6 million, S\$11.3 million and S\$8.3 million, respectively.

Peter Yeoh
Secretary

Singapore, 2 August 2012

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

Oversea-Chinese Banking Corporation Limited
Second Quarter 2012 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 2012:

| | |
|-----------------------|---|
| FRS 12 (Amendments): | Deferred Tax: Recovery of Underlying Assets |
| FRS 107 (Amendments): | Disclosures: Transfers of Financial Assets |

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 for the second quarter ended 30 June 2012 (“2Q12”) was S\$648 million, representing an increase of 12% from a year ago (“2Q11”).

Net interest income grew by 13% year-on-year to S\$931 million, led by broad-based loan growth of 14%, which more than offset the impact of lower net interest margins. Non-interest income was S\$596 million, an increase of 2% year-on-year, as higher fee income and trading income more than offset lower insurance income contributions. Fees and commissions rose 6% to S\$317 million, underpinned by higher wealth management, loan-related fees and investment banking fees. Net trading income was S\$75 million, an increase of 84% from 2Q11, led by higher securities and derivatives trading income. Profit from life assurance declined 33% to S\$71 million, as a result of weaker investment performance of Great Eastern Holdings’ (“GEH”) Non-Participating Fund¹.

Operating expenses rose 7% to S\$661 million, reflecting higher staff costs arising from headcount growth and annual salary increments. Allowances for loans and other assets were S\$38 million, 34% lower than the previous year. The Group’s non-performing loans (“NPL”) ratio was 0.9%, compared with 1.0% the previous quarter (“1Q12”) and 0.8% in 2Q11.

Compared with the record core net profit of S\$790 million in the first quarter of 2012 (“1Q12”), 2Q12 core net profit was 18% lower. Fees and commissions increased 16%, underpinned by loan and trade-related income and investment banking fees. The increase in fees and commissions was largely offset by a decline in net trading income and life assurance profit. Operating expenses were 6% higher as compared with the previous quarter, largely from higher staff costs. Allowances for loans and other assets were 61% lower than in 1Q12.

For the first half of 2012 (“1H12”), the Group achieved record core net profit of S\$1,438 million. Reported net profit, which included the S\$42 million divestment gain of non-core assets in 1Q12, was S\$1,480 million or 23% higher year-on-year. Higher revenues underpinned by strong asset growth, insurance income, fees and investment income, were partially offset by higher expenses and allowances.

Annualised return on equity, based on core earnings, was 13.1% in 1H12, compared with 11.8% from a year ago. Annualised core earnings per share rose 20% year-on-year to 81.5 cents in 1H12.

¹ The Non-Participating Fund is made up of insurance policies and riders which have fixed policyholder benefits, eg. 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.

FINANCIAL SUMMARY (continued)

| S\$ million | 1H12 | 1H11 | + / (-) % | 2Q12 | 2Q11 | + / (-) % | 1Q12 | + / (-) % |
|---|--------------|--------------|--------------|------------|------------|--------------|------------|--------------|
| Selected Income Statement Items | | | | | | | | |
| Net interest income | 1,882 | 1,611 | 17 | 931 | 827 | 13 | 951 | (2) |
| Non-interest income | 1,386 | 1,204 | 15 | 596 | 586 | 2 | 790 | (25) |
| Total core income | 3,268 | 2,815 | 16 | 1,527 | 1,413 | 8 | 1,741 | (12) |
| Operating expenses | (1,286) | (1,199) | 7 | (661) | (618) | 7 | (625) | 6 |
| Operating profit before allowances and amortisation | 1,982 | 1,616 | 23 | 866 | 795 | 9 | 1,116 | (22) |
| Amortisation of intangible assets | (30) | (31) | (2) | (15) | (16) | (2) | (15) | – |
| Allowances for loans and impairment of other assets | (134) | (105) | 27 | (38) | (56) | (34) | (96) | (61) |
| Operating profit after allowances and amortisation | 1,818 | 1,480 | 23 | 813 | 723 | 12 | 1,005 | (19) |
| Share of results of associates and joint ventures | 18 | 31 | (40) | 12 | 19 | (36) | 6 | 87 |
| Profit before income tax | 1,836 | 1,511 | 22 | 825 | 742 | 11 | 1,011 | (18) |
| Core net profit attributable to shareholders | 1,438 | 1,173 | 23 | 648 | 577 | 12 | 790 | (18) |
| Divestment gain, net of tax | 42 | 32 | 30 | – | – | – | 42 | (100) |
| Reported net profit attributable to shareholders | 1,480 | 1,205 | 23 | 648 | 577 | 12 | 832 | (22) |
| Cash basis net profit attributable to shareholders ^{1/} | 1,510 | 1,236 | 22 | 663 | 593 | 12 | 847 | (22) |

Selected Balance Sheet Items

| | | | | | | | | |
|--|---------|---------|----|---------|---------|----|---------|---|
| Ordinary equity | 21,741 | 19,859 | 9 | 21,741 | 19,859 | 9 | 21,726 | – |
| Total equity (excluding non-controlling interests) | 23,637 | 21,755 | 9 | 23,637 | 21,755 | 9 | 23,622 | – |
| Total assets | 288,587 | 253,465 | 14 | 288,587 | 253,465 | 14 | 283,337 | 2 |
| Assets excluding life assurance fund investment assets | 238,776 | 205,567 | 16 | 238,776 | 205,567 | 16 | 232,911 | 3 |
| Loans and bills receivable (net of allowances) | 136,746 | 119,653 | 14 | 136,746 | 119,653 | 14 | 132,968 | 3 |
| Deposits of non-bank customers | 160,325 | 134,302 | 19 | 160,325 | 134,302 | 19 | 157,541 | 2 |

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

| | 1H12 | 1H11 | 2Q12 | 2Q11 | 1Q12 |
|--|-------------|------|-------------|------|------|
| Key Financial Ratios | | | | | |
| - based on core earnings | | | | | |
| Performance ratios (% p.a.) | | | | | |
| Return on equity ^{1/2/} | | | | | |
| SFRS ^{3/} basis | 13.1 | 11.8 | 11.6 | 11.4 | 14.7 |
| Cash basis | 13.4 | 12.1 | 11.9 | 11.7 | 15.0 |
| Return on assets ^{4/} | | | | | |
| SFRS ^{3/} basis | 1.24 | 1.20 | 1.10 | 1.14 | 1.38 |
| Cash basis | 1.26 | 1.23 | 1.12 | 1.17 | 1.40 |
| Revenue mix/efficiency ratios (%) | | | | | |
| Net interest margin (annualised) | 1.82 | 1.88 | 1.77 | 1.87 | 1.86 |
| Net interest income to total income | 57.6 | 57.2 | 61.0 | 58.6 | 54.6 |
| Non-interest income to total income | 42.4 | 42.8 | 39.0 | 41.4 | 45.4 |
| Cost to income | 39.4 | 42.6 | 43.3 | 43.7 | 35.9 |
| Loans to deposits | 85.3 | 89.1 | 85.3 | 89.1 | 84.4 |
| NPL ratio | 0.9 | 0.8 | 0.9 | 0.8 | 1.0 |
| Earnings per share ^{2/} (annualised - cents) | | | | | |
| Basic earnings | 81.5 | 68.1 | 73.1 | 66.4 | 89.8 |
| Basic earnings (cash basis) | 83.2 | 69.9 | 74.9 | 68.3 | 91.6 |
| Diluted earnings | 81.3 | 67.8 | 73.0 | 66.2 | 89.7 |
| Net asset value per share (S\$) | | | | | |
| Before valuation surplus | 6.33 | 5.86 | 6.33 | 5.86 | 6.32 |
| After valuation surplus | 7.28 | 7.18 | 7.28 | 7.18 | 7.41 |
| Capital adequacy ratios (%) | | | | | |
| Tier 1 | 14.1 | 15.4 | 14.1 | 15.4 | 14.7 |
| Total | 15.5 | 17.0 | 15.5 | 17.0 | 16.1 |

Notes:

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

NET INTEREST INCOME

Average Balance Sheet

| S\$ million | 1H12 | | | 1H11 | | |
|---|-----------------|--------------|---------------------------------|-----------------|--------------|---------------------------------|
| | Average Balance | Interest | Average Rate ^{4/} % | Average Balance | Interest | Average Rate ^{4/} % |
| Interest earning assets | | | | | | |
| Loans and advances to non-bank customers | 133,396 | 2,059 | 3.10 | 110,839 | 1,745 | 3.18 |
| Placements with and loans to banks | 42,521 | 540 | 2.56 | 32,652 | 347 | 2.14 |
| Other interest earning assets ^{1/} | 32,411 | 402 | 2.50 | 29,116 | 383 | 2.65 |
| Total | 208,328 | 3,001 | 2.90 | 172,607 | 2,475 | 2.89 |
| Interest bearing liabilities | | | | | | |
| Deposits of non-bank customers | 156,681 | 865 | 1.11 | 127,675 | 636 | 1.00 |
| Deposits and balances of banks | 20,839 | 95 | 0.91 | 23,079 | 93 | 0.82 |
| Other borrowings ^{2/} | 17,210 | 159 | 1.86 | 9,677 | 135 | 2.81 |
| Total | 194,730 | 1,119 | 1.16 | 160,431 | 864 | 1.09 |
| Net interest income/margin ^{3/} | | 1,882 | 1.82 | | 1,611 | 1.88 |

| S\$ million | 2Q12 | | | 2Q11 | | | 1Q12 | | |
|---|-----------------|--------------|---------------------------------|-----------------|--------------|---------------------------------|-----------------|--------------|---------------------------------|
| | 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 | 134,106 | 1,032 | 3.09 | 114,250 | 890 | 3.13 | 132,684 | 1,027 | 3.11 |
| Placements with and loans to banks | 44,977 | 273 | 2.44 | 34,159 | 203 | 2.38 | 40,066 | 267 | 2.68 |
| Other interest earning assets ^{1/} | 32,332 | 194 | 2.41 | 29,352 | 191 | 2.62 | 32,490 | 208 | 2.58 |
| Total | 211,415 | 1,499 | 2.85 | 177,761 | 1,284 | 2.90 | 205,240 | 1,502 | 2.94 |
| Interest bearing liabilities | | | | | | | | | |
| Deposits of non-bank customers | 158,946 | 442 | 1.12 | 130,230 | 338 | 1.04 | 154,417 | 423 | 1.10 |
| Deposits and balances of banks | 21,073 | 50 | 0.95 | 25,016 | 50 | 0.82 | 20,606 | 45 | 0.87 |
| Other borrowings ^{2/} | 17,618 | 76 | 1.73 | 10,369 | 69 | 2.66 | 16,800 | 83 | 1.99 |
| Total | 197,637 | 568 | 1.15 | 165,615 | 457 | 1.11 | 191,823 | 551 | 1.16 |
| Net interest income/margin ^{3/} | | 931 | 1.77 | | 827 | 1.87 | | 951 | 1.86 |

Notes:

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

NET INTEREST INCOME *(continued)*

Net interest income grew 13% year-on-year to S\$931 million in 2Q12, led by robust growth in interest earning assets, which more than offset a decline in margins. Net interest margin declined 10 basis points from 1.87% a year ago to 1.77%. Increased liquidity was deployed into high quality but lower-yielding financial assets and interbank placements. Together with the flat interest rate curve, they contributed to the lower net interest margin.

Compared with 1Q12, net interest income declined marginally by 2%, as quarter-on-quarter asset growth of 3% was offset by a 9 basis points decline in net interest margin, resulting mainly from increased interbank placements as mentioned above.

Volume and Rate Analysis

| Increase/(decrease) due to change in: S\$ million | 1H12 vs 1H11 | | | 2Q12 vs 2Q11 | | | 2Q12 vs 1Q12 | | |
|---|--------------|------------|---------------|--------------|-------------|---------------|--------------|-------------|---------------|
| | Volume | Rate | Net change | Volume | Rate | Net change | Volume | Rate | Net change |
| Interest income | | | | | | | | | |
| Loans and advances to non-bank customers | 357 | (54) | 303 | 155 | (13) | 142 | 11 | (6) | 5 |
| Placements with and loans to banks | 105 | 87 | 192 | 64 | 6 | 70 | 33 | (27) | 6 |
| Other interest earning assets | 44 | (27) | 17 | 20 | (17) | 3 | (1) | (13) | (14) |
| Total | 506 | 6 | 512 | 239 | (24) | 215 | 43 | (46) | (3) |
| Interest expense | | | | | | | | | |
| Deposits of non-bank customers | 145 | 80 | 225 | 74 | 30 | 104 | 13 | 6 | 19 |
| Deposits and balances of banks | (9) | 10 | 1 | (7) | 7 | (0) | 1 | 4 | 5 |
| Other borrowings | 106 | (82) | 24 | 48 | (41) | 7 | 4 | (11) | (7) |
| Total | 242 | 8 | 250 | 115 | (4) | 111 | 18 | (1) | 17 |
| Impact on net interest income | 264 | (2) | 262 | 124 | (20) | 104 | 25 | (45) | (20) |
| Due to change in number of days | | | 9 | | | – | | | – |
| Net interest income | | | 271 | | | 104 | | | (20) |

NON-INTEREST INCOME

| S\$ million | 1H12 | 1H11 | + / (-) % | 2Q12 | 2Q11 | + / (-) % | 1Q12 | + / (-) % |
|---|-------|-------|--------------|-------|-------|--------------|-------|--------------|
| Fees and commissions | | | | | | | | |
| Brokerage | 30 | 36 | (15) | 13 | 16 | (12) | 17 | (20) |
| Wealth management | 150 | 132 | 14 | 76 | 64 | 19 | 74 | 2 |
| Fund management | 41 | 51 | (19) | 20 | 29 | (30) | 21 | - |
| Credit card | 24 | 20 | 21 | 13 | 10 | 36 | 11 | 21 |
| Loan-related | 117 | 97 | 21 | 62 | 52 | 20 | 55 | 14 |
| Trade-related and remittances | 108 | 106 | 1 | 59 | 58 | - | 49 | 18 |
| Guarantees | 8 | 11 | (27) | 4 | 5 | (10) | 4 | 16 |
| Investment banking | 57 | 56 | 1 | 42 | 27 | 56 | 15 | 168 |
| Service charges | 41 | 49 | (17) | 20 | 31 | (36) | 21 | (4) |
| Others | 15 | 15 | - | 8 | 7 | 3 | 7 | 14 |
| Sub-total | 591 | 573 | 3 | 317 | 299 | 6 | 274 | 16 |
| Dividends | 69 | 69 | (1) | 40 | 45 | (11) | 29 | 37 |
| Rental income | 36 | 39 | (5) | 18 | 19 | (5) | 18 | (3) |
| Profit from life assurance | 292 | 256 | 14 | 71 | 106 | (33) | 221 | (68) |
| Premium income from general insurance | 69 | 60 | 16 | 37 | 31 | 21 | 32 | 12 |
| Other income | | | | | | | | |
| Net trading income | 235 | 122 | 93 | 75 | 41 | 84 | 160 | (54) |
| Net gain from investment securities | 64 | 54 | 19 | 21 | 31 | (31) | 43 | (52) |
| Net gain from disposal of associates | - | 1 | (100) | - | 0 | (100) | - | - |
| Net gain from disposal of properties | 2 | 2 | (55) | 1 | 1 | (71) | 1 | 12 |
| Others | 28 | 28 | (1) | 16 | 13 | 25 | 12 | 49 |
| Sub-total | 329 | 207 | 58 | 113 | 86 | 30 | 216 | (48) |
| Total core non-interest income | 1,386 | 1,204 | 15 | 596 | 586 | 2 | 790 | (25) |
| Divestment gain | 56 | 39 | 46 | - | - | - | 56 | (100) |
| Total non-interest income | 1,442 | 1,243 | 16 | 596 | 586 | 2 | 846 | (30) |
| Fees and commissions/Total income ^{1/} | 18.1% | 20.4% | | 20.8% | 21.1% | | 15.7% | |
| Non-interest income/Total income ^{1/} | 42.4% | 42.8% | | 39.0% | 41.4% | | 45.4% | |

Note:

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

Non-interest income increased 2% year-on-year to S\$596 million in 2Q12, driven by growth in fee and commission income and net trading income, which were partly offset by lower net gains from investment securities and profit from life assurance. Fee and commission income rose 6% to S\$317 million, led by higher wealth management, loan-related and investment banking fees. Net trading income increased 84% to S\$75 million, driven by higher securities and derivatives trading income, while net gains from investment securities declined 31% to S\$21 million. Profit from life assurance was S\$71 million, 33% lower than a year ago, largely attributed to weaker investment performance of GEH's Non-Participating Fund as widened credit spreads and decreases in equity prices resulted in mark-to-market losses.

Compared with 1Q12, core non-interest income declined 25% (excluding the S\$56 million gain from divestment of non-core assets in 1Q12). Fee and commission income and dividend income were higher by 16% and 37%, respectively. However, net trading income was 54% lower, while life assurance profits declined by 68%, as the investment performance of GEH's Non-Participating Fund was exceptionally strong in the previous quarter.

OPERATING EXPENSES

| S\$ million | 1H12 | 1H11 | +/(-) % | 2Q12 | 2Q11 | +/(-) % | 1Q12 | +/(-) % |
|---|--------------|--------------|------------|--------------|--------------|------------|--------------|------------|
| Staff costs | | | | | | | | |
| Salaries and other costs | 719 | 665 | 8 | 370 | 343 | 8 | 349 | 6 |
| Share-based expenses | 5 | 6 | (16) | 3 | 3 | (5) | 2 | 17 |
| Contribution to defined contribution plans | 59 | 53 | 11 | 28 | 27 | 3 | 31 | (10) |
| | 783 | 724 | 8 | 401 | 373 | 7 | 382 | 5 |
| Property and equipment | | | | | | | | |
| Depreciation | 87 | 80 | 9 | 44 | 41 | 7 | 43 | 2 |
| Maintenance and hire of property, plant & equipment | 43 | 35 | 23 | 20 | 18 | 9 | 23 | (14) |
| Rental expenses | 34 | 33 | 4 | 17 | 16 | 7 | 17 | – |
| Others | 71 | 71 | – | 35 | 34 | 6 | 36 | (1) |
| | 235 | 219 | 7 | 116 | 109 | 7 | 119 | (2) |
| Other operating expenses | 268 | 256 | 5 | 144 | 136 | 6 | 124 | 16 |
| Total operating expenses | 1,286 | 1,199 | 7 | 661 | 618 | 7 | 625 | 6 |
| Group staff strength | | | | | | | | |
| Period end | 23,889 | 22,345 | 7 | 23,889 | 22,345 | 7 | 23,277 | 3 |
| Average | 23,501 | 22,007 | 7 | 23,867 | 22,222 | 7 | 23,134 | 3 |
| Cost to income ratio ^{1/} | 39.4% | 42.6% | | 43.3% | 43.7% | | 35.9% | |

Note:

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

Operating expenses increased 7% year-on-year to S\$661 million in 2Q12. Staff costs rose 7% to S\$401 million, reflecting the impact of a 7% increase in headcount as well as annual salary increments. Other operating expenses grew 7%, largely from higher depreciation, property-related expenses and other costs to support increased business volumes.

Compared with 1Q12, operating expenses were up 6%, largely contributed by a 5% increase in staff costs, partly attributed to salary increments which took effect in April, as well as higher business volume-related costs. Other operating expenses were 7% higher, largely from an increase in business promotion expenditure and higher insurance-related expenses.

The cost-to-income ratio was 43.3% in 2Q12 and 39.4% for 1H12, compared with 43.7% and 42.6%, respectively, in the year-ago periods.

ALLOWANCES FOR LOANS AND OTHER ASSETS

| S\$ million | 1H12 | 1H11 | + / (-) % | 2Q12 | 2Q11 | + / (-) % | 1Q12 | + / (-) % |
|---|------------|------|--------------|-----------|------|--------------|------|--------------|
| Specific allowances/ (write-back) for loans | | | | | | | | |
| Singapore | 37 | 1 | NM | (4) | 3 | (270) | 41 | (112) |
| Malaysia | 9 | 9 | - | 7 | 0 | NM | 2 | 283 |
| Others | 10 | 5 | 155 | 10 | (0) | NM | 0 | NM |
| | 56 | 15 | 285 | 13 | 3 | 365 | 43 | (70) |
| Portfolio allowances for loans | 74 | 84 | (13) | 29 | 54 | (48) | 45 | (37) |
| Allowances and impairment charges/(write-back) for other assets | 4 | 6 | (41) | (4) | (1) | (600) | 8 | (152) |
| Allowances for loans and impairment of other assets | 134 | 105 | 27 | 38 | 56 | (34) | 96 | (61) |

Allowances for loans and other assets continued to reflect the healthy asset quality. Net allowances for loans and other assets were S\$38 million in 2Q12, compared with S\$96 million in 1Q12 and S\$56 million a year ago. The quarter-on-quarter decline was largely from lower specific allowances and portfolio allowances.

LOANS AND ADVANCES

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|--|----------------|-------------|-------------|-------------|
| Loans to customers | 128,857 | 125,331 | 123,817 | 111,900 |
| Bills receivable | 9,487 | 9,273 | 11,315 | 9,276 |
| Gross loans to customers | 138,344 | 134,604 | 135,132 | 121,176 |
| Allowances | | | | |
| Specific allowances | (312) | (330) | (302) | (302) |
| Portfolio allowances | (1,286) | (1,261) | (1,220) | (1,168) |
| | 136,746 | 133,013 | 133,610 | 119,706 |
| Less: assets pledged | – | (45) | (53) | (53) |
| Loans net of allowances | 136,746 | 132,968 | 133,557 | 119,653 |
| By Maturity | | | | |
| Within 1 year | 51,873 | 51,291 | 52,023 | 47,995 |
| 1 to 3 years | 24,703 | 24,933 | 22,817 | 17,943 |
| Over 3 years | 61,768 | 58,380 | 60,292 | 55,238 |
| | 138,344 | 134,604 | 135,132 | 121,176 |
| By Industry | | | | |
| Agriculture, mining and quarrying | 4,880 | 4,095 | 4,042 | 3,135 |
| Manufacturing | 8,393 | 8,543 | 8,424 | 7,546 |
| Building and construction | 21,183 | 20,366 | 20,365 | 17,993 |
| Housing loans | 34,974 | 33,840 | 32,076 | 28,957 |
| General commerce | 18,309 | 18,967 | 20,347 | 17,378 |
| Transport, storage and communication | 9,177 | 8,756 | 9,208 | 7,595 |
| Financial institutions, investment and holding companies | 19,918 | 19,225 | 18,792 | 18,332 |
| Professionals and individuals | 13,634 | 13,547 | 13,952 | 12,215 |
| Others | 7,876 | 7,265 | 7,926 | 8,025 |
| | 138,344 | 134,604 | 135,132 | 121,176 |
| By Currency | | | | |
| Singapore Dollar | 65,249 | 62,912 | 61,198 | 58,429 |
| United States Dollar | 33,630 | 33,843 | 35,716 | 28,863 |
| Malaysian Ringgit | 17,265 | 17,088 | 16,724 | 15,371 |
| Indonesian Rupiah | 4,810 | 4,399 | 4,465 | 3,746 |
| Others | 17,390 | 16,362 | 17,029 | 14,767 |
| | 138,344 | 134,604 | 135,132 | 121,176 |
| By Geography ^{1/} | | | | |
| Singapore | 72,356 | 69,690 | 68,260 | 65,623 |
| Malaysia | 21,477 | 20,938 | 21,064 | 18,868 |
| Rest of Southeast Asia (SEA) | 12,002 | 10,882 | 10,954 | 7,828 |
| Greater China | 17,088 | 17,938 | 19,952 | 14,665 |
| Other Asia Pacific | 6,408 | 6,516 | 6,302 | 6,126 |
| Rest of the World | 9,013 | 8,640 | 8,600 | 8,066 |
| | 138,344 | 134,604 | 135,132 | 121,176 |

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 14% from a year ago, and 3% from the previous quarter, to S\$138 billion as at 30 June 2012. Broad-based loan growth was achieved across key sectors and geographies, with the largest increases coming from housing loans, and loans to the building, construction, agriculture, mining and quarrying sectors.

NON-PERFORMING ASSETS

| S\$ million | Total NPAs ^{1/} | Substandard | Doubtful | Loss | Secured NPAs/ Total NPAs % | NPLs ^{2/} | NPL Ratio ^{2/} % |
|---------------------------|-----------------------------|-------------|------------|------------|--|--------------------|------------------------------|
| Singapore | | | | | | | |
| 30 Jun 2012 | 307 | 154 | 112 | 41 | 68.4 | 307 | 0.4 |
| 31 Mar 2012 | 379 | 177 | 163 | 39 | 60.3 | 320 | 0.5 |
| 31 Dec 2011 | 390 | 205 | 151 | 34 | 61.7 | 330 | 0.5 |
| 30 Jun 2011 | 317 | 228 | 59 | 30 | 55.8 | 240 | 0.4 |
| Malaysia | | | | | | | |
| 30 Jun 2012 | 540 | 381 | 112 | 47 | 57.0 | 456 | 2.1 |
| 31 Mar 2012 | 636 | 515 | 67 | 54 | 70.2 | 560 | 2.7 |
| 31 Dec 2011 | 580 | 462 | 72 | 46 | 67.0 | 486 | 2.3 |
| 30 Jun 2011 | 560 | 393 | 102 | 65 | 54.7 | 444 | 2.4 |
| Rest of SEA | | | | | | | |
| 30 Jun 2012 | 146 | 11 | 80 | 55 | 54.6 | 143 | 1.2 |
| 31 Mar 2012 | 152 | 11 | 81 | 60 | 56.6 | 148 | 1.4 |
| 31 Dec 2011 | 129 | 14 | 57 | 58 | 49.3 | 125 | 1.1 |
| 30 Jun 2011 | 115 | 12 | 33 | 70 | 56.1 | 115 | 1.5 |
| Greater China | | | | | | | |
| 30 Jun 2012 | 36 | 36 | 0 | 0 | 99.6 | 36 | 0.2 |
| 31 Mar 2012 | 28 | 27 | 1 | – | 96.9 | 28 | 0.2 |
| 31 Dec 2011 | 42 | 39 | 3 | – | 73.1 | 42 | 0.2 |
| 30 Jun 2011 | 30 | 26 | 4 | – | 91.8 | 30 | 0.2 |
| Other Asia Pacific | | | | | | | |
| 30 Jun 2012 | 210 | 202 | 8 | – | 92.1 | 210 | 3.3 |
| 31 Mar 2012 | 231 | 223 | 8 | – | 88.1 | 231 | 3.5 |
| 31 Dec 2011 | 188 | 178 | 10 | – | 83.4 | 87 | 1.4 |
| 30 Jun 2011 | 126 | 126 | – | – | 82.7 | 34 | 0.6 |
| Rest of the World | | | | | | | |
| 30 Jun 2012 | 41 | 31 | 8 | 2 | 56.9 | 37 | 0.4 |
| 31 Mar 2012 | 87 | 75 | 10 | 2 | 77.8 | 82 | 1.0 |
| 31 Dec 2011 | 108 | 94 | 12 | 2 | 80.5 | 102 | 1.2 |
| 30 Jun 2011 | 53 | 32 | 18 | 3 | 87.2 | 50 | 0.6 |
| Group | | | | | | | |
| 30 Jun 2012 | 1,280 | 815 | 320 | 145 | 66.4 | 1,189 | 0.9 |
| 31 Mar 2012 | 1,513 | 1,028 | 330 | 155 | 70.0 | 1,369 | 1.0 |
| 31 Dec 2011 | 1,437 | 992 | 305 | 140 | 67.3 | 1,172 | 0.9 |
| 30 Jun 2011 | 1,201 | 817 | 216 | 168 | 60.4 | 913 | 0.8 |

Notes:

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

NON-PERFORMING ASSETS (continued)

The Group's asset quality remained healthy. Non-performing loans ("NPLs") declined 13% from the previous quarter to S\$1,189 million as at 30 June 2012. By geography, the decline was mainly from Malaysia and Rest of the World. By industry segment, the decrease in NPLs was largely from the general commerce and transport, storage and communication sectors.

The Group's NPL ratio was 0.9%, an improvement from 1.0% in the previous quarter, and 0.8% a year ago.

Total non-performing assets ("NPAs"), which include classified debt securities and contingent liabilities, were S\$1,280 million, 15% lower than the previous quarter and 7% higher than a year ago. Of the total NPAs, 64% were in the substandard category and 66% were secured by collateral.

| | 30 Jun 2012 | | 31 Mar 2012 | | 31 Dec 2011 | | 30 Jun 2011 | |
|--|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| | 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 | 5 | 0.1 | 6 | 0.1 | 6 | 0.1 | 8 | 0.2 |
| Manufacturing | 315 | 3.8 | 307 | 3.6 | 294 | 3.5 | 255 | 3.4 |
| Building and construction | 281 | 1.3 | 297 | 1.5 | 149 | 0.7 | 87 | 0.5 |
| Housing loans | 194 | 0.6 | 187 | 0.6 | 188 | 0.6 | 173 | 0.6 |
| General commerce | 120 | 0.7 | 221 | 1.2 | 133 | 0.7 | 108 | 0.6 |
| Transport, storage and communication | 88 | 1.0 | 121 | 1.4 | 128 | 1.4 | 70 | 0.9 |
| Financial institutions, investment and holding companies | 69 | 0.3 | 91 | 0.5 | 130 | 0.7 | 69 | 0.4 |
| Professionals and individuals | 90 | 0.7 | 110 | 0.8 | 114 | 0.8 | 114 | 0.9 |
| Others | 27 | 0.3 | 29 | 0.4 | 30 | 0.4 | 29 | 0.4 |
| Total NPLs | 1,189 | 0.9 | 1,369 | 1.0 | 1,172 | 0.9 | 913 | 0.8 |
| Classified debt securities | 4 | | 10 | | 111 | | 101 | |
| Classified contingent liabilities | 87 | | 134 | | 154 | | 187 | |
| Total NPAs | 1,280 | | 1,513 | | 1,437 | | 1,201 | |

| | 30 Jun 2012 | | 31 Mar 2012 | | 31 Dec 2011 | | 30 Jun 2011 | |
|-------------------------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| | S\$ million | % | S\$ million | % | S\$ million | % | S\$ million | % |
| NPAs by Period Overdue | | | | | | | | |
| Over 180 days | 450 | 35 | 409 | 27 | 512 | 36 | 453 | 38 |
| Over 90 to 180 days | 102 | 8 | 194 | 13 | 85 | 6 | 91 | 8 |
| 30 to 90 days | 145 | 12 | 154 | 10 | 204 | 14 | 231 | 19 |
| Less than 30 days | 16 | 1 | 24 | 2 | 25 | 2 | 40 | 3 |
| Not overdue | 567 | 44 | 732 | 48 | 611 | 42 | 386 | 32 |
| | 1,280 | 100 | 1,513 | 100 | 1,437 | 100 | 1,201 | 100 |

| | 30 Jun 2012 | | 31 Mar 2012 | | 31 Dec 2011 | | 30 Jun 2011 | |
|---------------------------|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | S\$ million | Loan Allowance | Loan Allowance | Loan Allowance | Loan Allowance | Loan Allowance | Loan Allowance | Loan Allowance |
| Restructured Loans | | | | | | | | |
| Substandard | 259 | 9 | 279 | 26 | 186 | 11 | 139 | 3 |
| Doubtful | 18 | 35 | 28 | 22 | 19 | 16 | 25 | 16 |
| Loss | 1 | 1 | 1 | 1 | 2 | 2 | 7 | 4 |
| | 278 | 45 | 308 | 49 | 207 | 29 | 171 | 23 |

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 Jun 2012 | 645 | 83 | 562 | 27.0 | 210.1 |
| 31 Mar 2012 | 643 | 100 | 543 | 26.6 | 169.8 |
| 31 Dec 2011 | 608 | 71 | 537 | 18.1 | 155.9 |
| 30 Jun 2011 | 574 | 40 | 534 | 12.7 | 181.4 |
| Malaysia | | | | | |
| 30 Jun 2012 | 451 | 155 | 296 | 28.8 | 83.6 |
| 31 Mar 2012 | 460 | 167 | 293 | 26.3 | 72.3 |
| 31 Dec 2011 | 454 | 165 | 289 | 28.4 | 78.3 |
| 30 Jun 2011 | 469 | 196 | 273 | 35.0 | 83.8 |
| Rest of SEA | | | | | |
| 30 Jun 2012 | 196 | 67 | 129 | 45.7 | 134.3 |
| 31 Mar 2012 | 182 | 60 | 122 | 39.3 | 118.9 |
| 31 Dec 2011 | 167 | 60 | 107 | 46.3 | 129.6 |
| 30 Jun 2011 | 143 | 64 | 79 | 55.1 | 123.4 |
| Greater China | | | | | |
| 30 Jun 2012 | 174 | 4 | 170 | 10.6 | 483.7 |
| 31 Mar 2012 | 176 | 5 | 171 | 16.7 | 635.4 |
| 31 Dec 2011 | 162 | 3 | 159 | 7.7 | 383.0 |
| 30 Jun 2011 | 154 | 3 | 151 | 8.9 | 507.0 |
| Other Asia Pacific | | | | | |
| 30 Jun 2012 | 69 | – | 69 | – | 33.0 |
| 31 Mar 2012 | 69 | – | 69 | – | 30.1 |
| 31 Dec 2011 | 68 | – | 68 | – | 36.2 |
| 30 Jun 2011 | 71 | – | 71 | – | 56.6 |
| Rest of the World | | | | | |
| 30 Jun 2012 | 70 | 10 | 60 | 24.0 | 168.6 |
| 31 Mar 2012 | 73 | 10 | 63 | 11.3 | 84.0 |
| 31 Dec 2011 | 73 | 13 | 60 | 12.8 | 67.6 |
| 30 Jun 2011 | 68 | 8 | 60 | 15.0 | 128.0 |
| Group | | | | | |
| 30 Jun 2012 | 1,605 | 319 | 1,286 | 24.9 | 125.4 |
| 31 Mar 2012 | 1,603 | 342 | 1,261 | 22.6 | 106.0 |
| 31 Dec 2011 | 1,532 | 312 | 1,220 | 21.7 | 106.6 |
| 30 Jun 2011 | 1,479 | 311 | 1,168 | 25.9 | 123.2 |

As at 30 June 2012, the Group's total cumulative allowances for assets were S\$1,605 million, comprising S\$319 million in specific allowances and S\$1,286 million in portfolio allowances. Total cumulative allowances increased to 125% of total NPAs and 373% of unsecured NPAs, from 106% and 353% respectively, as at 31 March 2012.

DEPOSITS

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|---|----------------|----------------|----------------|----------------|
| Deposits of non-bank customers | 160,325 | 157,541 | 154,555 | 134,302 |
| Deposits and balances of banks | 20,677 | 18,912 | 21,653 | 24,501 |
| | 181,002 | 176,453 | 176,208 | 158,803 |
| Loans to deposits ratio (net non-bank loans/non-bank deposits) | 85.3% | 84.4% | 86.4% | 89.1% |

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Total Deposits By Maturity | | | | |
| Within 1 year | 178,355 | 172,697 | 173,432 | 156,484 |
| 1 to 3 years | 1,699 | 2,959 | 2,116 | 1,544 |
| Over 3 years | 948 | 797 | 660 | 775 |
| | 181,002 | 176,453 | 176,208 | 158,803 |

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Non-Bank Deposits By Product | | | | |
| Fixed deposits | 71,806 | 72,934 | 70,984 | 59,434 |
| Savings deposits | 29,071 | 28,828 | 28,536 | 26,578 |
| Current account | 44,693 | 42,995 | 43,118 | 37,302 |
| Others | 14,755 | 12,784 | 11,917 | 10,988 |
| | 160,325 | 157,541 | 154,555 | 134,302 |

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Non-Bank Deposits By Currency | | | | |
| Singapore Dollar | 81,443 | 80,316 | 80,236 | 69,022 |
| United States Dollar | 25,992 | 23,091 | 21,969 | 18,479 |
| Malaysian Ringgit | 21,174 | 21,715 | 19,128 | 18,473 |
| Indonesian Rupiah | 5,145 | 5,158 | 5,158 | 4,444 |
| Others | 26,571 | 27,261 | 28,064 | 23,884 |
| | 160,325 | 157,541 | 154,555 | 134,302 |

Non-bank customer deposits rose 19% year-on-year, and 2% quarter-on-quarter, to S\$160 billion as at 30 June 2012. The year-on-year growth was underpinned by a 21% increase in fixed deposits and 20% increase in current account deposits, while savings deposits grew 9%.

The Group's loans-to-deposits ratio was 85.3%, compared with 84.4% as at 31 March 2012 and 89.1% a year ago.

DEBT ISSUED

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|---|---------------|---------------|---------------|--------------|
| Subordinated debt (unsecured) | 4,071 | 4,039 | 4,080 | 6,568 |
| Fixed and floating rate notes (unsecured) | 3,009 | 2,830 | 659 | – |
| Commercial papers (unsecured) | 10,973 | 9,727 | 8,293 | 2,848 |
| Structured notes (unsecured) | 200 | 121 | 31 | 96 |
| Total | 18,253 | 16,717 | 13,063 | 9,512 |
| Debt Issued By Maturity | | | | |
| Within one year | 11,146 | 9,786 | 8,319 | 5,424 |
| Over one year | 7,107 | 6,931 | 4,744 | 4,088 |
| Total | 18,253 | 16,717 | 13,063 | 9,512 |

CAPITAL ADEQUACY RATIOS

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|---|----------------|-------------|-------------|-------------|
| Tier 1 Capital | | | | |
| Ordinary and preference shares | 8,991 | 9,015 | 9,023 | 8,612 |
| Disclosed reserves/others | 15,992 | 16,035 | 15,202 | 14,554 |
| Goodwill/others | (6,002) | (6,026) | (5,613) | (5,402) |
| Eligible Tier 1 Capital | 18,981 | 19,024 | 18,612 | 17,764 |
| Tier 2 Capital | | | | |
| Subordinated term notes | 3,346 | 3,316 | 3,343 | 3,381 |
| Revaluation surplus on available-for-sale equity securities | 450 | 405 | 361 | 402 |
| Others | (1,889) | (1,914) | (2,130) | (1,877) |
| Total Eligible Capital | 20,888 | 20,831 | 20,186 | 19,670 |
| Risk Weighted Assets | 134,467 | 129,183 | 128,507 | 115,318 |
| Tier 1 capital adequacy ratio | 14.1% | 14.7% | 14.4% | 15.4% |
| Total capital adequacy ratio | 15.5% | 16.1% | 15.7% | 17.0% |

As at 30 June 2012, the Group's Tier 1 ratio and total capital adequacy ratio ("CAR") were 14.1% and 15.5%, respectively. These ratios remain well above the corresponding regulatory minimums of 6% and 10%. The Group's core Tier 1 ratio, which excludes Tier 1 preference shares, was 11.1% as compared with 11.6% at 31 March 2012. The Group is well positioned to meet MAS' capital requirements for Basel III.

UNREALISED VALUATION SURPLUS

| S\$ million | 30 Jun 2012 | 31 Mar 2012 | 31 Dec 2011 | 30 Jun 2011 |
|---------------------------------|--------------|--------------|--------------|--------------|
| Properties ^{1/} | 2,855 | 2,823 | 2,877 | 2,699 |
| Equity securities ^{2/} | 417 | 916 | 636 | 1,747 |
| Total | 3,272 | 3,739 | 3,513 | 4,446 |

Notes:

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

The Group's unrealised valuation surplus largely represents the difference between the carrying values of its properties and investments in quoted subsidiaries and the property values and market prices of the quoted investments at the respective 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 June 2012 was S\$3.27 billion, a decline 12% from S\$3.74 billion as compared with 31 March 2012, largely attributed to lower equity securities valuation from the Group's equity stakes in GEH and Bank OCBC NISP.

PERFORMANCE BY BUSINESS SEGMENT

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

Operating Profit by Business Segment

| S\$ million | 1H12 | 1H11 | +/(-) % | 2Q12 | 2Q11 | +/(-) % | 1Q12 | +/(-) % |
|---|--------------|--------------|-----------|------------|------------|-----------|--------------|-------------|
| Global Consumer/Private Banking | 284 | 253 | 12 | 130 | 117 | 11 | 154 | (16) |
| Global Corporate/Investment Banking | 904 | 671 | 35 | 488 | 358 | 36 | 416 | 17 |
| Global Treasury and Markets | 310 | 203 | 53 | 128 | 94 | 36 | 182 | (30) |
| Insurance | 369 | 300 | 23 | 90 | 132 | (32) | 279 | (68) |
| Others ^{1/} | (49) | 53 | (192) | (23) | 22 | (205) | (26) | (12) |
| Operating profit after allowances and amortisation | 1,818 | 1,480 | 23 | 813 | 723 | 12 | 1,005 | (19) |

Note:

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

Global Consumer/Private Banking

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

Operating profit after allowances increased 12% year-on-year to S\$284 million in 1H12, reflecting growth in net interest income and fee income, which were partly offset by higher expenses and allowances. For 2Q12, operating profit rose by 11% year-on-year to S\$130 million attributable to broad-based revenue growth, partly offset by an increase in expenses and allowances.

Global Corporate/Investment Banking

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's operating profit after allowances grew by 35% year-on-year to S\$904 million in 1H12, and 36% year-on-year to S\$488 million in 2Q12. The profit growth was driven largely by higher net interest income as a result of robust loan growth as well as a drop in allowances.

Global Treasury and Markets

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

Global Treasury's operating profit increased by 53% to S\$310 million in 1H12, and 36% to S\$128 million in 2Q12. The higher year-on-year profit was largely contributed by an increase in net interest income and trading income.

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.2%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Compared with the year ago period, operating profit from GEH rose 23% to S\$369 million in 1H12, contributed mainly by higher income from life insurance. For 2Q12, operating profit fell 32% year-on-year to S\$90 million due to comparatively weaker investment performance in its insurance business.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$280 million in 1H12 and S\$61 million in 2Q12, up from S\$223 million in 1H11 but down from S\$93 million in 2Q11.

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

| S\$ million | Global Consumer/ Private Banking | Global Corporate/ Investment Banking | Global Treasury and Markets | Insurance | Others | Group |
|---|---|---|--------------------------------------|------------|-------------|--------------|
| 1H12 | | | | | | |
| - External customers | 949 | 1,328 | 416 | 489 | 51 | 3,233 |
| - Intersegment income | - | - | - | - | 35 | 35 |
| Total income ^{1/} | 949 | 1,328 | 416 | 489 | 86 | 3,268 |
| Operating profit before allowances and amortisation ^{1/} | 351 | 928 | 310 | 392 | 1 | 1,982 |
| Amortisation of intangible assets | (7) | - | - | (23) | - | (30) |
| Allowances and impairment for loans and other assets | (60) | (24) | (0) | (0) | (50) | (134) |
| Operating profit after allowances and amortisation ^{1/} | 284 | 904 | 310 | 369 | (49) | 1,818 |
| Other information: | | | | | | |
| Capital expenditure | 14 | 1 | 0 | 19 | 103 | 137 |
| Depreciation | 15 | 4 | 1 | 2 | 65 | 87 |
| 1H11 | | | | | | |
| - External customers | 835 | 1,119 | 311 | 415 | 96 | 2,776 |
| - Intersegment income | - | - | - | - | 39 | 39 |
| Total income ^{1/} | 835 | 1,119 | 311 | 415 | 135 | 2,815 |
| Operating profit before allowances and amortisation ^{1/} | 290 | 736 | 204 | 323 | 63 | 1,616 |
| Amortisation of intangible assets | (8) | - | - | (23) | - | (31) |
| Allowances and impairment for loans and other assets | (29) | (65) | (1) | (0) | (10) | (105) |
| Operating profit after allowances and amortisation ^{1/} | 253 | 671 | 203 | 300 | 53 | 1,480 |
| Other information: | | | | | | |
| Capital expenditure | 11 | 1 | 0 | 14 | 103 | 129 |
| Depreciation | 16 | 6 | 1 | 1 | 56 | 80 |

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

| S\$ million | Global Consumer/ Private Banking | Global Corporate/ Investment Banking | Global Treasury and Markets | Insurance | Others | Group |
|---|---|---|--------------------------------------|------------|-------------|--------------|
| 2Q12 | | | | | | |
| - External customers | 468 | 695 | 180 | 154 | 12 | 1,509 |
| - Intersegment income | - | - | - | - | 18 | 18 |
| Total income | 468 | 695 | 180 | 154 | 30 | 1,527 |
| Operating profit before allowances and amortisation | 159 | 487 | 128 | 101 | (9) | 866 |
| Amortisation of intangible assets | (4) | - | - | (11) | - | (15) |
| Write-back/(allowances and impairment) for loans and other assets | (25) | 1 | (0) | (0) | (14) | (38) |
| Operating profit after allowances and amortisation | 130 | 488 | 128 | 90 | (23) | 813 |
| Other information: | | | | | | |
| Capital expenditure | 6 | 1 | 0 | 8 | 59 | 74 |
| Depreciation | 7 | 2 | 1 | 1 | 33 | 44 |
| 2Q11 | | | | | | |
| - External customers | 415 | 585 | 149 | 194 | 51 | 1,394 |
| - Intersegment income | - | - | - | - | 19 | 19 |
| Total income | 415 | 585 | 149 | 194 | 70 | 1,413 |
| Operating profit before allowances and amortisation | 137 | 387 | 94 | 143 | 34 | 795 |
| Amortisation of intangible assets | (5) | - | - | (11) | - | (16) |
| Allowances and impairment for loans and other assets | (15) | (29) | (0) | (0) | (12) | (56) |
| Operating profit after allowances and amortisation | 117 | 358 | 94 | 132 | 22 | 723 |
| Other information: | | | | | | |
| Capital expenditure | 5 | 1 | 0 | 6 | 59 | 71 |
| Depreciation | 8 | 3 | 1 | 0 | 29 | 41 |
| 1Q12 | | | | | | |
| - External customers | 481 | 633 | 236 | 335 | 39 | 1,724 |
| - Intersegment income | - | - | - | - | 17 | 17 |
| Total income ^{1/} | 481 | 633 | 236 | 335 | 56 | 1,741 |
| Operating profit before allowances and amortisation ^{1/} | 192 | 441 | 182 | 291 | 10 | 1,116 |
| Amortisation of intangible assets | (3) | - | - | (12) | - | (15) |
| Write-back/(allowances and impairment) for loans and other assets | (35) | (25) | 0 | (0) | (36) | (96) |
| Operating profit after allowances and amortisation ^{1/} | 154 | 416 | 182 | 279 | (26) | 1,005 |
| Other information: | | | | | | |
| Capital expenditure | 8 | 0 | 0 | 11 | 44 | 63 |
| Depreciation | 8 | 2 | 0 | 1 | 32 | 43 |

Note:

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

| S\$ million | Global Consumer/ Private Banking | Global Corporate/ Investment Banking | Global Treasury and Markets | Insurance | Others | Group |
|----------------------------|---|---|--|------------------|---------------|----------------|
| At 30 June 2012 | | | | | | |
| Segment assets | 61,048 | 94,195 | 69,453 | 57,297 | 23,278 | 305,271 |
| Unallocated assets | | | | | | 84 |
| Elimination | | | | | | (16,768) |
| Total assets | | | | | | 288,587 |
| Segment liabilities | 69,187 | 80,140 | 46,675 | 50,548 | 30,293 | 276,843 |
| Unallocated liabilities | | | | | | 2,033 |
| Elimination | | | | | | (16,768) |
| Total liabilities | | | | | | 262,108 |
| Other information: | | | | | | |
| Gross non-bank loans | 51,592 | 84,598 | 1,210 | 319 | 625 | 138,344 |
| NPAs | 270 | 992 | – | 3 | 15 | 1,280 |
| At 31 March 2012 | | | | | | |
| Segment assets | 59,406 | 90,962 | 66,189 | 58,093 | 24,418 | 299,068 |
| Unallocated assets | | | | | | 68 |
| Elimination | | | | | | (15,799) |
| Total assets | | | | | | 283,337 |
| Segment liabilities | 68,834 | 80,342 | 44,908 | 51,238 | 25,195 | 270,517 |
| Unallocated liabilities | | | | | | 2,154 |
| Elimination | | | | | | (15,799) |
| Total liabilities | | | | | | 256,872 |
| Other information: | | | | | | |
| Gross non-bank loans | 50,282 | 82,099 | 1,096 | 271 | 856 | 134,604 |
| NPAs | 282 | 1,215 | – | 3 | 13 | 1,513 |
| At 31 December 2011 | | | | | | |
| Segment assets | 57,325 | 92,476 | 63,959 | 56,579 | 22,892 | 293,231 |
| Unallocated assets | | | | | | 71 |
| Elimination | | | | | | (15,544) |
| Total assets | | | | | | 277,758 |
| Segment liabilities | 65,592 | 82,467 | 47,366 | 50,227 | 20,337 | 265,989 |
| Unallocated liabilities | | | | | | 1,923 |
| Elimination | | | | | | (15,544) |
| Total liabilities | | | | | | 252,368 |
| Other information: | | | | | | |
| Gross non-bank loans | 48,810 | 83,952 | 1,287 | 373 | 710 | 135,132 |
| NPAs | 292 | 1,121 | – | 3 | 21 | 1,437 |
| At 30 June 2011 | | | | | | |
| Segment assets | 50,714 | 84,834 | 55,361 | 55,233 | 20,285 | 266,427 |
| Unallocated assets | | | | | | 127 |
| Elimination | | | | | | (13,089) |
| Total assets | | | | | | 253,465 |
| Segment liabilities | 60,577 | 67,441 | 46,950 | 48,871 | 16,261 | 240,100 |
| Unallocated liabilities | | | | | | 1,886 |
| Elimination | | | | | | (13,089) |
| Total liabilities | | | | | | 228,897 |
| Other information: | | | | | | |
| Gross non-bank loans | 43,685 | 74,532 | 1,713 | 618 | 628 | 121,176 |
| NPAs | 272 | 909 | – | 3 | 17 | 1,201 |

PERFORMANCE BY GEOGRAPHICAL SEGMENT

| | 1H12 | | 1H11 | | 2Q12 | | 2Q11 | | 1Q12 | |
|---------------------------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| | S\$ million | % | S\$ million | % | S\$ million | % | S\$ million | % | S\$ million | % |
| Total core income | | | | | | | | | | |
| Singapore ^{1/} | 2,044 | 63 | 1,751 | 62 | 904 | 59 | 860 | 61 | 1,140 | 66 |
| Malaysia | 655 | 20 | 601 | 22 | 335 | 22 | 303 | 22 | 320 | 18 |
| Rest of SEA | 235 | 7 | 205 | 7 | 119 | 8 | 106 | 7 | 116 | 7 |
| Greater China ^{1/} | 230 | 7 | 174 | 6 | 118 | 8 | 100 | 7 | 112 | 6 |
| Other Asia Pacific | 65 | 2 | 59 | 2 | 32 | 2 | 30 | 2 | 33 | 2 |
| Rest of the World | 39 | 1 | 25 | 1 | 19 | 1 | 14 | 1 | 20 | 1 |
| | 3,268 | 100 | 2,815 | 100 | 1,527 | 100 | 1,413 | 100 | 1,741 | 100 |
| Profit before income tax | | | | | | | | | | |
| Singapore ^{1/} | 1,139 | 62 | 903 | 60 | 481 | 59 | 418 | 56 | 658 | 65 |
| Malaysia | 405 | 22 | 369 | 24 | 198 | 24 | 185 | 25 | 207 | 21 |
| Rest of SEA | 61 | 3 | 59 | 4 | 27 | 3 | 29 | 4 | 34 | 3 |
| Greater China ^{1/} | 148 | 8 | 99 | 7 | 75 | 9 | 61 | 8 | 73 | 7 |
| Other Asia Pacific | 53 | 3 | 48 | 3 | 26 | 3 | 27 | 4 | 27 | 3 |
| Rest of the World | 30 | 2 | 33 | 2 | 18 | 2 | 22 | 3 | 12 | 1 |
| | 1,836 | 100 | 1,511 | 100 | 825 | 100 | 742 | 100 | 1,011 | 100 |

Note:

- Gains from divestment of non-core assets of S\$56 million in 1Q12 and S\$39 million in 1Q11 were not included in total core income and profit before income tax.

| | 30 Jun 2012 | | 31 Mar 2012 | | 31 Dec 2011 | | 30 Jun 2011 | |
|---------------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| | S\$ million | % | S\$ million | % | S\$ million | % | S\$ million | % |
| Total assets | | | | | | | | |
| Singapore | 179,144 | 62 | 175,396 | 62 | 173,522 | 62 | 159,952 | 63 |
| Malaysia | 56,297 | 20 | 56,037 | 20 | 53,327 | 19 | 50,854 | 20 |
| Rest of SEA | 10,969 | 4 | 10,260 | 3 | 9,962 | 4 | 8,887 | 4 |
| Greater China | 26,836 | 9 | 28,283 | 10 | 28,878 | 10 | 23,215 | 9 |
| Other Asia Pacific | 8,831 | 3 | 8,552 | 3 | 7,854 | 3 | 7,169 | 3 |
| Rest of the World | 6,510 | 2 | 4,809 | 2 | 4,215 | 2 | 3,388 | 1 |
| | 288,587 | 100 | 283,337 | 100 | 277,758 | 100 | 253,465 | 100 |

The geographical segment analysis is based on the location where assets or transactions are booked. For 2Q12, Singapore accounted for 59% of total income and pre-tax profit, while Malaysia accounted for 22% of total income and 24% of pre-tax profit.

Pre-tax profit for Singapore rose 15% year-on-year to S\$481 million, as higher net interest income, fee and commission income and net trading income more than offset lower insurance income, as well as higher expenses. Malaysia's pre-tax profit for 2Q12 was 7% higher from a year ago at S\$198 million, led by higher net trading income and fees and commissions, which more than offset the increased operating expenses.

For 1H12, Singapore accounted for 63% of total income and 62% of pre-tax profit, while Malaysia accounted for 20% of total income and 22% of pre-tax profit.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

| S\$ million | 1H12 | 1H11 | + / (-) | 2Q12 | 2Q11 | + / (-) | 1Q12 | + / (-) |
|--|----------------|----------------|-----------|--------------|--------------|-----------|--------------|-------------|
| | | | % | | | % | | % |
| Interest income | 3,001 | 2,475 | 21 | 1,499 | 1,284 | 17 | 1,502 | – |
| Interest expense | (1,119) | (864) | 29 | (568) | (457) | 24 | (551) | 3 |
| Net interest income | 1,882 | 1,611 | 17 | 931 | 827 | 13 | 951 | (2) |
| Premium income | 2,838 | 2,899 | (2) | 1,454 | 1,512 | (4) | 1,384 | 5 |
| Investment income | 1,238 | 1,118 | 11 | 424 | 503 | (16) | 814 | (48) |
| Net claims, surrenders and annuities | (2,723) | (2,228) | 22 | (1,378) | (1,193) | 16 | (1,345) | 2 |
| Change in life assurance fund contract liabilities | (473) | (982) | (52) | (199) | (446) | (55) | (274) | (27) |
| Commission and others | (588) | (551) | 7 | (230) | (270) | (15) | (358) | (36) |
| Profit from life assurance | 292 | 256 | 14 | 71 | 106 | (33) | 221 | (68) |
| Premium income from general insurance | 69 | 60 | 16 | 37 | 31 | 21 | 32 | 12 |
| Fees and commissions (net) | 591 | 573 | 3 | 317 | 299 | 6 | 274 | 16 |
| Dividends | 69 | 69 | (1) | 40 | 45 | (11) | 29 | 37 |
| Rental income | 36 | 39 | (5) | 18 | 19 | (5) | 18 | (3) |
| Other income | 385 | 246 | 56 | 113 | 86 | 30 | 272 | (59) |
| Non-interest income | 1,442 | 1,243 | 16 | 596 | 586 | 2 | 846 | (30) |
| Total income | 3,324 | 2,854 | 16 | 1,527 | 1,413 | 8 | 1,797 | (15) |
| Staff costs | (783) | (724) | 8 | (401) | (373) | 7 | (382) | 5 |
| Other operating expenses | (503) | (475) | 6 | (260) | (245) | 7 | (243) | 7 |
| Total operating expenses | (1,286) | (1,199) | 7 | (661) | (618) | 7 | (625) | 6 |
| Operating profit before allowances and amortisation | 2,038 | 1,655 | 23 | 866 | 795 | 9 | 1,172 | (26) |
| Amortisation of intangible assets | (30) | (31) | (2) | (15) | (16) | (2) | (15) | – |
| Allowances for loans and impairment of other assets | (134) | (105) | 27 | (38) | (56) | (34) | (96) | (61) |
| Operating profit after allowances and amortisation | 1,874 | 1,519 | 23 | 813 | 723 | 12 | 1,061 | (23) |
| Share of results of associates and joint ventures | 18 | 31 | (40) | 12 | 19 | (36) | 6 | 87 |
| Profit before income tax | 1,892 | 1,550 | 22 | 825 | 742 | 11 | 1,067 | (23) |
| Income tax expense | (309) | (251) | 24 | (138) | (120) | 15 | (171) | (19) |
| Profit for the period | 1,583 | 1,299 | 22 | 687 | 622 | 11 | 896 | (23) |
| Profit attributable to: | | | | | | | | |
| Equity holders of the Bank | 1,480 | 1,205 | 23 | 648 | 577 | 12 | 832 | (22) |
| Non-controlling interests | 103 | 94 | 11 | 39 | 45 | (11) | 64 | (38) |
| | 1,583 | 1,299 | 22 | 687 | 622 | 11 | 896 | (23) |
| Earnings per share (for the period – cents) ^{1/} | | | | | | | | |
| Basic | 41.7 | 34.7 | | 17.5 | 15.9 | | 24.2 | |
| Diluted | 41.6 | 34.6 | | 17.5 | 15.8 | | 24.2 | |

Note:

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| S\$ million | 1H12 | 1H11 | + / (-) % | 2Q12 | 2Q11 | + / (-) % | 1Q12 | + / (-) % |
|--|--------------|-------|--------------|-------------|-------|--------------|-------|--------------|
| Profit for the period | 1,583 | 1,299 | 22 | 687 | 622 | 11 | 896 | (23) |
| Other comprehensive income: | | | | | | | | |
| Available-for-sale financial assets | | | | | | | | |
| Gains/(losses) for the period | 454 | 42 | 986 | 90 | (121) | 174 | 364 | (75) |
| Reclassification of (gains)/losses to income statement | | | | | | | | |
| – on disposal | (64) | (54) | (19) | (21) | (31) | 31 | (43) | 52 |
| – on impairment | 1 | 0 | 238 | 0 | 1 | (79) | 1 | (82) |
| Tax on net movements | (48) | 4 | NM | (3) | 3 | (227) | (45) | 91 |
| Exchange differences on translating foreign operations | (161) | (103) | (56) | (78) | (92) | 15 | (83) | 5 |
| Other comprehensive income of associates and joint ventures | 4 | (1) | 977 | (1) | (0) | (114) | 5 | (108) |
| Total other comprehensive income, net of tax | 186 | (112) | 266 | (13) | (240) | 94 | 199 | (107) |
| Total comprehensive income for the period, net of tax | 1,769 | 1,187 | 49 | 674 | 382 | 77 | 1,095 | (38) |
| Total comprehensive income attributable to: | | | | | | | | |
| Equity holders of the Bank | 1,670 | 1,106 | 51 | 648 | 349 | 86 | 1,022 | (37) |
| Non-controlling interests | 99 | 81 | 22 | 26 | 33 | (20) | 73 | (64) |
| | 1,769 | 1,187 | 49 | 674 | 382 | 77 | 1,095 | (38) |

BALANCE SHEETS (UNAUDITED)

| S\$ million | GROUP | | | | BANK | | | |
|--|--------------------------|--------------------------|----------------|--------------------------|--------------------------|--------------------------|----------------|--------------------------|
| | 30 Jun 2012 [@] | 31 Mar 2012 [@] | 31 Dec 2011 | 30 Jun 2011 [@] | 30 Jun 2012 [@] | 31 Mar 2012 [@] | 31 Dec 2011 | 30 Jun 2011 [@] |
| EQUITY | | | | | | | | |
| Attributable to equity holders of the Bank | | | | | | | | |
| Share capital | 8,991 | 9,014 | 9,023 | 8,612 | 8,991 | 9,014 | 9,023 | 8,612 |
| Capital reserves | 329 | 361 | 279 | 461 | 96 | 93 | 90 | 268 |
| Fair value reserves | 1,460 | 1,394 | 1,125 | 1,368 | 703 | 670 | 510 | 657 |
| Revenue reserves | 12,857 | 12,853 | 12,144 | 11,314 | 8,247 | 8,108 | 7,722 | 7,196 |
| | 23,637 | 23,622 | 22,571 | 21,755 | 18,037 | 17,885 | 17,345 | 16,733 |
| Non-controlling interests | 2,842 | 2,843 | 2,819 | 2,813 | – | – | – | – |
| Total equity | 26,479 | 26,465 | 25,390 | 24,568 | 18,037 | 17,885 | 17,345 | 16,733 |
| LIABILITIES | | | | | | | | |
| Deposits of non-bank customers | 160,325 | 157,541 | 154,555 | 134,302 | 113,747 | 110,450 | 109,827 | 94,511 |
| Deposits and balances of banks | 20,677 | 18,912 | 21,653 | 24,501 | 18,550 | 17,565 | 18,881 | 22,634 |
| Due to subsidiaries | – | – | – | – | 6,541 | 6,153 | 5,913 | 4,652 |
| Due to associates | 174 | 176 | 178 | 128 | 161 | 163 | 164 | 115 |
| Trading portfolio liabilities | 1,113 | 1,484 | 1,655 | 2,156 | 1,113 | 1,484 | 1,655 | 2,156 |
| Derivative payables | 5,316 | 4,970 | 6,113 | 4,642 | 4,869 | 4,771 | 5,782 | 4,240 |
| Other liabilities | 4,497 | 4,625 | 4,024 | 3,845 | 1,477 | 1,397 | 1,459 | 1,382 |
| Current tax | 837 | 930 | 800 | 750 | 284 | 363 | 304 | 290 |
| Deferred tax | 1,196 | 1,224 | 1,123 | 1,135 | 147 | 140 | 121 | 131 |
| Debt issued | 18,253 | 16,717 | 13,063 | 9,512 | 18,888 | 17,442 | 13,797 | 10,153 |
| | 212,388 | 206,579 | 203,164 | 180,971 | 165,777 | 159,928 | 157,903 | 140,264 |
| Life assurance fund liabilities | 49,720 | 50,293 | 49,204 | 47,926 | – | – | – | – |
| Total liabilities | 262,108 | 256,872 | 252,368 | 228,897 | 165,777 | 159,928 | 157,903 | 140,264 |
| Total equity and liabilities | 288,587 | 283,337 | 277,758 | 253,465 | 183,814 | 177,813 | 175,248 | 156,997 |
| ASSETS | | | | | | | | |
| Cash and placements with central banks | 12,084 | 12,040 | 12,897 | 11,160 | 6,185 | 5,303 | 6,986 | 5,541 |
| Singapore government treasury bills and securities | 13,245 | 14,155 | 13,250 | 11,853 | 12,539 | 13,482 | 12,592 | 11,310 |
| Other government treasury bills and securities | 7,927 | 5,608 | 7,397 | 6,239 | 4,462 | 2,452 | 3,988 | 3,620 |
| Placements with and loans to banks | 36,107 | 35,572 | 28,615 | 26,353 | 27,084 | 27,261 | 20,654 | 18,998 |
| Loans and bills receivable | 136,746 | 132,968 | 133,557 | 119,653 | 100,606 | 97,450 | 97,787 | 87,193 |
| Debt and equity securities | 14,366 | 14,870 | 15,081 | 14,181 | 9,147 | 9,415 | 9,721 | 9,545 |
| Assets pledged | 2,072 | 1,641 | 1,839 | 1,155 | 1,864 | 1,424 | 1,329 | 1,055 |
| Assets held for sale | 5 | 6 | 6 | 2 | 2 | – | – | – |
| Derivative receivables | 5,356 | 5,009 | 5,899 | 4,821 | 4,827 | 4,716 | 5,462 | 4,428 |
| Other assets | 4,014 | 4,189 | 3,191 | 3,404 | 1,248 | 1,233 | 1,187 | 990 |
| Deferred tax | 34 | 30 | 44 | 75 | 3 | 3 | 4 | 6 |
| Associates and joint ventures | 369 | 357 | 361 | 346 | 202 | 200 | 215 | 176 |
| Subsidiaries | – | – | – | – | 12,767 | 12,004 | 12,462 | 11,279 |
| Property, plant and equipment | 1,674 | 1,674 | 1,664 | 1,623 | 448 | 442 | 425 | 421 |
| Investment property | 889 | 892 | 922 | 761 | 563 | 561 | 569 | 568 |
| Goodwill and intangible assets | 3,888 | 3,900 | 3,947 | 3,941 | 1,867 | 1,867 | 1,867 | 1,867 |
| | 238,776 | 232,911 | 228,670 | 205,567 | 183,814 | 177,813 | 175,248 | 156,997 |
| Life assurance fund investment assets | 49,811 | 50,426 | 49,088 | 47,898 | – | – | – | – |
| Total assets | 288,587 | 283,337 | 277,758 | 253,465 | 183,814 | 177,813 | 175,248 | 156,997 |
| Net Asset Value Per Ordinary Share[@] (before valuation surplus – S\$) | | | | | | | | |
| | 6.33 | 6.32 | 6.02 | 5.86 | 4.70 | 4.65 | 4.49 | 4.38 |
| OFF-BALANCE SHEET ITEMS | | | | | | | | |
| Contingent liabilities | 8,439 | 9,477 | 10,345 | 8,905 | 7,059 | 7,491 | 7,577 | 6,684 |
| Commitments | 69,036 | 65,568 | 64,892 | 59,073 | 46,864 | 44,420 | 44,780 | 43,228 |
| Derivative financial instruments | 570,918 | 562,353 | 545,502 | 487,753 | 501,114 | 500,671 | 492,372 | 436,273 |

Note:

1. “@” represents unaudited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the half year ended 30 June 2012

| 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 2012 | 9,023 | 279 | 1,125 | 12,144 | 22,571 | 2,819 | 25,390 |
| Total comprehensive income for the period | – | – | 335 | 1,335 | 1,670 | 99 | 1,769 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | – | 44 | – | (44) | – | – | – |
| Distributions and dividends to non-controlling interests | – | – | – | – | – | (126) | (126) |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 | – | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (561) | (561) | – | (561) |
| Share-based staff costs capitalised | – | 6 | – | – | 6 | – | 6 |
| Share buyback held in treasury | (95) | – | – | – | (95) | – | (95) |
| Shares issued to non-executive directors | 1 | – | – | – | 1 | – | 1 |
| Shares purchased by DSP Trust | – | (2) | – | – | (2) | – | (2) |
| Shares vested under DSP Scheme | – | 39 | – | – | 39 | – | 39 |
| Treasury shares transferred/sold | 62 | (37) | – | – | 25 | – | 25 |
| Total contributions by and distributions to owners | (32) | 50 | – | (603) | (585) | (126) | (711) |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | |
| Changes in non-controlling interests | – | – | – | (19) | (19) | 50 | 31 |
| Total changes in ownership interests in subsidiaries | – | – | – | (19) | (19) | 50 | 31 |
| Balance at 30 June 2012 | 8,991 | 329 | 1,460 | 12,857 | 23,637 | 2,842 | 26,479 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 6 | 48 | 54 | (4) | 50 |
| Balance at 1 January 2011 | 8,211 | 613 | 1,374 | 10,592 | 20,790 | 2,855 | 23,645 |
| Total comprehensive income for the period | – | – | (6) | 1,112 | 1,106 | 81 | 1,187 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | – | (161) | – | 161 | – | – | – |
| Distributions and dividends to non-controlling interests | – | – | – | – | – | (130) | (130) |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 | – | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (130) | (130) | – | (130) |
| Share-based staff costs capitalised | – | 6 | – | – | 6 | – | 6 |
| Share buyback held in treasury | (55) | – | – | – | (55) | – | (55) |
| 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 | 40 | (24) | – | – | 16 | – | 16 |
| Total contributions by and distributions to owners | 401 | (152) | – | (383) | (134) | (130) | (264) |
| 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 June 2011 | 8,612 | 461 | 1,368 | 11,314 | 21,755 | 2,813 | 24,568 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 0 | 55 | 55 | (4) | 51 |

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 June 2012

| 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 April 2012 | 9,014 | 361 | 1,394 | 12,853 | 23,622 | 2,843 | 26,465 |
| Total comprehensive income for the period | – | – | 66 | 582 | 648 | 26 | 674 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | – | 0 | – | (0) | – | – | – |
| Distributions and dividends to non-controlling interests | – | – | – | – | – | (77) | (77) |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 | – | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (561) | (561) | – | (561) |
| Share-based staff costs capitalised | – | 3 | – | – | 3 | – | 3 |
| Share buyback held in treasury | (71) | – | – | – | (71) | – | (71) |
| Shares issued to non-executive directors | 1 | – | – | – | 1 | – | 1 |
| Shares purchased by DSP Trust | – | (2) | – | – | (2) | – | (2) |
| Shares vested under DSP Scheme | – | 4 | – | – | 4 | – | 4 |
| Treasury shares transferred/sold | 47 | (37) | – | – | 10 | – | 10 |
| Total contributions by and distributions to owners | (23) | (32) | – | (559) | (614) | (77) | (691) |
| Changes in ownership interests in subsidiaries that do not result in loss of control | | | | | | | |
| Changes in non-controlling interests | – | – | – | (19) | (19) | 50 | 31 |
| Total changes in ownership interests in subsidiaries | – | – | – | (19) | (19) | 50 | 31 |
| Balance at 30 June 2012 | 8,991 | 329 | 1,460 | 12,857 | 23,637 | 2,842 | 26,479 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 6 | 48 | 54 | (4) | 50 |
| Balance at 1 April 2011 | 8,218 | 541 | 1,515 | 11,285 | 21,559 | 2,861 | 24,420 |
| Total comprehensive income for the period | – | – | (147) | 496 | 349 | 33 | 382 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Transfers | – | (77) | – | 77 | – | – | – |
| Distributions and dividends to non-controlling interests | – | – | – | – | – | (81) | (81) |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 | – | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (130) | (130) | – | (130) |
| Share-based staff costs capitalised | – | 2 | – | – | 2 | – | 2 |
| Share buyback held in treasury | (37) | – | – | – | (37) | – | (37) |
| 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 | – | 1 | – | – | 1 | – | 1 |
| Treasury shares transferred/sold | 15 | (4) | – | – | 11 | – | 11 |
| Total contributions by and distributions to owners | 394 | (80) | – | (467) | (153) | (81) | (234) |
| Balance at 30 June 2011 | 8,612 | 461 | 1,368 | 11,314 | 21,755 | 2,813 | 24,568 |
| Included: | | | | | | | |
| Share of reserves of associates and joint ventures | – | – | 0 | 55 | 55 | (4) | 51 |

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the half year ended 30 June 2012

| S\$ million | Share capital | Capital reserves | Fair value reserves | Revenue reserves | Total equity |
|--|---------------|------------------|---------------------|------------------|---------------|
| Balance at 1 January 2012 | 9,023 | 90 | 510 | 7,722 | 17,345 |
| Total comprehensive income for the period | – | – | 193 | 1,084 | 1,277 |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (561) | (561) |
| Share-based staff costs capitalised | – | 6 | – | – | 6 |
| Share buyback held in treasury | (95) | – | – | – | (95) |
| Shares issued to non-executive directors | 1 | – | – | – | 1 |
| Treasury shares transferred/sold | 62 | – | – | – | 62 |
| Balance at 30 June 2012 | 8,991 | 96 | 703 | 8,247 | 18,037 |
| Balance at 1 January 2011 | 8,211 | 432 | 606 | 6,605 | 15,854 |
| Total comprehensive income for the period | – | – | 51 | 835 | 886 |
| Transfers | – | (170) | – | 170 | – |
| Arising from merger of subsidiaries | – | – | – | 130 | 130 |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (130) | (130) |
| Share-based staff costs capitalised | – | 6 | – | – | 6 |
| Share buyback held in treasury | (55) | – | – | – | (55) |
| Shares issued in-lieu of ordinary dividends | 416 | – | – | (416) | – |
| Shares issued to non-executive directors | 0 | – | – | – | 0 |
| Treasury shares transferred/sold | 40 | – | – | – | 40 |
| Balance at 30 June 2011 | 8,612 | 268 | 657 | 7,196 | 16,733 |

For the three months ended 30 June 2012

| S\$ million | Share capital | Capital reserves | Fair value reserves | Revenue reserves | Total equity |
|--|---------------|------------------|---------------------|------------------|---------------|
| Balance at 1 April 2012 | 9,014 | 93 | 670 | 8,108 | 17,885 |
| Total comprehensive income for the period | – | – | 33 | 698 | 731 |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (561) | (561) |
| Share-based staff costs capitalised | – | 3 | – | – | 3 |
| Share buyback held in treasury | (70) | – | – | – | (70) |
| Shares issued to non-executive directors | 1 | – | – | – | 1 |
| Treasury shares transferred/sold | 46 | – | – | – | 46 |
| Balance at 30 June 2012 | 8,991 | 96 | 703 | 8,247 | 18,037 |
| Balance at 1 April 2011 | 8,218 | 350 | 684 | 7,152 | 16,404 |
| Total comprehensive income for the period | – | – | (27) | 503 | 476 |
| Transfers | – | (85) | – | 85 | – |
| DSP reserve from dividends on unvested shares | – | – | – | 2 | 2 |
| Ordinary and preference dividends paid in cash | – | – | – | (130) | (130) |
| Share-based staff costs capitalised | – | 3 | – | – | 3 |
| Share buyback held in treasury | (37) | – | – | – | (37) |
| Shares issued in-lieu of ordinary dividends | 416 | – | – | (416) | – |
| Shares issued to non-executive directors | 0 | – | – | – | 0 |
| Treasury shares transferred/sold | 15 | – | – | – | 15 |
| Balance at 30 June 2011 | 8,612 | 268 | 657 | 7,196 | 16,733 |

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 30 June 2012

| S\$ million | 1H12 | 1H11 | 2Q12 | 2Q11 |
|--|----------------|----------------|----------------|----------------|
| Cash flows from operating activities | | | | |
| Profit before income tax | 1,892 | 1,550 | 825 | 742 |
| Adjustments for non-cash items | | | | |
| Amortisation of intangible assets | 30 | 31 | 15 | 16 |
| Allowances for loans and impairment of other assets | 134 | 105 | 38 | 56 |
| Change in fair value for hedging transactions and trading securities | (37) | (4) | (8) | 16 |
| Depreciation of property, plant and equipment and investment property | 87 | 80 | 44 | 41 |
| Net gain on disposal of property, plant and equipment and investment property | (58) | (41) | (0) | (2) |
| Net gain on disposal of government, debt and equity securities | (64) | (54) | (21) | (31) |
| Net gain on disposal of associates | – | (1) | – | (0) |
| Share-based staff costs | 5 | 6 | 3 | 3 |
| Share of results of associates and joint ventures | (18) | (31) | (12) | (19) |
| Items relating to life assurance fund | | | | |
| Surplus before income tax | 410 | 332 | 77 | 131 |
| Surplus transferred from life assurance fund | (291) | (255) | (71) | (105) |
| Operating profit before change in operating assets and liabilities | 2,090 | 1,718 | 890 | 848 |
| Change in operating assets and liabilities | | | | |
| Deposits of non-bank customers | 5,766 | 10,991 | 2,782 | 8,293 |
| Deposits and balances of banks | (976) | 7,992 | 1,765 | (412) |
| Derivative payables and other liabilities | (342) | 520 | 197 | (157) |
| Trading portfolio liabilities | (542) | 422 | (372) | 513 |
| Government securities and treasury bills | (722) | (1,031) | (1,525) | (796) |
| Trading securities | 485 | 170 | 76 | 327 |
| Placements with and loans to banks | (7,497) | (7,931) | (620) | (1,899) |
| Loans and bills receivable | (3,266) | (14,778) | (3,774) | (10,306) |
| Derivative receivables and other assets | (28) | (182) | (309) | 312 |
| Net change in investment assets and liabilities of life assurance fund | (221) | 7 | 11 | (33) |
| Cash used in operating activities | (5,253) | (2,102) | (879) | (3,310) |
| Income tax paid | (317) | (256) | (229) | (193) |
| Net cash used in operating activities | (5,570) | (2,358) | (1,108) | (3,503) |
| Cash flows from investing activities | | | | |
| Dividends from associates | 0 | 0 | 0 | 0 |
| Decrease/(increase) in associates and joint ventures | 15 | (62) | (2) | (21) |
| Net cashflow from acquisition of a business | – | 10 | – | 1 |
| Purchases of debt and equity securities | (2,539) | (3,042) | (1,101) | (1,750) |
| Purchases of property, plant and equipment and investment property | (137) | (129) | (74) | (71) |
| Proceeds from disposal of debt and equity securities | 2,910 | 2,657 | 1,432 | 1,538 |
| Proceeds from disposal of interest in a subsidiary | – | 82 | – | – |
| Proceeds from disposal of associates | – | 2 | – | 2 |
| Proceeds from disposal of property, plant and equipment and investment property | 89 | 43 | 84 | 40 |
| Net cash from/(used in) investing activities | 338 | (439) | 339 | (261) |
| Cash flows from financing activities | | | | |
| Changes in non-controlling interests | 31 | – | 31 | – |
| Dividends paid to equity holders of the Bank | (561) | (130) | (561) | (130) |
| Distributions and dividends paid to non-controlling interests | (126) | (130) | (77) | (81) |
| Issue of subordinated debt | – | 399 | – | – |
| Increase in other debt issued | 5,262 | 2,427 | 1,551 | 1,547 |
| Proceeds from treasury shares transferred/sold under the Bank's employee share schemes | 25 | 16 | 10 | 11 |
| Share buyback held in treasury | (95) | (55) | (71) | (37) |
| Net cash from financing activities | 4,536 | 2,527 | 883 | 1,310 |
| Net currency translation adjustments | (117) | (63) | (70) | (61) |
| Net change in cash and cash equivalents | (813) | (333) | 44 | (2,515) |
| Cash and cash equivalents at beginning of period | 12,897 | 11,493 | 12,040 | 13,675 |
| Cash and cash equivalents at end of period | 12,084 | 11,160 | 12,084 | 11,160 |

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 | Half year ended 30 June | | Three months ended 30 June | |
|--|-------------------------|----------------------|----------------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Issued ordinary shares | | | | |
| Balance at beginning of period | 3,441,043,176 | 3,341,044,969 | 3,441,043,176 | 3,341,044,969 |
| Shares issued to non-executive directors | 56,515 | 48,000 | 56,515 | 48,000 |
| Shares issued pursuant to Scrip Dividend Scheme | – | 49,278,032 | – | 49,278,032 |
| Balance at end of period | 3,441,099,691 | 3,390,371,001 | 3,441,099,691 | 3,390,371,001 |
| Treasury shares | | | | |
| Balance at beginning of period | (3,965,793) | (3,269,326) | (4,134,020) | (2,069,192) |
| Share buyback | (10,884,000) | (5,827,000) | (8,114,000) | (3,974,000) |
| Shares sold/transferred to employees pursuant to OCBC Share Option Scheme | 4,214,406 | 1,887,287 | 1,655,706 | 1,154,292 |
| Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan | 178,430 | 691,499 | 135,357 | 567,292 |
| Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan | 4,085,746 | 2,587,281 | 4,085,746 | 391,349 |
| Shares sold for cash | – | – | – | – |
| Balance at end of period | (6,371,211) | (3,930,259) | (6,371,211) | (3,930,259) |
| Total | 3,434,728,480 | 3,386,440,742 | 3,434,728,480 | 3,386,440,742 |

Pursuant to the share purchase mandates approved at the extraordinary general meetings held on 15 April 2011 and 25 April 2012, the Bank purchased a total of 8,114,000 ordinary shares in the second quarter ended 30 June 2012. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$8.19 to S\$8.99 per share and the total consideration paid was S\$70,083,466 (including transaction costs).

From 1 April 2012 to 30 June 2012 (both dates inclusive), the Bank utilised 1,655,706 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 June 2012, the number of options outstanding under the OCBC SOS 2001 was 33,204,985 (30 June 2011: 33,762,841).

From 1 April 2012 to 30 June 2012 (both dates inclusive), the Bank utilised 135,357 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to the OCBC Employee Share Purchase Plan (“ESPP”). As at 30 June 2012, the number of acquisition rights outstanding under the OCBC ESPP was 9,176,401 (30 June 2011: 8,073,653).

From 1 April 2012 to 30 June 2012 (both dates inclusive), the Bank transferred 4,085,746 treasury shares to the Trust administering the OCBC Deferred Share Plan following the Bank’s award of deferred shares to employees of the Group.

No new preference shares were allotted and issued by the Bank in the second quarter ended 30 June 2012.

OTHER MATTERS

1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.

SUBSEQUENT EVENTS


1. On 5 July 2012, OCBC Bank announced that it had priced S\$1 billion of non-cumulative non-convertible non-voting Class M Preference Shares (“Preference Shares”). The Preference Shares were issued on 17 July 2012 and are expected to add to OCBC Bank’s Tier 1 capital under Monetary Authority of Singapore’s (“MAS”) current rules and its Additional Tier 1 capital under MAS’ transitional rules for Basel III from 1 January 2013. The Preference Shares will, subject to declaration by the Board of Directors of OCBC Bank, pay semi-annual non-cumulative dividends at the rate of 4% per annum of the liquidation preference of S\$1 per Preference Share. The net proceeds from the issue will be used for general corporate funding purposes.
2. On 18 July 2012, it was announced that OCBC Bank and its 87.2%-owned subsidiary GEH, had entered into agreements for the divestment of 7.9% shareholding in Asia Pacific Breweries Limited and 18.2% shareholding in Fraser and Neave, Limited, for a total cash consideration of approximately S\$3,216 million. The divestment is in line with OCBC Bank’s strategy of divesting its non-core assets and reinvesting in its core financial businesses. The total post-tax divestment gain of OCBC Group was estimated at approximately S\$1,153 million.

Subject to the fulfilment of certain conditions, the divestment is expected to be completed within 90 days from 18 July 2012.

CONFIRMATION BY THE BOARD

We, Cheong Choong Kong and Bobby Chin Yoke Choong, 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 June 2012 to be false or misleading.

On behalf of the Board of Directors



Cheong Choong Kong
Chairman



Bobby Chin Yoke Choong
Director

1 August 2012