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## Media Release

### **OCBC Group Second Quarter 2015 Net Profit after Tax rose 14% to a Record S\$1.05 billion**

#### ***Half year earnings at a new high of S\$2.04 billion***

Singapore, 31 July 2015 - Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$1.05 billion for the second quarter of 2015 (“2Q15”), which was 14% higher than S\$921 million a year ago (“2Q14”).

The robust second quarter performance was driven by new highs in both net interest income and non-interest income. The results further demonstrated the diversity of the Group’s earnings base, as reflected by increased pre-tax contributions from our key overseas markets of Greater China and Indonesia, which grew 102% and 21% respectively, from a year ago.

Net interest income increased 14% to S\$1.28 billion from S\$1.13 billion a year ago. Customer loans rose 18% from a year ago to S\$210 billion, contributed by broad-based growth across key customer segments and geographies. 2Q15 net interest margin of 1.67% increased 5 basis points quarter-on-quarter but narrowed 3 basis points from a year ago. The year-on-year decline in net interest margin was the result of a lower loan-to-deposit ratio and reduced money market gapping activities, which more than offset an improvement in customer loan spreads, mainly in Singapore.

Non-interest income rose 10% to S\$939 million from S\$850 million the previous year, underpinned by continued growth in the Group’s customer-related businesses. Fee and commission income increased 24% to a new high of S\$438 million, led by robust wealth management, brokerage and loan-related fee income. Treasury-related income from customer flows rose 25%, although net trading income declined to S\$70 million from S\$133 million in 2Q14. Net realised gains from the sale of investment securities were S\$166 million, higher as compared to S\$13 million in 2Q14, primarily attributable to the realisation of a S\$136 million gain from the sale of an investment in Great Eastern Holdings’ (“GEH”) equity portfolio (the Group’s share of net profit after tax and non-controlling interest was S\$105 million). Profit from life assurance was 40% lower year-on-year at S\$132 million, largely due to unrealised mark-to-market losses from equity and bond investments.

The Group’s share of results of associates and joint ventures climbed to S\$102 million from S\$18 million a year ago, mainly contributed by Bank of Ningbo, which became a 20%-owned associated company of the Group on 30 September 2014.

Operating expenses for the quarter rose 21% to S\$918 million from S\$760 million a year ago, reflecting the consolidation of OCBC Wing Hang. The Group's cost-to-income ratio was maintained at 41.3%. Excluding OCBC Wing Hang, operating expenses increased 7%, mainly from staff-related costs.

Allowances for loans and other assets were S\$80 million, up from S\$66 million a year ago. The Group's asset quality remained sound, with the non-performing loans ("NPL") ratio at 0.7%, similar to that in 2Q14.

Against the previous quarter ("1Q15"), the Group's net profit after tax grew 5%. Net interest income rose 3%, benefitting from a 5 basis points rise in net interest margin from improved customer loan spreads, as well as a 2% increase in customer loans in constant currency terms. The quarter-on-quarter performance was also supported by fee and commission income growth and increased investment gains. Operating expenses were 5% higher, largely associated with the impact of annual salary increments which took effect in April 2015. Net allowances for loans and other assets were higher than the previous quarter, mainly from increased portfolio allowances.

## First Half Performance

Net profit after tax for the first half of 2015 ("1H15") was S\$2.04 billion and 12% above S\$1.82 billion recorded a year ago ("1H14").

Net interest income grew 14% to S\$2.53 billion, as compared with S\$2.21 billion a year ago, largely from an 18% rise in interest-earning assets. Non-interest income rose 9% from a year ago to S\$1.80 billion from S\$1.65 billion. Fee and commission income increased 18% to S\$833 million from broad-based fee growth. Net trading income was lower at S\$193 million as compared to S\$232 million in 1H14, despite a 9% increase in income from customer flows. Net gains from the sale of investment securities of S\$209 million were higher than S\$65 million a year ago, mainly from realised investment gains in GEH's equity portfolio. Profit from life assurance of S\$331 million was lower than S\$403 million the previous year.

The Group's 1H15 wealth management income, comprising income from insurance, private banking, asset management, stockbroking and other wealth management products, rose to a new high of S\$1.28 billion, 11% above S\$1.15 billion a year ago. As a share of the Group's total income, wealth management contributed 29%, a level comparable with that of 1H14. OCBC's private banking business continued to expand, with assets under management as at 30 June 2015 growing 6% to US\$54 billion (S\$73 billion) from US\$51 billion (S\$64 billion) a year ago.

The Group's operating expenses were up 22% at S\$1.79 billion, partly attributable to the consolidation of OCBC Wing Hang. Excluding OCBC Wing Hang, operating expenses were 8% higher. Net allowances for loans and other assets were S\$144 million, a 36% increase (29% excluding OCBC Wing Hang) from S\$107 million a year ago.

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Income from associates and joint ventures of S\$191 million was significantly higher than S\$35 million in 1H14, largely attributable to Bank of Ningbo's contribution as an associated company of the Group.

Annualised return on equity for 1H15 was 13.3%, lower than 14.9% a year ago, largely due to the dilutive impact arising from the rights issue in the third quarter of 2014. Annualised earnings per share amounted to 101.8 cents, as compared to 102.2 cents a year ago.

### **Allowances and Asset Quality**

Net allowances for loans and other assets were S\$80 million in 2Q15, as compared to S\$66 million a year ago. Portfolio allowances amounted to S\$32 million for the quarter, while specific allowances for loans, net of recoveries and write-backs, were S\$47 million and represented an annualised 9 basis points of loans.

The Group's asset quality continued to be strong, with the NPL ratio of 0.7% stable year-on-year. Healthy coverage ratios were maintained and total cumulative allowances represented 153% of total non-performing assets ("NPAs") and 443% of unsecured NPAs. This was a higher coverage ratio as compared with 149% and 423%, respectively a year ago.

### **Funding and Capital Position**

The Group's funding and capital position remained sound. Customer deposits rose 22% year-on-year to S\$246 billion from S\$201 billion, and the ratio of current and savings accounts to total customer deposits stood at 46.0%. The loan-to-deposit ratio as at 30 June 2015 was 84.3%, lower as compared to 87.2% a year ago. Excluding the consolidation of OCBC Wing Hang, the Group's customer loans and deposits grew by 3% and 5% respectively from 2Q14.

As at 30 June 2015, the Singapore dollar and all-currency liquidity coverage ratios for the Group (excluding OCBC Wing Hang) were 241% and 109% respectively, higher as compared to the respective regulatory ratios of 100% and 60%. OCBC Wing Hang's liquidity coverage ratios will be incorporated into the overall Group position in due course.

The Group's Common Equity Tier 1 capital adequacy ratio ("CAR") as at 30 June 2015, was 14.1% and Tier 1 CAR and Total CAR were 14.1% and 16.1% respectively. Based on Basel III transitional arrangements, these ratios were well above the respective regulatory minima of 6.5%, 8% and 10%. The Group's leverage ratio of 7.4% was higher than the 3% minimum requirement as guided by the Basel Committee.

## **Interim Dividend**

An interim dividend of 18 cents per share has been declared for the first half of 2015.

The Scrip Dividend Scheme will be applicable to the interim dividend, giving shareholders the option to receive the dividend in the form of shares. The issue price of the shares will be set at a 10% discount to the average of the daily volume weighted average prices during the price determination period from 12 August to 14 August 2015, both dates inclusive.

The interim dividend payout will amount to approximately S\$728 million, representing 36% of the Group's 1H15 net profit after tax.

## **CEO's Comments**

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

"Our first half performance was driven by successive quarters of record earnings. Our results demonstrated the strength of our banking and wealth management franchise, as well as higher insurance contributions from portfolio investment gains. The results also reflected the success of our strategy of diversifying our income base, as we believe a wider geographic and business presence will better position us to benefit from Asia's continued long-term growth potential. We continue to be positive on the underlying prospects in our key markets. While watchful of the possibility of renewed volatility in the global financial markets, we remain focused on our strategy of deepening and growing the Group's network to support our customers."

## 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. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the world's strongest and safest banks by leading market research firms and publications.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, 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 over 630 branches and representative offices in 18 countries and territories. These include the more than 330 branches and offices in Indonesia operated by subsidiary Bank OCBC NISP, and 94 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by subsidiary Bank of Singapore, which has received increasing industry recognition as Asia's Global Private Bank, and was voted Outstanding Private Bank in Southeast Asia in 2014 by Private Banker International.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit [www.ocbc.com](http://www.ocbc.com)

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## To Our Shareholders

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

### **Unaudited Financial Results for the Second Quarter Ended 30 June 2015**

For the second quarter ended 30 June 2015, Group reported net profit after tax was S\$1.05 billion. Details of the financial results are in the accompanying Group Financial Report.

### **Ordinary Dividend**

An interim tax exempt dividend of 18 cents per share (2014: 18 cents tax exempt) has been declared for the first half-year 2015. The interim dividend payout will amount to an estimated S\$728 million (2014: S\$628 million) or approximately 36% of the Group’s net profit after tax of S\$2.04 billion for 1H15.

### **Closure of Books**

The books closure date is 14 August 2015. Please refer to the separate announcement titled “Notice of Books Closure and Application of Scrip Dividend Scheme to FY15 Interim Dividend” released by the Bank today.

### **Scrip Dividend Scheme**

The Scrip Dividend Scheme will be applicable to the interim dividend. The issue price for the new shares, to be allotted to shareholders who have elected to receive scrip for the interim dividend, will be set at a 10% discount to the average of the daily volume weighted average prices of the shares for each of the market days during the price determination period between 12 August 2015 (the ex-dividend date) to 14 August 2015 (the books closure date), both dates inclusive. Further details can be found in a separate announcement titled “Application of Scrip Dividend Scheme to FY15 Interim Dividend” released by the Bank today.

### **Preference Dividends**

On 22 June 2015, the Bank paid semi-annual tax exempt dividends on its non-cumulative non-convertible preference shares as follows: Class G Preference Shares at 4.2% (2014: 4.2%) per annum and Class M Preference Shares at 4.0% (2014: 4.0%) per annum. Total amount of dividends paid for the Class G and Class M Preference Shares were S\$8.3 million and S\$19.9 million respectively.

Peter Yeoh  
Secretary

Singapore, 31 July 2015

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





**Oversea-Chinese Banking Corporation Limited**  
**Second Quarter 2015 Group Financial Report**



Incorporated in Singapore  
Company Registration Number: 193200032W

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### Notes:

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

## FINANCIAL SUMMARY

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

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2015:

FRS 19 (Amendments): *Defined Benefits Plans: Employee Contributions*  
Improvements to FRSs 2014

The initial application of the above standards (including their consequential amendments) and interpretations did not have any material impact on the Group’s financial statements.

There are a number of new/revised financial reporting standards in issue but not yet effective. They are not expected to have a material impact on the Group’s financial statements when adopted except for FRS 109: *Financial Instruments*. FRS 109 is effective from 1 January 2018. The Group is currently assessing the impact of FRS 109 on its financial statements.

### Financial Results

Group net profit after tax was S\$1.05 billion for the second quarter ended 30 June 2015 (“2Q15”), representing an increase of 14% as compared with S\$921 million a year ago (“2Q14”), led by higher net interest income and non-interest income. The 2Q15 results included the consolidation of OCBC Wing Hang, which became a subsidiary of the Group in the third quarter of 2014.

Net interest income grew 14% to S\$1.28 billion from S\$1.13 billion in 2Q14, mainly driven by strong asset growth. Non-interest income was 10% higher at S\$939 million in 2Q15, as compared with S\$850 million a year ago. Fee and commission income rose 24% to S\$438 million, from S\$353 million in 2Q14, underpinned by higher wealth management, brokerage and loan-related fee income. Net gains from the sale of investment securities of S\$166 million was higher than the previous year’s S\$13 million, primarily due to realised gains from an investment in Great Eastern Holdings’ (“GEH”) equity portfolio. Net trading income of S\$70 million was lower as compared with S\$133 million in 2Q14, while profit from life assurance fell 40% to S\$132 million, down from S\$220 million a year ago. Share of results of associates and joint ventures was higher at S\$102 million from S\$18 million the previous year, mainly attributable to the contribution from Bank of Ningbo (“BON”), which became a 20%-owned associated company of the Group on 30 September 2014.

Operating expenses rose 21% to S\$918 million from S\$760 million in 2Q14. Allowances for loans and other assets amounted to S\$80 million, an increase from S\$66 million a year ago. The Group’s non-performing loans (“NPL”) ratio was 0.7%, unchanged from 2Q14.

For the first half of 2015 (“1H15”), the Group’s net profit after tax was S\$2.04 billion, up 12% from S\$1.82 billion a year ago (“1H14”), driven by broad-based income growth.

Annualised return on equity was 13.3% in 1H15, lower as compared with 14.9% a year ago, largely attributable to the fully-subscribed 1-for-8 rights issue in the third quarter of 2014. Annualised earnings per share was 101.8 cents, compared with 102.2 cents in 1H14.

## FINANCIAL SUMMARY *(continued)*

S\$ million	1H15	1H14	+ / (-)	2Q15	2Q14	+ / (-)	1Q15	+ / (-)
			%			%		%
<b>Selected Income Statement Items</b>								
Net interest income	2,531	2,213	14	1,282	1,126	14	1,249	3
Non-interest income	1,798	1,650	9	939	850	10	859	9
Total income	4,329	3,863	12	2,221	1,976	12	2,108	5
Operating expenses	(1,791)	(1,466)	22	(918)	(760)	21	(873)	5
Operating profit before allowances and amortisation	2,538	2,397	6	1,303	1,216	7	1,235	6
Amortisation of intangible assets	(48)	(28)	71	(24)	(14)	71	(24)	(1)
Allowances for loans and impairment for other assets	(144)	(107)	36	(80)	(66)	23	(64)	25
Operating profit after allowances and amortisation	2,346	2,262	4	1,199	1,136	6	1,147	5
Share of results of associates and joint ventures	191	35	453	102	18	489	89	14
Profit before income tax	2,537	2,297	10	1,301	1,154	13	1,236	5
<b>Net profit attributable to shareholders</b>	<b>2,041</b>	<b>1,820</b>	<b>12</b>	<b>1,048</b>	<b>921</b>	<b>14</b>	<b>993</b>	<b>5</b>
<b>Cash basis net profit attributable to shareholders <sup>1/</sup></b>	<b>2,089</b>	<b>1,848</b>	<b>13</b>	<b>1,072</b>	<b>935</b>	<b>15</b>	<b>1,017</b>	<b>5</b>

### Selected Balance Sheet Items

Ordinary equity	31,552	25,498	24	31,552	25,498	24	31,044	2
Total equity <i>(excluding non-controlling interests)</i>	32,948	26,893	23	32,948	26,893	23	32,439	2
Total assets	399,014	348,414	15	399,014	348,414	15	404,156	(1)
Assets excluding life assurance fund investment assets	342,151	292,975	17	342,151	292,975	17	345,524	(1)
Loans and bills receivable <i>(net of allowances)</i>	207,828	175,572	18	207,828	175,572	18	207,826	–
Deposits of non-bank customers	246,424	201,297	22	246,424	201,297	22	250,309	(2)

Note:

1. Excludes amortisation of intangible assets.

## FINANCIAL SUMMARY *(continued)*

	1H15	1H14	2Q15	2Q14	1Q15
<b>Key Financial Ratios</b>					
<b>Performance ratios (% p.a.)</b>					
Return on equity <sup>1/2/</sup>					
SFRS <sup>3/</sup> basis	<b>13.3</b>	14.9	<b>13.4</b>	14.8	13.2
Cash basis	<b>13.6</b>	15.1	<b>13.7</b>	15.0	13.5
Return on assets <sup>4/</sup>					
SFRS <sup>3/</sup> basis	<b>1.21</b>	1.27	<b>1.24</b>	1.27	1.16
Cash basis	<b>1.24</b>	1.29	<b>1.26</b>	1.29	1.19
<b>Revenue mix/efficiency ratios (%)</b>					
Net interest margin (annualised)	<b>1.64</b>	1.70	<b>1.67</b>	1.70	1.62
Net interest income to total income	<b>58.5</b>	57.3	<b>57.7</b>	57.0	59.3
Non-interest income to total income	<b>41.5</b>	42.7	<b>42.3</b>	43.0	40.7
Cost to income	<b>41.4</b>	38.0	<b>41.3</b>	38.5	41.4
Loans to deposits	<b>84.3</b>	87.2	<b>84.3</b>	87.2	83.0
NPL ratio	<b>0.7</b>	0.7	<b>0.7</b>	0.7	0.6
<b>Earnings per share <sup>2/5/</sup> (annualised - cents)</b>					
Basic earnings	<b>101.8</b>	102.2	<b>103.9</b>	102.8	99.7
Basic earnings (cash basis)	<b>104.3</b>	103.8	<b>106.4</b>	104.4	102.2
Diluted earnings	<b>101.7</b>	102.1	<b>103.8</b>	102.7	99.6
<b>Net asset value per share (S\$) <sup>5/</sup></b>					
Before valuation surplus	<b>7.80</b>	7.35	<b>7.80</b>	7.35	7.80
After valuation surplus	<b>9.99</b>	9.06	<b>9.99</b>	9.06	9.99
<b>Capital adequacy ratios (%) <sup>6/</sup></b>					
Common Equity Tier 1	<b>14.1</b>	14.7	<b>14.1</b>	14.7	13.5
Tier 1	<b>14.1</b>	14.7	<b>14.1</b>	14.7	13.5
Total	<b>16.1</b>	17.4	<b>16.1</b>	17.4	15.5
<b>Leverage ratio (%) <sup>7/</sup></b>	<b>7.4</b>	na	<b>7.4</b>	na	7.2

Notes:

1. Preference equity and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on 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. Comparatives for per share data were restated for the effects of the 1-for-8 Rights Issue.
6. The Group's Capital adequacy ratios are computed based on Basel III transitional arrangements.
7. The Group's Leverage ratio is computed based on the revised MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore, which took effect on 1 January 2015.
8. Return on equity, return on assets, net interest margin and earnings per share are computed on an annualised basis.
9. "na" denotes not applicable.

## NET INTEREST INCOME

### Average Balance Sheet

S\$ million	1H15			1H14		
	Average Balance	Interest	Average Rate <sup>4/</sup> %	Average Balance	Interest	Average Rate <sup>4/</sup> %
<b>Interest earning assets</b>						
Loans and advances to non-bank customers	206,289	3,176	3.11	173,061	2,471	2.88
Placements with and loans to banks	60,271	455	1.52	50,176	505	2.03
Other interest earning assets <sup>1/</sup>	44,024	582	2.67	39,543	507	2.58
<b>Total</b>	<b>310,584</b>	<b>4,213</b>	<b>2.74</b>	<b>262,780</b>	<b>3,483</b>	<b>2.67</b>
<b>Interest bearing liabilities</b>						
Deposits of non-bank customers	250,411	1,408	1.13	197,294	998	1.02
Deposits and balances of banks	16,411	63	0.77	22,402	78	0.70
Other borrowings <sup>2/</sup>	27,146	211	1.57	28,797	194	1.36
<b>Total</b>	<b>293,968</b>	<b>1,682</b>	<b>1.15</b>	<b>248,493</b>	<b>1,270</b>	<b>1.03</b>
<b>Net interest income/margin <sup>3/</sup></b>		<b>2,531</b>	<b>1.64</b>		<b>2,213</b>	<b>1.70</b>

S\$ million	2Q15			2Q14			1Q15		
	Average Balance	Interest	Average Rate <sup>4/</sup> %	Average Balance	Interest	Average Rate <sup>4/</sup> %	Average Balance	Interest	Average Rate <sup>4/</sup> %
<b>Interest earning assets</b>									
Loans and advances to non-bank customers	205,038	1,603	3.14	175,232	1,255	2.87	207,554	1,573	3.07
Placements with and loans to banks	58,790	210	1.43	50,018	259	2.08	61,769	245	1.61
Other interest earning assets <sup>1/</sup>	44,500	292	2.63	40,357	262	2.60	43,542	290	2.70
<b>Total</b>	<b>308,328</b>	<b>2,105</b>	<b>2.74</b>	<b>265,607</b>	<b>1,776</b>	<b>2.68</b>	<b>312,865</b>	<b>2,108</b>	<b>2.73</b>
<b>Interest bearing liabilities</b>									
Deposits of non-bank customers	247,492	685	1.11	199,105	514	1.04	253,363	723	1.16
Deposits and balances of banks	17,044	34	0.80	22,221	36	0.65	15,770	29	0.75
Other borrowings <sup>2/</sup>	26,611	104	1.57	29,684	100	1.35	27,687	107	1.56
<b>Total</b>	<b>291,147</b>	<b>823</b>	<b>1.13</b>	<b>251,010</b>	<b>650</b>	<b>1.04</b>	<b>296,820</b>	<b>859</b>	<b>1.17</b>
<b>Net interest income/margin <sup>3/</sup></b>		<b>1,282</b>	<b>1.67</b>		<b>1,126</b>	<b>1.70</b>		<b>1,249</b>	<b>1.62</b>

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 14% to a quarterly high of S\$1.28 billion in 2Q15, up from S\$1.13 billion a year ago and underpinned by robust asset growth. Net interest margin declined 3 basis points from 1.70% to 1.67%, largely from a lower loan-to-deposit ratio and reduced money market gapping opportunities, which more than offset an improvement in customer loans spreads, mainly in Singapore.

Compared with 1Q15, net interest income was 3% higher from S\$1.25 billion, mainly attributable to a 5 basis point improvement in net interest margin. The quarter-on-quarter increase in net interest margin was largely a result of an improvement in customer loan spreads.

### Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	1H15 vs 1H14			2Q15 vs 2Q14			2Q15 vs 1Q15		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
<b>Interest income</b>									
Loans and advances to non-bank customers	474	231	705	213	135	348	(19)	33	14
Placements with and loans to banks	102	(152)	(50)	46	(95)	(49)	(12)	(26)	(38)
Other interest earning assets	57	18	75	27	3	30	6	(8)	(2)
<b>Total</b>	<b>633</b>	<b>97</b>	<b>730</b>	<b>286</b>	<b>43</b>	<b>329</b>	<b>(25)</b>	<b>(1)</b>	<b>(26)</b>
<b>Interest expense</b>									
Deposits of non-bank customers	269	141	410	125	46	171	(17)	(29)	(46)
Deposits and balances of banks	(21)	6	(15)	(8)	6	(2)	2	2	4
Other borrowings	(11)	28	17	(11)	15	4	(4)	1	(3)
<b>Total</b>	<b>237</b>	<b>175</b>	<b>412</b>	<b>106</b>	<b>67</b>	<b>173</b>	<b>(19)</b>	<b>(26)</b>	<b>(45)</b>
<b>Impact on net interest income</b>	<b>396</b>	<b>(78)</b>	<b>318</b>	<b>180</b>	<b>(24)</b>	<b>156</b>	<b>(6)</b>	<b>25</b>	<b>19</b>
Due to change in number of days			–			–			14
<b>Net interest income</b>			<b>318</b>			<b>156</b>			<b>33</b>

## NON-INTEREST INCOME

S\$ million	1H15	1H14	+ / (-) %	2Q15	2Q14	+ / (-) %	1Q15	+ / (-) %
<b>Fees and commissions</b>								
Brokerage	49	26	88	29	12	129	20	44
Wealth management	264	230	15	135	114	18	129	5
Fund management	62	52	20	33	27	23	29	12
Credit card	64	34	87	33	18	87	31	9
Loan-related	158	143	11	83	69	20	75	11
Trade-related and remittances	115	111	3	58	58	(1)	57	–
Guarantees	10	10	4	5	5	9	5	8
Investment banking	49	41	22	30	25	23	19	66
Service charges	38	38	(3)	20	17	10	18	4
Others	24	21	16	12	8	60	12	5
Sub-total	833	706	18	438	353	24	395	11
<b>Dividends</b>	50	67	(25)	37	56	(33)	13	196
<b>Rental income</b>	51	35	45	25	18	42	26	(2)
<b>Profit from life assurance</b>	331	403	(18)	132	220	(40)	199	(33)
<b>Premium income from general insurance</b>	80	79	–	42	39	6	38	10
<b>Other income</b>								
Net trading income	193	232	(17)	70	133	(48)	123	(43)
Net gain from investment securities	209	65	221	166	13	nm	43	283
Net gain/(loss) from disposal of an associate and joint venture	–	31	(100)	–	(1)	(100)	–	–
Net gain from disposal of properties	10	2	593	6	2	364	4	69
Others	41	30	38	23	17	40	18	27
Sub-total	453	360	26	265	164	61	188	40
<b>Total non-interest income</b>	<b>1,798</b>	1,650	9	<b>939</b>	850	10	859	9
Fees and commissions/Total income	19.2%	18.3%		19.7%	17.8%		18.7%	
Non-interest income/Total income	41.5%	42.7%		42.3%	43.0%		40.7%	

Non-interest income increased 10% to a quarterly record of S\$939 million in 2Q15, higher as compared to S\$850 million a year ago.

Fee and commission income rose to a new high of S\$438 million, a 24% increase from S\$353 million in 2Q14, led by growth in wealth management, brokerage and loan-related fee income. Treasury-related income from customer flows rose 25%, although net trading income was lower at S\$70 million as compared to S\$133 million in 2Q14. Net realised gains from the sale of investment securities was higher at S\$166 million, up from S\$13 million a year ago, primarily attributed to the realisation of a S\$136 million gain from an investment in GEH's equity portfolio (the Group's share of net profit after tax and non-controlling interest was S\$105 million). Profit from life assurance was S\$132 million for the quarter, 40% lower as compared with S\$220 million in 2Q14, mainly attributable to unrealised mark-to-market losses from equity and bond investments.

Compared to 1Q15, non-interest income for the quarter was up 9%.



## OPERATING EXPENSES

S\$ million	1H15	1H14	+/(-) %	2Q15	2Q14	+/(-) %	1Q15	+/(-) %
<b>Staff costs</b>								
Salaries and other costs	1,016	827	23	522	432	21	494	6
Share-based expenses	19	18	5	11	10	6	8	27
Contribution to defined contribution plans	84	68	23	42	34	22	42	–
	<b>1,119</b>	913	22	<b>575</b>	476	20	544	6
<b>Property and equipment</b>								
Depreciation	144	106	36	73	53	37	71	2
Maintenance and hire of property, plant & equipment	52	40	32	27	20	37	25	7
Rental expenses	48	36	31	24	18	31	24	2
Others	107	87	23	55	46	22	52	8
	<b>351</b>	269	30	<b>179</b>	137	31	172	4
<b>Other operating expenses</b>	<b>321</b>	284	13	<b>164</b>	147	12	157	5
<b>Total operating expenses</b>	<b>1,791</b>	1,466	22	<b>918</b>	760	21	873	5
<b>Group staff strength</b>								
Period end	29,507	25,533	16	29,507	25,533	16	29,644	–
Average	29,549	25,375	16	29,539	25,460	16	29,559	–
Cost to income ratio	41.4%	38.0%		41.3%	38.5%		41.4%	

Operating expenses grew 21% to S\$918 million in 2Q15 as compared with S\$760 million a year ago, reflecting the consolidation of OCBC Wing Hang. Staff costs were 20% higher at S\$575 million from S\$476 million in 2Q14, mainly from annual salary increments and increased staff strength to support the Group's business expansion. Property and equipment related expenses were S\$179 million, up 31% from S\$137 million a year ago, primarily from higher depreciation expenses. Other operating expenses were 12% higher year-on-year at S\$164 million as compared with S\$147 million in 2Q14, mainly attributable to higher business promotion costs. Excluding OCBC Wing Hang, operating expenses were up 7% year-on-year, mainly from higher staff costs.

Compared with 1Q15, operating expenses were up 5% from S\$873 million, largely from higher staff-related costs as the Group's annual salary increments took effect in April 2015.

The cost-to-income ratio was 41.3% in 2Q15 and 41.4% in 1H15.

## ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	1H15	1H14	+/(-) %	2Q15	2Q14	+/(-) %	1Q15	+/(-) %
Specific allowances/ (write-back) for loans								
Singapore	32	23	39	16	13	21	16	2
Malaysia	37	21	78	27	9	228	10	158
Greater China	12	(0)	nm	5	(0)	nm	7	(34)
Others	11	15	(27)	(1)	14	(104)	12	(105)
	<b>92</b>	59	56	<b>47</b>	36	30	45	4
Portfolio allowances for loans	52	59	(10)	32	42	(21)	20	62
Allowances and impairment charges/(write-back) for other assets	0	(11)	100	1	(12)	109	(1)	204
Allowances for loans and impairment for other assets	<b>144</b>	107	36	<b>80</b>	66	23	64	25

Allowances for loans and other assets were S\$80 million in 2Q15, higher as compared with S\$66 million a year ago and S\$64 million in the previous quarter.

Specific allowances for loans, net of recoveries and writebacks was S\$47 million for the quarter, higher as compared to S\$36 million in 2Q14, with the increase coming mainly from Malaysia. Specific allowances remained low at 9 basis points of loans on an annualised basis. Compared with 1Q15, specific allowances were up 4% from S\$45 million.

Portfolio allowances for loans were S\$32 million for 2Q15, lower than S\$42 million a year ago but an increase as compared with S\$20 million in 1Q15.

## LOANS AND ADVANCES

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Loans to customers	197,145	195,873	193,610	159,919
Bills receivable	13,001	14,283	16,212	17,496
Gross loans to customers	210,146	210,156	209,822	177,415
Allowances				
Specific allowances	(342)	(350)	(332)	(223)
Portfolio allowances	(1,934)	(1,929)	(1,897)	(1,572)
	207,870	207,877	207,593	175,620
Less: assets pledged	(42)	(51)	(58)	(48)
Loans net of allowances	207,828	207,826	207,535	175,572
<b>By Maturity</b>				
Within 1 year	79,893	79,016	80,265	71,665
1 to 3 years	30,253	31,709	32,387	25,981
Over 3 years	100,000	99,431	97,170	79,769
	210,146	210,156	209,822	177,415
<b>By Industry</b>				
Agriculture, mining and quarrying	8,074	8,208	8,750	6,708
Manufacturing	12,978	13,216	12,746	10,184
Building and construction	32,988	32,440	32,175	25,077
Housing loans	55,321	55,392	54,207	43,719
General commerce	29,237	29,293	30,218	27,277
Transport, storage and communication	11,741	12,083	12,365	10,520
Financial institutions, investment and holding companies	26,219	25,394	25,360	25,034
Professionals and individuals	22,746	22,436	22,511	18,982
Others	10,842	11,694	11,490	9,914
	210,146	210,156	209,822	177,415
<b>By Currency</b>				
Singapore Dollar	76,346	75,726	76,613	74,775
United States Dollar	50,797	52,828	55,697	50,149
Malaysian Ringgit	22,582	23,084	23,040	22,708
Indonesian Rupiah	5,320	5,224	5,282	4,909
Hong Kong Dollar	29,332	28,395	25,770	6,228
Chinese Renminbi	9,927	10,007	10,229	5,359
Others	15,842	14,892	13,191	13,287
	210,146	210,156	209,822	177,415
<b>By Geography <sup>1/</sup></b>				
Singapore	85,547	85,724	86,700	84,546
Malaysia	28,112	28,711	28,909	28,066
Indonesia	14,462	14,166	13,982	13,062
Greater China	57,624	57,121	55,585	27,382
Other Asia Pacific	9,189	9,371	9,218	9,387
Rest of the World	15,212	15,063	15,428	14,972
	210,146	210,156	209,822	177,415

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 were S\$210 billion as at 30 June 2015, 18% higher than S\$177 billion a year ago and unchanged from the previous quarter. In constant currency terms, customer loans grew 16% year-on-year and 2% quarter-on-quarter. The consolidation of OCBC Wing Hang contributed S\$27.4 billion to the total year-on-year growth of S\$32.7 billion. Excluding OCBC Wing Hang, loan growth was 3% year-on-year, with the largest increase coming from housing loans, as well as loans to the building and construction and manufacturing sectors.

## NON-PERFORMING ASSETS

S\$ million	Total NPAs <sup>1/</sup>	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs <sup>2/</sup>	NPL Ratio <sup>2/</sup> %
<b>Singapore</b>							
<b>30 Jun 2015</b>	<b>385</b>	<b>172</b>	<b>118</b>	<b>95</b>	<b>77.7</b>	<b>385</b>	<b>0.5</b>
31 Mar 2015	388	183	103	102	78.6	388	0.5
31 Dec 2014	274	72	116	86	71.1	274	0.3
30 Jun 2014	207	40	77	90	69.4	207	0.2
<b>Malaysia</b>							
<b>30 Jun 2015</b>	<b>544</b>	<b>409</b>	<b>111</b>	<b>24</b>	<b>75.1</b>	<b>522</b>	<b>1.9</b>
31 Mar 2015	496	358	104	34	71.3	474	1.6
31 Dec 2014	532	378	117	37	70.1	507	1.8
30 Jun 2014	555	346	171	38	61.1	535	1.9
<b>Indonesia</b>							
<b>30 Jun 2015</b>	<b>246</b>	<b>156</b>	<b>7</b>	<b>83</b>	<b>28.2</b>	<b>246</b>	<b>1.7</b>
31 Mar 2015	103	6	11	86	41.4	103	0.7
31 Dec 2014	98	26	7	65	39.8	98	0.7
30 Jun 2014	87	42	8	37	52.6	87	0.7
<b>Greater China</b>							
<b>30 Jun 2015</b>	<b>159</b>	<b>60</b>	<b>25</b>	<b>74</b>	<b>77.3</b>	<b>159</b>	<b>0.3</b>
31 Mar 2015	202	105	17	80	81.1	202	0.4
31 Dec 2014	185	101	27	57	81.2	185	0.3
30 Jun 2014	102	97	0	5	91.2	92	0.3
<b>Other Asia Pacific</b>							
<b>30 Jun 2015</b>	<b>116</b>	<b>101</b>	<b>15</b>	<b>–</b>	<b>62.2</b>	<b>116</b>	<b>1.3</b>
31 Mar 2015	122	109	13	–	65.0	122	1.3
31 Dec 2014	180	168	12	–	77.2	180	2.0
30 Jun 2014	210	195	15	–	73.2	208	2.2
<b>Rest of the World</b>							
<b>30 Jun 2015</b>	<b>44</b>	<b>–</b>	<b>43</b>	<b>1</b>	<b>12.3</b>	<b>32</b>	<b>0.2</b>
31 Mar 2015	68	21	46	1	38.8	57	0.4
31 Dec 2014	48	43	4	1	10.1	35	0.2
30 Jun 2014	54	44	7	3	21.1	43	0.3
<b>Group</b>							
<b>30 Jun 2015</b>	<b>1,494</b>	<b>898</b>	<b>319</b>	<b>277</b>	<b>65.5</b>	<b>1,460</b>	<b>0.7</b>
31 Mar 2015	1,379	782	294	303	70.4	1,346	0.6
31 Dec 2014	1,317	788	283	246	68.4	1,279	0.6
30 Jun 2014	1,215	764	278	173	64.7	1,172	0.7

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 assets ("NPAs") were S\$1.49 billion as at 30 June 2015, an increase of 23% from S\$1.22 billion a year ago. Excluding the consolidation of OCBC Wing Hang, the Group's NPAs rose 13% from 30 June 2014. By geography, the increase was largely from Singapore and Indonesia, partly offset by a decline in the Other Asia Pacific segment. By industry segment, the increase in NPAs was mainly from the transport, storage and communication sector and financial institutions, investment and holding companies.

The Group's NPL ratio was 0.7%, unchanged from a year ago, and higher from 0.6% the previous quarter. Of the total NPAs, 60% were in the substandard category and 66% were secured by collateral.

	30 Jun 2015		31 Mar 2015		31 Dec 2014		30 Jun 2014	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
<b>NPLs by Industry</b>								
Loans and advances								
Agriculture, mining and quarrying	75	0.9	29	0.4	8	0.1	9	0.1
Manufacturing	288	2.2	318	2.4	302	2.4	300	2.9
Building and construction	82	0.2	79	0.2	173	0.5	163	0.6
Housing loans	290	0.5	288	0.5	274	0.5	253	0.6
General commerce	162	0.6	159	0.5	152	0.5	146	0.5
Transport, storage and communication	273	2.3	260	2.2	174	1.4	113	1.1
Financial institutions, investment and holding companies	155	0.6	31	0.1	24	0.1	23	0.1
Professionals and individuals	114	0.5	110	0.5	103	0.5	93	0.5
Others	21	0.2	72	0.6	69	0.6	72	0.7
<b>Total NPLs</b>	<b>1,460</b>	<b>0.7</b>	<b>1,346</b>	<b>0.6</b>	<b>1,279</b>	<b>0.6</b>	<b>1,172</b>	<b>0.7</b>
<b>Classified debt securities</b>	<b>5</b>		<b>5</b>		<b>5</b>		<b>5</b>	
<b>Classified contingent liabilities</b>	<b>29</b>		<b>28</b>		<b>33</b>		<b>38</b>	
<b>Total NPAs</b>	<b>1,494</b>		<b>1,379</b>		<b>1,317</b>		<b>1,215</b>	

	30 Jun 2015		31 Mar 2015		31 Dec 2014		30 Jun 2014	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>NPAs by Period Overdue</b>								
Over 180 days	577	39	499	36	476	36	397	33
Over 90 to 180 days	171	11	259	19	146	11	152	12
30 to 90 days	169	11	124	9	122	9	82	7
Less than 30 days	55	4	13	1	22	2	15	1
Not overdue	522	35	484	35	551	42	569	47
	<b>1,494</b>	<b>100</b>	<b>1,379</b>	<b>100</b>	<b>1,317</b>	<b>100</b>	<b>1,215</b>	<b>100</b>

	30 Jun 2015		31 Mar 2015		31 Dec 2014		30 Jun 2014		
	S\$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
<b>Restructured Loans</b>									
Substandard	168	1	26	2	81	2	86	2	
Doubtful	66	34	31	25	39	24	35	20	
Loss	14	5	17	6	4	3	2	1	
	<b>248</b>	<b>40</b>	<b>74</b>	<b>33</b>	<b>124</b>	<b>29</b>	<b>123</b>	<b>23</b>	

## 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
				%	%
<b>Singapore</b>					
<b>30 Jun 2015</b>	<b>758</b>	<b>79</b>	<b>679</b>	<b>20.6</b>	<b>197.0</b>
31 Mar 2015	755	76	679	19.5	194.4
31 Dec 2014	746	70	676	25.6	272.8
30 Jun 2014	709	53	656	25.4	341.5
<b>Malaysia</b>					
<b>30 Jun 2015</b>	<b>527</b>	<b>129</b>	<b>398</b>	<b>23.6</b>	<b>96.7</b>
31 Mar 2015	538	134	404	27.0	108.4
31 Dec 2014	549	150	399	28.1	103.2
30 Jun 2014	477	122	355	21.9	86.0
<b>Indonesia</b>					
<b>30 Jun 2015</b>	<b>221</b>	<b>41</b>	<b>180</b>	<b>16.4</b>	<b>89.8</b>
31 Mar 2015	220	42	178	41.4	213.3
31 Dec 2014	207	40	167	41.2	210.7
30 Jun 2014	197	34	163	39.7	227.2
<b>Greater China</b>					
<b>30 Jun 2015</b>	<b>564</b>	<b>66</b>	<b>498</b>	<b>41.9</b>	<b>356.0</b>
31 Mar 2015	557	69	488	34.1	275.3
31 Dec 2014	528	62	466	33.6	285.0
30 Jun 2014	204	1	203	1.0	200.2
<b>Other Asia Pacific</b>					
<b>30 Jun 2015</b>	<b>117</b>	<b>23</b>	<b>94</b>	<b>19.7</b>	<b>100.7</b>
31 Mar 2015	122	25	97	20.2	99.8
31 Dec 2014	115	24	91	13.3	63.6
30 Jun 2014	119	24	95	11.6	56.9
<b>Rest of the World</b>					
<b>30 Jun 2015</b>	<b>96</b>	<b>11</b>	<b>85</b>	<b>26.0</b>	<b>219.6</b>
31 Mar 2015	94	11	83	16.6	139.0
31 Dec 2014	102	4	98	8.8	213.0
30 Jun 2014	105	5	100	9.6	193.3
<b>Group</b>					
<b>30 Jun 2015</b>	<b>2,283</b>	<b>349</b>	<b>1,934</b>	<b>23.4</b>	<b>152.8</b>
31 Mar 2015	2,286	357	1,929	25.9	165.7
31 Dec 2014	2,247	350	1,897	26.6	170.6
30 Jun 2014	1,811	239	1,572	19.7	149.1

As at 30 June 2015, the Group's total cumulative allowances for assets were S\$2.28 billion, comprising S\$349 million in specific allowances and S\$1.93 billion in portfolio allowances. Total cumulative allowances increased to 153% of total NPAs and 443% of unsecured NPAs, higher as compared with the respective ratios of 149% and 423% as at 30 June 2014.

## DEPOSITS

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Deposits of non-bank customers	246,424	250,309	245,519	201,297
Deposits and balances of banks	16,924	18,515	20,503	21,598
	<b>263,348</b>	<b>268,824</b>	<b>266,022</b>	<b>222,895</b>
Loans to deposits ratio (net non-bank loans/non-bank deposits)	84.3%	83.0%	84.5%	87.2%

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
<b>Total Deposits By Maturity</b>				
Within 1 year	258,550	264,002	261,000	217,826
1 to 3 years	2,333	2,392	2,691	3,210
Over 3 years	2,465	2,430	2,331	1,859
	<b>263,348</b>	<b>268,824</b>	<b>266,022</b>	<b>222,895</b>

<b>Non-Bank Deposits By Product</b>				
Fixed deposits	112,342	112,896	109,104	80,169
Savings deposits	42,202	41,631	39,913	34,342
Current account	71,200	72,173	69,572	60,581
Others	20,680	23,609	26,930	26,205
	<b>246,424</b>	<b>250,309</b>	<b>245,519</b>	<b>201,297</b>

<b>Non-Bank Deposits By Currency</b>				
Singapore Dollar	86,325	91,235	91,520	91,681
United States Dollar	70,981	64,740	62,333	47,761
Malaysian Ringgit	25,459	26,062	25,583	25,626
Indonesian Rupiah	5,371	5,383	5,235	4,835
Hong Kong Dollar	25,272	24,165	22,120	4,005
Chinese Renminbi	11,432	13,652	13,689	6,328
Others	21,584	25,072	25,039	21,061
	<b>246,424</b>	<b>250,309</b>	<b>245,519</b>	<b>201,297</b>

Non-bank customer deposits were S\$246 billion as at 30 June 2015, up 22% from S\$201 billion a year ago, and 2% lower from S\$250 billion the previous quarter. OCBC Wing Hang's deposits of S\$35.0 billion accounted for 14% of total customer deposits as of 30 June 2015. Excluding OCBC Wing Hang, customer deposits grew 5% year-on-year, underpinned by an increase in fixed deposits, current account and savings deposits, which grew by 10%, 9% and 8% respectively. The ratio of current and savings deposits to total non-bank deposits was 46.0% as at 30 June 2015. The Group's loans-to-deposits ratio, which includes OCBC Wing Hang, was 84.3%, as compared to 87.2% a year ago and 83.0% in the previous quarter. As at 30 June 2015, the Singapore dollar and all-currency liquidity coverage ratios for the Group (excluding OCBC Wing Hang) were 241% and 109% respectively, higher as compared to the respective regulatory ratios of 100% and 60%. OCBC Wing Hang's liquidity coverage ratios will be incorporated in the overall Group position in due course.

## DEBT ISSUED

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Subordinated debt (unsecured)	6,398	6,606	6,359	6,153
Fixed and floating rate notes (unsecured)	4,789	4,572	5,903	5,629
Commercial papers (unsecured)	17,010	13,116	15,598	16,236
Structured notes (unsecured)	1,090	1,093	999	853
Total	<b>29,287</b>	<b>25,387</b>	<b>28,859</b>	<b>28,871</b>
<b>Debt Issued By Maturity</b>				
Within one year	18,613	14,377	18,580	19,691
Over one year	10,674	11,010	10,279	9,180
Total	<b>29,287</b>	<b>25,387</b>	<b>28,859</b>	<b>28,871</b>

As at 30 June 2015, the Group had S\$17.0 billion of commercial papers outstanding, higher from a year ago. The commercial papers form part of the Group's diversified funding sources.

## CAPITAL ADEQUACY RATIOS

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Ordinary shares	12,943	12,330	12,356	8,522
Disclosed reserves/others	18,761	18,871	17,512	17,143
Regulatory adjustments	(4,523)	(4,545)	(3,889)	(2,124)
<b>Common Equity Tier 1 Capital</b>	<b>27,181</b>	26,656	25,979	23,541
Additional Tier 1 capital	3,024	3,023	3,438	3,438
Regulatory adjustments	(3,024)	(3,023)	(3,438)	(3,438)
<b>Tier 1 Capital</b>	<b>27,181</b>	26,656	25,979	23,541
Tier 2 capital	5,924	6,117	5,963	5,905
Regulatory adjustments	(2,248)	(2,197)	(2,015)	(1,694)
<b>Total Eligible Capital</b>	<b>30,857</b>	30,576	29,927	27,752
<b>Risk Weighted Assets</b>	<b>191,575</b>	196,769	188,108	159,184
<b>Capital Adequacy Ratios</b>				
Common Equity Tier 1	14.1%	13.5%	13.8%	14.7%
Tier 1	14.1%	13.5%	13.8%	14.7%
Total	16.1%	15.5%	15.9%	17.4%

Note:

- 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](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 14.1%, and Tier 1 CAR and total CAR of 14.1% and 16.1% respectively. These ratios, based on Basel III transitional arrangements, were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2015.

The Group's CET1 CAR, based on Basel III rules which will be effective from 1 January 2018, was 11.2%.

The capital adequacy information of the Group's significant banking subsidiaries as at 30 June 2015 were:

S\$ million	Total Risk Weighted Assets	Capital Adequacy Ratios		
		Common Equity Tier 1	Tier 1	Total
OCBC Wing Hang Bank Limited	18,894	11.9%	11.9%	15.1%
OCBC Bank (Malaysia) Berhad	13,036	13.1%	14.6%	16.0%
Bank OCBC NISP	9,099	na	17.3%	18.7%

Note:

- "na" denotes not applicable.

The capital adequacy ratios of OCBC Wing Hang Bank Limited are computed in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority, and the ratios for 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. The computed CET1 CAR as at 30 June 2015 for Bank OCBC NISP based on Basel II rules would be 17.3%.



## LEVERAGE RATIO

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Tier 1 Capital	27,181	26,656	na	na
Total exposures	363,935	368,544	na	na
Leverage ratio	7.4%	7.2%	na	na

Notes:

- Public disclosures required under MAS Notice 637 Part XI Division 3 Sub-division 11: Leverage ratio 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](http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html)).
- "na" denotes not applicable.

In January 2014, the Basel Committee on Banking Supervision ("BCBS") issued the leverage ratio framework and its public disclosure requirements. In line with this, a revised MAS Notice 637 was issued in October 2014 requiring Singapore-incorporated banks to make leverage ratio disclosures with effect from 1 January 2015 to enhance the transparency and comparability of these disclosures across banks.

The leverage ratio is an indicator of capital strength to supplement the risk-based capital requirements and is the ratio of Tier 1 Capital to total exposures (comprising on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet items). As at 30 June 2015, the Group's leverage ratio was 7.4%, above the minimum requirement of 3% which is being tested by BCBS during the parallel run period from 2013 to 2017.

## UNREALISED VALUATION SURPLUS

S\$ million	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Properties <sup>3/</sup>	3,964	3,985	3,956	3,462
Equity securities <sup>4/</sup>	4,917	4,758	4,315	3,256
Total	8,881	8,743	8,271	6,718

Notes:

- 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.
- Comprises mainly investments in quoted subsidiaries and an associate, 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 an associate, and the property values and market prices of the quoted investments at the respective periods. The carrying values of subsidiaries and associate 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 2015 was S\$8.88 billion, up 2% compared with S\$8.74 billion as at 31 March 2015, mainly from equity securities valuation from the Group's equity stake in GEH.

## 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, Insurance and OCBC Wing Hang.

### Operating Profit by Business Segment

S\$ million	1H15	1H14	+/(-) %	2Q15	2Q14	+/(-) %	1Q15	+/(-) %
Global Consumer/Private Banking	472	387	22	259	178	45	213	22
Global Corporate/Investment Banking	984	1,026	(4)	495	508	(3)	489	1
Global Treasury and Markets	267	419	(36)	89	235	(62)	178	(50)
Insurance	537	505	6	303	258	18	234	29
OCBC Wing Hang	185	–	–	93	–	–	92	2
Others	(99)	(75)	33	(40)	(43)	(7)	(59)	(32)
<b>Operating profit after allowances and amortisation</b>	<b>2,346</b>	<b>2,262</b>	<b>4</b>	<b>1,199</b>	<b>1,136</b>	<b>6</b>	<b>1,147</b>	<b>5</b>

### 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 grew by 22% to S\$472 million in 1H15, led by higher net interest income and fee income, which more than offset an increase in expenses and allowances. 2Q15 operating profit of S\$259 million was 45% higher year-on-year and up 22% from the previous quarter. The profit growth for both periods was driven by broad-based income growth, partly offset by higher 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 1H15 operating profit after allowances fell 4% year-on-year to S\$984 million, while its 2Q15 operating profit declined 3% year-on-year to S\$495 million. The decline in operating profit for both periods was largely attributable to an increase in expenses and allowances that more than offset higher net interest income. 2Q15 operating profit of S\$495 million was an increase of 1% quarter-on-quarter, driven by growth in net interest income and fee income which were 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 1H15 operating profit declined year-on-year by 36% to S\$267 million, while 2Q15 fell 62% from a year ago to S\$89 million. The year-on-year decline in operating profit for both periods was mainly attributable to lower net interest income from reduced money market opportunities and a fall in net trading income. Compared with 1Q15, operating profit in 2Q15 was 50% lower, mainly from a decrease in net 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 after allowances from GEH was S\$537 million in 1H15 and S\$303 million in 2Q15, a year-on-year increase of 6% and 18% respectively. The profit growth for both periods was mainly contributed by gains from an equity portfolio investment, which partly offset a decline in insurance income due to unrealised mark-to-market losses from equity investments and widening swap spreads, as well as higher expenses.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$411 million in 1H15 and S\$230 million in 2Q15, up from S\$392 million in 1H14 and S\$202 million in 2Q14 respectively.

### OCBC Wing Hang

The Group acquired a majority stake in OCBC Wing Hang on 15 July 2014 and it became a wholly-owned subsidiary on 15 October 2014. OCBC Wing Hang offers a comprehensive range of commercial banking and related financial services such as consumer financing, share brokerage and insurance.

OCBC Wing Hang, which was progressively consolidated from July 2014, contributed S\$185 million in 1H15 and S\$93 million in 2Q15 to the Group's operating profit after allowances. 2Q15 operating profit was 2% higher as compared to a quarter ago.

### 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	OCBC Wing Hang	Others	Group
<b>1H15</b>							
<b>Total income</b>	1,286	1,530	399	671	426	17	4,329
Operating profit before allowances and amortisation	522	1,032	270	561	213	(60)	2,538
Amortisation of intangible assets	(4)	–	–	(23)	(21)	–	(48)
Allowances and impairment for loans and other assets	(46)	(48)	(3)	(1)	(7)	(39)	(144)
<b>Operating profit after allowances and amortisation</b>	<b>472</b>	<b>984</b>	<b>267</b>	<b>537</b>	<b>185</b>	<b>(99)</b>	<b>2,346</b>
<b>Other information:</b>							
Capital expenditure	19	5	0	21	7	82	134
Depreciation	18	5	1	2	28	90	144
<b>1H14</b>							
<b>Total income</b>	1,137	1,527	543	627	–	29	3,863
Operating profit before allowances and amortisation	428	1,072	420	528	–	(51)	2,397
Amortisation of intangible assets	(5)	–	–	(23)	–	–	(28)
Write-back/(allowances and impairment) for loans and other assets	(36)	(46)	(1)	0	–	(24)	(107)
<b>Operating profit after allowances and amortisation</b>	<b>387</b>	<b>1,026</b>	<b>419</b>	<b>505</b>	<b>–</b>	<b>(75)</b>	<b>2,262</b>
<b>Other information:</b>							
Capital expenditure	27	1	0	26	–	87	141
Depreciation	15	5	1	1	–	84	106

## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	OCBC Wing Hang	Others	Group
<b>2Q15</b>							
<b>Total income</b>	675	783	157	371	211	24	2,221
Operating profit before allowances and amortisation	283	529	91	315	104	(19)	1,303
Amortisation of intangible assets	(2)	–	–	(11)	(11)	–	(24)
Write-back/(allowances and impairment) for loans and other assets	(22)	(34)	(2)	(1)	0	(21)	(80)
<b>Operating profit after allowances and amortisation</b>	<b>259</b>	<b>495</b>	<b>89</b>	<b>303</b>	<b>93</b>	<b>(40)</b>	<b>1,199</b>
<b>Other information:</b>							
Capital expenditure	10	3	0	11	4	53	81
Depreciation	9	3	1	1	14	45	73
<b>2Q14</b>							
<b>Total income</b>	568	769	299	319	–	21	1,976
Operating profit before allowances and amortisation	198	533	234	269	–	(18)	1,216
Amortisation of intangible assets	(3)	–	–	(11)	–	–	(14)
Write-back/(allowances and impairment) for loans and other assets	(17)	(25)	1	0	–	(25)	(66)
<b>Operating profit after allowances and amortisation</b>	<b>178</b>	<b>508</b>	<b>235</b>	<b>258</b>	<b>–</b>	<b>(43)</b>	<b>1,136</b>
<b>Other information:</b>							
Capital expenditure	8	0	0	10	–	39	57
Depreciation	7	2	0	0	–	44	53
<b>1Q15</b>							
<b>Total income</b>	611	747	242	300	215	(7)	2,108
Operating profit before allowances and amortisation	239	503	179	246	109	(41)	1,235
Amortisation of intangible assets	(2)	–	–	(12)	(10)	–	(24)
Allowances and impairment for loans and other assets	(24)	(14)	(1)	(0)	(7)	(18)	(64)
<b>Operating profit after allowances and amortisation</b>	<b>213</b>	<b>489</b>	<b>178</b>	<b>234</b>	<b>92</b>	<b>(59)</b>	<b>1,147</b>
<b>Other information:</b>							
Capital expenditure	9	2	0	10	3	29	53
Depreciation	9	2	0	1	14	45	71

## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	Insurance	OCBC Wing Hang	Others	Group
<b>At 30 June 2015</b>							
Segment assets	81,943	117,514	87,733	66,692	43,766	15,625	413,273
Unallocated assets							602
Elimination							(14,861)
<b>Total assets</b>							<b>399,014</b>
Segment liabilities	91,082	107,126	51,680	57,790	37,689	30,389	375,756
Unallocated liabilities							2,459
Elimination							(14,861)
<b>Total liabilities</b>							<b>363,354</b>
<b>Other information:</b>							
Gross non-bank loans	70,799	109,176	1,967	31	27,421	752	210,146
NPAs	364	998	-	5	118	9	1,494
<b>At 31 March 2015</b>							
Segment assets	81,504	118,178	87,116	68,351	43,971	16,318	415,438
Unallocated assets							581
Elimination							(11,863)
<b>Total assets</b>							<b>404,156</b>
Segment liabilities	90,266	111,098	50,808	59,345	37,880	28,965	378,362
Unallocated liabilities							2,507
Elimination							(11,863)
<b>Total liabilities</b>							<b>369,006</b>
<b>Other information:</b>							
Gross non-bank loans	70,038	108,827	1,950	32	28,566	743	210,156
NPAs	359	895	-	5	110	10	1,379
<b>At 31 December 2014</b>							
Segment assets	78,411	121,429	84,886	66,658	41,731	17,117	410,232
Unallocated assets							423
Elimination							(9,429)
<b>Total assets</b>							<b>401,226</b>
Segment liabilities	85,364	114,650	47,883	58,134	35,973	32,191	374,195
Unallocated liabilities							2,275
Elimination							(9,429)
<b>Total liabilities</b>							<b>367,041</b>
<b>Other information:</b>							
Gross non-bank loans	70,225	110,398	1,600	34	26,826	739	209,822
NPAs	342	867	-	5	94	9	1,317
<b>At 30 June 2014</b>							
Segment assets	76,039	118,851	80,517	64,275	-	17,863	357,545
Unallocated assets							224
Elimination							(9,355)
<b>Total assets</b>							<b>348,414</b>
Segment liabilities	84,379	104,877	45,453	56,180	-	34,822	325,711
Unallocated liabilities							2,143
Elimination							(9,355)
<b>Total liabilities</b>							<b>318,499</b>
<b>Other information:</b>							
Gross non-bank loans	67,696	107,551	1,482	34	-	652	177,415
NPAs	335	867	-	4	-	9	1,215



## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	1H15	1H14	+ / (-)	2Q15	2Q14	+ / (-)	1Q15	+ / (-)
			%			%		%
Interest income	4,213	3,483	21	2,105	1,776	19	2,108	–
Interest expense	(1,682)	(1,270)	32	(823)	(650)	27	(859)	(4)
<b>Net interest income</b>	<b>2,531</b>	<b>2,213</b>	<b>14</b>	<b>1,282</b>	<b>1,126</b>	<b>14</b>	<b>1,249</b>	<b>3</b>
Premium income	3,504	3,643	(4)	1,719	1,882	(9)	1,785	(4)
Investment income	1,568	1,309	20	819	757	8	749	9
Net claims, surrenders and annuities	(2,466)	(2,479)	(1)	(1,203)	(1,264)	(5)	(1,263)	(5)
Change in life assurance fund contract liabilities	(1,574)	(1,411)	12	(846)	(824)	3	(728)	16
Commission and others	(701)	(659)	6	(357)	(331)	8	(344)	3
Profit from life assurance	331	403	(18)	132	220	(40)	199	(33)
Premium income from general insurance	80	79	–	42	39	6	38	10
Fees and commissions (net)	833	706	18	438	353	24	395	11
Dividends	50	67	(25)	37	56	(33)	13	196
Rental income	51	35	45	25	18	42	26	(2)
Other income	453	360	26	265	164	61	188	40
<b>Non-interest income</b>	<b>1,798</b>	<b>1,650</b>	<b>9</b>	<b>939</b>	<b>850</b>	<b>10</b>	<b>859</b>	<b>9</b>
<b>Total income</b>	<b>4,329</b>	<b>3,863</b>	<b>12</b>	<b>2,221</b>	<b>1,976</b>	<b>12</b>	<b>2,108</b>	<b>5</b>
Staff costs	(1,119)	(913)	22	(575)	(476)	20	(544)	6
Other operating expenses	(672)	(553)	22	(343)	(284)	21	(329)	5
<b>Total operating expenses</b>	<b>(1,791)</b>	<b>(1,466)</b>	<b>22</b>	<b>(918)</b>	<b>(760)</b>	<b>21</b>	<b>(873)</b>	<b>5</b>
<b>Operating profit before allowances and amortisation</b>	<b>2,538</b>	<b>2,397</b>	<b>6</b>	<b>1,303</b>	<b>1,216</b>	<b>7</b>	<b>1,235</b>	<b>6</b>
Amortisation of intangible assets	(48)	(28)	71	(24)	(14)	71	(24)	(1)
Allowances for loans and impairment for other assets	(144)	(107)	36	(80)	(66)	23	(64)	25
<b>Operating profit after allowances and amortisation</b>	<b>2,346</b>	<b>2,262</b>	<b>4</b>	<b>1,199</b>	<b>1,136</b>	<b>6</b>	<b>1,147</b>	<b>5</b>
Share of results of associates and joint ventures	191	35	453	102	18	489	89	14
<b>Profit before income tax</b>	<b>2,537</b>	<b>2,297</b>	<b>10</b>	<b>1,301</b>	<b>1,154</b>	<b>13</b>	<b>1,236</b>	<b>5</b>
Income tax expense	(376)	(357)	5	(191)	(172)	11	(185)	3
<b>Profit for the period</b>	<b>2,161</b>	<b>1,940</b>	<b>11</b>	<b>1,110</b>	<b>982</b>	<b>13</b>	<b>1,051</b>	<b>6</b>
<b>Profit attributable to:</b>								
Equity holders of the Bank	2,041	1,820	12	1,048	921	14	993	5
Non-controlling interests	120	120	–	62	61	2	58	7
	<b>2,161</b>	<b>1,940</b>	<b>11</b>	<b>1,110</b>	<b>982</b>	<b>13</b>	<b>1,051</b>	<b>6</b>
<b>Earnings per share (for the period – cents) <sup>1/</sup></b>								
Basic	50.5	50.7		25.6	25.2		24.9	
Diluted	50.4	50.6		25.5	25.2		24.9	

Note:

1. Comparatives for per share data were restated for the effects of the 1-for-8 Rights Issue.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	1H15	1H14	+ / (-) %	2Q15	2Q14	+ / (-) %	1Q15	+ / (-) %
<b>Profit for the period</b>	<b>2,161</b>	1,940	11	<b>1,110</b>	982	13	1,051	6
<b>Other comprehensive income:</b>								
Available-for-sale financial assets								
Gains for the period	<b>272</b>	191	42	<b>21</b>	248	(92)	251	(92)
Reclassification of (gains)/losses to income statement								
– on disposal	<b>(209)</b>	(42)	(398)	<b>(166)</b>	(13)	nm	(43)	(283)
– on impairment	<b>0</b>	0	nm	<b>0</b>	0	142	0	(2)
Tax on net movements	<b>(13)</b>	(30)	58	<b>27</b>	(32)	184	(40)	168
Exchange differences on translating foreign operations	<b>(144)</b>	1	nm	<b>(248)</b>	(89)	(181)	104	(338)
Defined benefit plans remeasurements <sup>1/</sup>	<b>4</b>	(1)	368	<b>(1)</b>	(0)	1	5	(116)
Other comprehensive income of associates and joint ventures	<b>47</b>	(4)	nm	<b>(27)</b>	2	nm	74	(138)
<b>Total other comprehensive income, net of tax</b>	<b>(43)</b>	115	(137)	<b>(394)</b>	116	(441)	351	(212)
<b>Total comprehensive income for the period, net of tax</b>	<b>2,118</b>	2,055	3	<b>716</b>	1,098	(35)	1,402	(49)
<b>Total comprehensive income attributable to:</b>								
Equity holders of the Bank	<b>2,018</b>	1,921	5	<b>687</b>	1,037	(34)	1,331	(48)
Non-controlling interests	<b>100</b>	134	(25)	<b>29</b>	61	(52)	71	(58)
	<b>2,118</b>	2,055	3	<b>716</b>	1,098	(35)	1,402	(49)

Note:

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

## BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP				BANK			
	30 Jun 2015 <sup>@</sup>	31 Mar 2015 <sup>@</sup>	31 Dec 2014	30 Jun 2014 <sup>@</sup>	30 Jun 2015 <sup>@</sup>	31 Mar 2015 <sup>@</sup>	31 Dec 2014	30 Jun 2014 <sup>@</sup>
<b>EQUITY</b>								
<b>Attributable to equity holders of the Bank</b>								
Share capital	14,339	13,726	13,752	9,917	14,339	13,726	13,752	9,917
Capital reserves	513	555	518	467	98	95	92	101
Fair value reserves	428	517	366	608	150	164	168	182
Revenue reserves	17,668	17,641	16,461	15,901	11,145	11,224	10,714	10,520
	<b>32,948</b>	<b>32,439</b>	<b>31,097</b>	<b>26,893</b>	<b>25,732</b>	<b>25,209</b>	<b>24,726</b>	<b>20,720</b>
<b>Non-controlling interests</b>	<b>2,712</b>	<b>2,711</b>	<b>3,088</b>	<b>3,022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>35,660</b>	<b>35,150</b>	<b>34,185</b>	<b>29,915</b>	<b>25,732</b>	<b>25,209</b>	<b>24,726</b>	<b>20,720</b>
<b>LIABILITIES</b>								
Deposits of non-bank customers	246,424	250,309	245,519	201,297	152,049	154,218	154,466	145,634
Deposits and balances of banks	16,924	18,515	20,503	21,598	13,619	15,583	18,512	19,551
Due to subsidiaries	–	–	–	–	8,527	7,806	5,154	4,548
Due to associates	331	328	294	159	144	143	149	147
Trading portfolio liabilities	528	656	707	804	528	656	707	804
Derivative payables	5,237	7,243	6,632	3,872	4,152	6,019	5,642	3,281
Other liabilities	5,282	5,619	5,029	4,470	1,508	1,587	1,534	1,559
Current tax	1,049	1,001	898	960	442	455	387	394
Deferred tax	1,410	1,506	1,376	1,182	54	58	62	61
Debt issued	29,287	25,387	28,859	28,871	29,511	24,534	28,632	29,193
	<b>306,472</b>	<b>310,564</b>	<b>309,817</b>	<b>263,213</b>	<b>210,534</b>	<b>211,059</b>	<b>215,245</b>	<b>205,172</b>
Life assurance fund liabilities	56,882	58,442	57,224	55,286	–	–	–	–
<b>Total liabilities</b>	<b>363,354</b>	<b>369,006</b>	<b>367,041</b>	<b>318,499</b>	<b>210,534</b>	<b>211,059</b>	<b>215,245</b>	<b>205,172</b>
<b>Total equity and liabilities</b>	<b>399,014</b>	<b>404,156</b>	<b>401,226</b>	<b>348,414</b>	<b>236,266</b>	<b>236,268</b>	<b>239,971</b>	<b>225,892</b>
<b>ASSETS</b>								
Cash and placements with central banks	18,738	20,525	25,314	19,498	11,507	13,350	18,792	11,594
Singapore government treasury bills and securities	10,430	10,522	10,100	11,569	9,614	9,811	9,424	10,745
Other government treasury bills and securities	11,298	11,217	12,149	11,034	5,045	4,106	4,944	6,509
Placements with and loans to banks	45,366	45,166	41,220	37,672	31,423	30,481	28,267	28,185
Loans and bills receivable	207,828	207,826	207,535	175,572	130,181	129,327	129,823	127,078
Debt and equity securities	24,351	24,598	23,466	20,944	13,477	13,775	13,184	13,982
Assets pledged	1,795	1,507	1,536	1,589	841	948	1,181	1,154
Assets held for sale	2	0	2	2	–	–	–	–
Derivative receivables	5,342	6,649	5,919	4,286	4,218	5,404	4,931	3,724
Other assets	4,906	5,326	4,772	3,992	1,503	1,648	1,615	1,456
Deferred tax	126	117	118	83	44	44	40	46
Associates and joint ventures	2,306	2,262	2,096	394	599	613	610	187
Subsidiaries	–	–	–	–	24,853	23,809	24,198	18,282
Property, plant and equipment	3,386	3,447	3,409	1,886	520	512	521	505
Investment property	1,141	1,146	1,147	747	574	573	574	578
Goodwill and intangible assets	5,136	5,216	5,157	3,707	1,867	1,867	1,867	1,867
	<b>342,151</b>	<b>345,524</b>	<b>343,940</b>	<b>292,975</b>	<b>236,266</b>	<b>236,268</b>	<b>239,971</b>	<b>225,892</b>
Life assurance fund investment assets	56,863	58,632	57,286	55,439	–	–	–	–
<b>Total assets</b>	<b>399,014</b>	<b>404,156</b>	<b>401,226</b>	<b>348,414</b>	<b>236,266</b>	<b>236,268</b>	<b>239,971</b>	<b>225,892</b>
<b>Net Asset Value Per Ordinary Share<sup>@ 2/</sup></b>								
<b>(before valuation surplus – S\$)</b>	<b>7.80</b>	<b>7.80</b>	<b>7.46</b>	<b>7.35</b>	<b>6.01</b>	<b>5.98</b>	<b>5.86</b>	<b>5.77</b>
<b>OFF-BALANCE SHEET ITEMS</b>								
Contingent liabilities	10,302	11,162	12,072	12,435	7,571	8,190	8,494	8,596
Commitments	103,099	108,583	100,921	84,894	55,865	60,947	57,710	54,994
Derivative financial instruments	619,167	645,903	604,099	587,533	502,906	525,392	502,262	492,483

Notes:

1. “@” represents unaudited.
2. Comparatives for per share data were restated for the effects of the 1-for-8 Rights Issue.

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

For the half year ended 30 June 2015

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
<b>Balance at 1 January 2015</b>	<b>13,752</b>	<b>518</b>	<b>366</b>	<b>16,461</b>	<b>31,097</b>	<b>3,088</b>	<b>34,185</b>
Total comprehensive income for the period	–	–	62	1,956	2,018	100	2,118
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	5	–	(5)	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(76)	(76)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Redemption of preference shares issued by a subsidiary	–	–	–	–	–	(400)	(400)
Ordinary and preference dividends paid in cash	–	–	–	(153)	(153)	–	(153)
Share-based staff costs capitalised	–	6	–	–	6	–	6
Share buyback held in treasury	(87)	–	–	–	(87)	–	(87)
Shares issued in-lieu of ordinary dividends	593	–	–	(593)	–	–	–
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(2)	–	–	(2)	–	(2)
Shares vested under DSP Scheme	–	38	–	–	38	–	38
Treasury shares transferred/sold	80	(52)	–	–	28	–	28
Total contributions by and distributions to owners	<b>587</b>	<b>(5)</b>	<b>–</b>	<b>(749)</b>	<b>(167)</b>	<b>(476)</b>	<b>(643)</b>
<b>Balance at 30 June 2015</b>	<b>14,339</b>	<b>513</b>	<b>428</b>	<b>17,668</b>	<b>32,948</b>	<b>2,712</b>	<b>35,660</b>
Included:							
Share of reserves of associates and joint ventures	–	–	46	420	466	(3)	463
<b>Balance at 1 January 2014</b>	<b>9,448</b>	<b>418</b>	<b>493</b>	<b>14,756</b>	<b>25,115</b>	<b>2,964</b>	<b>28,079</b>
Total comprehensive income for the period	–	–	115	1,806	1,921	134	2,055
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	50	–	(50)	–	–	–
Establishment of a subsidiary	–	–	–	–	–	1	1
Dividends to non-controlling interests	–	–	–	–	–	(77)	(77)
DSP reserve from dividends on unvested shares	–	–	–	1	1	–	1
Ordinary and preference dividends paid in cash	–	–	–	(127)	(127)	–	(127)
Share-based staff costs capitalised	–	7	–	–	7	–	7
Share buyback held in treasury	(81)	–	–	–	(81)	–	(81)
Shares issued in-lieu of ordinary dividends	485	–	–	(485)	–	–	–
Shares issued to non-executive directors	1	–	–	–	1	–	1
Shares purchased by DSP Trust	–	(2)	–	–	(2)	–	(2)
Shares vested under DSP Scheme	–	33	–	–	33	–	33
Treasury shares transferred/sold	64	(39)	–	–	25	–	25
Total contributions by and distributions to owners	<b>469</b>	<b>49</b>	<b>–</b>	<b>(661)</b>	<b>(143)</b>	<b>(76)</b>	<b>(219)</b>
<b>Balance at 30 June 2014</b>	<b>9,917</b>	<b>467</b>	<b>608</b>	<b>15,901</b>	<b>26,893</b>	<b>3,022</b>	<b>29,915</b>
Included:							
Share of reserves of associates and joint ventures	–	–	10	134	144	(3)	141

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

For the three months ended 30 June 2015

S\$ million	Attributable to equity holders of the Bank					Non-controlling interests	Total equity
	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total		
<b>Balance at 1 April 2015</b>	<b>13,726</b>	<b>555</b>	<b>517</b>	<b>17,641</b>	<b>32,439</b>	<b>2,711</b>	<b>35,150</b>
Total comprehensive income for the period	–	–	(89)	776	687	29	716
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	5	–	(5)	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(28)	(28)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends paid in cash	–	–	–	(153)	(153)	–	(153)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(45)	–	–	–	(45)	–	(45)
Shares issued in-lieu of ordinary dividends	593	–	–	(593)	–	–	–
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	64	(52)	–	–	12	–	12
Total contributions by and distributions to owners	<b>613</b>	<b>(42)</b>	<b>–</b>	<b>(749)</b>	<b>(178)</b>	<b>(28)</b>	<b>(206)</b>
<b>Balance at 30 June 2015</b>	<b>14,339</b>	<b>513</b>	<b>428</b>	<b>17,668</b>	<b>32,948</b>	<b>2,712</b>	<b>35,660</b>
Included:							
Share of reserves of associates and joint ventures	–	–	46	420	466	(3)	463
<b>Balance at 1 April 2014</b>	<b>9,460</b>	<b>450</b>	<b>411</b>	<b>15,722</b>	<b>26,043</b>	<b>2,987</b>	<b>29,030</b>
Total comprehensive income for the period	–	–	197	840	1,037	61	1,098
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	50	–	(50)	–	–	–
Establishment of a subsidiary	–	–	–	–	–	1	1
Dividends to non-controlling interests	–	–	–	–	–	(27)	(27)
DSP reserve from dividends on unvested shares	–	–	–	1	1	–	1
Ordinary and preference dividends paid in cash	–	–	–	(127)	(127)	–	(127)
Share-based staff costs capitalised	–	4	–	–	4	–	4
Share buyback held in treasury	(81)	–	–	–	(81)	–	(81)
Shares issued in-lieu of ordinary dividends	485	–	–	(485)	–	–	–
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	52	(39)	–	–	13	–	13
Total contributions by and distributions to owners	<b>457</b>	<b>17</b>	<b>–</b>	<b>(661)</b>	<b>(187)</b>	<b>(26)</b>	<b>(213)</b>
<b>Balance at 30 June 2014</b>	<b>9,917</b>	<b>467</b>	<b>608</b>	<b>15,901</b>	<b>26,893</b>	<b>3,022</b>	<b>29,915</b>
Included:							
Share of reserves of associates and joint ventures	–	–	10	134	144	(3)	141

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

For the half year ended 30 June 2015

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
<b>Balance at 1 January 2015</b>	<b>13,752</b>	<b>92</b>	<b>168</b>	<b>10,714</b>	<b>24,726</b>
Total comprehensive income for the period	–	–	(18)	1,175	1,157
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends paid in cash	–	–	–	(153)	(153)
Share-based staff costs capitalised	–	6	–	–	6
Share buyback held in treasury	(87)	–	–	–	(87)
Shares issued in-lieu of ordinary dividends	593	–	–	(593)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	80	–	–	–	80
<b>Balance at 30 June 2015</b>	<b>14,339</b>	<b>98</b>	<b>150</b>	<b>11,145</b>	<b>25,732</b>
<b>Balance at 1 January 2014</b>	<b>9,448</b>	<b>94</b>	<b>138</b>	<b>9,645</b>	<b>19,325</b>
Total comprehensive income for the period	–	–	44	1,486	1,530
DSP reserve from dividends on unvested shares	–	–	–	1	1
Ordinary and preference dividends paid in cash	–	–	–	(127)	(127)
Share-based staff costs capitalised	–	7	–	–	7
Share buyback held in treasury	(81)	–	–	–	(81)
Shares issued in-lieu of ordinary dividends	485	–	–	(485)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	64	–	–	–	64
<b>Balance at 30 June 2014</b>	<b>9,917</b>	<b>101</b>	<b>182</b>	<b>10,520</b>	<b>20,720</b>

For the three months ended 30 June 2015

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
<b>Balance at 1 April 2015</b>	<b>13,726</b>	<b>95</b>	<b>164</b>	<b>11,224</b>	<b>25,209</b>
Total comprehensive income for the period	–	–	(14)	665	651
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends paid in cash	–	–	–	(153)	(153)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(45)	–	–	–	(45)
Shares issued in-lieu of ordinary dividends	593	–	–	(593)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	64	–	–	–	64
<b>Balance at 30 June 2015</b>	<b>14,339</b>	<b>98</b>	<b>150</b>	<b>11,145</b>	<b>25,732</b>
<b>Balance at 1 April 2014</b>	<b>9,460</b>	<b>97</b>	<b>89</b>	<b>10,320</b>	<b>19,966</b>
Total comprehensive income for the period	–	–	93	811	904
DSP reserve from dividends on unvested shares	–	–	–	1	1
Ordinary and preference dividends paid in cash	–	–	–	(127)	(127)
Share-based staff costs capitalised	–	4	–	–	4
Share buyback held in treasury	(81)	–	–	–	(81)
Shares issued in-lieu of ordinary dividends	485	–	–	(485)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	52	–	–	–	52
<b>Balance at 30 June 2014</b>	<b>9,917</b>	<b>101</b>	<b>182</b>	<b>10,520</b>	<b>20,720</b>

## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 30 June 2015

S\$ million	1H15	1H14	2Q15	2Q14
<b>Cash flows from operating activities</b>				
Profit before income tax	2,537	2,297	1,301	1,154
Adjustments for non-cash items:				
Amortisation of intangible assets	48	28	24	14
Allowances for loans and impairment for other assets	144	107	80	66
Change in fair value for hedging transactions and trading and fair value through profit and loss securities	(5)	(30)	19	(31)
Depreciation of property, plant and equipment and investment property	144	106	73	53
Net gain on disposal of property, plant and equipment and investment property	(9)	(0)	(6)	(1)
Net gain on disposal of government, debt and equity securities	(209)	(65)	(166)	(13)
Net (gain)/loss on disposal of interests in associate and joint venture	–	(31)	–	1
Share-based costs	6	8	4	4
Share of results of associates and joint ventures	(191)	(35)	(102)	(18)
Items relating to life assurance fund				
Surplus before income tax	501	504	212	267
Surplus transferred from life assurance fund	(331)	(403)	(132)	(221)
Operating profit before change in operating assets and liabilities	2,635	2,486	1,307	1,275
Change in operating assets and liabilities:				
Deposits of non-bank customers	942	5,315	(3,882)	1,891
Deposits and balances of banks	(3,579)	49	(1,591)	(495)
Derivative payables and other liabilities	(1,065)	(1,443)	(2,585)	(71)
Trading portfolio liabilities	(179)	(94)	(128)	(6)
Government securities and treasury bills	618	(1,941)	10	(1,306)
Restricted balances with central banks <sup>1/</sup>	1,032	(68)	215	(13)
Trading and fair value through profit and loss securities	(879)	(862)	(191)	(408)
Placements with and loans to banks	(4,008)	2,311	(112)	2,302
Loans and bills receivable	(421)	(7,859)	(72)	(2,218)
Derivative receivables and other assets	338	807	1,953	471
Net change in investment assets and liabilities of life assurance fund	17	(36)	128	36
Cash (used in)/from operating activities	(4,549)	(1,335)	(4,948)	1,458
Income tax paid	(291)	(333)	(201)	(239)
<b>Net cash (used in)/from operating activities</b>	<b>(4,840)</b>	<b>(1,668)</b>	<b>(5,149)</b>	<b>1,219</b>
<b>Cash flows from investing activities</b>				
Dividends from associates	0	0	0	0
Decrease/(increase) in associates and joint ventures	(19)	(8)	58	(28)
Net cashflow from establishment of a subsidiary	–	1	–	1
Purchases of debt and equity securities	(5,600)	(5,594)	(2,479)	(2,884)
Purchases of property, plant and equipment and investment property	(134)	(141)	(81)	(57)
Proceeds from disposal of debt and equity securities	5,450	5,503	2,397	2,859
Proceeds from disposal of interests in associate and joint venture	–	63	–	0
Proceeds from disposal of property, plant and equipment and investment property	15	9	2	6
<b>Net cash used in investing activities</b>	<b>(288)</b>	<b>(167)</b>	<b>(103)</b>	<b>(103)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to equity holders of the Bank	(153)	(127)	(153)	(127)
Dividends paid to non-controlling interests	(76)	(77)	(28)	(27)
Redemption of subordinated debt issued	–	(712)	–	–
Issue of subordinated debt	–	2,488	–	2,488
Increase/(decrease) in other debt issued	389	413	4,110	(1,178)
Redemption of preference shares issued by a subsidiary	(400)	–	–	–
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	28	25	12	13
Share buyback held in treasury	(87)	(81)	(45)	(81)
<b>Net cash (used in)/from financing activities</b>	<b>(299)</b>	<b>1,929</b>	<b>3,896</b>	<b>1,088</b>
<b>Net currency translation adjustments</b>	<b>(117)</b>	<b>(5)</b>	<b>(216)</b>	<b>(64)</b>
<b>Net change in cash and cash equivalents <sup>1/</sup></b>	<b>(5,544)</b>	<b>89</b>	<b>(1,572)</b>	<b>2,140</b>
<b>Cash and cash equivalents at beginning of period <sup>1/</sup></b>	<b>19,324</b>	<b>14,083</b>	<b>15,352</b>	<b>12,032</b>
<b>Cash and cash equivalents at end of period <sup>1/</sup></b>	<b>13,780</b>	<b>14,172</b>	<b>13,780</b>	<b>14,172</b>

Note:

1. Comparative figures have been restated to conform with the current period's presentation.

## SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

Number of Shares	Half year ended 30 June		Three months ended 30 June	
	2015	2014	2015	2014
<b>Issued ordinary shares</b>				
Balance at beginning of period	3,992,929,319	3,441,176,885	3,992,929,319	3,441,176,885
Shares issued to non-executive directors	67,694	76,191	67,694	76,191
Shares issued pursuant to Scrip Dividend Scheme	62,210,985	56,540,894	62,210,985	56,540,894
Balance at end of period	4,055,207,998	3,497,793,970	4,055,207,998	3,497,793,970
<b>Treasury shares</b>				
Balance at beginning of period	(9,043,268)	(8,367,614)	(10,752,797)	(6,361,013)
Share buyback	(8,330,000)	(8,400,000)	(4,350,000)	(8,400,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	2,805,341	2,624,828	712,819	771,222
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	870,120	1,139,582	692,171	986,587
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	4,762,043	4,026,358	4,762,043	4,026,358
Balance at end of period	(8,935,764)	(8,976,846)	(8,935,764)	(8,976,846)
<b>Total</b>	<b>4,046,272,234</b>	<b>3,488,817,124</b>	<b>4,046,272,234</b>	<b>3,488,817,124</b>

Pursuant to the share purchase mandates approved at the extraordinary general meetings held on 24 April 2014 and 28 April 2015, the Bank purchased a total of 4,350,000 ordinary shares in the second quarter ended 30 June 2015. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$9.95 to S\$10.79 per share and the total consideration paid was S\$45,206,377 (including transaction costs).

From 1 April 2015 to 30 June 2015 (both dates inclusive), the Bank utilised 712,819 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 2015, the number of options outstanding under the OCBC SOS 2001 was 36,206,024 (30 June 2014: 36,090,237).

From 1 April 2015 to 30 June 2015 (both dates inclusive), the Bank utilised 692,171 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 2015, the number of acquisition rights outstanding under the OCBC ESPP was 12,219,886 (30 June 2014: 11,205,325).

From 1 April 2015 to 30 June 2015 (both dates inclusive), the Bank transferred 4,762,043 treasury shares to the Trust administering the OCBC Deferred Share Plan following the Bank's award of deferred shares to employees of the Group.

62,210,985 ordinary shares were issued on 24 June 2015 pursuant to the OCBC Scrip Dividend Scheme in-lieu of cash for the final tax exempt dividend of 18 cents per ordinary share in the capital of OCBC Bank for the financial year ended 31 December 2014.

No new preference shares were allotted and issued by the Bank in the second quarter ended 30 June 2015.

## OTHER MATTERS

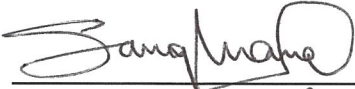
1. Pursuant to Rule 920(1) of the Listing Manual, the Bank has not obtained a general mandate from shareholders for Interested Party Transactions.



## CONFIRMATION BY THE BOARD

We, Ooi Sang Kuang and Samuel N. Tsien, 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 2015 to be false or misleading.

On behalf of the Board of Directors



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Ooi Sang Kuang  
Chairman



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Samuel N. Tsien  
Chief Executive Officer / Director

30 July 2015