Media Release

OCBC Group Reports Second Quarter 2013 Net Profit of S$597 million

First Half 2013 Net Profit of S$1.29 billion

Singapore, 2 August 2013 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") reported a net profit after tax of S$597 million for the second quarter of 2013 ("2Q13"). The Group's core customer businesses continued to deliver strong performance during the quarter. Strong loan growth and a stable net interest margin drove net interest income to a new quarterly high. Fees and commissions also achieved a new quarterly record. Profits of our Malaysian and Indonesian banking subsidiaries increased 8% and 40% year-on-year, respectively, in local currency terms. New insurance business sales were up 34% and new business embedded value was up 20%. The strong core customer business results were however offset by significantly reduced profit contribution from subsidiary Great Eastern Holdings ("GEH") arising from unrealised mark-to-market losses in its Non-Participating Fund. As a result, the Group's net profit declined 8%, from S$648 million a year ago ("2Q12"). Before contribution from GEH, the Group's second quarter operating profit rose 5% year-on-year and 18% quarter-on-quarter, and its net profit rose 1% and 12% respectively against the corresponding periods.

Second quarter net interest income rose 3% to S$961 million, as compared to S$931 million in 2Q12. This was driven by robust customer loan growth across all key customer segments and markets, which increased 15% from a year ago to S$159 billion. Net interest margin of 1.64% was stable quarter-on-quarter, but was 13 basis points lower than 2Q12. The year-on-year decline in net interest margin was largely attributable to the sustained low interest rate environment and the continued impact of the re-pricing of existing mortgage loans in Singapore in response to market competition.

Non-interest income was 2% higher at S$606 million, up from S$596 million a year ago. Fees and commissions increased 9% to a new quarterly record of S$347 million, underpinned by continued growth in wealth management, loan-related, fund management and brokerage income. Trading income, supported by customer flows, rose 21% to S$90 million from S$75 million in 2Q12, while net gains from the sale of investment securities increased year-on-year to S$46 million. GEH's new business sales grew 34% year-on-year, while new business embedded value rose 20%, reflecting the underlying strength of its business. However, rising long-term interest rates and widening credit spreads led to unrealised mark-to-market losses in GEH's Non-Participating Fund, resulting in a 78% decline in life assurance profit to S$16 million.

Operating expenses rose 9% to S$718 million, from S$661 million in 2Q12, largely attributed to higher staff-related costs. The increase in staff costs was primarily from headcount growth of 5% to support the expansion of the Group's business franchise, with the balance attributable to annual salary increments and incentive compensation in line with stronger business volume. Net allowances were S$83 million, of which S$72 million were portfolio allowances in line with increases in loan outstanding, as compared to net allowances of S$38 million a year ago.

Compared to the previous quarter ("1Q13"), the Group's net profit after tax was 14% lower. Net interest income was up 5% quarter-on-quarter, lifted by 7% growth in customer loans, while net interest margin remained stable quarter-on-quarter. Non-interest income declined 11%, as increases in fees and commissions, trading and dividend income were offset by lower life insurance profit. Operating expenses rose 7%, largely from higher staff costs due to the Group's annual salary adjustments which took effect in April.

First Half Performance

For the first half of 2013 ("1H13"), the Group reported a net profit after tax of S$1.29 billion, 13% below last year's first half ("1H12") net profit of S$1.48 billion. Core net profit after tax, which excludes divestment gains, fell 10% as strong fee income growth was offset by lower trading and insurance income.

1H13 net interest income was relatively stable year-on-year at S$1.87 billion, as the 11% asset growth was offset by narrower net interest margins as compared with a year ago. Core non-interest income, excluding divestment gains, was 7% lower at S$1.28 billion as compared to S$1.39 billion a year ago. Trading income was 38% lower at S$146 million, as compared to the strong 1H12 performance. Profit from life assurance was down 34% at S$194 million, mainly from the weaker investment performance of GEH's Non-Participating Fund. However, fees and commissions grew 12% to S$663 million from S$591 million a year ago, driven by sustained growth in wealth management, loan-related, fund management and brokerage income. Gains from the sale of investment securities were also higher, up 45% year-on-year to S$93 million. Operating expenses rose 8% to S$1.39 billion, largely attributable to higher staff costs associated with increased staff strength, salary increments and higher business volume-related incentive compensation. Specific allowances declined 76% to S$13 million in 1H13, while portfolio allowances rose 21% to S$89 million, in tandem with strong loan growth. The Group's non-performing loans ("NPL") ratio was 0.7%, an improvement from 0.9% in the previous year.

The Group's overall income from various wealth management activities, comprising income from insurance, private banking, asset management, stockbroking and sales of other wealth management products, was S$877 million in 1H13, up 2% from a year ago. As a share of total income, wealth management activities contributed 28%, as compared to 26% in the previous year. OCBC's private banking business continued to expand, with assets under management of US$45 billion (S$57 billion) as at 30 June 2013, a 26% increase from US$36 billion (S$45 billion) a year ago.

Annualised return on equity, based on core earnings, was 10.9% in 1H13, compared with 13.1% in 1H12, while annualised core earnings per share was 73.4 cents, down from 81.5 cents a year ago.

Allowances and Asset Quality

Net allowances for loans and other assets were S$83 million in 2Q13, higher than the S$21 million in 1Q13, and S$38 million a year ago. These mainly comprised portfolio allowances, which amounted to S$72 million. Specific allowances for loans, net of recoveries and write-backs, remained low at S$11 million, and represented an annualised 3 basis points of loans for the quarter.

The NPL ratio further improved from a year ago to 0.7%, as compared with 0.9% in 2Q12, and was unchanged quarter-on-quarter. Total non-performing assets ("NPAs") declined 8% from a year ago to S$1.18 billion, and were 5% higher from 1Q13. The Group's coverage ratios remained strong, with total cumulative allowances amounting to 144% of total NPAs and 329% of unsecured NPAs.

Capital Ratios

The Group remains strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.9%, and Tier 1 and Total CAR of 14.9% and 16.8% respectively as at 30 June 2013. These ratios, based on MAS' transitional Basel III rules for 2013, were well above the regulatory minima of 4.5%, 6% and 10%, respectively.

Interim Dividend

An interim dividend of 17 cents per share has been declared for the first half-year of 2013. The Scrip Dividend Scheme will not be applicable to the interim dividend. The interim dividend payout will amount to approximately S$583 million, representing 45% of the Group's core net profit after tax.

CEO's Comments

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

"Our quarterly and first half results underscored the continued strong performance of our customer franchise. Broad-based loan and deposit growth, a stable net interest margin, record high income from fees and commissions, strong insurance product sales at Great Eastern all contributed to our underlying performance. We are also pleased with the increased contributions from our Malaysian and Indonesian banking subsidiaries, which reflected the results of our focused strategy of deepening and diversifying our business franchises in the region. Despite the partial erosion to our earnings in the second quarter from the unrealised mark-to-market losses at our subsidiary Great Eastern, the momentum in our customer flow business remains strong. Coupled with our sound capital, funding and liquidity position, we are well-placed to make further inroads into the Group's key markets, while being alert to possible continued uncertainties in the global economy."

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 was 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 450 branches and representative offices in 15 countries and territories, including about 340 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 including being voted "Outstanding Private Bank in Asia Pacific" by Private Banker International.

For more information, please visit www.ocbc.com

For more information, please contact:

Koh Ching Ching
Head, Group Corporate Communications
Tel: (65) 6530 4890
Fax: (65) 6535 7477

Collins Chin
Head, Investor Relations
Tel: (65) 6530 1592
Fax: (65) 6532 6001

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 2013
For the second quarter ended 30 June 2013, Group reported net profit after tax was S$1.29 billion. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend
An interim tax exempt dividend of 17 cents per share (2012: 16 cents tax exempt) has been declared for the first half-year 2013. The interim dividend payout will amount to an estimated S$583 million (2012: S$550 million) or approximately 45% of the Group's core net profit after tax of S$1.29 billion for 1H13.

Closure of Books
The books closure date is 15 August 2013. 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 2013" 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 2013, 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% (2012: 5.1%) per annum; Class G Preference Shares at 4.2% (2012: 4.2%) per annum and Class M Preference Shares at 4.0% (2012: 4.0%) per annum. Total amount of dividends paid for the Class B, Class G and Class M Preference Shares were S$25.4 million, S$8.3 million and S$19.9 million, respectively.

The S$1,000,000,000 5.1% Class B Preference Shares were fully redeemed on 29 July 2013, as announced to the SGX-ST.

Peter Yeoh
Secretary

Singapore, 2 August 2013

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

Oversea-Chinese Banking Corporation Limited

Second Quarter 2013 Group Financial Report

Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

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 2013:

FRS 1 (Amendments):	Presentation of Items of Other Comprehensive Income
FRS 19 (Amendments):	Employee Benefits
FRS 107 (Amendments):	Disclosures: Offsetting Financial Assets and Financial Liabilities
FRS 113	Fair Value Measurement
Improvements to FRSs 2012	

FRS 113 replaces the fair value measurement guidance contained in individual FRSs with a single source of fair value measurement guidance. It provides a definition of fair value, establishes a framework for measuring fair value and sets out the disclosure requirements for fair value measurements. FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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 after tax for the second quarter ended 30 June 2013 ("2Q13") was S$597 million, 8% lower than S$648 million a year ago ("2Q12").

Net interest income grew by 3% to S$961 million, up from S$931 million in 2Q12, led by broad-based loan growth which more than offset a decline in net interest margin. Non-interest income rose 2% to S$606 million in 2Q13, from S$596 million a year ago, as the increase in fees and commissions, net trading income and gains from investment securities more than offset the decline in life assurance profit. Operating expenses increased 9% to S$718 million, from S$661 million in 2Q12, largely contributed by higher staff costs. The increase in staff costs was primarily from headcount growth of 5% to support the expansion of the Group's business franchise. Net allowances were S$83 million, as compared to net allowances of S$38 million a year ago, largely from higher portfolio allowances.

Compared with the first quarter of 2013 ("1Q13"), net profit after tax was 14% lower from S$696 million in the previous quarter, as higher net interest income, fee, trading and dividend income were more than offset by a decline in life assurance profit, and higher operating expenses.

For the first half of 2013 ("1H13"), the Group achieved a net profit after tax of S$1.29 billion, a decline of 13% from S$1.48 billion a year ago. Net interest income was stable at S$1.87 billion, as asset growth was offset by a narrowing in net interest margin. Core non-interest income, excluding divestment gains, declined 7% to S$1.28 billion, from S$1.39 billion in the first half of 2012 ("1H12"), as robust growth in fee income was more than offset by lower life assurance profit and trading income. Operating expenses rose 8% to S$1.39 billion, from S$1.29 billion in 1H12, while allowances for loans and other assets were 22% lower at S$104 million, down from S$134 million a year ago.

Annualised return on equity, based on core earnings, was 10.9% in 1H13, compared with 13.1% a year ago. Annualised earnings per share was 73.4 cents, down from 81.5 cents in 1H12.

FINANCIAL SUMMARY *(continued)*

S$ million	1H13	1H12	+/(-) %	2Q13	2Q12	+/(-) %	1Q13	+/(-) %
Selected Income Statement Items								
Net interest income	**1,873**	1,882	(1)	**961**	931	3	912	5
Non-interest income	**1,282**	1,386	(7)	**606**	596	2	676	(11)
Total core income	**3,155**	3,268	(3)	**1,567**	1,527	3	1,588	(1)
Operating expenses	**(1,390)**	(1,286)	8	**(718)**	(661)	9	(672)	7
Operating profit before allowances and amortisation	**1,765**	1,982	(11)	**849**	866	(2)	916	(7)
Amortisation of intangible assets	**(29)**	(30)	(3)	**(15)**	(15)	(3)	(14)	–
Allowances for loans and impairment of other assets	**(104)**	(134)	(22)	**(83)**	(38)	124	(21)	305
Operating profit after allowances and amortisation	**1,632**	1,818	(10)	**751**	813	(8)	881	(15)
Share of results of associates and joint ventures	**36**	18	96	**23**	12	91	13	73
Profit before income tax	**1,668**	1,836	(9)	**774**	825	(6)	894	(13)
Core net profit attributable to shareholders	**1,293**	1,438	(10)	**597**	648	(8)	696	(14)
Divestment gain, net of tax	–	42	(100)	–	–	–	–	–
Reported net profit attributable to shareholders	**1,293**	1,480	(13)	**597**	648	(8)	696	(14)
Cash basis net profit attributable to shareholders 1/	**1,322**	1,510	(12)	**612**	663	(8)	710	(14)
Selected Balance Sheet Items								
Ordinary equity	**23,072**	21,741	6	**23,072**	21,741	6	23,696	(3)
Total equity *(excluding non-controlling interests)*	**25,467**	23,637	8	**25,467**	23,637	8	26,091	(2)
Total assets	**313,225**	288,587	9	**313,225**	288,587	9	308,824	1
Assets excluding life assurance fund investment assets	**260,616**	238,776	9	**260,616**	238,776	9	255,481	2
Loans and bills receivable *(net of allowances)*	**157,172**	136,746	15	**157,172**	136,746	15	146,839	7
Deposits of non-bank customers	**176,265**	160,325	10	**176,265**	160,325	10	168,818	4

Note:
1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	1H13	1H12	2Q13	2Q12	1Q13
Key Financial Ratios - based on core earnings					
Performance ratios (% p.a.)					
Return on equity [1/ 2/]					
SFRS[3/] basis	**10.9**	13.1	**9.9**	11.6	11.7
Cash basis	**11.1**	13.4	**10.2**	11.9	12.0
Return on assets [4/]					
SFRS[3/] basis	**1.02**	1.24	**0.92**	1.10	1.12
Cash basis	**1.04**	1.26	**0.94**	1.12	1.14
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	**1.64**	1.82	**1.64**	1.77	1.64
Net interest income to total income	**59.4**	57.6	**61.4**	61.0	57.4
Non-interest income to total income	**40.6**	42.4	**38.6**	39.0	42.6
Cost to income	**44.1**	39.4	**45.8**	43.3	42.3
Loans to deposits	**89.2**	85.3	**89.2**	85.3	87.0
NPL ratio	**0.7**	0.9	**0.7**	0.9	0.7
Earnings per share [2/] (annualised - cents)					
Basic earnings	**73.4**	81.5	**67.2**	73.1	79.1
Basic earnings (cash basis)	**75.1**	83.2	**68.9**	74.9	80.8
Diluted earnings	**73.2**	81.3	**67.0**	73.0	78.9
Net asset value per share (S$)					
Before valuation surplus	**6.72**	6.33	**6.72**	6.33	6.90
After valuation surplus	**8.21**	7.28	**8.21**	7.28	8.40
Capital adequacy ratios (%)					
Common Equity Tier 1 [5/]	**14.9**	na	**14.9**	na	16.2
Tier 1	**14.9**	14.1	**14.9**	14.1	16.2
Total	**16.8**	15.5	**16.8**	15.5	18.1

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.
5. The Group's Common Equity Tier 1 ratio is computed based on MAS' transitional Basel III rules for 2013, which took effect on 1 January 2013.
6. "na" denotes not applicable.

NET INTEREST INCOME

Average Balance Sheet

S$ million	1H13 Average Balance	1H13 Interest	1H13 Average Rate [4]	1H12 Average Balance	1H12 Interest	1H12 Average Rate [4]
			%			%
Interest earning assets						
Loans and advances to non-bank customers	**149,057**	**2,161**	**2.92**	133,396	2,059	3.10
Placements with and loans to banks	**44,438**	**370**	**1.68**	42,521	540	2.56
Other interest earning assets [1]	**37,241**	**451**	**2.44**	32,411	402	2.50
Total	**230,736**	**2,982**	**2.61**	208,328	3,001	2.90
Interest bearing liabilities						
Deposits of non-bank customers	**170,901**	**852**	**1.01**	156,681	865	1.11
Deposits and balances of banks	**23,948**	**92**	**0.78**	20,839	95	0.91
Other borrowings [2]	**19,494**	**165**	**1.71**	17,210	159	1.86
Total	**214,343**	**1,109**	**1.04**	194,730	1,119	1.16
Net interest income/margin [3]		**1,873**	**1.64**		1,882	1.82

S$ million	2Q13 Average Balance	2Q13 Interest	2Q13 Average Rate [4]	2Q12 Average Balance	2Q12 Interest	2Q12 Average Rate [4]	1Q13 Average Balance	1Q13 Interest	1Q13 Average Rate [4]
			%			%			%
Interest earning assets									
Loans and advances to non-bank customers	**153,273**	**1,105**	**2.89**	134,106	1,032	3.09	144,794	1,056	2.96
Placements with and loans to banks	**44,607**	**192**	**1.73**	44,977	273	2.44	44,268	178	1.63
Other interest earning assets [1]	**37,541**	**227**	**2.43**	32,332	194	2.41	36,937	224	2.45
Total	**235,421**	**1,524**	**2.60**	211,415	1,499	2.85	225,999	1,458	2.62
Interest bearing liabilities									
Deposits of non-bank customers	**173,799**	**432**	**1.00**	158,946	442	1.12	167,971	420	1.02
Deposits and balances of banks	**24,144**	**47**	**0.79**	21,073	50	0.95	23,750	45	0.76
Other borrowings [2]	**20,998**	**84**	**1.61**	17,618	76	1.73	17,973	81	1.83
Total	**218,941**	**563**	**1.03**	197,637	568	1.15	209,694	546	1.06
Net interest income/margin [3]		**961**	**1.64**		931	1.77		912	1.64

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 rose 3% year-on-year to a new quarterly high of S$961 million in 2Q13, from S$931 million in 2Q12, as interest earning assets growth of 11% outpaced a 13 basis points decline in net interest margin from 1.77% to 1.64%. The margin compression was largely attributable to the sustained low interest rate environment and the continued impact of the re-pricing of existing mortgage loans in Singapore in response to market competition.

Compared with 1Q13, net interest income increased 5% from S$912 million, underpinned by 4% growth in interest earning assets. Net interest margin was stable quarter-on-quarter.

Volume and Rate Analysis

	1H13 vs 1H12			2Q13 vs 2Q12			2Q13 vs 1Q13		
Increase/(decrease) due to change in: S$ million	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Interest income									
Loans and advances to non-bank customers	240	(126)	114	147	(74)	73	63	(25)	38
Placements with and loans to banks	24	(191)	(167)	(2)	(79)	(81)	1	10	11
Other interest earning assets	60	(9)	51	31	2	33	4	(2)	2
Total	324	(326)	(2)	176	(151)	25	68	(17)	51
Interest expense									
Deposits of non-bank customers	78	(86)	(8)	41	(51)	(10)	15	(9)	6
Deposits and balances of banks	14	(16)	(2)	7	(10)	(3)	1	2	3
Other borrowings	21	(14)	7	14	(6)	8	14	(11)	3
Total	113	(116)	(3)	62	(67)	(5)	30	(18)	12
Impact on net interest income	211	(210)	1	114	(84)	30	38	1	39
Due to change in number of days			(10)			–			10
Net interest income			(9)			30			49

NON-INTEREST INCOME

S$ million	1H13	1H12	+/(-) %	2Q13	2Q12	+/(-) %	1Q13	+/(-) %
Fees and commissions								
Brokerage	**37**	30	23	**18**	13	35	19	(5)
Wealth management	**214**	150	43	**109**	76	44	105	4
Fund management	**50**	41	20	**26**	20	26	24	10
Credit card	**30**	24	24	**17**	13	27	13	25
Loan-related	**133**	117	14	**73**	62	17	60	22
Trade-related and remittances	**99**	108	(8)	**51**	59	(11)	48	8
Guarantees	**8**	8	(3)	**4**	4	(10)	4	(1)
Investment banking	**41**	57	(28)	**24**	42	(42)	17	46
Service charges	**39**	41	(4)	**20**	20	1	19	5
Others	**12**	15	(23)	**5**	8	(54)	7	(53)
Sub-total	**663**	591	12	**347**	317	9	316	10
Dividends	**45**	69	(35)	**37**	40	(9)	8	330
Rental income	**34**	36	(5)	**17**	18	(5)	17	(2)
Profit from life assurance	**194**	292	(34)	**16**	71	(78)	178	(91)
Premium income from general insurance	**77**	69	11	**40**	37	9	37	9
Other income								
Net trading income	**146**	235	(38)	**90**	75	21	56	61
Net gain from investment securities	**93**	64	45	**46**	21	120	47	(3)
Net loss from liquidation of a subsidiary	**(3)**	–	–	**(3)**	–	–	–	–
Net gain from disposal of properties	**3**	2	193	**0**	1	(100)	3	(100)
Others	**30**	28	5	**16**	16	(4)	14	21
Sub-total	**269**	329	(18)	**149**	113	33	120	25
Total core non-interest income	**1,282**	1,386	(7)	**606**	596	2	676	(11)
Divestment gain	**–**	56	(100)	**–**	–	–	–	–
Total non-interest income	**1,282**	1,442	(11)	**606**	596	2	676	(11)
Fees and commissions/Total income [1/]	**21.0%**	18.1%		**22.1%**	20.8%		19.9%	
Non-interest income/Total income [1/]	**40.6%**	42.4%		**38.6%**	39.0%		42.6%	

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

Non-interest income in the second quarter grew 2% year-on-year to S$606 million in 2Q13, from S$596 million a year ago, led by higher fee and commission income, net trading income, and net gains from investment securities. Fee and commission income rose 9% to a new record of S$347 million, up from S$317 million in 2Q12, driven by continued growth in wealth management, loan-related, fund management and brokerage income. Net trading income, supported by customer flows, increased to S$90 million, from S$75 million a year ago, while investment income were higher at S$46 million, as compared to S$21 million in 2Q12. Profit from life assurance was S$16 million in 2Q13, a decline of 78% compared with S$71 million a year ago, as Great Eastern Holdings' ("GEH") Non-Participating Fund[2] was impacted by rising long-term interest rates and widening credit spreads, resulting in unrealised mark-to-market losses.

Compared with 1Q13, non-interest income declined by 11% from S$676 million, as higher fee, dividend and net trading income were more than offset by lower profit contribution from life assurance.

[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.

OPERATING EXPENSES

S$ million	1H13	1H12	+/(-) %	2Q13	2Q12	+/(-) %	1Q13	+/(-) %
Staff costs								
Salaries and other costs	**796**	719	11	**411**	370	11	385	7
Share-based expenses	**6**	5	33	**3**	3	34	3	19
Contribution to defined contribution plans	**64**	59	9	**31**	28	11	33	(6)
	866	783	11	**445**	401	11	421	6
Property and equipment								
Depreciation	**101**	87	16	**51**	44	16	50	2
Maintenance and hire of property, plant & equipment	**41**	43	(5)	**22**	20	11	19	16
Rental expenses	**37**	34	7	**19**	17	9	18	3
Others	**79**	71	12	**41**	35	16	38	7
	258	235	10	**133**	116	14	125	6
Other operating expenses	**266**	268	(1)	**140**	144	(3)	126	12
Total operating expenses	**1,390**	1,286	8	**718**	661	9	672	7
Group staff strength								
Period end	**25,123**	23,889	5	**25,123**	23,889	5	24,856	1
Average	**24,883**	23,501	6	**25,008**	23,867	5	24,758	1
Cost to income ratio [1/]	**44.1%**	39.4%		**45.8%**	43.3%		42.3%	

Note:

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

Operating expenses were S$718 million in 2Q13, an increase of 9% year-on-year from S$661 million in 2Q12. This was largely attributable to an 11% rise in staff-related costs to S$445 million, from S$401 million a year ago, reflecting the impact of a 5% increase in staff strength to support the expansion of the Group's franchise, higher base salaries, and incentive compensation linked to higher business volumes. Other operating expenses rose 5% to S$273 million, from S$260 million in 2Q12, largely from higher property and equipment-related expenses.

Compared with 1Q13, operating expenses were up 7% from S$672 million, mainly contributed by an increase in staff costs as the Group's annual salary adjustments took effect in April, and higher expenses to support increased business volumes.

The cost-to-income ratio was 45.8% in 2Q13 and 44.1% for 1H13, compared with 43.3% and 39.4%, respectively, in the year-ago periods.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	1H13	1H12	+/(-) %	2Q13	2Q12	+/(-) %	1Q13	+/(-) %
Specific allowances/ (write-back) for loans								
Singapore	**23**	37	(37)	**10**	(4)	302	13	(27)
Malaysia	**(2)**	9	(120)	**6**	7	(18)	(8)	176
Others	**(8)**	10	(174)	**(5)**	10	(140)	(3)	(16)
	13	56	(76)	**11**	13	(11)	2	588
Portfolio allowances for loans	**89**	74	21	**72**	29	151	17	309
Allowances and impairment charges/(write-back) for other assets	**2**	4	(52)	**0**	(4)	110	2	(72)
Allowances for loans and impairment of other assets	**104**	134	(22)	**83**	38	124	21	305

Allowances for loans and other assets were S$83 million in 2Q13, up from S$38 million a year ago, mainly attributable to an increase in portfolio allowances. Specific allowances for loans, net of recoveries and write-backs were S$11 million for the quarter, a decline of 11% from S$13 million a year ago. Compared with 1Q13, specific allowances were higher, largely from lower recoveries in 2Q13. Specific allowances remained low at 3 basis points of loans on an annualised basis.

Portfolio allowances for loans were S$72 million for the quarter, higher compared with S$29 million a year ago and S$17 million in 1Q13, in line with strong loan growth.

LOANS AND ADVANCES

S$ million	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Loans to customers	**144,544**	137,862	134,156	128,857
Bills receivable	**14,325**	10,640	9,874	9,487
Gross loans to customers	**158,869**	148,502	144,030	138,344
Allowances				
Specific allowances	**(251)**	(289)	(303)	(312)
Portfolio allowances	**(1,438)**	(1,374)	(1,351)	(1,286)
	157,180	146,839	142,376	136,746
Less: assets pledged	**(8)**	–	–	–
Loans net of allowances	**157,172**	146,839	142,376	136,746
By Maturity				
Within 1 year	**59,423**	53,491	52,656	51,873
1 to 3 years	**27,005**	25,688	25,425	24,703
Over 3 years	**72,441**	69,323	65,949	61,768
	158,869	148,502	144,030	138,344
By Industry				
Agriculture, mining and quarrying	**5,413**	5,176	4,863	4,880
Manufacturing	**9,296**	8,651	8,197	8,393
Building and construction	**23,667**	22,697	22,388	21,183
Housing loans	**40,465**	39,474	37,809	34,974
General commerce	**23,007**	18,803	17,502	18,309
Transport, storage and communication	**10,872**	10,033	9,106	9,177
Financial institutions, investment and holding companies	**22,410**	21,411	22,456	19,918
Professionals and individuals	**15,851**	15,004	14,272	13,634
Others	**7,888**	7,253	7,437	7,876
	158,869	148,502	144,030	138,344
By Currency				
Singapore Dollar	**73,336**	71,165	70,141	65,249
United States Dollar	**40,092**	34,815	31,680	33,630
Malaysian Ringgit	**19,817**	19,082	18,404	17,265
Indonesian Rupiah	**5,376**	5,189	4,989	4,810
Others	**20,248**	18,251	18,816	17,390
	158,869	148,502	144,030	138,344
By Geography [1/]				
Singapore	**82,725**	78,040	75,215	72,356
Malaysia	**24,744**	23,908	23,157	21,477
Indonesia	**12,003**	11,005	10,679	10,256
Greater China	**20,204**	16,997	17,379	17,088
Other Asia Pacific	**8,158**	8,135	8,253	8,154
Rest of the World	**11,035**	10,417	9,347	9,013
	158,869	148,502	144,030	138,344

Note:
1. 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.

As at 30 June 2013, gross loans to customers grew by 15% to S$159 billion, from S$138 billion a year ago, and by 7% from S$149 billion in the previous quarter. Loan growth was broad-based across the Group's key geographies and sectors, with the largest increases coming from housing loans, and loans to general commerce, building and construction, financial institutions, 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 Jun 2013	**230**	**105**	**72**	**53**	**63.6**	**230**	**0.3**
31 Mar 2013	264	105	106	53	61.4	264	0.3
31 Dec 2012	258	91	119	48	55.2	258	0.3
30 Jun 2012	307	154	112	41	68.4	307	0.4
Malaysia							
30 Jun 2013	**494**	**292**	**159**	**43**	**57.1**	**472**	**1.9**
31 Mar 2013	430	247	137	46	52.9	407	1.7
31 Dec 2012	432	251	134	47	55.7	409	1.8
30 Jun 2012	540	381	112	47	57.0	456	2.1
Indonesia							
30 Jun 2013	**50**	**4**	**5**	**41**	**62.1**	**50**	**0.4**
31 Mar 2013	55	6	5	44	60.8	55	0.5
31 Dec 2012	60	6	3	51	47.8	60	0.6
30 Jun 2012	69	9	5	55	48.6	69	0.7
Greater China							
30 Jun 2013	**26**	**20**	**–**	**6**	**90.4**	**26**	**0.1**
31 Mar 2013	21	16	–	5	93.2	21	0.1
31 Dec 2012	33	28	0	5	87.9	33	0.2
30 Jun 2012	36	36	0	0	99.6	36	0.2
Other Asia Pacific							
30 Jun 2013	**259**	**218**	**41**	**–**	**64.2**	**259**	**3.2**
31 Mar 2013	243	201	42	–	71.3	242	3.0
31 Dec 2012	281	242	39	–	73.7	281	3.4
30 Jun 2012	287	204	83	–	83.5	284	3.5
Rest of the World							
30 Jun 2013	**118**	**108**	**8**	**2**	**11.5**	**114**	**1.0**
31 Mar 2013	106	96	8	2	24.4	102	1.0
31 Dec 2012	108	99	7	2	23.3	104	1.1
30 Jun 2012	41	31	8	2	56.9	37	0.4
Group							
30 Jun 2013	**1,177**	**747**	**285**	**145**	**56.3**	**1,151**	**0.7**
31 Mar 2013	1,119	671	298	150	57.4	1,091	0.7
31 Dec 2012	1,172	717	302	153	57.4	1,145	0.8
30 Jun 2012	1,280	815	320	145	66.4	1,189	0.9

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

NON-PERFORMING ASSETS *(continued)*

The Group's asset quality remained sound. Non-performing loans ("NPLs") were S$1.15 billion as at 30 June 2013, compared with S$1.09 billion in the previous quarter. By geography, the increase was largely from Malaysia, Other Asia Pacific and Rest of the World, partly offset by a decrease in Singapore. By industry segment, the increase in NPLs was mainly from the general commerce, manufacturing and transport, storage and communication.

The Group's NPL ratio was 0.7%, unchanged from the previous quarter, and an improvement from 0.9% a year ago.

Total non-performing assets ("NPAs") as at 30 June 2013, which include classified debt securities and contingent liabilities, were S$1.18 billion, an increase of 5% from S$1.12 billion in the previous quarter, and 8% lower from S$1.28 billion a year ago. Of the total NPAs, 63% were in the substandard category and 56% were secured by collateral.

	30 Jun 2013		31 Mar 2013		31 Dec 2012		30 Jun 2012	
	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	**4**	**0.1**	6	0.1	6	0.1	5	0.1
Manufacturing	**377**	**4.1**	356	4.1	366	4.5	315	3.8
Building and construction	**168**	**0.7**	186	0.8	199	0.9	281	1.3
Housing loans	**209**	**0.5**	200	0.5	192	0.5	194	0.6
General commerce	**123**	**0.5**	92	0.5	105	0.6	120	0.7
Transport, storage and communication	**109**	**1.0**	79	0.8	77	0.8	88	1.0
Financial institutions, investment and holding companies	**50**	**0.2**	58	0.3	88	0.4	69	0.3
Professionals and individuals	**89**	**0.6**	91	0.6	87	0.6	90	0.7
Others	**22**	**0.3**	23	0.3	25	0.3	27	0.3
Total NPLs	**1,151**	**0.7**	1,091	0.7	1,145	0.8	1,189	0.9
Classified debt securities	**4**		4		4		4	
Classified contingent liabilities	**22**		24		23		87	
Total NPAs	**1,177**		1,119		1,172		1,280	

	30 Jun 2013		31 Mar 2013		31 Dec 2012		30 Jun 2012	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%
NPAs by Period Overdue								
Over 180 days	**320**	**27**	339	30	328	28	450	35
Over 90 to 180 days	**80**	**7**	116	10	81	7	102	8
30 to 90 days	**113**	**10**	133	12	160	14	145	12
Less than 30 days	**9**	**1**	10	1	10	1	16	1
Not overdue	**655**	**55**	521	47	593	50	567	44
	1,177	**100**	1,119	100	1,172	100	1,280	100

	30 Jun 2013		31 Mar 2013		31 Dec 2012		30 Jun 2012	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans								
Substandard	**102**	**4**	175	26	173	10	259	9
Doubtful	**30**	**21**	18	17	22	33	18	35
Loss	**0**	**0**	1	1	0	0	1	1
	132	**25**	194	44	195	43	278	45

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 2013	**686**	**72**	**614**	**31.2**	**297.9**
31 Mar 2013	702	105	597	39.6	265.6
31 Dec 2012	696	105	591	40.8	269.5
30 Jun 2012	645	83	562	27.0	210.1
Malaysia					
30 Jun 2013	**458**	**128**	**330**	**25.8**	**92.6**
31 Mar 2013	452	127	325	29.6	105.1
31 Dec 2012	450	133	317	30.8	104.4
30 Jun 2012	451	155	296	28.8	83.6
Indonesia					
30 Jun 2013	**178**	**26**	**152**	**52.6**	**359.8**
31 Mar 2013	163	29	134	53.5	296.5
31 Dec 2012	164	39	125	66.2	273.2
30 Jun 2012	157	43	114	61.7	227.8
Greater China					
30 Jun 2013	**183**	**2**	**181**	**7.9**	**696.6**
31 Mar 2013	170	2	168	9.4	796.4
31 Dec 2012	170	4	166	10.7	508.9
30 Jun 2012	174	4	170	10.6	483.7
Other Asia Pacific					
30 Jun 2013	**107**	**19**	**88**	**7.2**	**41.1**
31 Mar 2013	109	20	89	8.2	45.1
31 Dec 2012	112	20	92	7.1	40.0
30 Jun 2012	108	24	84	8.3	37.5
Rest of the World					
30 Jun 2013	**82**	**9**	**73**	**8.0**	**70.3**
31 Mar 2013	71	10	61	9.8	67.1
31 Dec 2012	70	10	60	8.8	64.0
30 Jun 2012	70	10	60	24.0	168.6
Group					
30 Jun 2013	**1,694**	**256**	**1,438**	**21.7**	**143.9**
31 Mar 2013	1,667	293	1,374	26.2	149.0
31 Dec 2012	1,662	311	1,351	26.6	141.8
30 Jun 2012	1,605	319	1,286	24.9	125.4

As at 30 June 2013, the Group's total cumulative allowances for assets were S$1.69 billion, comprising S$256 million in specific allowances and S$1.44 billion in portfolio allowances. Total cumulative allowances were 144% of total NPAs and 329% of unsecured NPAs, compared with 149% and 350% respectively, as at 31 March 2013.

DEPOSITS

S$ million	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Deposits of non-bank customers	**176,265**	168,818	165,139	160,325
Deposits and balances of banks	**24,344**	24,967	25,656	20,677
	200,609	193,785	190,795	181,002
Loans to deposits ratio (net non-bank loans/non-bank deposits)	**89.2%**	87.0%	86.2%	85.3%

S$ million	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Total Deposits By Maturity				
Within 1 year	**197,463**	190,832	188,220	178,355
1 to 3 years	**1,832**	1,729	1,441	1,699
Over 3 years	**1,314**	1,224	1,134	948
	200,609	193,785	190,795	181,002
Non-Bank Deposits By Product				
Fixed deposits	**70,960**	67,162	67,263	71,806
Savings deposits	**31,796**	32,256	30,614	29,071
Current account	**56,599**	53,973	52,904	44,693
Others	**16,910**	15,427	14,358	14,755
	176,265	168,818	165,139	160,325
Non-Bank Deposits By Currency				
Singapore Dollar	**86,798**	84,294	82,095	81,443
United States Dollar	**34,611**	30,691	31,455	25,992
Malaysian Ringgit	**22,352**	21,709	20,739	21,174
Indonesian Rupiah	**5,161**	5,536	5,835	5,145
Others	**27,343**	26,588	25,015	26,571
	176,265	168,818	165,139	160,325

Non-bank customer deposits grew 10% year-on-year to S$176 billion as at 30 June 2013, from S$160 billion a year ago, and 4% from S$169 billion in the previous quarter. The year-on-year growth was driven by a 27% increase in current account deposits to S$56.6 billion, from S$44.7 billion in 2Q12, as well as a 9% rise in savings deposits to S$31.8 billion, from S$29.1 billion a year ago. The ratio of current and savings deposits to total non-bank deposits was 50.1%, up from 46.0% a year ago.

The Group's loans-to-deposits ratio was 89.2%, compared with 87.0% in the previous quarter and 85.3% a year ago.

DEBT ISSUED

S$ million	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Subordinated debt (unsecured)	**4,464**	4,684	5,127	4,071
Fixed and floating rate notes (unsecured)	**3,570**	3,596	3,022	3,009
Commercial papers (unsecured)	**9,718**	11,483	2,832	10,973
Structured notes (unsecured)	**588**	550	443	200
Total	**18,340**	20,313	11,424	18,253
Debt Issued By Maturity				
Within one year	**10,873**	12,884	3,673	11,146
Over one year	**7,467**	7,429	7,751	7,107
Total	**18,340**	20,313	11,424	18,253

During the quarter, the Group had S$9.72 billion of commercial papers outstanding. The commercial papers form part of the Group's diversified funding sources.

CAPITAL ADEQUACY RATIOS

S$ million	Basel III 30 Jun 2013	Basel III 31 Mar 2013	Basel II 31 Dec 2012	Basel II 30 Jun 2012
Ordinary shares	**7,036**	7,060	7,057	7,096
Disclosed reserves/others	**16,178**	16,865	15,770	13,933
Regulatory adjustments	**(1,068)**	(1,131)		
Common Equity Tier 1 Capital	**22,146**	22,794		
Additional Tier 1 capital	**4,459**	4,457	4,955	3,954
Regulatory adjustments	**(4,459)**	(4,457)	(6,191)	(6,002)
Tier 1 Capital	**22,146**	22,794	21,591	18,981
Tier 2 capital	**4,204**	4,173	4,586	3,506
Revaluation surplus on available-for-sale equity securities	**–**	–	236	450
Regulatory adjustments	**(1,379)**	(1,446)	(2,303)	(2,049)
Total Eligible Capital	**24,971**	25,521	24,110	20,888
Risk Weighted Assets	**148,131**	140,395	129,647	134,467
Capital Adequacy Ratios				
Common Equity Tier 1	**14.9%**	16.2%	na	na
Tier 1	**14.9%**	16.2%	16.6%	14.1%
Total	**16.8%**	18.1%	18.5%	15.5%

Notes:

1. "na" denotes not applicable.
2. Public disclosures required under MAS Notice 637 Part XI can be found in the Capital and Regulatory Disclosures section of the Bank's investor relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

The Group remains strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.9%, and Tier 1 and Total CAR of 14.9% and 16.8% respectively as at 30 June 2013. These ratios, based on MAS' transitional Basel III rules for 2013, were well above the regulatory minima of 4.5%, 6% and 10%, respectively. As compared to 31 March 2013, the Group's CAR was lower, largely attributable to an increase in risk weighted assets and a decline in CET1 capital resulting from lower unrealised gains on available-for-sale securities.

The Group's CET1 CAR, on a fully-implemented basis, was 10.7%. In computing this ratio, the required regulatory adjustments made against CET1 capital and the recognition of non-controlling interests as CET1 capital are based on MAS' Basel III rules which will be effective from 1 January 2018.

The capital adequacy information of the Group's significant banking subsidiaries as at 30 June 2013 were:

S$ million	Total Risk Weighted Assets	Capital Adequacy Ratios: Common Equity Tier 1	Tier 1	Total
OCBC Bank (Malaysia) Berhad	14,014	12.9%	14.9%	16.8%
Bank OCBC NISP	8,362	13.5%	13.5%	15.7%

The capital adequacy ratios of OCBC Bank (Malaysia) Berhad are computed in accordance with the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia. Bank OCBC NISP computes their ratios based on the standardised approach under the Basel II framework.

UNREALISED VALUATION SURPLUS

S$ million	30 Jun 2013	31 Mar 2013	31 Dec 2012	30 Jun 2012
Properties [1/]	**3,130**	3,125	3,117	2,855
Equity securities [2/]	**1,984**	2,035	1,245	417
Total	**5,114**	5,160	4,362	3,272

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 periods. 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 2013 was S$5.11 billion, a marginal decline from S$5.16 billion as at 31 March 2013, mainly attributable 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	1H13	1H12	+/(-) %	2Q13	2Q12	+/(-) %	1Q13	+/(-) %
Global Consumer/Private Banking	**385**	281	37	**199**	129	54	186	7
Global Corporate/Investment Banking	**893**	907	(2)	**465**	487	(4)	428	9
Global Treasury and Markets	**185**	319	(42)	**98**	136	(28)	87	13
Insurance	**262**	369	(29)	**36**	90	(60)	226	(84)
Others [1/]	**(93)**	(58)	61	**(47)**	(29)	65	(46)	2
Operating profit after allowances and amortisation	**1,632**	1,818	(10)	**751**	813	(8)	881	(15)

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 37% to S$385 million in 1H13, from S$281 million a year ago, driven by higher net interest income and fee income, which were partly offset by higher expenses. 2Q13 operating profit of S$199 million was 54% higher than the S$129 million in the previous year, underpinned by broad-based revenue growth, which offset an increase in expenses.

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 1H13 operating profit after allowances fell 2% year-on-year to S$893 million from S$907 million. Operating profit after allowances in 2Q13 of S$465 million was 4% lower than S$487 million a year ago. The year-on-year decline for both periods was largely attributable to an increase in expenses and allowances. Operating profit in 2Q13 rose 9% quarter-on-quarter to S$465 million from S$428 million, driven by higher net interest income as a result of loan growth and an increase in fee income, partly offset by a rise in expenses and allowances.

Global Treasury and Markets

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

Global Treasury's operating profit fell 42% to S$185 million in 1H13, and declined 28% to S$98 million in 2Q13. The lower year-on-year profit was largely contributed by a decline in trading income. Compared with 1Q13, operating profit rose 13% to S$98 million from S$87 million, attributable to higher net interest 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.

Operating profit from GEH fell 29% to S$262 million in 1H13 from S$369 million, contributed mainly by lower insurance and trading income, and from higher expenses. For 2Q13, operating profit fell 60% year-on-year to S$36 million from S$90 million, as a result of lower income from life insurance.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S$174 million in 1H13 and S$4 million in 2Q13, down from S$280 million in 1H12 and S$61 million in 2Q12 respectively.

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	Others	Group
1H13						
Total income	**1,095**	**1,367**	**302**	**394**	**(3)**	**3,155**
Operating profit before allowances and amortisation	**434**	**936**	**189**	**285**	**(79)**	**1,765**
Amortisation of intangible assets	**(6)**	**–**	**–**	**(23)**	**–**	**(29)**
Allowances and impairment for loans and other assets	**(43)**	**(43)**	**(4)**	**(0)**	**(14)**	**(104)**
Operating profit after allowances and amortisation	**385**	**893**	**185**	**262**	**(93)**	**1,632**
Other information:						
Capital expenditure	**10**	**6**	**2**	**27**	**114**	**159**
Depreciation	**20**	**6**	**1**	**2**	**72**	**101**
1H12						
Total income [1/]	945	1,328	427	489	79	3,268
Operating profit before allowances and amortisation [1/]	348	930	319	392	(7)	1,982
Amortisation of intangible assets	(7)	–	–	(23)	–	(30)
Allowances and impairment for loans and other assets	(60)	(23)	(0)	(0)	(51)	(134)
Operating profit after allowances and amortisation [1/]	281	907	319	369	(58)	1,818
Other information:						
Capital expenditure	14	1	0	19	103	137
Depreciation	15	4	1	2	65	87

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
2Q13						
Total income	**570**	**727**	**156**	**105**	**9**	**1,567**
Operating profit before allowances and amortisation	**223**	**506**	**99**	**47**	**(26)**	**849**
Amortisation of intangible assets	**(4)**	**–**	**–**	**(11)**	**–**	**(15)**
Allowances and impairment for loans and other assets	**(20)**	**(41)**	**(1)**	**(0)**	**(21)**	**(83)**
Operating profit after allowances and amortisation	**199**	**465**	**98**	**36**	**(47)**	**751**
Other information:						
Capital expenditure	**4**	**4**	**2**	**14**	**58**	**82**
Depreciation	**10**	**3**	**1**	**1**	**36**	**51**
2Q12						
Total income	465	692	190	154	26	1,527
Operating profit before allowances and amortisation	157	486	136	101	(14)	866
Amortisation of intangible assets	(4)	–	–	(11)	–	(15)
Write-back/(allowances and impairment) for loans and other assets	(24)	1	0	0	(15)	(38)
Operating profit after allowances and amortisation	129	487	136	90	(29)	813
Other information:						
Capital expenditure	6	1	0	8	59	74
Depreciation	7	2	1	1	33	44
1Q13						
Total income	525	640	146	289	(12)	1,588
Operating profit before allowances and amortisation	211	430	90	238	(53)	916
Amortisation of intangible assets	(2)	–	–	(12)	–	(14)
Write-back/(allowances and impairment) for loans and other assets	(23)	(2)	(3)	(0)	7	(21)
Operating profit after allowances and amortisation	186	428	87	226	(46)	881
Other information:						
Capital expenditure	6	2	0	13	56	77
Depreciation	10	3	0	1	36	50

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 2013						
Segment assets	**71,112**	**107,363**	**65,334**	**61,088**	**17,441**	**322,338**
Unallocated assets						**168**
Elimination						**(9,281)**
Total assets						**313,225**
Segment liabilities	**77,157**	**89,986**	**47,320**	**53,861**	**23,841**	**292,165**
Unallocated liabilities						**1,989**
Elimination						**(9,281)**
Total liabilities						**284,873**
Other information:						
Gross non-bank loans	**60,072**	**96,726**	**1,382**	**57**	**632**	**158,869**
NPAs	**287**	**878**	**–**	**4**	**8**	**1,177**
At 31 March 2013						
Segment assets	69,024	97,418	71,039	61,899	18,855	318,235
Unallocated assets						118
Elimination						(9,529)
Total assets						308,824
Segment liabilities	76,041	86,752	44,706	54,297	25,424	287,220
Unallocated liabilities						2,134
Elimination						(9,529)
Total liabilities						279,825
Other information:						
Gross non-bank loans	58,026	88,096	1,287	487	606	148,502
NPAs	278	828	–	4	9	1,119
At 31 December 2012						
Segment assets	66,779	92,223	67,871	60,617	19,030	306,520
Unallocated assets						90
Elimination						(10,667)
Total assets						295,943
Segment liabilities	73,837	84,507	48,148	53,226	16,124	275,842
Unallocated liabilities						2,067
Elimination						(10,667)
Total liabilities						267,242
Other information:						
Gross non-bank loans	55,384	86,133	1,495	398	620	144,030
NPAs	267	887	–	3	15	1,172
At 30 June 2012						
Segment assets	61,053	94,709	66,310	57,297	17,543	296,912
Unallocated assets						84
Elimination						(8,409)
Total assets						288,587
Segment liabilities	69,175	84,123	39,985	50,548	24,653	268,484
Unallocated liabilities						2,033
Elimination						(8,409)
Total liabilities						262,108
Other information:						
Gross non-bank loans	51,592	84,545	1,263	319	625	138,344
NPAs	270	992	–	3	15	1,280

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	1H13		1H12		2Q13		2Q12		1Q13	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total core income										
Singapore	**1,929**	**61**	2,044	63	**934**	**60**	904	59	995	63
Malaysia	**685**	**22**	655	20	**356**	**23**	335	22	329	21
Indonesia	**251**	**8**	228	7	**132**	**8**	114	8	119	7
Greater China	**170**	**5**	230	7	**85**	**5**	118	8	85	5
Other Asia Pacific	**80**	**3**	72	2	**37**	**2**	37	2	43	3
Rest of the World	**40**	**1**	39	1	**23**	**2**	19	1	17	1
	3,155	**100**	3,268	100	**1,567**	**100**	1,527	100	1,588	100
Profit before income tax										
Singapore	**934**	**56**	1,128	61	**403**	**52**	476	58	531	60
Malaysia	**455**	**27**	416	23	**229**	**30**	203	25	226	25
Indonesia	**94**	**6**	72	4	**50**	**7**	36	4	44	5
Greater China	**80**	**5**	148	8	**34**	**4**	75	9	46	5
Other Asia Pacific	**62**	**4**	42	2	**27**	**3**	17	2	35	4
Rest of the World	**43**	**2**	30	2	**31**	**4**	18	2	12	1
	1,668	**100**	1,836	100	**774**	**100**	825	100	894	100

	30 Jun 2013		31 Mar 2013		31 Dec 2012		30 Jun 2012	
	S$ million	%	S$ million	%	S$ million	%	S$ million	%
Total assets								
Singapore	**195,980**	**63**	192,547	62	181,385	61	179,144	62
Malaysia	**59,129**	**19**	58,014	19	58,030	20	56,297	20
Indonesia	**10,444**	**3**	10,568	4	10,162	3	9,591	3
Greater China	**28,839**	**9**	27,948	9	28,083	9	26,836	9
Other Asia Pacific	**9,625**	**3**	10,205	3	10,426	4	10,209	4
Rest of the World	**9,208**	**3**	9,542	3	7,857	3	6,510	2
	313,225	**100**	308,824	100	295,943	100	288,587	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 2Q13, Singapore accounted for 60% of total income and 52% of pre-tax profit, while Malaysia accounted for 23% of total income and 30% of pre-tax profit.

Pre-tax profit for Singapore declined 15% to S$403 million in 2Q13, from S$476 million a year ago, as higher net interest income, fee and commission income and investment income were offset by lower insurance profit contributions, and higher expenses and allowances. Malaysia's pre-tax profit increased 12% year-on-year to S$229 million, from S$203 million in 2Q12, as higher net interest income and investment income outpaced the increase in operating expenses.

1H13 pre-tax profit for Singapore declined 17% year-on-year to S$934 million, from S$1.13 billion in 1H12, as growth in fees and commissions were more than offset by a decline in net trading income and increased operating expenses. Malaysia's pre-tax profit for 1H13 was 9% higher at S$455 million, from S$416 million a year ago, led by higher net interest income.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S$ million	1H13	1H12	+/(-)	2Q13	2Q12	+/(-)	1Q13	+/(-)
			%			%		%
Interest income	2,982	3,001	(1)	1,524	1,499	2	1,458	5
Interest expense	(1,109)	(1,119)	(1)	(563)	(568)	(1)	(546)	3
Net interest income	1,873	1,882	(1)	961	931	3	912	5
Premium income	3,440	2,838	21	1,910	1,454	31	1,530	25
Investment income	1,304	1,238	5	491	424	16	813	(40)
Net claims, surrenders and annuities	(2,703)	(2,723)	(1)	(1,644)	(1,378)	19	(1,059)	55
Change in life assurance fund contract liabilities	(1,225)	(473)	159	(508)	(199)	155	(717)	(29)
Commission and others	(622)	(588)	6	(233)	(230)	1	(389)	(40)
Profit from life assurance	194	292	(34)	16	71	(78)	178	(91)
Premium income from general insurance	77	69	11	40	37	9	37	9
Fees and commissions (net)	663	591	12	347	317	9	316	10
Dividends	45	69	(35)	37	40	(9)	8	330
Rental income	34	36	(5)	17	18	(5)	17	(2)
Other income	269	385	(30)	149	113	33	120	25
Non-interest income	1,282	1,442	(11)	606	596	2	676	(11)
Total income	3,155	3,324	(5)	1,567	1,527	3	1,588	(1)
Staff costs	(866)	(783)	11	(445)	(401)	11	(421)	6
Other operating expenses	(524)	(503)	4	(273)	(260)	5	(251)	9
Total operating expenses	(1,390)	(1,286)	8	(718)	(661)	9	(672)	7
Operating profit before allowances and amortisation	1,765	2,038	(13)	849	866	(2)	916	(7)
Amortisation of intangible assets	(29)	(30)	(3)	(15)	(15)	(3)	(14)	–
Allowances for loans and impairment of other assets	(104)	(134)	(22)	(83)	(38)	124	(21)	305
Operating profit after allowances and amortisation	1,632	1,874	(13)	751	813	(8)	881	(15)
Share of results of associates and joint ventures	36	18	96	23	12	91	13	73
Profit before income tax	1,668	1,892	(12)	774	825	(6)	894	(13)
Income tax expense	(291)	(309)	(6)	(149)	(138)	7	(142)	4
Profit for the period	1,377	1,583	(13)	625	687	(9)	752	(17)
Profit attributable to:								
Equity holders of the Bank	1,293	1,480	(13)	597	648	(8)	696	(14)
Non-controlling interests	84	103	(19)	28	39	(29)	56	(49)
	1,377	1,583	(13)	625	687	(9)	752	(17)
Earnings per share (for the period – cents)								
Basic	36.0	41.7		15.8	17.5		20.2	
Diluted	35.9	41.6		15.7	17.5		20.2	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S$ million	1H13	1H12	+/(-) %	2Q13	2Q12	+/(-) %	1Q13	+/(-) %
Profit for the period	**1,377**	1,583	(13)	**625**	687	(9)	752	(17)
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the period	**(442)**	454	(197)	**(499)**	90	(656)	57	(969)
Reclassification of (gains)/losses to income statement								
– on disposal	**(92)**	(64)	(44)	**(45)**	(21)	(116)	(47)	4
– on impairment	**0**	1	(85)	**0**	0	44	(0)	388
Tax on net movements	**53**	(48)	209	**57**	(3)	nm	(4)	nm
Exchange differences on translating foreign operations	**(6)**	(161)	97	**(44)**	(78)	45	38	(215)
Actuarial losses on defined benefit plans [1/]	**(5)**	–	–	**(5)**	–	–	–	–
Other comprehensive income of associates and joint ventures	**2**	4	(71)	**(7)**	(1)	nm	9	(185)
Total other comprehensive income, net of tax	**(490)**	186	(364)	**(543)**	(13)	nm	53	nm
Total comprehensive income for the period, net of tax	**887**	1,769	(50)	**82**	674	(88)	805	(90)
Total comprehensive income attributable to:								
Equity holders of the Bank	**818**	1,670	(51)	**73**	648	(89)	745	(90)
Non-controlling interests	**69**	99	(29)	**9**	26	(62)	60	(83)
	887	1,769	(50)	**82**	674	(88)	805	(90)

Note:
1. Item that will not be reclassified to income statement.

BALANCE SHEETS (UNAUDITED)

	GROUP				BANK			
S$ million	30 Jun 2013 @	31 Mar 2013 @	31 Dec 2012	30 Jun 2012 @	30 Jun 2013 @	31 Mar 2013 @	31 Dec 2012	30 Jun 2012 @
EQUITY								
Attributable to equity holders of the Bank								
Share capital	**9,431**	9,456	9,953	8,991	**9,431**	9,456	9,953	8,991
Capital reserves	**385**	415	376	329	**103**	99	96	96
Fair value reserves	**428**	906	895	1,460	**105**	318	321	703
Revenue reserves	**15,223**	15,314	14,580	12,857	**9,946**	9,719	9,214	8,247
	25,467	26,091	25,804	23,637	**19,585**	19,592	19,584	18,037
Non-controlling interests	**2,885**	2,908	2,897	2,842	**–**	–	–	–
Total equity	**28,352**	28,999	28,701	26,479	**19,585**	19,592	19,584	18,037
LIABILITIES								
Deposits of non-bank customers	**176,265**	168,818	165,139	160,325	**124,000**	117,758	115,325	113,747
Deposits and balances of banks	**24,344**	24,967	25,656	20,677	**22,446**	23,293	21,539	18,550
Due to subsidiaries	**–**	–	–	–	**7,009**	7,322	8,258	6,541
Due to associates	**174**	163	161	174	**160**	149	149	161
Trading portfolio liabilities	**629**	678	1,083	1,113	**629**	678	1,083	1,113
Derivative payables	**5,479**	4,717	5,001	5,316	**4,692**	4,352	4,620	4,869
Other liabilities	**4,668**	4,584	4,324	4,497	**1,483**	1,572	1,543	1,477
Current tax	**892**	974	897	837	**331**	415	367	284
Deferred tax	**1,097**	1,161	1,170	1,196	**47**	66	65	147
Debt issued	**18,340**	20,313	11,424	18,253	**18,418**	20,488	11,919	18,888
	231,888	226,375	214,855	212,388	**179,215**	176,093	164,868	165,777
Life assurance fund liabilities	**52,985**	53,450	52,387	49,720	**–**	–	–	–
Total liabilities	**284,873**	279,825	267,242	262,108	**179,215**	176,093	164,868	165,777
Total equity and liabilities	**313,225**	308,824	295,943	288,587	**198,800**	195,685	184,452	183,814
ASSETS								
Cash and placements with central banks	**13,760**	16,228	16,397	12,084	**8,224**	10,046	9,382	6,185
Singapore government treasury bills and securities	**12,202**	12,979	13,141	13,245	**11,371**	11,918	11,962	12,539
Other government treasury bills and securities	**8,535**	10,170	9,157	7,927	**4,605**	6,490	6,098	4,462
Placements with and loans to banks	**32,612**	34,288	29,811	36,107	**25,068**	27,844	21,018	27,084
Loans and bills receivable	**157,172**	146,839	142,376	136,746	**115,599**	106,795	104,157	100,606
Debt and equity securities	**18,264**	17,449	14,932	14,366	**11,802**	11,195	9,348	9,147
Assets pledged	**2,145**	1,861	2,056	2,072	**1,820**	1,645	1,946	1,864
Assets held for sale	**1**	1	5	5	**–**	–	–	2
Derivative receivables	**4,826**	4,724	5,155	5,356	**4,007**	4,288	4,693	4,827
Other assets	**4,230**	4,094	3,845	4,014	**1,337**	1,188	1,148	1,248
Deferred tax	**86**	51	43	34	**33**	31	26	3
Associates and joint ventures	**352**	377	355	369	**152**	192	191	202
Subsidiaries	**–**	–	–	–	**11,852**	11,136	11,577	12,767
Property, plant and equipment	**1,882**	1,725	1,703	1,674	**498**	486	474	448
Investment property	**739**	879	878	889	**565**	564	565	563
Goodwill and intangible assets	**3,810**	3,816	3,818	3,888	**1,867**	1,867	1,867	1,867
	260,616	255,481	243,672	238,776	**198,800**	195,685	184,452	183,814
Life assurance fund investment assets	**52,609**	53,343	52,271	49,811	**–**	–	–	–
Total assets	**313,225**	308,824	295,943	288,587	**198,800**	195,685	184,452	183,814
Net Asset Value Per Ordinary Share @ (before valuation surplus – S$)	**6.72**	6.90	6.68	6.33	**5.01**	5.01	4.86	4.70
OFF-BALANCE SHEET ITEMS								
Contingent liabilities	**9,981**	9,561	9,100	8,439	**7,210**	7,236	6,980	7,059
Commitments	**74,349**	72,188	67,040	69,036	**47,788**	46,452	42,667	46,864
Derivative financial instruments	**548,659**	540,026	560,734	570,918	**449,623**	454,065	481,216	501,114

Note:
1. "@" represents unaudited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)
For the half year ended 30 June 2013

	Attributable to equity holders of the Bank						
S$ million	**Share capital**	**Capital reserves**	**Fair value reserves**	**Revenue reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2013	**9,953**	**376**	**895**	**14,580**	**25,804**	**2,897**	**28,701**
Total comprehensive income for the period	**–**	**–**	**(467)**	**1,285**	**818**	**69**	**887**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	**–**	**0**	**–**	**(0)**	**–**	**–**	**–**
Distributions and dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(81)**	**(81)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**1**	**1**	**–**	**1**
Ordinary and preference dividends	**–**	**–**	**–**	**(643)**	**(643)**	**–**	**(643)**
Redemption of preference shares	**(500)**	**–**	**–**	**(0)**	**(500)**	**–**	**(500)**
Share-based staff costs capitalised	**–**	**7**	**–**	**–**	**7**	**–**	**7**
Share buyback held in treasury	**(109)**	**–**	**–**	**–**	**(109)**	**–**	**(109)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**	**–**	**1**
Shares purchased by DSP Trust	**–**	**(2)**	**–**	**–**	**(2)**	**–**	**(2)**
Shares vested under DSP Scheme	**–**	**40**	**–**	**–**	**40**	**–**	**40**
Treasury shares transferred/sold	**86**	**(36)**	**–**	**–**	**50**	**–**	**50**
Total contributions by and distributions to owners	**(522)**	**9**	**–**	**(642)**	**(1,155)**	**(81)**	**(1,236)**
Balance at 30 June 2013	**9,431**	**385**	**428**	**15,223**	**25,467**	**2,885**	**28,352**
Included: Share of reserves of associates and joint ventures	**–**	**–**	**5**	**82**	**87**	**(5)**	**82**
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	–	–	–	(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

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 June 2013

	Attributable to equity holders of the Bank						
S$ million	**Share capital**	**Capital reserves**	**Fair value reserves**	**Revenue reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 April 2013	**9,456**	**415**	**906**	**15,314**	**26,091**	**2,908**	**28,999**
Total comprehensive income for the period	**–**	**–**	**(478)**	**551**	**73**	**9**	**82**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	**–**	**0**	**–**	**(0)**	**–**	**–**	**–**
Distributions and dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(32)**	**(32)**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**1**	**1**	**–**	**1**
Ordinary and preference dividends	**–**	**–**	**–**	**(643)**	**(643)**	**–**	**(643)**
Share-based staff costs capitalised	**–**	**4**	**–**	**–**	**4**	**–**	**4**
Share buyback held in treasury	**(83)**	**–**	**–**	**–**	**(83)**	**–**	**(83)**
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	**57**	**(36)**	**–**	**–**	**21**	**–**	**21**
Total contributions by and distributions to owners	**(25)**	**(30)**	**–**	**(642)**	**(697)**	**(32)**	**(729)**
Balance at 30 June 2013	**9,431**	**385**	**428**	**15,223**	**25,467**	**2,885**	**28,352**
Included: Share of reserves of associates and joint ventures	**–**	**–**	**5**	**82**	**87**	**(5)**	**82**
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	–	–	–	(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

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the half year ended 30 June 2013

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2013	**9,953**	**96**	**321**	**9,214**	**19,584**
Total comprehensive income for the period	**–**	**–**	**(216)**	**1,374**	**1,158**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**1**	**1**
Ordinary and preference dividends	**–**	**–**	**–**	**(643)**	**(643)**
Redemption of preference shares	**(500)**	**–**	**–**	**(0)**	**(500)**
Share-based staff costs capitalised	**–**	**7**	**–**	**–**	**7**
Share buyback held in treasury	**(109)**	**–**	**–**	**–**	**(109)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**
Treasury shares transferred/sold	**86**	**–**	**–**	**–**	**86**
Balance at 30 June 2013	**9,431**	**103**	**105**	**9,946**	**19,585**
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	–	–	–	(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

For the three months ended 30 June 2013

S$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 April 2013	**9,456**	**99**	**318**	**9,719**	**19,592**
Total comprehensive income for the period	**–**	**–**	**(213)**	**869**	**656**
DSP reserve from dividends on unvested shares	**–**	**–**	**–**	**1**	**1**
Ordinary and preference dividends	**–**	**–**	**–**	**(643)**	**(643)**
Share-based staff costs capitalised	**–**	**4**	**–**	**–**	**4**
Share buyback held in treasury	**(83)**	**–**	**–**	**–**	**(83)**
Shares issued to non-executive directors	**1**	**–**	**–**	**–**	**1**
Treasury shares transferred/sold	**57**	**–**	**–**	**–**	**57**
Balance at 30 June 2013	**9,431**	**103**	**105**	**9,946**	**19,585**
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	–	–	–	(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

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
For the half year ended 30 June 2013

S$ million	1H13	1H12	2Q13	2Q12
Cash flows from operating activities				
Profit before income tax	**1,668**	1,892	**774**	825
Adjustments for non-cash items				
Amortisation of intangible assets	**29**	30	**15**	15
Allowances for loans and impairment of other assets	**104**	134	**83**	38
Change in fair value for hedging transactions and trading securities	**127**	(37)	**76**	(8)
Depreciation of property, plant and equipment and investment property	**101**	87	**51**	44
Net gain on disposal of property, plant and equipment and investment property	**(3)**	(58)	**(0)**	(0)
Net gain on disposal of government, debt and equity securities	**(93)**	(64)	**(46)**	(21)
Net loss on liquidation of a subsidiary	**3**	–	**3**	–
Share-based staff costs	**7**	5	**4**	3
Share of results of associates and joint ventures	**(36)**	(18)	**(23)**	(12)
Items relating to life assurance fund				
Surplus before income tax	**272**	410	**36**	77
Surplus transferred from life assurance fund	**(194)**	(291)	**(16)**	(71)
Operating profit before change in operating assets and liabilities	**1,985**	2,090	**957**	890
Change in operating assets and liabilities				
Deposits of non-bank customers	**11,139**	5,766	**7,458**	2,782
Deposits and balances of banks	**(1,311)**	(976)	**(623)**	1,765
Derivative payables and other liabilities	**1,016**	(342)	**957**	197
Trading portfolio liabilities	**(454)**	(542)	**(49)**	(372)
Government securities and treasury bills	**935**	(722)	**2,072**	(1,525)
Trading securities	**(1,912)**	485	**(724)**	76
Placements with and loans to banks	**(2,070)**	(7,497)	**2,165**	(620)
Loans and bills receivable	**(14,906)**	(3,266)	**(10,424)**	(3,774)
Derivative receivables and other assets	**77**	(28)	**17**	(309)
Net change in investment assets and liabilities of life assurance fund	**163**	(221)	**221**	11
Cash (used in)/from operating activities	**(5,338)**	(5,253)	**2,027**	(879)
Income tax paid	**(310)**	(317)	**(229)**	(229)
Net cash (used in)/from operating activities	**(5,648)**	(5,570)	**1,798**	(1,108)
Cash flows from investing activities				
Dividends from associates	**1**	0	**0**	0
Decrease/(increase) in associates and joint ventures	**37**	15	**41**	(2)
Purchases of debt and equity securities	**(5,954)**	(2,539)	**(3,133)**	(1,101)
Purchases of property, plant and equipment and investment property	**(160)**	(137)	**(82)**	(74)
Proceeds from disposal of debt and equity securities	**3,526**	2,910	**1,684**	1,432
Proceeds from disposal of property, plant and equipment and investment property	**8**	89	**0**	84
Net cash (used in)/from investing activities	**(2,542)**	338	**(1,490)**	339
Cash flows from financing activities				
Changes in non-controlling interests	**–**	31	**–**	31
Dividends paid to equity holders of the Bank	**(638)**	(561)	**(635)**	(561)
Distributions and dividends paid to non-controlling interests	**(81)**	(126)	**(32)**	(77)
Redemption of subordinated debt issued	**(721)**	–	**(243)**	–
Increase/(decrease) in other debt issued	**7,579**	5,262	**(1,752)**	1,551
Redemption of preference shares	**(500)**	–	**–**	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**50**	25	**21**	10
Share buyback held in treasury	**(109)**	(95)	**(83)**	(71)
Net cash from/(used in) financing activities	**5,580**	4,536	**(2,724)**	883
Net currency translation adjustments	**(27)**	(117)	**(52)**	(70)
Net change in cash and cash equivalents	**(2,637)**	(813)	**(2,468)**	44
Cash and cash equivalents at beginning of period	**16,397**	12,897	**16,228**	12,040
Cash and cash equivalents at end of period	**13,760**	12,084	**13,760**	12,084

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

	Half year ended 30 June		Three months ended 30 June	
Number of Shares	**2013**	**2012**	**2013**	**2012**
Issued ordinary shares				
Balance at beginning of period	**3,441,099,691**	3,441,043,176	**3,441,099,691**	3,441,043,176
Shares issued to non-executive directors	**77,194**	56,515	**77,194**	56,515
Balance at end of period	**3,441,176,885**	3,441,099,691	**3,441,176,885**	3,441,099,691
Treasury shares				
Balance at beginning of period	**(10,158,830)**	(3,965,793)	**(7,606,976)**	(4,134,020)
Share buyback	**(10,399,000)**	(10,884,000)	**(7,829,000)**	(8,114,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	**6,969,913**	4,214,406	**2,215,460**	1,655,706
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	**1,104,901**	178,430	**740,500**	135,357
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	**3,174,121**	4,085,746	**3,174,121**	4,085,746
Shares sold for cash	**3,000**	–	**–**	–
Balance at end of period	**(9,305,895)**	(6,371,211)	**(9,305,895)**	(6,371,211)
Total	**3,431,870,990**	3,434,728,480	**3,431,870,990**	3,434,728,480

Pursuant to the share purchase mandates approved at the extraordinary general meetings held on 25 April 2012 and 25 April 2013, the Bank purchased a total of 7,829,000 ordinary shares in the second quarter ended 30 June 2013. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$9.86 to S$11.18 per share and the total consideration paid was S$82,662,722 (including transaction costs).

From 1 April 2013 to 30 June 2013 (both dates inclusive), the Bank utilised 2,215,460 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 ("SOS 2001"). As of 30 June 2013, the number of options outstanding under the OCBC SOS 2001 was 33,140,178 (30 June 2012: 33,204,985).

From 1 April 2013 to 30 June 2013 (both dates inclusive), the Bank utilised 740,500 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to the OCBC Employee Share Purchase Plan ("ESPP"). As of 30 June 2013, the number of acquisition rights outstanding under the OCBC ESPP was 10,653,740 (30 June 2012: 9,176,401).

From 1 April 2013 to 30 June 2013 (both dates inclusive), the Bank transferred 3,174,121 treasury shares to the Trust administering the OCBC Deferred Share Plan following the Bank's award of deferred shares to employees of the Group.

The S$1,000,000,000 5.1% Class B Preference Shares were fully redeemed on 29 July 2013, as announced to the SGX-ST. No new preference shares were allotted and issued by the Bank in the second quarter ended 30 June 2013.

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.

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 2013 to be false or misleading.

On behalf of the Board of Directors

Cheong Choong Kong	Bobby Chin Yoke Choong
Chairman	Director

1 August 2013