

Media Release

OCBC Group Reports Third Quarter Net Profit After Tax of S\$759 million

Strong growth in customer-related businesses drove core earnings up 5% from a year ago and 27% quarter-on-quarter

Singapore, 1 November 2013 - Oversea-Chinese Banking Corporation Limited ("OCBC Bank") reported a net profit after tax of S\$759 million for the third quarter of 2013 ("3Q13"). Excluding non-core gains realised a year ago ("3Q12") from the divestment of the Group's stakes in Fraser and Neave, Limited and Asia Pacific Breweries Limited, core net profit after tax rose 5% from a year ago, and 27% from the previous quarter ("2Q13"). Sustained performance of the Group's broad-based customer-related businesses drove continued growth in net interest income, record fees and commissions, and higher life assurance profit. The Group's Malaysian and Indonesian banking subsidiaries each recorded a 21% year-on-year increase in net profit after tax, in local currency terms, while Great Eastern Holdings' ("GEH") earnings contribution to Group core net profit after tax rose 49%.

Net interest income rose 4% to a quarterly high of S\$978 million, from S\$944 million in 3Q12, driven by robust asset growth which more than offset a year-on-year reduction in net interest margin. Customer loans increased 16% year-on-year to S\$162 billion, with broad-based loan growth across all customer segments and geographies. Net interest margin of 1.63% for 3Q13 was stable quarter-on-quarter, and was 12 basis points lower than the prior year. The year-on-year decline in interest margin was attributable to the continued low interest rate environment, and the re-pricing of existing Singapore housing loans.

Non-interest income, excluding divestment gains, rose 3% to S\$779 million, from S\$754 million in 3Q12, despite a 68% decline in trading income. The Group achieved a consecutive quarter of record fees and commissions of S\$352 million, up 16% from S\$303 million a year ago, spurred by robust growth across all fee segments. Net trading income, however, fell from the strong 3Q12 performance of S\$144 million to S\$47 million. Net gains from the sale of investment securities increased to S\$37 million, from S\$13 million in 3Q12. GEH's underlying insurance business continued to grow strongly, as reflected by a 38% year-on-year increase in new business sales, and an 18% rise in new business embedded value. Profit from life assurance grew 26% from S\$190 million a year ago to S\$240 million, driven by continued underwriting profit growth, and improved investment performance.

Operating expenses of S\$681 million for the quarter were lower as compared to S\$685 million a year ago. The cost-to-income ratio for the third quarter was 38.8%, an improvement from 45.8% the previous quarter, and 40.3% a year ago. Allowances for loans and other assets of S\$94 million were up from S\$70 million in 3Q12. The Group's asset quality remained sound, with the non-performing loans ("NPL") ratio unchanged year-on-year at 0.8%.

Compared to the previous quarter, core net profit after tax for 3Q13 grew 27%. Net interest income was 2% higher quarter-on-quarter, largely from asset growth which more than offset a marginal 1 basis point decline in net interest margin. Non-interest income rose 29%, driven by higher fee income, and an increase in profit from life assurance, largely as a result of a recovery in financial markets which gave rise to unrealised mark-to-market gains in GEH's Non-Participating Fund in 3Q13. Operating expenses fell 5%, contributed by lower staff incentive-related costs, and a decline in insurance-related expenses. Allowances for loans and other assets were S\$94 million, of which S\$49 million related to portfolio allowances set aside for loan growth.

Nine Months' Performance

Net profit after tax for the first nine months of 2013 ("9M13") was S\$2.05 billion. Excluding divestment gains, core net profit after tax declined 5% from a year ago ("9M12"), mainly as trading income declined S\$186 million year-on-year, and profit from life assurance was S\$47 million lower.

Net interest income for 9M13 rose 1% to S\$2.85 billion, from S\$2.83 billion the previous year, as asset growth of 11% more than offset the compression in net interest margin. Excluding divestment gains, core non-interest income of S\$2.06 billion was 4% lower from S\$2.14 billion a year ago, mainly attributable to a 49% decline in trading income. Fees and commissions grew 13% to S\$1.01 billion, led by strong growth in wealth management, loan-related, credit card and fund management income. Net gains from investment securities, from disposal of bonds and equities, increased by S\$53 million to S\$130 million. Net trading income of S\$193 million was lower by S\$186 million, compared to the strong 9M12 performance. Profit from life assurance fell 10% to S\$434 million, as strong underwriting profit growth was more than offset by lower investment performance from GEH's Non-Participating Fund. Operating expenses rose 5% to S\$2.07 billion, from S\$1.97 billion in 9M12, mainly attributable to higher staff costs. Allowances for loans and other assets were S\$198 million, down from S\$204 million a year ago.

The Group's overall income from wealth management activities, comprising income from insurance, private banking, asset management, stockbroking and sales of other wealth management products, was S\$1.44 billion in 9M13, up 8% from a year ago. As a share of total income, wealth management activities contributed 29%, as compared to 27% in the previous year. OCBC's private banking business continued to expand year-on-year, with assets under management of US\$45 billion (S\$57 billion) as at 30 September 2013, a 15% increase from US\$39 billion (S\$48 billion) a year ago.

Annualised return on equity, based on core earnings, was 11.5% in 9M13, compared to 13.0% a year ago. Annualised core earnings per share was 77.4 cents, down from 80.9 cents in 9M12.

Allowances and Asset Quality

Allowances for loans and other assets were S\$94 million for the quarter, up from S\$70 million in 3Q12. Portfolio allowances of S\$49 million were 60% higher year-on-year, in line with robust loan growth. Specific allowances for loans, net of recoveries and writebacks, were S\$42 million, as compared to S\$24 million in 3Q12. Specific allowances for the quarter were at a relatively low 10 basis points of loans on an annualised basis.

Absolute NPLs rose 14% from the previous quarter to S\$1.31 billion as at 30 September 2013, and the NPL ratio remained low at 0.8% as compared to 0.7% in 2Q13. The Group's coverage ratios remained healthy, with total cumulative allowances representing 130% of total NPAs and 294% of unsecured NPAs.

Capital Ratios

The Group continues to be well-capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.3%, and Tier 1 and Total CAR of 14.3% and 16.1% respectively as at 30 September 2013. Based on MAS' transitional Basel III rules for 2013, these ratios were well above the regulatory minima of 4.5%, 6% and 10%, respectively.

CEO's Comments

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

"We are pleased with our third quarter results. The challenging market conditions associated with the uncertainty over the timing of the US Federal Reserve's tapering of bond purchases have reduced our income contribution from trading and market-related activities. However, our customer franchise and the strong momentum across our regional businesses have continued to contribute to robust lending, fee-based and insurance performance. We see further opportunities to deepen our commercial, wealth management and insurance presence in our key markets, and will continue to drive disciplined and sustainable growth in the region."

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 more than 330 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" in 2013 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 Third Quarter Ended 30 September 2013

For the third quarter ended 30 September 2013, Group reported net profit after tax was S\$759 million. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend

No interim dividend on ordinary shares has been declared for the third quarter ended 30 September 2013.

Preference Dividends

The Board of Directors has declared payment of semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class G Preference Shares at 4.2% (2012: 4.2%) per annum and Class M Preference Shares at 4.0% (2012: 4.0%) per annum. These semi-annual dividends, computed for the period 20 June 2013 to 19 December 2013 (both dates inclusive) will be paid on 20 December 2013. Total amounts of dividend payable for the Class G and Class M Preference Shares are S\$8.3 million and S\$20.1 million respectively.

Notice is hereby given that the Transfer Books and the Registers of Preference Shareholders will be closed from 5 December 2013 to 6 December 2013 (both dates inclusive). Duly completed transfers received by the Bank's Share Registrar, M & C Services Private Limited of 112 Robinson Road #05-01 Singapore 068902 up to 5.00 p.m. on 4 December 2013 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividends.

Peter Yeoh
Secretary

Singapore, 1 November 2013

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

Oversea-Chinese Banking Corporation Limited
Third Quarter 2013 Group Financial Report



Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Financial Summary	2
Financial Review	
Net Interest Income	5
Non-Interest Income	7
Operating Expenses	8
Allowances for Loans and Other Assets	9
Loans and Advances	10
Non-Performing Assets	11
Cumulative Allowances for Assets	13
Deposits	14
Debt Issued	14
Capital Adequacy Ratios	15
Unrealised Valuation Surplus	16
Performance by Business Segment	17
Performance by Geographical Segment	22
Financial Statements	
Consolidated Income Statement (Unaudited)	23
Consolidated Statement of Comprehensive Income (Unaudited)	24
Balance Sheets (Unaudited)	25
Statement of Changes in Equity – Group (Unaudited)	
For the nine months ended 30 September 2013	26
For the three months ended 30 September 2013	27
Statement of Changes in Equity – Bank (Unaudited)	
For the nine months ended 30 September 2013	28
For the three months ended 30 September 2013	28
Consolidated Cash Flow Statement (Unaudited)	29
Share Capital and Options on Shares in the Bank	30
Other Matters	31
Attachment: Confirmation by the Board	

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 was S\$759 million for the third quarter ended 30 September 2013 (“3Q13”). Excluding a S\$1.13 billion gain a year ago (“3Q12”) from the divestment of the Group’s stakes in Fraser and Neave, Limited (“F&N”) and Asia Pacific Breweries Limited (“APB”), core net profit after tax grew 5%. This was led by higher net interest income, fee income and profit from life assurance.

Net interest income increased 4% to S\$978 million, from S\$944 million in 3Q12, driven by robust asset growth which more than offset the compression in net interest margin. Core non-interest income, excluding divestment gains, rose 3% to S\$779 million, from S\$754 million a year ago. Fees and commissions of S\$352 million were at a quarterly record, up 16% from S\$303 million in 3Q12. Net trading income was S\$47 million, as compared to S\$144 million a year ago, while net gains from investment securities rose to S\$37 million, from S\$13 million in 3Q12. Profit from life assurance grew 26% to S\$240 million, from S\$190 million a year ago. Operating expenses were relatively stable year-on-year at S\$681 million, while allowances for loans and other assets of S\$94 million were 35% higher than a year ago. The Group’s non-performing loans ratio (“NPL”) was 0.8%, unchanged from 3Q12.

Net profit after tax for the first nine months of 2013 (“9M13”) was S\$2.05 billion. Excluding divestment gains, core net profit after tax declined 5% from a year ago (“9M12”). Growth in net interest income, fees and commissions were offset by lower trading income and life assurance profit, as well as higher operating expenses.

Annualised return on equity, based on core earnings was 11.5% in 9M13, compared to 13.0% a year ago. Annualised earnings per share was 77.4 cents, lower than 80.9 cents in 9M12.

FINANCIAL SUMMARY *(continued)*

S\$ million	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Selected Income Statement Items								
Net interest income	2,851	2,827	1	978	944	4	961	2
Non-interest income	2,061	2,140	(4)	779	754	3	606	29
Total core income	4,912	4,967	(1)	1,757	1,698	3	1,567	12
Operating expenses	(2,071)	(1,971)	5	(681)	(685)	(1)	(718)	(5)
Operating profit before allowances and amortisation	2,841	2,996	(5)	1,076	1,013	6	849	27
Amortisation of intangible assets	(44)	(45)	(3)	(15)	(15)	(3)	(15)	–
Allowances for loans and impairment of other assets	(198)	(204)	(3)	(94)	(70)	35	(83)	13
Operating profit after allowances and amortisation	2,599	2,747	(5)	967	928	4	751	29
Share of results of associates and joint ventures	49	22	118	13	4	216	23	(44)
Profit before income tax	2,648	2,769	(4)	980	932	5	774	27
Core net profit attributable to shareholders	2,053	2,162	(5)	759	724	5	597	27
Divestment gain, net of tax	–	1,168	(100)	–	1,126	(100)	–	–
Reported net profit attributable to shareholders	2,053	3,330	(38)	759	1,850	(59)	597	27
Cash basis net profit attributable to shareholders ^{1/}	2,097	3,375	(38)	774	1,865	(59)	612	27

Selected Balance Sheet Items

Ordinary equity	23,065	22,062	5	23,065	22,062	5	23,072	–
Total equity <i>(excluding non-controlling interests)</i>	24,461	24,958	(2)	24,461	24,958	(2)	25,467	(4)
Total assets	320,903	288,314	11	320,903	288,314	11	313,225	2
Assets excluding life assurance fund investment assets	268,799	237,029	13	268,799	237,029	13	260,616	3
Loans and bills receivable <i>(net of allowances)</i>	160,158	138,140	16	160,158	138,140	16	157,172	2
Deposits of non-bank customers	181,268	157,528	15	181,268	157,528	15	176,265	3

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY (continued)

	9M13	9M12	3Q13	3Q12	2Q13
Key Financial Ratios					
- based on core earnings					
Performance ratios (% p.a.)					
Return on equity ^{1/2/}					
SFRS ^{3/} basis	11.5	13.0	12.7	12.8	9.9
Cash basis	11.7	13.2	13.0	13.0	10.2
Return on assets ^{4/}					
SFRS ^{3/} basis	1.06	1.23	1.14	1.21	0.92
Cash basis	1.08	1.25	1.16	1.23	0.94
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	1.63	1.79	1.63	1.75	1.64
Net interest income to total income	58.1	56.9	55.7	55.6	61.4
Non-interest income to total income	41.9	43.1	44.3	44.4	38.6
Cost to income	42.2	39.7	38.8	40.3	45.8
Loans to deposits	88.4	87.7	88.4	87.7	89.2
NPL ratio	0.8	0.8	0.8	0.8	0.7
Earnings per share^{2/} (annualised - cents)					
Basic earnings	77.4	80.9	85.2	80.7	67.2
Basic earnings (cash basis)	79.1	82.6	86.9	82.4	68.9
Diluted earnings	77.2	80.7	85.0	80.5	67.0
Net asset value per share (S\$)					
Before valuation surplus	6.72	6.43	6.72	6.43	6.72
After valuation surplus	8.10	7.63	8.10	7.63	8.21
Capital adequacy ratios (%)					
Common Equity Tier 1 ^{5/}	14.3	na	14.3	na	14.9
Tier 1	14.3	15.9	14.3	15.9	14.9
Total	16.1	18.0	16.1	18.0	16.8

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 as 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	9M13			9M12		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets						
Loans and advances to non-bank customers	152,502	3,307	2.90	134,784	3,103	3.08
Placements with and loans to banks	43,711	560	1.71	42,785	781	2.44
Other interest earning assets ^{1/}	37,189	672	2.42	32,983	618	2.50
Total	233,402	4,539	2.60	210,552	4,502	2.86
Interest bearing liabilities						
Deposits of non-bank customers	173,334	1,301	1.00	157,571	1,293	1.10
Deposits and balances of banks	23,813	135	0.76	20,908	146	0.93
Other borrowings ^{2/}	20,482	252	1.64	17,861	236	1.76
Total	217,629	1,688	1.04	196,340	1,675	1.14
Net interest income/margin ^{3/}		2,851	1.63		2,827	1.79

S\$ million	3Q13			3Q12			2Q13		
	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	159,281	1,146	2.85	137,530	1,045	3.02	153,273	1,105	2.89
Placements with and loans to banks	42,280	190	1.78	43,309	241	2.21	44,607	192	1.73
Other interest earning assets ^{1/}	37,088	221	2.37	34,114	215	2.51	37,541	227	2.43
Total	238,649	1,557	2.59	214,953	1,501	2.78	235,421	1,524	2.60
Interest bearing liabilities									
Deposits of non-bank customers	178,123	449	1.00	159,330	428	1.07	173,799	432	1.00
Deposits and balances of banks	23,546	43	0.73	21,043	52	0.98	24,144	47	0.79
Other borrowings ^{2/}	22,426	87	1.53	19,151	77	1.60	20,998	84	1.61
Total	224,095	579	1.02	199,524	557	1.11	218,941	563	1.03
Net interest income/margin ^{3/}		978	1.63		944	1.75		961	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 increased 4% to a quarterly high of S\$978 million in 3Q13, from S\$944 million a year ago. This was driven by 11% growth in interest earning assets, which more than offset a 12 basis points decline in net interest margin from 1.75% to 1.63%. The net interest margin compression was mainly attributable to lower asset yields in a continued low interest rate environment, and from the re-pricing of existing Singapore mortgage loans.

Compared with 2Q13, net interest income was 2% higher from S\$961 million, underpinned by asset growth. Net interest margin was marginally lower by 1 basis point quarter-on-quarter.

Volume and Rate Analysis

	9M13 vs 9M12			3Q13 vs 3Q12			3Q13 vs 2Q13		
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	406	(191)	215	165	(64)	101	44	(15)	29
Placements with and loans to banks	17	(235)	(218)	(6)	(45)	(51)	(10)	6	(4)
Other interest earning assets	79	(22)	57	19	(13)	6	(3)	(6)	(9)
Total	502	(448)	54	178	(122)	56	31	(15)	16
Interest expense									
Deposits of non-bank customers	129	(116)	13	51	(30)	21	11	2	13
Deposits and balances of banks	20	(31)	(11)	6	(15)	(9)	(1)	(4)	(5)
Other borrowings	35	(17)	18	13	(3)	10	6	(4)	2
Total	184	(164)	20	70	(48)	22	16	(6)	10
Impact on net interest income	318	(284)	34	108	(74)	34	15	(9)	6
Due to change in number of days			(10)			–			11
Net interest income			24			34			17

NON-INTEREST INCOME

S\$ million	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Fees and commissions								
Brokerage	54	46	19	17	16	11	18	(4)
Wealth management	310	232	33	96	82	16	109	(12)
Fund management	74	63	17	24	21	12	26	(8)
Credit card	47	37	26	17	13	29	17	(1)
Loan-related	208	181	15	75	64	17	73	3
Trade-related and remittances	155	163	(5)	56	55	1	51	8
Guarantees	13	13	–	5	5	6	4	31
Investment banking	77	77	–	37	21	75	24	52
Service charges	57	59	(3)	18	18	–	20	(12)
Others	19	23	(16)	7	8	(1)	5	105
Sub-total	1,014	894	13	352	303	16	347	1
Dividends	66	83	(21)	21	14	50	37	(43)
Rental income	51	55	(6)	17	18	(8)	17	(3)
Profit from life assurance	434	481	(10)	240	190	26	16	nm
Premium income from general insurance	117	106	11	40	36	10	40	1
Other income								
Net trading income	193	379	(49)	47	144	(68)	90	(48)
Net gain from investment securities	130	77	67	37	13	174	46	(20)
Net loss from liquidation of a subsidiary	(3)	–	–	–	–	–	(3)	(100)
Net gain from disposal of properties	10	19	(50)	6	18	(65)	0	nm
Others	49	46	7	19	18	11	16	19
Sub-total	379	521	(27)	109	193	(44)	149	(27)
Total core non-interest income	2,061	2,140	(4)	779	754	3	606	29
Divestment gain	–	1,316	(100)	–	1,260	(100)	–	–
Total non-interest income	2,061	3,456	(40)	779	2,014	(61)	606	29
Fees and commissions/Total income ^{1/}	20.7%	18.0%		20.0%	17.8%		22.1%	
Non-interest income/Total income ^{1/}	41.9%	43.1%		44.3%	44.4%		38.6%	

Note:

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

Non-interest income for the quarter was S\$779 million, as compared to S\$2.01 billion in 3Q12. Excluding the divestment gain of S\$1.26 billion from the sale of the Group's equity stakes in F&N and APB the previous year, core non-interest income was 3% higher year-on-year. This was underpinned by higher fee income and life assurance profit contribution from Great Eastern Holdings ("GEH").

Fees and commissions achieved a consecutive quarterly record of S\$352 million, up 16% from S\$303 million in 3Q12, driven by broad-based fee growth. Net gains from the sale of investment securities were S\$37 million, an increase from S\$13 million a year ago. Net trading income was lower as compared to the strong performance a year ago, declining 68% to S\$47 million. Profit from life assurance rose 26% to S\$240 million, from S\$190 million in 3Q12, largely attributable to growth in underwriting profit and improved investment performance.

Compared with 2Q13, non-interest income increased 29% from S\$606 million. This was underpinned by higher profit from life assurance, which was largely from unrealised mark-to-market gains in GEH's Non-Participating Fund as financial markets recovered in 3Q13.

OPERATING EXPENSES

S\$ million	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Staff costs								
Salaries and other costs	1,196	1,119	7	399	399	–	411	(3)
Share-based expenses	9	7	36	3	2	42	3	(6)
Contribution to defined contribution plans	95	90	5	31	32	(1)	31	1
	1,300	1,216	7	433	433	–	445	(3)
Property and equipment								
Depreciation	154	134	15	53	47	13	51	5
Maintenance and hire of property, plant & equipment	62	63	(2)	21	21	3	22	(3)
Rental expenses	56	52	7	19	17	7	19	(3)
Others	122	108	13	43	37	17	41	5
	394	357	10	136	122	12	133	3
Other operating expenses	377	398	(5)	112	130	(14)	140	(20)
Total operating expenses	2,071	1,971	5	681	685	(1)	718	(5)
Group staff strength								
Period end	25,196	24,189	4	25,196	24,189	4	25,123	–
Average	24,959	23,718	5	25,110	24,154	4	25,008	–
Cost to income ratio ^{1/}	42.2%	39.7%		38.8%	40.3%		45.8%	

Note:

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

Operating expenses were relatively stable year-on-year at S\$681 million in 3Q13. Staff costs were unchanged from a year ago. Property and equipment-related expenses rose 12% to S\$136 million, from S\$122 million in 3Q12, driven by an increase in depreciation expenses. Other expenses declined by 14% to S\$112 million, from S\$130 million in the previous year, mainly attributable to lower insurance-related expenses.

Compared to 2Q13, operating expenses fell 5% from S\$718 million, largely as a result of lower staff incentive-related costs, and other operating expenses.

The cost-to-income ratio was 38.8% in 3Q13 and 42.2% in 9M13, compared with 40.3% and 39.7%, respectively, in the year-ago periods.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Specific allowances/ (write-back) for loans								
Singapore	36	58	(39)	13	22	(41)	10	33
Malaysia	4	10	(55)	6	1	nm	6	4
Others	15	12	25	23	1	nm	(5)	640
	55	80	(31)	42	24	76	11	258
Portfolio allowances for loans	138	104	32	49	31	60	72	(31)
Allowances and impairment charges for other assets	5	20	(74)	3	15	(80)	0	689
Allowances for loans and impairment of other assets	198	204	(3)	94	70	35	83	13

Allowances for loans and other assets were S\$94 million in 3Q13, higher as compared to S\$70 million a year ago, and S\$83 million in the previous quarter.

Specific allowances for loans, net of recoveries and writebacks increased 76% to S\$42 million for the quarter, from S\$24 million a year ago. Specific allowances were at a relatively low 10 basis points of loans on an annualised basis.

Portfolio allowances for loans were S\$49 million for the quarter, an increase of 60% compared to S\$31 million in 3Q12, in line with strong loan growth.

LOANS AND ADVANCES

S\$ million	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Loans to customers	146,491	144,544	134,156	130,161
Bills receivable	15,428	14,325	9,874	9,583
Gross loans to customers	161,919	158,869	144,030	139,744
Allowances				
Specific allowances	(266)	(251)	(303)	(293)
Portfolio allowances	(1,469)	(1,438)	(1,351)	(1,311)
	160,184	157,180	142,376	138,140
Less: assets pledged	(26)	(8)	–	–
Loans net of allowances	160,158	157,172	142,376	138,140
By Maturity				
Within 1 year	61,719	59,423	52,656	52,499
1 to 3 years	25,955	27,005	25,425	24,120
Over 3 years	74,245	72,441	65,949	63,125
	161,919	158,869	144,030	139,744
By Industry				
Agriculture, mining and quarrying	5,694	5,413	4,863	4,704
Manufacturing	9,923	9,296	8,197	8,546
Building and construction	23,672	23,667	22,388	21,254
Housing loans	41,193	40,465	37,809	36,243
General commerce	23,251	23,007	17,502	17,401
Transport, storage and communication	11,114	10,872	9,106	9,351
Financial institutions, investment and holding companies	22,847	22,410	22,456	20,823
Professionals and individuals	15,922	15,851	14,272	13,869
Others	8,303	7,888	7,437	7,553
	161,919	158,869	144,030	139,744
By Currency				
Singapore Dollar	73,315	73,336	70,141	66,952
United States Dollar	41,634	40,092	31,680	30,807
Malaysian Ringgit	19,835	19,817	18,404	18,010
Indonesian Rupiah	4,854	5,376	4,989	4,760
Others	22,281	20,248	18,816	19,215
	161,919	158,869	144,030	139,744
By Geography ^{1/}				
Singapore	81,302	82,725	75,215	73,527
Malaysia	24,477	24,744	23,157	22,562
Indonesia	11,588	12,003	10,679	10,164
Greater China	23,802	20,204	17,379	16,144
Other Asia Pacific	8,473	8,158	8,253	8,373
Rest of the World	12,277	11,035	9,347	8,974
	161,919	158,869	144,030	139,744

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 to customers grew 16% to S\$162 billion as at 30 September 2013, from S\$140 billion a year ago, and rose 2% from S\$159 billion in the previous quarter. Broad-based year-on-year loan growth was achieved across the Group's key geographies and sectors, with the increase led by housing loans, and loans to general commerce, building and construction companies, and professionals and individuals.

NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs ^{2/}	NPL Ratio ^{2/} %
Singapore							
30 Sep 2013	257	103	93	61	67.5	256	0.3
30 Jun 2013	230	105	72	53	63.6	230	0.3
31 Dec 2012	258	91	119	48	55.2	258	0.3
30 Sep 2012	313	145	125	43	64.5	313	0.4
Malaysia							
30 Sep 2013	552	281	230	41	49.2	532	2.2
30 Jun 2013	494	292	159	43	57.1	472	1.9
31 Dec 2012	432	251	134	47	55.7	409	1.8
30 Sep 2012	521	373	102	46	57.9	438	1.9
Indonesia							
30 Sep 2013	48	4	8	36	59.1	48	0.4
30 Jun 2013	50	4	5	41	62.1	50	0.4
31 Dec 2012	60	6	3	51	47.8	60	0.6
30 Sep 2012	67	9	3	55	47.5	67	0.7
Greater China							
30 Sep 2013	101	94	1	6	91.6	101	0.4
30 Jun 2013	26	20	–	6	90.4	26	0.1
31 Dec 2012	33	28	0	5	87.9	33	0.2
30 Sep 2012	38	32	6	0	80.5	38	0.2
Other Asia Pacific							
30 Sep 2013	258	217	41	–	64.4	258	3.0
30 Jun 2013	259	218	41	–	64.2	259	3.2
31 Dec 2012	281	242	39	–	73.7	281	3.4
30 Sep 2012	270	229	41	–	83.2	270	3.2
Rest of the World							
30 Sep 2013	122	112	9	1	11.5	118	1.0
30 Jun 2013	118	108	8	2	11.5	114	1.0
31 Dec 2012	108	99	7	2	23.3	104	1.1
30 Sep 2012	47	38	7	2	64.9	43	0.5
Group							
30 Sep 2013	1,338	811	382	145	55.7	1,313	0.8
30 Jun 2013	1,177	747	285	145	56.3	1,151	0.7
31 Dec 2012	1,172	717	302	153	57.4	1,145	0.8
30 Sep 2012	1,256	826	284	146	65.4	1,169	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 strong. Non-performing loans ("NPLs") were S\$1.31 billion as at 30 September 2013, compared to S\$1.15 billion in the previous quarter. The increase was mainly from the building and construction, and manufacturing sectors, as well as from loans classified in the "Others" segment.

The Group's NPL ratio was 0.8%, unchanged from a year ago, and higher than the 0.7% in the previous quarter.

Total non-performing assets ("NPAs") as at 30 September 2013, which include classified debt securities and contingent liabilities, were S\$1.34 billion, compared with S\$1.18 billion in the previous quarter, and S\$1.26 billion a year ago. Of the total NPAs, 61% were in the substandard category and 56% were secured by collateral.

	30 Sep 2013		30 Jun 2013		31 Dec 2012		30 Sep 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	8	0.1	4	0.1	6	0.1	17	0.4
Manufacturing	415	4.2	377	4.1	366	4.5	297	3.5
Building and construction	190	0.8	168	0.7	199	0.9	287	1.4
Housing loans	227	0.6	209	0.5	192	0.5	195	0.5
General commerce	123	0.5	123	0.5	105	0.6	111	0.6
Transport, storage and communication	126	1.1	109	1.0	77	0.8	83	0.9
Financial institutions, investment and holding companies	49	0.2	50	0.2	88	0.4	64	0.3
Professionals and individuals	91	0.6	89	0.6	87	0.6	87	0.6
Others	84	1.0	22	0.3	25	0.3	28	0.4
Total NPLs	1,313	0.8	1,151	0.7	1,145	0.8	1,169	0.8
Classified debt securities	4		4		4		4	
Classified contingent liabilities	21		22		23		83	
Total NPAs	1,338		1,177		1,172		1,256	

	30 Sep 2013		30 Jun 2013		31 Dec 2012		30 Sep 2012	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
NPAs By Period Overdue								
Over 180 days	323	24	320	27	328	28	410	33
Over 90 to 180 days	66	5	80	7	81	7	88	7
30 to 90 days	166	12	113	10	160	14	166	13
Less than 30 days	8	1	9	1	10	1	13	1
Not overdue	775	58	655	55	593	50	579	46
	1,338	100	1,177	100	1,172	100	1,256	100

	30 Sep 2013		30 Jun 2013		31 Dec 2012		30 Sep 2012	
	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans								
Substandard	152	21	102	4	173	10	250	8
Doubtful	33	22	30	21	22	33	18	32
Loss	1	1	0	0	0	0	1	1
	186	44	132	25	195	43	269	41

CUMULATIVE ALLOWANCES FOR ASSETS

S\$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
Singapore					
30 Sep 2013	695	72	623	28.0	270.9
30 Jun 2013	686	72	614	31.2	297.9
31 Dec 2012	696	105	591	40.8	269.5
30 Sep 2012	667	89	578	28.8	213.5
Malaysia					
30 Sep 2013	456	126	330	22.8	82.6
30 Jun 2013	458	128	330	25.8	92.6
31 Dec 2012	450	133	317	30.8	104.4
30 Sep 2012	446	134	312	25.7	85.6
Indonesia					
30 Sep 2013	178	27	151	55.4	370.5
30 Jun 2013	178	26	152	52.6	359.8
31 Dec 2012	164	39	125	66.2	273.2
30 Sep 2012	157	43	114	63.5	233.0
Greater China					
30 Sep 2013	197	2	195	2.2	195.0
30 Jun 2013	183	2	181	7.9	696.6
31 Dec 2012	170	4	166	10.7	508.9
30 Sep 2012	164	4	160	9.4	428.1
Other Asia Pacific					
30 Sep 2013	126	35	91	13.7	48.9
30 Jun 2013	107	19	88	7.2	41.1
31 Dec 2012	112	20	92	7.1	40.0
30 Sep 2012	106	17	89	6.3	39.4
Rest of the World					
30 Sep 2013	88	9	79	7.7	71.8
30 Jun 2013	82	9	73	8.0	70.3
31 Dec 2012	70	10	60	8.8	64.0
30 Sep 2012	68	10	58	21.7	144.8
Group					
30 Sep 2013	1,740	271	1,469	20.3	130.1
30 Jun 2013	1,694	256	1,438	21.7	143.9
31 Dec 2012	1,662	311	1,351	26.6	141.8
30 Sep 2012	1,608	297	1,311	23.7	128.1

As at 30 September 2013, the Group's total cumulative allowances for assets were S\$1.74 billion, comprising S\$271 million in specific allowances and S\$1.47 billion in portfolio allowances. Total cumulative allowances were 130% of total NPAs and 294% of unsecured NPAs, as compared to the respective ratios of 144% and 329% as at 30 June 2013.

DEPOSITS

S\$ million	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Deposits of non-bank customers	181,268	176,265	165,139	157,528
Deposits and balances of banks	25,381	24,344	25,656	21,240
	206,649	200,609	190,795	178,768
Loans to deposits ratio (net non-bank loans/non-bank deposits)	88.4%	89.2%	86.2%	87.7%

S\$ million	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Total Deposits By Maturity				
Within 1 year	202,629	197,463	188,220	176,237
1 to 3 years	2,636	1,832	1,441	1,418
Over 3 years	1,384	1,314	1,134	1,113
	206,649	200,609	190,795	178,768

Non-Bank Deposits By Product

Fixed deposits	72,418	70,960	67,263	70,580
Savings deposits	32,499	31,796	30,614	29,556
Current account	56,802	56,599	52,904	44,809
Others	19,549	16,910	14,358	12,583
	181,268	176,265	165,139	157,528

Non-Bank Deposits By Currency

Singapore Dollar	87,412	86,798	82,095	81,765
United States Dollar	37,890	34,611	31,455	25,544
Malaysian Ringgit	22,106	22,352	20,739	21,285
Indonesian Rupiah	4,846	5,161	5,835	5,192
Others	29,014	27,343	25,015	23,742
	181,268	176,265	165,139	157,528

Non-bank customer deposits as at 30 September 2013 increased 15% year-on-year to S\$181 billion, from S\$158 billion a year ago, and by 3% from S\$176 billion in the previous quarter. The year-on-year increase was underpinned by a 27% rise in current account deposits to S\$56.8 billion, from S\$44.8 billion a year ago, and from a 10% growth in savings deposits to S\$32.5 billion, from S\$29.6 billion in the previous year. The ratio of current and savings deposits to total non-bank deposits was 49.3%, an increase from 47.2% a year ago.

The Group's loans-to-deposits ratio was 88.4%, compared with 89.2% in the previous quarter and 87.7% a year ago.

DEBT ISSUED

S\$ million	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Subordinated debt (unsecured)	4,409	4,464	5,127	5,474
Fixed and floating rate notes (unsecured)	4,089	3,570	3,022	2,994
Commercial papers (unsecured)	12,837	9,718	2,832	8,673
Structured notes (unsecured)	655	588	443	269
Total	21,990	18,340	11,424	17,410
Debt Issued By Maturity				
Within one year	14,542	10,873	3,673	8,951
Over one year	7,448	7,467	7,751	8,459
Total	21,990	18,340	11,424	17,410

During the quarter, the Group had S\$12.8 billion of commercial papers outstanding, higher from a year ago and the previous quarter. The commercial papers form part of the Group's diversified funding sources.

CAPITAL ADEQUACY RATIOS

S\$ million	Basel III		Basel II	
	30 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Ordinary shares	8,038	7,036	7,057	7,060
Disclosed reserves/others	15,148	16,178	15,770	15,093
Regulatory adjustments	(2,150)	(1,068)		
Common Equity Tier 1 Capital	21,036	22,146		
Additional Tier 1 capital	3,458	4,459	4,955	4,955
Regulatory adjustments	(3,458)	(4,459)	(6,191)	(6,174)
Tier 1 Capital	21,036	22,146	21,591	20,934
Tier 2 capital	4,171	4,204	4,586	4,919
Revaluation surplus on available-for-sale equity securities	–	–	236	167
Regulatory adjustments	(1,506)	(1,379)	(2,303)	(2,267)
Total Eligible Capital	23,701	24,971	24,110	23,753
Risk Weighted Assets	146,957	148,131	129,647	131,263
Capital Adequacy Ratios				
Common Equity Tier 1	14.3%	14.9%	na	na
Tier 1	14.3%	14.9%	16.6%	15.9%
Total	16.1%	16.8%	18.5%	18.0%

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 continues to be strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.3%, and Tier 1 and Total CAR of 14.3% and 16.1% respectively as at 30 September 2013. These ratios were well above the regulatory minima of 4.5%, 6% and 10%, respectively, based on MAS' transitional Basel III rules for 2013. As compared to 30 June 2013, the Group's CAR was lower, largely from the redemption of S\$1 billion OCBC Class B preference shares in July 2013, which was partly offset by a decline in risk weighted assets.

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 September 2013 were:

S\$ million	Total Risk Weighted Assets	Capital Adequacy Ratios		
		Common Equity Tier 1	Tier 1	Total
OCBC Bank (Malaysia) Berhad	12,987	13.1%	15.2%	17.0%
Bank OCBC NISP	7,730	12.9%	12.9%	14.9%

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 Sep 2013	30 Jun 2013	31 Dec 2012	30 Sep 2012
Properties ^{1/}	3,137	3,130	3,117	2,845
Equity securities ^{2/}	1,604	1,984	1,245	1,277
Total	4,741	5,114	4,362	4,122

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 September 2013 was S\$4.74 billion, a 7% decline as compared to S\$5.11 billion as at 30 June 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	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Global Consumer/Private Banking	565	439	29	180	159	14	199	(10)
Global Corporate/Investment Banking	1,364	1,326	3	471	419	12	465	1
Global Treasury and Markets	272	492	(45)	87	173	(49)	98	(11)
Insurance	568	582	(2)	306	213	44	36	761
Others ^{1/}	(170)	(92)	84	(77)	(36)	115	(47)	64
Operating profit after allowances and amortisation	2,599	2,747	(5)	967	928	4	751	29

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 29% year-on-year to S\$565 million in 9M13, and 14% to S\$180 million in 3Q13, driven by higher net interest income and fee income, which more than offset an increase in expenses. Compared to 2Q13, quarter-on-quarter operating profit fell 10%, largely attributable to lower fee income.

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 3% year-on-year to S\$1.36 billion in 9M13 from S\$1.33 billion. For 3Q13, operating profit rose 12% to S\$471 million from S\$419 million a year ago. The profit growth for both periods was underpinned by higher net interest income driven by robust loan growth, and an increase in fee income, and partly offset by higher 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 9M13 operating profit of S\$272 million was 45% lower than S\$492 million a year ago. 3Q13 operating profit fell 49% year-on-year to S\$87 million, from S\$173 million. The year-on-year decline in operating profit for both periods was mainly contributed by lower 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.

Operating profit from GEH was S\$568 million in 9M13, down 2% year-on-year from S\$582 million, a result of lower insurance and trading income, partly offset by a decline in expenses. Compared to a year ago, 3Q13 operating profit rose 44% to S\$306 million, from S\$213 million, driven by higher insurance income and lower expenses.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$409 million in 9M13 and S\$235 million in 3Q13, down from S\$437 million in 9M12 and higher than S\$157 million in 3Q12.

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
9M13						
Total income	1,646	2,102	438	729	(3)	4,912
Operating profit before allowances and amortisation	638	1,452	278	603	(130)	2,841
Amortisation of intangible assets	(9)	–	–	(35)	–	(44)
Allowances and impairment for loans and other assets	(64)	(88)	(6)	(0)	(40)	(198)
Operating profit after allowances and amortisation	565	1,364	272	568	(170)	2,599
Other information:						
Capital expenditure	16	8	2	41	175	242
Depreciation	29	10	2	2	111	154
9M12						
Total income ^{1/}	1,442	1,979	654	764	128	4,967
Operating profit before allowances and amortisation ^{1/}	532	1,368	492	618	(14)	2,996
Amortisation of intangible assets	(10)	–	–	(35)	–	(45)
Allowances and impairment for loans and other assets	(83)	(42)	(0)	(1)	(78)	(204)
Operating profit after allowances and amortisation ^{1/}	439	1,326	492	582	(92)	2,747
Other information:						
Capital expenditure	21	2	0	33	166	222
Depreciation	25	7	1	2	99	134

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
3Q13						
Total income	551	735	137	336	(2)	1,757
Operating profit before allowances and amortisation	204	516	88	318	(50)	1,076
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Allowances and impairment for loans and other assets	(21)	(45)	(1)	(0)	(27)	(94)
Operating profit after allowances and amortisation	180	471	87	306	(77)	967
Other information:						
Capital expenditure	6	2	0	14	60	82
Depreciation	9	4	1	0	39	53
3Q12						
Total income ^{1/}	497	652	227	275	47	1,698
Operating profit before allowances and amortisation ^{1/}	185	438	173	225	(8)	1,013
Amortisation of intangible assets	(3)	–	–	(12)	–	(15)
Allowances and impairment for loans and other assets	(23)	(19)	(0)	(0)	(28)	(70)
Operating profit after allowances and amortisation ^{1/}	159	419	173	213	(36)	928
Other information:						
Capital expenditure	7	1	0	14	63	85
Depreciation	10	3	0	0	34	47
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

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 September 2013						
Segment assets	71,888	109,965	69,131	60,466	18,534	329,984
Unallocated assets						191
Elimination						(9,272)
Total assets						320,903
Segment liabilities	77,209	91,067	49,236	52,997	30,316	300,825
Unallocated liabilities						2,026
Elimination						(9,272)
Total liabilities						293,579
Other information:						
Gross non-bank loans	61,053	98,655	1,500	52	659	161,919
NPAs	307	1,019	–	4	8	1,338
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 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 September 2012						
Segment assets	63,300	91,474	66,940	59,030	16,754	297,498
Unallocated assets						65
Elimination						(9,249)
Total assets						288,314
Segment liabilities	71,715	80,537	42,929	51,774	20,777	267,732
Unallocated liabilities						2,050
Elimination						(9,249)
Total liabilities						260,533
Other information:						
Gross non-bank loans	52,842	84,031	1,579	698	594	139,744
NPAs	270	967	–	4	15	1,256

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	9M13		9M12		3Q13		3Q12		2Q13	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total core income										
Singapore	3,048	62	3,140	63	1,118	64	1,096	65	934	60
Malaysia	1,031	21	976	20	346	20	320	19	356	23
Indonesia	383	8	344	7	132	8	116	7	132	8
Greater China	263	5	336	7	94	5	106	6	85	5
Other Asia Pacific	120	3	111	2	40	2	39	2	37	2
Rest of the World	67	1	60	1	27	1	21	1	23	2
	4,912	100	4,967	100	1,757	100	1,698	100	1,567	100
Profit before income tax										
Singapore	1,566	59	1,716	62	633	64	589	63	403	52
Malaysia	677	26	609	22	222	23	193	21	229	30
Indonesia	142	5	116	4	47	5	43	5	50	7
Greater China	129	5	217	8	48	5	68	7	34	4
Other Asia Pacific	72	3	70	3	10	1	28	3	27	3
Rest of the World	62	2	41	1	20	2	11	1	31	4
	2,648	100	2,769	100	980	100	932	100	774	100

	30 Sep 2013		30 Jun 2013		31 Dec 2012		30 Sep 2012	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total assets								
Singapore	200,297	63	195,980	63	181,385	61	178,857	62
Malaysia	58,568	18	59,129	19	58,030	20	57,145	20
Indonesia	9,754	3	10,444	3	10,162	3	9,300	3
Greater China	31,388	10	28,839	9	28,083	9	25,864	9
Other Asia Pacific	9,985	3	9,625	3	10,426	4	10,531	4
Rest of the World	10,911	3	9,208	3	7,857	3	6,617	2
	320,903	100	313,225	100	295,943	100	288,314	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 3Q13, Singapore accounted for 64% of total income and pre-tax profit, while Malaysia accounted for 20% of total income and 23% of pre-tax profit.

Third quarter pre-tax profit for Singapore grew 7% to S\$633 million, from S\$589 million in 3Q12, while Malaysia's pre-tax profit rose 15% to S\$222 million, from S\$193 million a year ago. The profit growth in both segments were driven by higher net interest income, fee and insurance income, which more than offset a decline net trading income.

9M13 pre-tax profit for Singapore declined by 9% to S\$1.57 billion, from S\$1.72 billion in the previous year, as growth in net interest income, fees and commissions, were offset by lower net trading income and higher operating expenses. Malaysia's pre-tax profit for 9M13 was 11% higher year-on-year at S\$677 million, from S\$609 million in 9M12, underpinned by higher net interest income, fees and investment income.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Interest income	4,539	4,502	1	1,557	1,501	4	1,524	2
Interest expense	(1,688)	(1,675)	1	(579)	(557)	4	(563)	3
Net interest income	2,851	2,827	1	978	944	4	961	2
Premium income	5,550	4,416	26	2,110	1,578	34	1,910	11
Investment income	1,793	3,567	(50)	489	2,329	(79)	491	-
Net claims, surrenders and annuities	(4,794)	(4,117)	16	(2,091)	(1,393)	50	(1,644)	27
Change in life assurance fund contract liabilities	(1,110)	(2,376)	(53)	115	(1,903)	(106)	(508)	(123)
Commission and others	(1,005)	(1,009)	-	(383)	(421)	(9)	(233)	65
Profit from life assurance	434	481	(10)	240	190	26	16	nm
Premium income from general insurance	117	106	11	40	36	10	40	1
Fees and commissions (net)	1,014	894	13	352	303	16	347	1
Dividends	66	83	(21)	21	14	50	37	(43)
Rental income	51	55	(6)	17	18	(8)	17	(3)
Other income	379	1,837	(79)	109	1,453	(93)	149	(27)
Non-interest income	2,061	3,456	(40)	779	2,014	(61)	606	29
Total income	4,912	6,283	(22)	1,757	2,958	(41)	1,567	12
Staff costs	(1,300)	(1,216)	7	(433)	(433)	-	(445)	(3)
Other operating expenses	(771)	(755)	2	(248)	(252)	(2)	(273)	(9)
Total operating expenses	(2,071)	(1,971)	5	(681)	(685)	(1)	(718)	(5)
Operating profit before allowances and amortisation	2,841	4,312	(34)	1,076	2,273	(53)	849	27
Amortisation of intangible assets	(44)	(45)	(3)	(15)	(15)	(3)	(15)	-
Allowances for loans and impairment of other assets	(198)	(204)	(3)	(94)	(70)	35	(83)	13
Operating profit after allowances and amortisation	2,599	4,063	(36)	967	2,188	(56)	751	29
Share of results of associates and joint ventures	49	22	118	13	4	216	23	(44)
Profit before income tax	2,648	4,085	(35)	980	2,192	(55)	774	27
Income tax expense	(445)	(542)	(18)	(154)	(233)	(34)	(149)	4
Profit for the period	2,203	3,543	(38)	826	1,959	(58)	625	32
Profit attributable to:								
Equity holders of the Bank	2,053	3,330	(38)	759	1,850	(59)	597	27
Non-controlling interests	150	213	(29)	67	109	(39)	28	137
	2,203	3,543	(38)	826	1,959	(58)	625	32
Earnings per share (for the period – cents)								
Basic	58.0	95.6		22.0	53.9		15.8	
Diluted	57.9	95.4		22.0	53.8		15.7	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	9M13	9M12	+ / (-) %	3Q13	3Q12	+ / (-) %	2Q13	+ / (-) %
Profit for the period	2,203	3,543	(38)	826	1,959	(58)	625	32
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the period	(356)	689	(152)	86	235	(64)	(499)	117
Reclassification of (gains)/losses to income statement								
– on disposal	(129)	(1,337)	90	(37)	(1,273)	97	(45)	19
– on impairment	4	15	(79)	3	15	(78)	0	nm
Tax on net movements	51	105	(52)	(2)	153	(101)	57	(103)
Exchange differences on translating foreign operations	(275)	(266)	(3)	(269)	(105)	(157)	(44)	(520)
Actuarial (losses)/gains on defined benefit plans ^{1/}	(5)	(10)	51	0	(10)	101	(5)	102
Other comprehensive income of associates and joint ventures	1	(3)	127	(1)	(7)	94	(7)	94
Total other comprehensive income, net of tax	(709)	(807)	12	(220)	(992)	78	(543)	60
Total comprehensive income for the period, net of tax	1,494	2,736	(45)	606	967	(37)	82	642
Total comprehensive income attributable to:								
Equity holders of the Bank	1,390	2,575	(46)	572	906	(37)	73	698
Non-controlling interests	104	161	(35)	34	61	(43)	9	242
	1,494	2,736	(45)	606	967	(37)	82	642

Note:

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

BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP				BANK			
	30 Sep 2013 [@]	30 Jun 2013 [@]	31 Dec 2012	30 Sep 2012 [@]	30 Sep 2013 [@]	30 Jun 2013 [@]	31 Dec 2012	30 Sep 2012 [@]
EQUITY								
Attributable to equity holders of the Bank								
Share capital	9,434	9,431	9,953	9,956	9,434	9,431	9,953	9,956
Capital reserves	387	385	376	329	106	103	96	98
Fair value reserves	478	428	895	628	153	105	321	224
Revenue reserves	14,162	15,223	14,580	14,045	8,820	9,946	9,214	8,923
	24,461	25,467	25,804	24,958	18,513	19,585	19,584	19,201
Non-controlling interests	2,863	2,885	2,897	2,823	–	–	–	–
Total equity	27,324	28,352	28,701	27,781	18,513	19,585	19,584	19,201
LIABILITIES								
Deposits of non-bank customers	181,268	176,265	165,139	157,528	129,333	124,000	115,325	109,531
Deposits and balances of banks	25,381	24,344	25,656	21,240	23,127	22,446	21,539	18,656
Due to subsidiaries	–	–	–	–	7,160	7,009	8,258	7,300
Due to associates	169	174	161	178	156	160	149	165
Trading portfolio liabilities	968	629	1,083	1,078	968	629	1,083	1,078
Derivative payables	5,069	5,479	5,001	5,461	4,165	4,692	4,620	5,103
Other liabilities	4,613	4,668	4,324	4,516	1,511	1,483	1,543	1,529
Current tax	947	892	897	985	328	331	367	289
Deferred tax	1,079	1,097	1,170	1,065	53	47	65	52
Debt issued	21,990	18,340	11,424	17,410	22,182	18,418	11,919	17,797
	241,484	231,888	214,855	209,461	188,983	179,215	164,868	161,500
Life assurance fund liabilities	52,095	52,985	52,387	51,072	–	–	–	–
Total liabilities	293,579	284,873	267,242	260,533	188,983	179,215	164,868	161,500
Total equity and liabilities	320,903	313,225	295,943	288,314	207,496	198,800	184,452	180,701
ASSETS								
Cash and placements with central banks	14,464	13,760	16,397	12,312	8,150	8,224	9,382	6,442
Singapore government treasury bills and securities	12,372	12,202	13,141	13,654	11,538	11,371	11,962	12,660
Other government treasury bills and securities	8,925	8,535	9,157	10,090	5,203	4,605	6,098	6,751
Placements with and loans to banks	35,528	32,612	29,811	30,882	27,955	25,068	21,018	22,767
Loans and bills receivable	160,158	157,172	142,376	138,140	118,502	115,599	104,157	100,735
Debt and equity securities	18,801	18,264	14,932	13,751	12,433	11,802	9,348	8,822
Assets pledged	2,395	2,145	2,056	1,787	1,997	1,820	1,946	1,548
Assets held for sale	1	1	5	7	0	–	–	2
Derivative receivables	5,188	4,826	5,155	5,724	4,296	4,007	4,693	5,294
Other assets	4,141	4,230	3,845	3,903	1,442	1,337	1,148	1,239
Deferred tax	97	86	43	21	38	33	26	3
Associates and joint ventures	357	352	355	352	145	152	191	190
Subsidiaries	–	–	–	–	12,860	11,852	11,577	11,350
Property, plant and equipment	1,881	1,882	1,703	1,690	507	498	474	467
Investment property	731	739	878	879	563	565	565	564
Goodwill and intangible assets	3,760	3,810	3,818	3,837	1,867	1,867	1,867	1,867
	268,799	260,616	243,672	237,029	207,496	198,800	184,452	180,701
Life assurance fund investment assets	52,104	52,609	52,271	51,285	–	–	–	–
Total assets	320,903	313,225	295,943	288,314	207,496	198,800	184,452	180,701
Net Asset Value Per Ordinary Share[@] (before valuation surplus – S\$)								
	6.72	6.72	6.68	6.43	4.99	5.01	4.86	4.75
OFF-BALANCE SHEET ITEMS								
Contingent liabilities	10,613	9,981	9,100	8,530	8,196	7,210	6,980	6,507
Commitments	77,205	74,349	67,040	64,932	49,687	47,788	42,667	42,404
Derivative financial instruments	550,510	548,659	560,734	597,885	455,037	449,623	481,216	524,189

Note:

1. “@” represents unaudited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the nine months ended 30 September 2013

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 2013	9,953	376	895	14,580	25,804	2,897	28,701
Total comprehensive income for the period	–	–	(417)	1,807	1,390	104	1,494
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	0	–	(0)	–	–	–
Distribution and dividends to non-controlling interests	–	–	–	–	–	(138)	(138)
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3
Ordinary and preference dividends	–	–	–	(1,228)	(1,228)	–	(1,228)
Redemption of preference shares	(500)	–	–	(1,000)	(1,500)	–	(1,500)
Share-based staff costs capitalised	–	10	–	–	10	–	10
Share buyback held in treasury	(147)	–	–	–	(147)	–	(147)
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(3)	–	–	(3)	–	(3)
Shares vested under DSP Scheme	–	40	–	–	40	–	40
Treasury shares transferred/sold	127	(36)	–	–	91	–	91
Total contributions by and distributions to owners	(519)	11	–	(2,225)	(2,733)	(138)	(2,871)
Balance at 30 September 2013	9,434	387	478	14,162	24,461	2,863	27,324
Included:							
Share of reserves of associates and joint ventures	–	–	5	94	99	(4)	95
Balance at 1 January 2012	9,023	279	1,125	12,144	22,571	2,819	25,390
Total comprehensive income for the period	–	–	(497)	3,072	2,575	161	2,736
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	43	–	(43)	–	–	–
Distributions and dividends to non-controlling interests	–	–	–	–	–	(206)	(206)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(1,111)	(1,111)	–	(1,111)
Preference shares issued by the Bank	1,000	–	–	–	1,000	–	1,000
Preference shares' issue expense	(0)	–	–	–	(0)	–	(0)
Share-based staff costs capitalised	–	8	–	–	8	–	8
Share buyback held in treasury	(148)	–	–	–	(148)	–	(148)
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(4)	–	–	(4)	–	(4)
Shares vested under DSP Scheme	–	39	–	–	39	–	39
Treasury shares transferred/sold	80	(36)	–	–	44	–	44
Total contributions by and distributions to owners	933	50	–	(1,152)	(169)	(206)	(375)
Changes in ownership interests in subsidiaries that do not result in loss of control							
Changes in non-controlling interests	–	–	–	(19)	(19)	49	30
Total changes in ownership interests in subsidiaries	–	–	–	(19)	(19)	49	30
Balance at 30 September 2012	9,956	329	628	14,045	24,958	2,823	27,781
Included:							
Share of reserves of associates and joint ventures	–	–	6	43	49	(5)	44

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 September 2013

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
Balance at 1 July 2013	9,431	385	428	15,223	25,467	2,885	28,352
Total comprehensive income for the period	–	–	50	522	572	34	606
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Distributions and dividends to non-controlling interests	–	–	–	–	–	(56)	(56)
DSP reserve from dividends on unvested shares	–	–	–	1	1	–	1
Ordinary dividends	–	–	–	(584)	(584)	–	(584)
Redemption of preference shares	–	–	–	(1,000)	(1,000)	–	(1,000)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(38)	–	–	–	(38)	–	(38)
Shares purchased by DSP Trust	–	(1)	–	–	(1)	–	(1)
Treasury shares transferred/sold	41	–	–	–	41	–	41
Total contributions by and distributions to owners	3	2	–	(1,583)	(1,578)	(56)	(1,634)
Balance at 30 September 2013	9,434	387	478	14,162	24,461	2,863	27,324
Included:							
Share of reserves of associates and joint ventures	–	–	5	94	99	(4)	95
Balance at 1 July 2012	8,991	329	1,460	12,857	23,637	2,842	26,479
Total comprehensive income for the period	–	–	(832)	1,738	906	61	967
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Distributions and dividends to non-controlling interests	–	–	–	–	–	(80)	(80)
DSP reserve from dividends on unvested shares	–	–	–	0	0	–	0
Ordinary dividends	–	–	–	(550)	(550)	–	(550)
Preference shares issued by the Bank	1,000	–	–	–	1,000	–	1,000
Preference shares' issue expense	(0)	–	–	–	(0)	–	(0)
Share-based staff costs capitalised	–	2	–	–	2	–	2
Share buyback held in treasury	(54)	–	–	–	(54)	–	(54)
Shares purchased by DSP Trust	–	(2)	–	–	(2)	–	(2)
Treasury shares transferred/sold	19	–	–	–	19	–	19
Total contributions by and distributions to owners	965	0	–	(550)	415	(80)	335
Changes in ownership interests in subsidiaries that does not result in loss of control							
Changes in non-controlling interests	–	–	–	0	0	(0)	–
Total changes in ownership interests in subsidiaries	–	–	–	0	0	(0)	–
Balance at 30 September 2012	9,956	329	628	14,045	24,958	2,823	27,781
Included:							
Share of reserves of associates and joint ventures	–	–	6	43	49	(5)	44

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the nine months ended 30 September 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	–	–	(168)	1,831	1,663
DSP reserve from dividends on unvested shares	–	–	–	3	3
Ordinary and preference dividends	–	–	–	(1,228)	(1,228)
Redemption of preference shares	(500)	–	–	(1,000)	(1,500)
Share-based staff costs capitalised	–	10	–	–	10
Share buyback held in treasury	(147)	–	–	–	(147)
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	127	–	–	–	127
Balance at 30 September 2013	9,434	106	153	8,820	18,513
Balance at 1 January 2012	9,023	90	510	7,722	17,345
Total comprehensive income for the period	–	–	(286)	2,310	2,024
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(1,111)	(1,111)
Preference shares issued by the Bank	1,000	–	–	–	1,000
Preference shares' issue expense	(0)	–	–	–	(0)
Share-based staff costs capitalised	–	8	–	–	8
Share buyback held in treasury	(148)	–	–	–	(148)
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	80	–	–	–	80
Balance at 30 September 2012	9,956	98	224	8,923	19,201

For the three months ended 30 September 2013

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 July 2013	9,431	103	105	9,946	19,585
Total comprehensive income for the period	–	–	48	457	505
DSP reserve from dividends on unvested shares	–	–	–	1	1
Ordinary dividends	–	–	–	(584)	(584)
Redemption of preference shares	–	–	–	(1,000)	(1,000)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(38)	–	–	–	(38)
Treasury shares transferred/sold	41	–	–	–	41
Balance at 30 September 2013	9,434	106	153	8,820	18,513
Balance at 1 July 2012	8,991	96	703	8,247	18,037
Total comprehensive income for the period	–	–	(479)	1,226	747
DSP reserve from dividends on unvested shares	–	–	–	0	0
Ordinary dividends	–	–	–	(550)	(550)
Preference shares issued by the Bank	1,000	–	–	–	1,000
Preference shares' issue expense	(0)	–	–	–	(0)
Share-based staff costs capitalised	–	2	–	–	2
Share buyback held in treasury	(54)	–	–	–	(54)
Treasury shares transferred/sold	19	–	–	–	19
Balance at 30 September 2012	9,956	98	224	8,923	19,201

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months ended 30 September 2013

S\$ million	9M13	9M12	3Q13	3Q12
Cash flows from operating activities				
Profit before income tax	2,648	4,085	980	2,192
Adjustments for non-cash items				
Amortisation of intangible assets	44	45	15	15
Allowances for loans and impairment of other assets	198	204	94	70
Change in fair value for hedging transactions and trading securities	90	(49)	(37)	(12)
Depreciation of property, plant and equipment and investment property	154	134	53	47
Net gain on disposal of property, plant and equipment and investment property	(9)	(76)	(6)	(18)
Net gain on disposal of government, debt and equity securities	(130)	(1,337)	(37)	(1,273)
Net loss on liquidation of a subsidiary	3	–	–	–
Share-based staff costs	10	7	3	2
Share of results of associates and joint ventures	(49)	(22)	(13)	(4)
Items relating to life assurance fund				
Surplus before income tax	589	748	317	338
Surplus transferred from life assurance fund	(434)	(482)	(240)	(190)
Operating profit before change in operating assets and liabilities	3,114	3,257	1,129	1,167
Change in operating assets and liabilities				
Deposits of non-bank customers	16,136	2,973	4,997	(2,793)
Deposits and balances of banks	(275)	(413)	1,037	563
Derivative payables and other liabilities	456	(296)	(561)	46
Trading portfolio liabilities	(115)	(577)	339	(34)
Government securities and treasury bills	416	(2,942)	(519)	(2,221)
Trading securities	(1,748)	90	164	(395)
Placements with and loans to banks	(5,276)	(2,506)	(3,206)	4,991
Loans and bills receivable	(18,002)	(4,715)	(3,095)	(1,449)
Derivative receivables and other assets	(118)	(253)	(195)	(225)
Net change in investment assets and liabilities of life assurance fund	(274)	(386)	(438)	(166)
Cash used in operating activities	(5,686)	(5,768)	(348)	(516)
Income tax paid	(438)	(458)	(129)	(140)
Net cash used in operating activities	(6,124)	(6,226)	(477)	(656)
Cash flows from investing activities				
Dividends from associates	1	3	–	3
Decrease in associates and joint ventures	45	34	8	19
Purchases of debt and equity securities	(8,193)	(3,715)	(2,240)	(1,176)
Purchases of property, plant and equipment and investment property	(242)	(222)	(82)	(85)
Proceeds from disposal of debt and equity securities	5,151	5,514	1,626	2,604
Proceeds from disposal of property, plant and equipment and investment property	18	113	10	25
Net cash (used in)/from investing activities	(3,220)	1,727	(678)	1,390
Cash flows from financing activities				
Changes in non-controlling interests	–	30	–	–
Dividends paid to equity holders of the Bank	(1,228)	(1,111)	(590)	(550)
Distributions and dividends paid to non-controlling interests	(138)	(206)	(56)	(80)
Issue of subordinated debt	–	1,472	–	1,472
Redemption of subordinated debt issued	(721)	–	–	–
Increase/(decrease) in other debt issued	11,284	3,016	3,705	(2,246)
Net proceeds from issue of preference shares by the Bank	–	1,000	–	1,000
Redemption of preference shares	(1,500)	–	(1,000)	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	91	44	41	19
Share buyback held in treasury	(147)	(148)	(38)	(54)
Net cash from/(used in) financing activities	7,641	4,097	2,062	(439)
Net currency translation adjustments	(230)	(183)	(203)	(67)
Net change in cash and cash equivalents	(1,933)	(585)	704	228
Cash and cash equivalents at beginning of period	16,397	12,897	13,760	12,084
Cash and cash equivalents at end of period	14,464	12,312	14,464	12,312

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

Number of Shares	Nine months ended 30 Sep		Three months ended 30 Sep	
	2013	2012	2013	2012
Issued ordinary shares				
Balance at beginning of period	3,441,099,691	3,441,043,176	3,441,176,885	3,441,099,691
Shares issued to non-executive directors	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)	(9,305,895)	(6,371,211)
Share buyback	(14,139,000)	(16,752,000)	(3,740,000)	(5,868,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	7,668,626	5,287,934	698,713	1,073,528
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	5,033,520	1,610,492	3,928,619	1,432,062
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	3,174,121	4,085,746	–	–
Shares sold for cash	3,502	–	502	–
Balance at end of period	(8,418,061)	(9,733,621)	(8,418,061)	(9,733,621)
Total	3,432,758,824	3,431,366,070	3,432,758,824	3,431,366,070

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 25 April 2013, the Bank purchased a total of 3,740,000 ordinary shares in the third quarter ended 30 September 2013. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$9.83 to S\$10.78 per share and the total consideration paid was S\$38,037,570 (including transaction costs).

From 1 July 2013 to 30 September 2013 (both dates inclusive), the Bank utilised 698,713 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As at 30 September 2013, the number of options outstanding under the OCBC SOS 2001 was 32,327,791 (30 September 2012: 31,907,680).

From 1 July 2013 to 30 September 2013 (both dates inclusive), the Bank utilised 3,928,619 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 September 2013, the number of acquisition rights outstanding under the OCBC ESPP was 13,656,511 (30 September 2012: 12,813,464).

No new preference shares were allotted and issued by the Bank in the third quarter ended 30 September 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 September 2013 to be false or misleading.

On behalf of the Board of Directors



Cheong Choong Kong
Chairman



Bobby Chin Yoke Choong
Director

31 October 2013