
Media Release

OCBC Group Reports Third Quarter 2014 Net Profit after Tax up 62% to S\$1.23 billion

Third quarter results led by 30% rise in core earnings from banking operations

Nine months core net profit at a new high

Singapore, 30 October 2014 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$1.23 billion for the third quarter of 2014 (“3Q14”), an increase of 62% from S\$759 million a year ago (“3Q13”).

The 3Q14 earnings included a one-off gain of S\$391 million that arose from the Group’s increased stake in Bank of Ningbo Co., Ltd (“BON”), which became a 20%-owned associated company on 30 September 2014. As a result, the Group’s initial available-for-sale 15.3% investment was deemed disposed of in accordance with accounting standards, and its related fair value reserve was recognised in the income statement as a one-off gain. Excluding the one-off gain, the Group’s core net profit rose 11%, underpinned by strong earnings from its banking operations, which grew 30% year-on-year from increased net interest income, record fee income and higher trading income.

The Group’s third quarter core net profit included the results of the 97.5%-owned OCBC Wing Hang Bank (formerly Wing Hang Bank), following the completion of the acquisition on 29 July 2014. OCBC Wing Hang’s net profit contribution to the Group’s consolidated results for this period was S\$38 million, after merger-related adjustments primarily in depreciation and provisions. OCBC Wing Hang became a wholly-owned subsidiary after quarter-end on 15 October 2014 and was delisted from the Hong Kong Stock Exchange on 16 October 2014.

Net interest income for the quarter increased 27% to S\$1.25 billion from S\$978 million a year ago, driven by strong asset growth and higher net interest margin. Net interest margin rose 5 basis points to 1.68% from 1.63% in 3Q13, contributed by improved loan spreads and higher returns from money market activities. Customer loans grew S\$42.9 billion or 27% from a year ago to S\$205 billion, with OCBC Wing Hang contributing S\$24.9 billion to the increase. Excluding the consolidation effect of OCBC Wing Hang, loan growth of 11% was broad-based, led by general commerce loans, housing loans, and loans to professionals and individuals.

Core non-interest income, before one-off gains, rose 3% to S\$801 million from S\$779 million a year ago. Fee and commission income climbed 16% to a new high of S\$406 million from S\$352 million in 3Q13, driven by strong growth in wealth management, loan and trade fees. Net trading income for the quarter, primarily treasury-related income from customer flows, increased to S\$113 million from S\$47 million a year ago. Great Eastern Holdings (“GEH”) continued to build on the strength of its underlying insurance business, recording higher operating profit from in-force business growth. Profit from life assurance, however, was 27% lower at S\$174 million, as unrealised mark-to-market investment gains in its Non-Participating Fund were lower than in the previous year.

Operating expenses rose 28% from a year ago to S\$870 million, reflecting the consolidation of OCBC Wing Hang. Excluding OCBC Wing Hang, operating expenses grew 16%. Approximately 4% of the year-on-year increase was attributable to a lower expense base a year ago that was the result of a reversal of an insurance-related provision no longer required by GEH in 3Q13. The balance was due to an increase in staff costs and headcount to support business expansion. The Group's cost-to-income ratio for 3Q14 was 42.5% as compared to 38.8% a year ago. Net allowances for loans and other assets were S\$97 million, relatively unchanged from S\$94 million a year ago. The Group's non-performing loans ("NPL") ratio of 0.7% was lower as compared to 0.8% in 3Q13.

Against the previous quarter ("2Q14"), the Group's core net profit after tax was 9% lower. Net interest income, including OCBC Wing Hang's contribution, rose 11%. Non-interest income, excluding one-off gains, declined 6% as fee income growth of 15% was more than offset by lower trading and insurance income. Operating expenses rose 14%, mainly from the consolidation of OCBC Wing Hang. Excluding OCBC Wing Hang, the Group's operating expenses grew 4% from 2Q14. Of the S\$31 million quarterly increase in net allowances for loans and other assets, S\$30 million was attributable to the consolidation of OCBC Wing Hang.

Nine Months' performance

Net profit after tax for the first nine months of 2014 ("9M14") was S\$3.05 billion. Excluding one-off gains, the Group achieved a core net profit after tax of S\$2.66 billion, which was 30% higher from a year ago ("9M13") and driven by broad-based income growth.

Net interest income rose 21% to S\$3.46 billion from S\$2.85 billion a year ago, underpinned by 17% asset growth and a 6 basis point improvement in net interest margin. Core non-interest income increased 19% from the previous year to S\$2.45 billion. Fees and commissions grew 10% to S\$1.11 billion from increased wealth management, loan and trade fees. Net trading income was higher at S\$346 million as compared to S\$193 million a year ago, while net gains from investment securities of S\$69 million was down from S\$130 million in 9M13. Profit from life assurance increased 33% to S\$578 million, as in-force business growth was supported by the improved investment performance of GEH's Non-Participating Fund. Operating expenses grew 13% year-on-year to S\$2.34 billion. Before accounting for OCBC Wing Hang, the Group's operating expenses increased 9%, mainly from higher staff costs. Net allowances for loans and other assets were S\$203 million as compared to S\$198 million in 9M13.

The Group's overall income from wealth management activities (comprising income from insurance, private banking, asset management, stockbroking and other wealth management products) climbed to a new record of S\$1.68 billion in 9M14, and represented a 17% increase from S\$1.44 billion the previous year. As a share of total income, wealth management activities contributed 28% as compared to 29% a year ago. OCBC's private banking business maintained its strong growth, with assets under management of US\$51 billion (S\$65 billion) as at 30 September 2014, 13% higher as compared to US\$45 billion (S\$57 billion) a year ago.

Annualised core return on equity was 14.3% for 9M14, higher than 11.5% a year ago. Annualised core earnings per share increased 31% to 98.5 cents, up from 75.3 cents in 9M13.

Allowances and Asset Quality

Net allowances for loans and other assets were S\$97 million in 3Q14 as compared to S\$94 million a year ago. Specific allowances for loans, net of recoveries and writebacks, were S\$66 million for the quarter. Excluding the consolidation of S\$24 million in specific allowances from OCBC Wing Hang, specific allowances in 3Q14 of S\$42 million were unchanged year-on-year. Portfolio allowances of S\$31 million were lower as compared to S\$49 million the previous year.

The Group's asset quality and coverage ratios remained sound. As at 30 September 2014, total non-performing assets ("NPAs") increased 3% from a year ago to S\$1.37 billion. The Group's NPAs, however, fell 3% year-on-year before the consolidation of OCBC Wing Hang's NPAs. The NPL ratio was 0.7%, an improvement from 0.8% a year ago and unchanged quarter-on-quarter.

The Group's total cumulative allowances provided a healthy coverage of 155% of total NPAs and 480% of total unsecured NPAs, an increase as compared to the respective ratios of 130% and 294% a year ago. The higher year-on-year coverage was partly attributable to the consolidation of OCBC Wing Hang's cumulative allowances.

Funding and Capital Position

The Group continued to maintain its strong funding and capital position following the acquisition of OCBC Wing Hang.

After taking into account OCBC Wing Hang's deposits of S\$32.1 billion, the Group's customer deposits amounted to S\$237 billion and were S\$55.9 billion or 31% higher than a year ago. Excluding OCBC Wing Hang, customer deposits increased 13% year-on-year. As at 30 September 2014, the Group's loans-to-deposits ratio, which includes OCBC Wing Hang, was 85.5% as compared to 88.4% the previous year.

On 18 August 2014, we launched a renounceable underwritten rights issue which raised net proceeds of S\$3.3 billion. The rights issue was fully subscribed, with acceptances and excess applications totalling 171.5% as at the close of the offer on 15 September 2014. The proceeds from the rights issue strengthened our balance sheet and enhanced the financial flexibility of the Group following the successful completion of the acquisition of OCBC Wing Hang.

As at 30 September 2014, the Common Equity Tier 1 capital adequacy ratio ("CAR") was 13.2% and Tier 1 CAR and Total CAR were 13.2% and 15.5% respectively. Based on Basel III transitional arrangements, these ratios were well above the respective regulatory minima of 5.5%, 7% and 10%.

CEO's Comments

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

“Our record nine-month results reflect the underlying strength and diversity of our banking and insurance franchise. Independent of the consolidation of OCBC Wing Hang's earnings, we achieved broad-based loan growth, improved our net interest margin and reported record fee income, particularly in wealth management. With the addition of OCBC Wing Hang, our earnings and asset base would be further diversified. We completed our S\$3.3 billion equity rights issue successfully in September with a high over-subscription rate. I would like to thank our shareholders for their strong support, which is an affirmation of our strategy of prudent expansion in our core markets.

I am also pleased to report that the integration of OCBC Wing Hang is progressing well. The management and staff of OCBC Wing Hang and the OCBC Group are working very closely together. The integration has been effective and smooth at both the customer-facing and operational levels.

With our newly expanded regional presence and enlarged customer base, we are well-placed to capture new cross border opportunities in addition to in-market business expansions and realisation of synergistic value of the combined franchise.”

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 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 OCBC Wing Hang's 95 branches in Hong Kong, China and Macau.

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 continues 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 2014

For the third quarter ended 30 September 2014, Group reported net profit after tax was S\$1.23 billion. 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 2014.

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% (2013: 4.2%) per annum and Class M Preference Shares at 4.0% (2013: 4.0%) per annum. These semi-annual dividends, computed for the period 20 June 2014 to 19 December 2014 (both dates inclusive) will be paid on 22 December 2014. 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 4 December 2014 to 5 December 2014 (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 3 December 2014 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividends.

Peter Yeoh
Secretary

Singapore, 30 October 2014

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

Oversea-Chinese Banking Corporation Limited
Third Quarter 2014 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 2014:

FRS 27 (Revised):	Separate Financial Statements
FRS 28 (Revised):	Investments in Associates and Joint Ventures
FRS 32 (Amendments):	Offsetting Financial Assets and Financial Liabilities
FRS 36 (Amendments):	Recoverable Amount Disclosures for Non-Financial Assets
FRS 39 (Amendments):	Novation of Derivatives and Continuation of Hedge Accounting
FRS 110:	Consolidated Financial Statements
FRS 111:	Joint Arrangements
FRS 112:	Disclosure of Interests in Other Entities
FRS 27, 110, 112 (Amendments):	Investment Entities

FRS 110 introduces a new control model to determine whether an investee should be consolidated by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. In particular, FRS 110 requires the Group to consolidate investees that it controls on the basis of de facto circumstances and this will lead to a re-assessment of the control conclusion in respect of investees and may change the basis of consolidation which applies to these financial statements.

FRS 112 brings together into a single standard all the disclosure requirements about an entity’s interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires the disclosure of information about the nature, risks and financial effects of these interests.

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.

Financial Results

Group net profit after tax was S\$1.23 billion for the third quarter ended 30 September 2014 (“3Q14”), an increase of 62% from S\$759 million a year ago (“3Q13”). The 3Q14 earnings included a one-off gain of S\$391 million. This came from the remeasurement of the Group’s initial 15.3% stake in Bank of Ningbo Co., Ltd (“BON”) at fair value on 30 September 2014 when the Group increased its investment to 20.0% and BON became an associated company. As a result, the initial stake was deemed disposed of and its related fair value reserve was recognised in the income statement. The Group’s 20.0% investment in BON amounted to S\$1.3 billion as at 30 September 2014 and was recorded in the balance sheet under “Associates and Joint Ventures”. Excluding the one-off gain, core net profit after tax rose 11% to S\$841 million, boosted by higher net interest income, record fee income and increased trading income.

The 3Q14 results included the consolidation of OCBC Wing Hang Bank (formerly Wing Hang Bank) which became a subsidiary on 15 July 2014. OCBC Wing Hang’s 3Q14 net profit contribution to the Group was S\$38 million, after merger-related adjustments largely in depreciation and provisions.

Net interest income increased 27% to S\$1.25 billion, from S\$978 million in 3Q13, led by strong asset growth and an increase in net interest margin. Core non-interest income, excluding the one-off gain, was up 3% to S\$801 million, from S\$779 million a year ago. This was largely attributable to a 16% increase in fees and commissions to S\$406 million from S\$352 million a year ago. Net trading income of S\$113 million was higher than S\$47 million in 3Q13. Profit from life assurance of S\$174 million was 27% lower as compared to S\$240 million a year ago. Operating expenses rose 28% to S\$870 million and included the consolidation of OCBC Wing Hang. Net allowances for loans and other assets were relatively stable at S\$97 million as compared with S\$94 million a year ago.

Reported net profit after tax for the first nine months of 2014 (“9M14”) was S\$3.05 billion. Excluding the one-off gain, core net profit after tax for the Group was S\$2.66 billion, a 30% increase from S\$2.05 billion a year ago (“9M13”). The strong results were underpinned by broad-based income growth.

Annualised return on equity, based on core earnings was 14.3% in 9M14, compared with 11.5% a year ago. Annualised core earnings per share was 98.5 cents, up from 75.3 cents in 9M13.

FINANCIAL SUMMARY (continued)

S\$ million	9M14	9M13	+ / (-) %	3Q14	3Q13	+ / (-) %	2Q14	+ / (-) %
Selected Income Statement Items								
Net interest income	3,459	2,851	21	1,246	978	27	1,126	11
Non-interest income	2,451	2,061	19	801	779	3	850	(6)
Total core income	5,910	4,912	20	2,047	1,757	17	1,976	4
Operating expenses	(2,336)	(2,071)	13	(870)	(681)	28	(760)	14
Operating profit before allowances and amortisation	3,574	2,841	26	1,177	1,076	9	1,216	(3)
Amortisation of intangible assets	(42)	(44)	(3)	(14)	(15)	(3)	(14)	–
Allowances for loans and impairment of other assets	(203)	(198)	2	(97)	(94)	2	(66)	48
Operating profit after allowances and amortisation	3,329	2,599	28	1,066	967	10	1,136	(6)
Share of results of associates and joint ventures	48	49	(1)	14	13	8	18	(21)
Profit before income tax	3,377	2,648	28	1,080	980	10	1,154	(6)
Core net profit attributable to shareholders	2,660	2,053	30	841	759	11	921	(9)
Gain on remeasurement	391	–	–	391	–	–	–	–
Reported net profit attributable to shareholders	3,051	2,053	49	1,232	759	62	921	34
Cash basis net profit attributable to shareholders ^{1/}	3,093	2,097	48	1,246	774	61	935	33
Selected Balance Sheet Items								
Ordinary equity	28,375	23,065	23	28,375	23,065	23	25,498	11
Total equity (excluding non-controlling interests)	29,771	24,461	22	29,771	24,461	22	26,893	11
Total assets	391,588	320,903	22	391,588	320,903	22	348,414	12
Assets excluding life assurance fund investment assets	335,067	268,799	25	335,067	268,799	25	292,975	14
Loans and bills receivable (net of allowances)	202,678	160,158	27	202,678	160,158	27	175,572	15
Deposits of non-bank customers	237,172	181,268	31	237,172	181,268	31	201,297	18

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY *(continued)*

	9M14	9M13	3Q14	3Q13	2Q14
Key Financial Ratios					
- based on core earnings					
Performance ratios (% p.a.)					
Return on equity ^{1/ 2/}					
SFRS ^{3/} basis	14.3	11.5	13.1	12.7	14.8
Cash basis	14.5	11.7	13.3	13.0	15.0
Return on assets ^{4/}					
SFRS ^{3/} basis	1.17	1.06	1.00	1.14	1.27
Cash basis	1.19	1.08	1.02	1.16	1.29
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	1.69	1.63	1.68	1.63	1.70
Net interest income to total income	58.5	58.1	60.9	55.7	57.0
Non-interest income to total income	41.5	41.9	39.1	44.3	43.0
Cost to income	39.5	42.2	42.5	38.8	38.5
Loans to deposits	85.5	88.4	85.5	88.4	87.2
NPL ratio	0.7	0.8	0.7	0.8	0.7
Earnings per share ^{2/ 5/} (annualised - cents)					
Basic earnings	98.5	75.3	91.3	82.8	102.8
Basic earnings (cash basis)	100.1	76.9	92.8	84.5	104.4
Diluted earnings	98.4	75.1	91.2	82.7	102.7
Net asset value per share (S\$) ^{5/}					
Before valuation surplus	7.22	6.82	7.22	6.82	7.35
After valuation surplus	9.18	8.05	9.18	8.05	9.06
Capital adequacy ratios (%) ^{6/}					
Common Equity Tier 1	13.2	14.3	13.2	14.3	14.7
Tier 1	13.2	14.3	13.2	14.3	14.7
Total	15.5	16.1	15.5	16.1	17.4

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. 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. Return on equity, return on assets, net interest margin and earnings per share are computed on an annualised basis.

NET INTEREST INCOME

Average Balance Sheet

S\$ million	9M14			9M13		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets						
Loans and advances to non-bank customers	181,117	3,938	2.91	152,502	3,307	2.90
Placements with and loans to banks	51,526	778	2.02	43,711	560	1.71
Other interest earning assets ^{1/}	41,043	792	2.58	37,189	672	2.42
Total	273,686	5,508	2.69	233,402	4,539	2.60
Interest bearing liabilities						
Deposits of non-bank customers	208,147	1,635	1.05	173,334	1,301	1.00
Deposits and balances of banks	22,739	114	0.67	23,813	135	0.76
Other borrowings ^{2/}	29,000	300	1.38	20,482	252	1.64
Total	259,886	2,049	1.05	217,629	1,688	1.04
Net interest income/margin ^{3/}		3,459	1.69		2,851	1.63

S\$ million	3Q14			3Q13			2Q14		
	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	196,967	1,467	2.96	159,281	1,146	2.85	175,232	1,255	2.87
Placements with and loans to banks	54,183	273	2.00	42,280	190	1.78	50,018	259	2.08
Other interest earning assets ^{1/}	43,991	285	2.57	37,088	221	2.37	40,357	262	2.60
Total	295,141	2,025	2.72	238,649	1,557	2.59	265,607	1,776	2.68
Interest bearing liabilities									
Deposits of non-bank customers	229,498	637	1.10	178,123	449	1.00	199,105	514	1.04
Deposits and balances of banks	23,403	36	0.62	23,546	43	0.73	22,221	36	0.65
Other borrowings ^{2/}	29,399	106	1.43	22,426	87	1.53	29,684	100	1.35
Total	282,300	779	1.10	224,095	579	1.02	251,010	650	1.04
Net interest income/margin ^{3/}		1,246	1.68		978	1.63		1,126	1.70

Notes:

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

NET INTEREST INCOME *(continued)*

Net interest income grew 27% to S\$1.25 billion in 3Q14, up from S\$978 million a year ago, led by strong asset growth and a 5 basis point increase in net interest margin from 1.63% to 1.68%. Interest earning assets grew by 24%, partly from the consolidation of OCBC Wing Hang. The higher margins were mainly attributable to improved loan spreads and increased returns from money market activities.

Compared with 2Q14, net interest income, including OCBC Wing Hang's contribution, was 11% higher. Net interest margin was 2 basis points lower quarter-on-quarter.

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	9M14 vs 9M13			3Q14 vs 3Q13			3Q14 vs 2Q14		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
Interest income									
Loans and advances to non-bank customers	620	11	631	271	50	321	157	42	199
Placements with and loans to banks	100	118	218	54	29	83	22	(12)	10
Other interest earning assets	70	50	120	41	23	64	24	(3)	21
Total	790	179	969	366	102	468	203	27	230
Interest expense									
Deposits of non-bank customers	261	73	334	130	58	188	79	38	117
Deposits and balances of banks	(6)	(15)	(21)	(1)	(6)	(7)	2	(2)	0
Other borrowings	105	(57)	48	27	(8)	19	(1)	6	5
Total	360	1	361	156	44	200	80	42	122
Impact on net interest income	430	178	608	210	58	268	123	(15)	108
Due to change in number of days			–			–			12
Net interest income			608			268			120

NON-INTEREST INCOME

S\$ million	9M14	9M13	+ / (-)	3Q14	3Q13	+ / (-)	2Q14	+ / (-)
			%			%		%
Fees and commissions								
Brokerage	44	54	(19)	18	17	2	12	40
Wealth management	356	310	15	126	96	32	114	10
Fund management	79	74	8	28	24	16	27	5
Credit card	67	47	44	33	17	99	18	84
Loan-related	223	208	7	81	75	7	69	17
Trade-related and remittances	174	155	12	63	56	13	58	9
Guarantees	16	13	24	6	5	14	5	14
Investment banking	70	77	(10)	29	37	(21)	25	16
Service charges	56	57	(2)	17	18	(2)	17	2
Others	26	19	36	5	7	(24)	8	(23)
Sub-total	1,111	1,014	10	406	352	16	353	15
Dividends	93	66	41	26	21	24	56	(54)
Rental income	53	51	4	18	17	8	18	1
Profit from life assurance	578	434	33	174	240	(27)	220	(21)
Premium income from general insurance	121	117	3	41	40	2	39	5
Other income								
Net trading income	346	193	79	113	47	142	133	(15)
Net gain from investment securities	69	130	(47)	4	37	(90)	13	(71)
Net gain/(loss) from disposal of interests in subsidiary, associate and joint venture	31	(3)	nm	–	–	–	(1)	(100)
Net gain from disposal of properties	2	10	(78)	1	6	(89)	2	(48)
Others	47	49	(3)	18	19	(8)	17	9
Sub-total	495	379	31	136	109	24	164	(17)
Total core non-interest income	2,451	2,061	19	801	779	3	850	(6)
Gain on remeasurement	391	–	–	391	–	–	–	–
Total non-interest income	2,842	2,061	38	1,192	779	53	850	40
Fees and commissions/Total income ^{1/}	18.8%	20.7%		19.8%	20.0%		17.8%	
Non-interest income/Total income ^{1/}	41.5%	41.9%		39.1%	44.3%		43.0%	

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

Non-interest income rose 53% to S\$1.19 billion year-on-year from S\$779 million in 3Q13, driven by higher fee and commission income, trading income and a one-off gain. On 30 September 2014, the Group increased its equity stake in BON from 15.3% to 20.0%, which accordingly became an associated company. Upon BON becoming an associated company of the Group, the initial 15.3% investment in BON that was accounted for as an available-for-sale investment was deemed disposed of in accordance with accounting standards, and its related fair value reserve of S\$391 million was recognised in the income statement as a one-off gain on remeasurement. Core non-interest income, excluding the one-off gain, was S\$801 million in 3Q14, representing a 3% increase from a year ago.

Fee and commission income increased 16% to a quarterly record of S\$406 million, led by strong growth in wealth management, loan and trade fees. Net trading income, primarily treasury-related income from customer flows, was S\$113 million and higher than S\$47 million a year ago, while net gains from the sale of investment securities of S\$4 million were down from S\$37 million in 3Q13. Profit from life assurance was S\$174 million in 3Q14, 27% lower as compared to S\$240 million a year ago, mainly attributable to lower unrealised mark-to-market investment gains in Great Eastern Holdings' ("GEH") Non-Participating Fund.

Compared to 2Q14, core non-interest income was 6% lower from S\$850 million, as higher fees and commissions were offset by a decline in net trading income and profit from life assurance.

OPERATING EXPENSES

S\$ million	9M14	9M13	+ / (-) %	3Q14	3Q13	+ / (-) %	2Q14	+ / (-) %
Staff costs								
Salaries and other costs	1,345	1,196	12	506	399	27	438	15
Share-based expenses	9	9	1	3	3	(21)	4	(29)
Contribution to defined contribution plans	107	95	13	39	31	25	34	14
	1,461	1,300	12	548	433	26	476	15
Property and equipment								
Depreciation	171	154	11	65	53	22	53	23
Maintenance and hire of property, plant & equipment	62	62	1	23	21	8	20	16
Rental expenses	59	56	5	22	19	21	18	20
Others	135	122	10	48	43	11	46	4
	427	394	9	158	136	16	137	15
Other operating expenses	448	377	19	164	112	47	147	12
Total operating expenses	2,336	2,071	13	870	681	28	760	14
Group staff strength								
Period end	29,133	25,196	16	29,133	25,196	16	25,533	14
Average	26,605	24,959	7	29,065	25,110	16	25,460	14
Cost to income ratio ^{1/}	39.5%	42.2%		42.5%	38.8%		38.5%	

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

Third quarter operating expenses grew 28% to S\$870 million from S\$681 million a year ago, partly contributed by the consolidation of OCBC Wing Hang. Excluding OCBC Wing Hang, operating expenses increased 16%. Staff costs rose 26% to S\$548 million, from S\$433 million a year ago, driven by increased staff strength, higher base salaries and incentive compensation. Property and equipment-related expenses increased 16% to S\$158 million, mainly as a result of higher depreciation expenses. Other operating expenses were S\$164 million in 3Q14, up 47% from S\$112 million the previous year, largely attributable to the reversal of an insurance-related provision no longer required by GEH in 3Q13. Compared with 2Q14, operating expenses were up 14% from S\$760 million, primarily from the consolidation of OCBC Wing Hang. Excluding OCBC Wing Hang, operating expenses grew 4%, mainly from higher staff costs.

The cost-to-income ratio was 42.5% in 3Q14 and 39.5% in 9M14, compared to 38.8% and 42.2%, respectively, in the year-ago periods.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	9M14	9M13	+ / (-) %	3Q14	3Q13	+ / (-) %	2Q14	+ / (-) %
Specific allowances/ (write-back) for loans								
Singapore	48	36	32	24	13	89	13	84
Malaysia	30	4	588	10	6	55	9	21
Others	47	15	220	32	23	42	14	119
	125	55	127	66	42	58	36	84
Portfolio allowances for loans	90	138	(35)	31	49	(37)	42	(24)
Allowances and impairment charges/(write-back) for other assets	(12)	5	(326)	(0)	3	(115)	(12)	(96)
Allowances for loans and impairment of other assets	203	198	2	97	94	2	66	48

Allowances for loans and other assets were S\$97 million in 3Q14, a 2% increase as compared to S\$94 million a year ago.

Specific allowances for loans, net of recoveries and writebacks were S\$66 million, compared to S\$42 million in 3Q13. Before taking into account S\$24 million in specific allowances from the consolidation of OCBC Wing Hang, specific allowances in 3Q14 of S\$42 million were unchanged from a year ago. Specific allowances remained low at 13 basis points of loans on an annualised basis.

Portfolio allowances for loans were S\$31 million for the quarter, lower as compared with S\$49 million a year ago.

LOANS AND ADVANCES

S\$ million	30 Sep 2014	30 Jun 2014	31 Dec 2013	30 Sep 2013
Loans to customers	187,139	159,919	150,266	146,491
Bills receivable	17,715	17,496	19,354	15,428
Gross loans to customers	204,854	177,415	169,620	161,919
Allowances				
Specific allowances	(294)	(223)	(230)	(266)
Portfolio allowances	(1,814)	(1,572)	(1,511)	(1,469)
	202,746	175,620	167,879	160,184
Less: assets pledged	(68)	(48)	(25)	(26)
Loans net of allowances	202,678	175,572	167,854	160,158
By Maturity				
Within 1 year	77,664	71,665	66,796	61,719
1 to 3 years	31,454	25,981	27,663	25,955
Over 3 years	95,736	79,769	75,161	74,245
	204,854	177,415	169,620	161,919
By Industry				
Agriculture, mining and quarrying	7,816	6,708	6,279	5,694
Manufacturing	12,240	10,184	10,069	9,923
Building and construction	29,480	25,077	24,905	23,672
Housing loans	52,980	43,719	42,075	41,193
General commerce	30,937	27,277	27,893	23,251
Transport, storage and communication	11,521	10,520	10,989	11,114
Financial institutions, investment and holding companies	26,457	25,034	22,470	22,847
Professionals and individuals	21,910	18,982	16,208	15,922
Others	11,513	9,914	8,732	8,303
	204,854	177,415	169,620	161,919
By Currency				
Singapore Dollar	75,136	74,775	73,907	73,315
United States Dollar	54,602	50,149	45,702	41,634
Malaysian Ringgit	23,096	22,708	20,494	19,835
Indonesian Rupiah	4,976	4,909	4,725	4,854
Hong Kong Dollar	23,852	6,228	5,798	5,638
Others	23,192	18,646	18,994	16,643
	204,854	177,415	169,620	161,919
By Geography ^{1/}				
Singapore	84,270	84,546	83,920	81,302
Malaysia	28,977	28,066	25,257	24,477
Indonesia	13,304	13,062	11,890	11,588
Greater China	52,303	27,382	27,183	23,802
Other Asia Pacific	9,994	9,387	8,357	8,473
Rest of the World	16,006	14,972	13,013	12,277
	204,854	177,415	169,620	161,919

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 27% from S\$162 billion a year ago, and 15% from S\$177 billion the previous quarter, to S\$205 billion as at 30 September 2014. The S\$42.9 billion year-on-year increase was partly attributable to OCBC Wing Hang, which contributed S\$24.9 billion or 12% to the Group's gross loans. Excluding OCBC Wing Hang, loan growth of 11% was broad-based across key customer segments and geographies, with the increase led by housing loans, loans to general commerce, and loans to 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 2014	267	73	109	85	74.4	267	0.3
30 Jun 2014	207	40	77	90	69.4	207	0.2
31 Dec 2013	223	77	79	67	53.4	194	0.2
30 Sep 2013	257	103	93	61	67.5	256	0.3
Malaysia							
30 Sep 2014	594	389	171	34	64.3	572	2.0
30 Jun 2014	555	346	171	38	61.1	535	1.9
31 Dec 2013	548	331	175	42	58.9	529	2.1
30 Sep 2013	552	281	230	41	49.2	532	2.2
Indonesia							
30 Sep 2014	88	17	5	66	53.5	88	0.7
30 Jun 2014	87	42	8	37	52.6	87	0.7
31 Dec 2013	49	8	5	36	58.7	49	0.4
30 Sep 2013	48	4	8	36	59.1	48	0.4
Greater China							
30 Sep 2014	165	96	35	34	88.7	165	0.3
30 Jun 2014	102	97	0	5	91.2	92	0.3
31 Dec 2013	108	105	2	1	87.1	96	0.4
30 Sep 2013	101	94	1	6	91.6	101	0.4
Other Asia Pacific							
30 Sep 2014	201	188	13	–	72.2	199	2.0
30 Jun 2014	210	195	15	–	73.2	208	2.2
31 Dec 2013	251	208	43	–	62.9	251	3.0
30 Sep 2013	258	217	41	–	64.4	258	3.0
Rest of the World							
30 Sep 2014	58	48	9	1	20.0	47	0.3
30 Jun 2014	54	44	7	3	21.1	43	0.3
31 Dec 2013	125	115	8	2	13.8	120	0.9
30 Sep 2013	122	112	9	1	11.5	118	1.0
Group							
30 Sep 2014	1,373	811	342	220	67.8	1,338	0.7
30 Jun 2014	1,215	764	278	173	64.7	1,172	0.7
31 Dec 2013	1,304	844	312	148	56.8	1,239	0.7
30 Sep 2013	1,338	811	382	145	55.7	1,313	0.8

Notes:

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

NON-PERFORMING ASSETS (continued)

The Group's asset quality remained healthy. Non-performing loans ("NPLs") were S\$1.34 billion as at 30 September 2014, up 14% from S\$1.17 billion the previous quarter. The consolidation of OCBC Wing Hang, contributed 6% to the quarter-on-quarter increase. By geography, the increase was mainly from Greater China (primarily OCBC Wing Hang), Malaysia and Singapore. By industry segment, the increase was mainly from manufacturing, building and construction, transport, storage and communication and the housing sector.

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

Total non-performing assets ("NPAs") as at 30 September 2014, which included classified debt securities and contingent liabilities, were S\$1.37 billion, compared with S\$1.22 billion the previous quarter and S\$1.34 billion a year ago. Of the total NPAs, 59% were in the substandard category and 68% were secured by collateral.

	30 Sep 2014		30 Jun 2014		31 Dec 2013		30 Sep 2013	
	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	9	0.1	10	0.2	8	0.1
Manufacturing	353	2.9	300	2.9	408	4.0	415	4.2
Building and construction	194	0.7	163	0.6	160	0.6	190	0.8
Housing loans	272	0.5	253	0.6	217	0.5	227	0.6
General commerce	143	0.5	146	0.5	126	0.5	123	0.5
Transport, storage and communication	169	1.5	113	1.1	100	0.9	126	1.1
Financial institutions, investment and holding companies	22	0.1	23	0.1	45	0.2	49	0.2
Professionals and individuals	103	0.5	93	0.5	91	0.6	91	0.6
Others	74	0.6	72	0.7	82	0.9	84	1.0
Total NPLs	1,338	0.7	1,172	0.7	1,239	0.7	1,313	0.8
Classified debt securities	4		5		4		4	
Classified contingent liabilities	31		38		61		21	
Total NPAs	1,373		1,215		1,304		1,338	

	30 Sep 2014		30 Jun 2014		31 Dec 2013		30 Sep 2013	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
NPAs By Period Overdue								
Over 180 days	462	34	397	33	284	22	323	24
Over 90 to 180 days	144	10	152	12	155	12	66	5
30 to 90 days	133	10	82	7	193	15	166	12
Less than 30 days	13	1	15	1	11	1	8	1
Not overdue	621	45	569	47	661	50	775	58
	1,373	100	1,215	100	1,304	100	1,338	100

S\$ million	30 Sep 2014		30 Jun 2014		31 Dec 2013		30 Sep 2013	
	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans								
Substandard	83	2	86	2	95	2	152	21
Doubtful	36	21	35	20	20	18	33	22
Loss	2	1	2	1	1	1	1	1
	121	24	123	23	116	21	186	44

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 2014	720	63	657	23.7	269.5
30 Jun 2014	709	53	656	25.4	341.5
31 Dec 2013	700	50	650	22.5	313.8
30 Sep 2013	695	72	623	28.0	270.9
Malaysia					
30 Sep 2014	487	120	367	20.2	81.8
30 Jun 2014	477	122	355	21.9	86.0
31 Dec 2013	445	110	335	19.9	81.0
30 Sep 2013	456	126	330	22.8	82.6
Indonesia					
30 Sep 2014	199	34	165	38.9	227.2
30 Jun 2014	197	34	163	39.7	227.2
31 Dec 2013	181	28	153	57.1	370.6
30 Sep 2013	178	27	151	55.4	370.5
Greater China					
30 Sep 2014	482	58	424	34.3	285.4
30 Jun 2014	204	1	203	1.0	200.2
31 Dec 2013	201	1	200	0.9	185.3
30 Sep 2013	197	2	195	2.2	195.0
Other Asia Pacific					
30 Sep 2014	118	24	94	12.0	58.8
30 Jun 2014	119	24	95	11.6	56.9
31 Dec 2013	127	41	86	16.5	50.5
30 Sep 2013	126	35	91	13.7	48.9
Rest of the World					
30 Sep 2014	117	10	107	17.6	215.9
30 Jun 2014	105	5	100	9.6	193.3
31 Dec 2013	96	9	87	7.1	77.4
30 Sep 2013	88	9	79	7.7	71.8
Group					
30 Sep 2014	2,123	309	1,814	22.5	154.6
30 Jun 2014	1,811	239	1,572	19.7	149.1
31 Dec 2013	1,750	239	1,511	18.3	134.2
30 Sep 2013	1,740	271	1,469	20.3	130.1

As at 30 September 2014, the Group's total cumulative allowances for assets were S\$2.12 billion, comprising S\$309 million in specific allowances and S\$1.81 billion in portfolio allowances. Total cumulative allowances were 155% of total NPAs and 480% of unsecured NPAs, higher as compared to the respective ratios of 149% and 423% as at 30 June 2014. The higher coverage was partly attributable to the consolidation of OCBC Wing Hang's cumulative allowances.

DEPOSITS

S\$ million	30 Sep 2014	30 Jun 2014	31 Dec 2013	30 Sep 2013
Deposits of non-bank customers	237,172	201,297	195,974	181,268
Deposits and balances of banks	22,869	21,598	21,549	25,381
	260,041	222,895	217,523	206,649
Loans to deposits ratio (net non-bank loans/non-bank deposits)	85.5%	87.2%	85.7%	88.4%
S\$ million	30 Sep 2014	30 Jun 2014	31 Dec 2013	30 Sep 2013
Total Deposits By Maturity				
Within 1 year	253,830	217,826	212,048	202,629
1 to 3 years	3,996	3,210	4,020	2,636
Over 3 years	2,215	1,859	1,455	1,384
	260,041	222,895	217,523	206,649
Non-Bank Deposits By Product				
Fixed deposits	104,947	80,169	81,565	72,418
Savings deposits	39,144	34,342	32,209	32,499
Current account	66,452	60,581	59,109	56,802
Others	26,629	26,205	23,091	19,549
	237,172	201,297	195,974	181,268
Non-Bank Deposits By Currency				
Singapore Dollar	93,716	91,681	92,022	87,412
United States Dollar	54,854	47,761	45,847	37,890
Malaysian Ringgit	26,009	25,626	22,882	22,106
Indonesian Rupiah	4,842	4,835	4,987	4,846
Hong Kong Dollar	21,160	4,005	3,364	3,334
Others	36,591	27,389	26,872	25,680
	237,172	201,297	195,974	181,268

Non-bank customer deposits as at 30 September 2014 of S\$237 billion were 31% higher from S\$181 billion a year ago. OCBC Wing Hang's deposits of S\$32.1 billion accounted for 14% of total customer deposits as of 30 September 2014. Excluding OCBC Wing Hang, the year-on-year customer deposit growth of 13% was contributed by an increase in fixed deposits, current account and savings deposits, which grew by 15%, 10% and 6% respectively. The ratio of current and savings deposits to total non-bank deposits was 44.5% as at 30 September 2014.

The Group's loans-to-deposits ratio, which includes OCBC Wing Hang, was 85.5%, compared to 88.4% a year ago and 87.2% in the previous quarter.

DEBT ISSUED

S\$ million	30 Sep 2014	30 Jun 2014	31 Dec 2013	30 Sep 2013
Subordinated debt (unsecured)	6,768	6,153	4,412	4,409
Fixed and floating rate notes (unsecured)	5,690	5,629	4,340	4,089
Commercial papers (unsecured)	14,470	16,236	17,089	12,837
Structured notes (unsecured)	875	853	861	655
Total	27,803	28,871	26,702	21,990
Debt Issued By Maturity				
Within one year	17,842	19,691	19,404	14,542
Over one year	9,961	9,180	7,298	7,448
Total	27,803	28,871	26,702	21,990

As at 30 September 2014, the Group had S\$14.5 billion of commercial papers outstanding, higher than a year ago. The commercial papers form part of the Group's diversified funding sources.

CAPITAL ADEQUACY RATIOS

S\$ million	30 Sep 2014	30 Jun 2014	31 Dec 2013	30 Sep 2013
Ordinary shares	11,857	8,522	8,052	8,038
Disclosed reserves/others	16,681	17,143	15,838	15,148
Regulatory adjustments	(3,772)	(2,124)	(2,006)	(2,150)
Common Equity Tier 1 Capital	24,766	23,541	21,884	21,036
Additional Tier 1 capital	3,439	3,438	3,458	3,458
Regulatory adjustments	(3,439)	(3,438)	(3,458)	(3,458)
Tier 1 Capital	24,766	23,541	21,884	21,036
Tier 2 capital	6,240	5,905	4,191	4,171
Regulatory adjustments	(1,905)	(1,694)	(1,536)	(1,506)
Total Eligible Capital	29,101	27,752	24,539	23,701
Risk Weighted Assets	187,050	159,184	150,325	146,957
Capital Adequacy Ratios				
Common Equity Tier 1	13.2%	14.7%	14.5%	14.3%
Tier 1	13.2%	14.7%	14.5%	14.3%
Total	15.5%	17.4%	16.3%	16.1%

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).

The Group remained strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 13.2%, and Tier 1 and total CAR of 13.2% and 15.5% respectively. These ratios, based on Basel III transitional arrangements, were well above the regulatory minima of 5.5%, 7% and 10%, respectively, for 2014. As compared to 30 June 2014, the Group's CAR was lower, largely from an increase in risk weighted assets, which was partly contributed by the consolidation of OCBC Wing Hang.

The Group's CET1 CAR, on a fully-implemented basis, was 10.1%. 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 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 2014 were:

S\$ million	Total Risk Weighted Assets	Capital Adequacy Ratios		
		Common Equity Tier 1	Tier 1	Total
OCBC Bank (Malaysia) Berhad	13,554	13.3%	15.2%	16.5%
OCBC Wing Hang Bank Limited	17,669	11.1%	11.1%	14.2%
Bank OCBC NISP	8,276	na	17.4%	19.0%

Note:

- "na" denotes not applicable.

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, and the ratios for OCBC Wing Hang Bank Limited are computed in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority. Bank OCBC NISP computes their ratios based on the standardised approach under the Basel II framework. The computed CET1 CAR as at 30 September 2014 for Bank OCBC NISP based on Basel II rules was 17.4%.

UNREALISED VALUATION SURPLUS

S\$ million	30 Sep 2014	30 Jun 2014	31 Dec 2013	30 Sep 2013
Properties ^{1/}	3,743	3,462	3,435	3,137
Equity securities ^{2/}	3,969	3,256	1,439	1,604
Total	7,712	6,718	4,874	4,741

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 2014 was S\$7.71 billion and was 15% higher as compared to S\$6.72 billion as at 30 June 2014. The valuation surplus for properties was S\$3.74 billion, an increase from S\$3.46 billion in the previous quarter, largely attributable to the acquisition of properties in Singapore. The valuation surplus in equity securities grew 22% to S\$3.97 billion, from S\$3.26 billion as at 30 June 2014, mainly attributable to higher valuation from the Group's equity stake in GEH.

ADDITIONAL DISCLOSURES ON THE ACQUISITION OF OCBC WING HANG

The Group acquired controlling interest of 50.40% in OCBC Wing Hang for S\$3.1 billion as at 15 July 2014. As part of the acquisition accounting, the deemed non-controlling interests ("NCI") as of 15 July 2014 were measured using the proportionate share of net identifiable assets method and the Group recognised provisional goodwill of S\$0.9 billion in its consolidated balance sheet. At the close of the voluntary general offer, the Group acquired additional interests totalling 47.12% at S\$2.9 billion, achieving a combined equity stake of 97.52% in OCBC Wing Hang as at 29 July 2014. Accordingly, an adjustment of S\$821 million was made to revenue reserves to account for the acquisition of the 47.12% shares from the deemed NCI.

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	9M14	9M13	+ / (-) %	3Q14	3Q13	+ / (-) %	2Q14	+ / (-) %
Global Consumer/Private Banking	579	565	2	192	180	6	178	7
Global Corporate/Investment Banking	1,542	1,348	14	504	465	8	516	(2)
Global Treasury and Markets	664	273	143	245	87	182	235	4
Insurance	716	568	26	211	306	(31)	258	(18)
OCBC Wing Hang	44	–	–	44	–	–	–	–
Others ^{1/}	(216)	(155)	39	(130)	(71)	84	(51)	155
Operating profit after allowances and amortisation	3,329	2,599	28	1,066	967	10	1,136	(6)

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

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 rose by 2% year-on-year to S\$579 million in 9M14, and increased 6% from a year ago to S\$192 million in 3Q14. The operating profit growth for both periods was attributable to higher net interest income arising from strong loan growth, and partly offset by an increase in expenses. Quarter-on-quarter, operating profit increased 7% to S\$192 million, led by higher net interest income and 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 14% to S\$1.54 billion in 9M14 from S\$1.35 billion in 9M13, and was 8% higher year-on-year at S\$504 million in 3Q14. The increase in operating profit for both periods was underpinned by higher net interest income as a result of strong loan growth and lower allowances, which more than offset an increase in expenses. 3Q14 operating profit declined 2% quarter-on-quarter to S\$504 million, mainly attributable to 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 operating profit after allowances more than doubled year-on-year to S\$664 million in 9M14 and to S\$245 million in 3Q14. The growth in operating profit for both periods was largely driven by higher net interest income from money market activities and an increase 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 rose 26% year-on-year to S\$716 million in 9M14, contributed mainly by an increase in insurance income. GEH's operating profit was S\$211 million in 3Q14, 31% lower from S\$306 million a year ago and 18% lower from S\$258 million in 2Q14. The decline for both periods was largely attributable to lower insurance income from a decrease in unrealised mark-to-market investment gains reported by GEH's Non-Participating Fund.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$550 million in 9M14 and S\$158 million in 3Q14, higher than the S\$409 million in 9M13 and down from S\$235 million in 3Q13.

OCBC Wing Hang

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

OCBC Wing Hang's contribution to operating profit after allowances was S\$44 million in 9M14 and 3Q14.

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
9M14							
Total income ^{1/}	1,723	2,319	851	904	157	(44)	5,910
Operating profit before allowances and amortisation ^{1/}	645	1,619	664	751	74	(179)	3,574
Amortisation of intangible assets	(7)	–	–	(35)	–	–	(42)
Allowances and impairment for loans and other assets	(59)	(77)	(0)	(0)	(30)	(37)	(203)
Operating profit after allowances and amortisation ^{1/}	579	1,542	664	716	44	(216)	3,329
Other information:							
Capital expenditure	36	2	1	38	2	140	219
Depreciation	24	9	2	2	9	125	171
9M13							
Total income	1,645	2,103	439	729	–	(4)	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)	(104)	(5)	(0)	–	(25)	(198)
Operating profit after allowances and amortisation	565	1,348	273	568	–	(155)	2,599
Other information:							
Capital expenditure	16	8	2	41	–	175	242
Depreciation	29	10	2	2	–	111	154

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

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
3Q14							
Total income ^{1/}	586	780	308	278	157	(62)	2,047
Operating profit before allowances and amortisation ^{1/}	217	535	244	223	74	(116)	1,177
Amortisation of intangible assets	(2)	–	–	(12)	–	–	(14)
Write-back/(allowances and impairment) for loans and other assets	(23)	(31)	1	(0)	(30)	(14)	(97)
Operating profit after allowances and amortisation ^{1/}	192	504	245	211	44	(130)	1,066
Other information:							
Capital expenditure	9	1	1	12	2	53	78
Depreciation	9	4	1	1	9	41	65
3Q13							
Total income	550	735	136	336	–	(0)	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)	(51)	(1)	(0)	–	(21)	(94)
Operating profit after allowances and amortisation	180	465	87	306	–	(71)	967
Other information:							
Capital expenditure	6	2	0	14	–	60	82
Depreciation	9	4	1	0	–	39	53
2Q14							
Total income	568	777	299	319	–	13	1,976
Operating profit before allowances and amortisation	198	541	234	269	–	(26)	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)
Operating profit after allowances and amortisation	178	516	235	258	–	(51)	1,136
Other information:							
Capital expenditure	8	0	0	10	–	39	57
Depreciation	7	2	0	0	–	44	53

Note:

1. Excludes one-off gain from remeasurement of equity stake in an associate.

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
At 30 September 2014							
Segment assets	77,119	119,354	79,246	65,623	39,318	19,904	400,564
Unallocated assets							292
Elimination							(9,268)
Total assets							391,588
Segment liabilities	84,297	111,740	44,947	57,433	33,789	33,524	365,730
Unallocated liabilities							2,226
Elimination							(9,268)
Total liabilities							358,688
Other information:							
Gross non-bank loans	69,142	108,316	1,785	35	24,906	670	204,854
NPAs	340	944	-	5	76	8	1,373
At 30 June 2014							
Segment assets	76,039	118,851	80,517	64,275	-	17,863	357,545
Unallocated assets							224
Elimination							(9,355)
Total assets							348,414
Segment liabilities	84,379	104,877	45,453	56,180	-	34,822	325,711
Unallocated liabilities							2,143
Elimination							(9,355)
Total liabilities							318,499
Other information:							
Gross non-bank loans	67,696	107,551	1,482	34	-	652	177,415
NPAs	335	867	-	4	-	9	1,215
At 31 December 2013							
Segment assets	72,625	118,714	76,855	61,823	-	17,566	347,583
Unallocated assets							199
Elimination							(9,334)
Total assets							338,448
Segment liabilities	77,297	104,125	51,034	54,112	-	30,998	317,566
Unallocated liabilities							2,137
Elimination							(9,334)
Total liabilities							310,369
Other information:							
Gross non-bank loans	62,196	106,169	605	49	-	601	169,620
NPAs	292	1,002	-	4	-	6	1,304
At 30 September 2013							
Segment assets	71,888	110,613	68,415	60,466	-	18,487	329,869
Unallocated assets							191
Elimination							(9,157)
Total assets							320,903
Segment liabilities	77,209	93,773	49,121	52,997	-	27,610	300,710
Unallocated liabilities							2,026
Elimination							(9,157)
Total liabilities							293,579
Other information:							
Gross non-bank loans	61,053	99,323	892	52	-	599	161,919
NPAs	307	1,019	-	4	-	8	1,338

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	9M14		9M13		3Q14		3Q13		2Q14	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total core income										
Singapore ^{1/}	3,634	61	3,048	62	1,200	59	1,118	64	1,259	64
Malaysia	1,037	18	1,031	21	362	18	346	20	345	17
Indonesia	367	6	383	8	115	5	132	8	120	6
Greater China	634	11	263	5	292	14	94	5	169	9
Other Asia Pacific	118	2	120	3	38	2	40	2	41	2
Rest of the World	120	2	67	1	40	2	27	1	42	2
	5,910	100	4,912	100	2,047	100	1,757	100	1,976	100
Profit before income tax										
Singapore ^{1/}	2,033	60	1,566	59	646	60	633	64	701	61
Malaysia	645	19	677	26	219	20	222	23	223	19
Indonesia	134	4	142	5	41	4	47	5	38	3
Greater China	375	11	129	5	114	11	48	5	124	11
Other Asia Pacific	79	3	72	3	27	2	10	1	25	2
Rest of the World	111	3	62	2	33	3	20	2	43	4
	3,377	100	2,648	100	1,080	100	980	100	1,154	100

Note:

1. One-off gain from remeasurement of equity stake in an associate of S\$391 million in 3Q14 was not included in total core income and profit before income tax.

	30 Sep 2014		30 Jun 2014		31 Dec 2013		30 Sep 2013	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total assets								
Singapore	219,709	56	216,105	62	210,541	62	200,297	63
Malaysia	65,972	17	65,582	19	60,773	18	58,568	18
Indonesia	11,344	3	10,617	3	10,219	3	9,754	3
Greater China	71,503	18	32,076	9	33,022	10	31,388	10
Other Asia Pacific	9,693	3	10,515	3	10,138	3	9,985	3
Rest of the World	13,367	3	13,519	4	13,755	4	10,911	3
	391,588	100	348,414	100	338,448	100	320,903	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 3Q14, Singapore accounted for 59% of total income and 60% of pre-tax profit, while Malaysia accounted for 18% of total income and 20% of pre-tax profit.

Pre-tax profit for Singapore grew to S\$646 million in the third quarter, up 2% from S\$633 million a year ago, as higher net interest income and fee income more than offset a decline in trading and insurance income. Malaysia's pre-tax profit of S\$219 million was relatively unchanged year-on-year. Pre-tax profit for Greater China was higher at S\$114 million, compared to S\$48 million in 3Q13 mainly from the consolidation of OCBC Wing Hang.

9M14 pre-tax profit for Singapore increased by 30% to S\$2.03 billion, from S\$1.57 billion the previous year, on broad-based income growth. Pre-tax profit for Malaysia was S\$645 million and was 5% lower than S\$677 million a year ago, as net interest income growth was more than offset by higher operating expenses.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	9M14	9M13	+ / (-)	3Q14	3Q13	+ / (-)	2Q14	+ / (-)
			%			%		%
Interest income	5,508	4,539	21	2,025	1,557	30	1,776	14
Interest expense	(2,049)	(1,688)	21	(779)	(579)	35	(650)	20
Net interest income	3,459	2,851	21	1,246	978	27	1,126	11
Premium income	5,648	5,550	2	2,005	2,110	(5)	1,882	7
Investment income	1,975	1,793	10	665	489	36	757	(12)
Net claims, surrenders and annuities	(4,038)	(4,794)	(16)	(1,559)	(2,091)	(25)	(1,264)	23
Change in life assurance fund contract liabilities	(2,003)	(1,110)	81	(592)	115	(615)	(824)	(28)
Commission and others	(1,004)	(1,005)	–	(345)	(383)	(10)	(331)	4
Profit from life assurance	578	434	33	174	240	(27)	220	(21)
Premium income from general insurance	121	117	3	41	40	2	39	5
Fees and commissions (net)	1,111	1,014	10	406	352	16	353	15
Dividends	93	66	41	26	21	24	56	(54)
Rental income	53	51	4	18	17	8	18	1
Other income	886	379	134	527	109	383	164	221
Non-interest income	2,842	2,061	38	1,192	779	53	850	40
Total income	6,301	4,912	28	2,438	1,757	39	1,976	23
Staff costs	(1,461)	(1,300)	12	(548)	(433)	26	(476)	15
Other operating expenses	(875)	(771)	13	(322)	(248)	30	(284)	14
Total operating expenses	(2,336)	(2,071)	13	(870)	(681)	28	(760)	14
Operating profit before allowances and amortisation	3,965	2,841	40	1,568	1,076	46	1,216	29
Amortisation of intangible assets	(42)	(44)	(3)	(14)	(15)	(3)	(14)	–
Allowances for loans and impairment of other assets	(203)	(198)	2	(97)	(94)	2	(66)	48
Operating profit after allowances and amortisation	3,720	2,599	43	1,457	967	51	1,136	28
Share of results of associates and joint ventures	48	49	(1)	14	13	8	18	(21)
Profit before income tax	3,768	2,648	42	1,471	980	50	1,154	28
Income tax expense	(541)	(445)	22	(184)	(154)	20	(172)	7
Profit for the period	3,227	2,203	46	1,287	826	56	982	31
Profit attributable to:								
Equity holders of the Bank	3,051	2,053	49	1,232	759	62	921	34
Non-controlling interests	176	150	16	55	67	(16)	61	(8)
	3,227	2,203	46	1,287	826	56	982	31
Earnings per share ^{1/}								
(for the period – cents)								
Basic	85.1	56.4		34.3	21.4		25.2	
Diluted	85.0	56.3		34.3	21.3		25.2	

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	9M14	9M13	+ / (-) %	3Q14	3Q13	+ / (-) %	2Q14	+ / (-) %
Profit for the period	3,227	2,203	46	1,287	826	56	982	31
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the period	287	(356)	180	96	86	12	248	(62)
Reclassification of (gains)/losses to income statement								
– on disposal ^{1/}	(437)	(129)	(240)	(395)	(37)	(980)	(13)	nm
– on impairment	0	4	(95)	0	3	(95)	0	52
Tax on net movements	(34)	51	(166)	(3)	(2)	(91)	(32)	89
Exchange differences on translating foreign operations	62	(275)	123	61	(269)	123	(89)	169
Defined benefit plans remeasurements ^{2/}	(2)	(5)	55	(1)	0	(703)	(0)	(3)
Other comprehensive income of associates and joint ventures	6	1	649	10	(1)	nm	2	569
Total other comprehensive income, net of tax	(118)	(709)	83	(232)	(220)	(6)	116	(302)
Total comprehensive income for the period, net of tax	3,109	1,494	108	1,055	606	74	1,098	(4)
Total comprehensive income attributable to:								
Equity holders of the Bank	2,909	1,390	109	988	572	73	1,037	(5)
Non-controlling interests	200	104	91	67	34	93	61	9
	3,109	1,494	108	1,055	606	74	1,098	(4)

Notes:

1. Includes one-off gain from remeasurement of equity stake in an associate.
2. Item that will not be reclassified to income statement.

BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP				BANK			
	30 Sep 2014 [@]	30 Jun 2014 [@]	31 Dec 2013	30 Sep 2013 [@]	30 Sep 2014 [@]	30 Jun 2014 [@]	31 Dec 2013	30 Sep 2013 [@]
EQUITY								
Attributable to equity holders of the Bank								
Share capital	13,253	9,917	9,448	9,434	13,253	9,917	9,448	9,434
Capital reserves	470	467	418	387	104	101	94	106
Fair value reserves	306	608	493	478	212	182	138	153
Revenue reserves	15,742	15,901	14,756	14,162	10,379	10,520	9,645	8,820
	29,771	26,893	25,115	24,461	23,948	20,720	19,325	18,513
Non-controlling interests	3,129	3,022	2,964	2,863	–	–	–	–
Total equity	32,900	29,915	28,079	27,324	23,948	20,720	19,325	18,513
LIABILITIES								
Deposits of non-bank customers	237,172	201,297	195,974	181,268	148,451	145,634	142,855	129,333
Deposits and balances of banks	22,869	21,598	21,549	25,381	20,705	19,551	20,260	23,127
Due to subsidiaries	–	–	–	–	4,151	4,548	6,957	7,160
Due to associates	331	159	168	169	153	147	155	156
Trading portfolio liabilities	707	804	897	968	707	804	898	968
Derivative payables	5,291	3,872	5,509	5,069	4,495	3,281	4,495	4,165
Other liabilities	5,819	4,470	4,250	4,613	2,284	1,559	1,416	1,511
Current tax	997	960	1,025	947	390	394	367	328
Deferred tax	1,230	1,182	1,112	1,079	58	61	59	53
Debt issued	27,803	28,871	26,702	21,990	27,572	29,193	26,914	22,182
	302,219	263,213	257,186	241,484	208,966	205,172	204,376	188,983
Life assurance fund liabilities	56,469	55,286	53,183	52,095	–	–	–	–
Total liabilities	358,688	318,499	310,369	293,579	208,966	205,172	204,376	188,983
Total equity and liabilities	391,588	348,414	338,448	320,903	232,914	225,892	223,701	207,496
ASSETS								
Cash and placements with central banks	20,951	19,498	19,341	14,464	12,862	11,594	12,713	8,150
Singapore government treasury bills and securities	11,396	11,569	11,718	12,372	10,729	10,745	10,772	11,538
Other government treasury bills and securities	11,593	11,034	8,892	8,925	5,641	6,509	4,543	5,203
Placements with and loans to banks	43,181	37,672	39,573	35,528	28,946	28,185	30,821	27,955
Loans and bills receivable	202,678	175,572	167,854	160,158	127,947	127,078	125,080	118,502
Debt and equity securities	23,322	20,944	19,602	18,801	13,546	13,982	12,891	12,433
Assets pledged	1,212	1,589	2,110	2,395	536	1,154	1,920	1,997
Assets held for sale	2	2	2	1	1	–	1	0
Derivative receivables	4,522	4,286	5,194	5,188	3,789	3,724	4,195	4,296
Other assets	4,517	3,992	3,900	4,141	1,512	1,456	1,311	1,442
Deferred tax	107	83	107	97	41	46	42	38
Associates and joint ventures	1,931	394	380	357	612	187	170	145
Subsidiaries	–	–	–	–	23,798	18,282	16,295	12,860
Property, plant and equipment	3,369	1,886	1,898	1,881	499	505	518	507
Investment property	1,185	747	731	731	588	578	562	563
Goodwill and intangible assets	5,101	3,707	3,741	3,760	1,867	1,867	1,867	1,867
	335,067	292,975	285,043	268,799	232,914	225,892	223,701	207,496
Life assurance fund investment assets	56,521	55,439	53,405	52,104	–	–	–	–
Total assets	391,588	348,414	338,448	320,903	232,914	225,892	223,701	207,496
Net Asset Value Per Ordinary Share^{@2/} (before valuation surplus – S\$)								
	7.22	7.35	6.99	6.82	5.74	5.77	5.49	5.28
OFF-BALANCE SHEET ITEMS								
Contingent liabilities	11,719	12,435	12,197	10,613	7,476	8,596	9,108	8,196
Commitments	98,249	84,894	77,043	77,205	58,180	54,994	49,498	49,687
Derivative financial instruments	633,638	587,533	523,979	550,510	530,496	492,483	434,757	455,037

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 nine months ended 30 September 2014

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 2014	9,448	418	493	14,756	25,115	2,964	28,079
Total comprehensive income for the period	–	–	(187)	3,096	2,909	200	3,109
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	50	–	(50)	–	–	–
Acquisition/establishment of a subsidiary	–	–	–	–	–	2,195	2,195
Dividends to non-controlling interests	–	–	–	–	–	(133)	(133)
DSP reserve from dividends on unvested shares	–	–	–	2	2	–	2
Ordinary and preference dividends	–	–	–	(755)	(755)	–	(755)
Share-based staff costs capitalised	–	10	–	–	10	–	10
Share buyback held in treasury	(112)	–	–	–	(112)	–	(112)
Shares issued in-lieu of ordinary dividends	486	–	–	(486)	–	–	–
Shares issued pursuant to Rights Issue	3,307	–	–	–	3,307	–	3,307
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	123	(39)	–	–	84	–	84
Total contributions by and distributions to owners	3,805	52	–	(1,289)	2,568	2,062	4,630
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Acquisition of non-controlling interests	–	–	–	(821)	(821)	(2,097)	(2,918)
Total changes in ownership interests in a subsidiary	–	–	–	(821)	(821)	(2,097)	(2,918)
Balance at 30 September 2014	13,253	470	306	15,742	29,771	3,129	32,900
Included:							
Share of reserves of associates and joint ventures	–	–	12	156	168	(3)	165
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)	–	–	–
Distributions and dividends to non-controlling interests	–	–	–	–	–	(138)	(138)
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3
Ordinary and preference dividends paid in cash	–	–	–	(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

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 September 2014

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 2014	9,917	467	608	15,901	26,893	3,022	29,915
Total comprehensive income for the period	–	–	(302)	1,290	988	67	1,055
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Acquisition of a subsidiary	–	–	–	–	–	2,194	2,194
Dividends to non-controlling interests	–	–	–	–	–	(57)	(57)
DSP reserve from dividends on unvested shares	–	–	–	0	0	–	0
Ordinary dividends	–	–	–	(628)	(628)	–	(628)
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(30)	–	–	–	(30)	–	(30)
Shares issued in-lieu of ordinary dividends	0	–	–	–	0	–	0
Shares issued pursuant to Rights Issue	3,307	–	–	–	3,307	–	3,307
Treasury shares transferred/sold	59	–	–	–	59	–	59
Total contributions by and distributions to owners	3,336	3	–	(628)	2,711	2,137	4,848
Changes in ownership interests in a subsidiary that does not result in a loss of control							
Acquisition of non-controlling interests	–	–	–	(821)	(821)	(2,097)	(2,918)
Total changes in ownership interests in a subsidiary	–	–	–	(821)	(821)	(2,097)	(2,918)
Balance at 30 September 2014	13,253	470	306	15,742	29,771	3,129	32,900
Included:							
Share of reserves of associates and joint ventures	–	–	12	156	168	(3)	165
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

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the nine months ended 30 September 2014

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2014	9,448	94	138	9,645	19,325
Total comprehensive income for the period	–	–	74	1,973	2,047
DSP reserve from dividends on unvested shares	–	–	–	2	2
Ordinary and preference dividends	–	–	–	(755)	(755)
Share-based staff costs capitalised	–	10	–	–	10
Share buyback held in treasury	(112)	–	–	–	(112)
Shares issued in-lieu of ordinary dividends	486	–	–	(486)	–
Shares issued pursuant to Rights Issue	3,307	–	–	–	3,307
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	123	–	–	–	123
Balance at 30 September 2014	13,253	104	212	10,379	23,948
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

For the three months ended 30 September 2014

S\$ million	Share capital	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 July 2014	9,917	101	182	10,520	20,720
Total comprehensive income for the period	–	–	30	487	517
DSP reserve from dividends on unvested shares	–	–	–	0	0
Ordinary dividends	–	–	–	(628)	(628)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(30)	–	–	–	(30)
Shares issued in-lieu of ordinary dividends	0	–	–	–	0
Shares issued pursuant to Rights Issue	3,307	–	–	–	3,307
Treasury shares transferred/sold	59	–	–	–	59
Balance at 30 September 2014	13,253	104	212	10,379	23,948
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

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months ended 30 September 2014

S\$ million	9M14	9M13	3Q14	3Q13
Cash flows from operating activities				
Profit before income tax	3,768	2,648	1,471	980
Adjustments for non-cash items				
Amortisation of intangible assets	42	44	14	15
Allowances for loans and impairment of other assets	203	198	97	94
Change in fair value for hedging transactions and trading and fair value through profit and loss securities	(18)	90	12	(37)
Depreciation of property, plant and equipment and investment property	171	154	65	53
Net gain on disposal of property, plant and equipment and investment property	(1)	(9)	(1)	(6)
Net gain on disposal of government, debt and equity securities	(460)	(130)	(395)	(37)
Net (gain)/loss on disposal of interests in subsidiary, associate and joint venture	(31)	3	–	–
Share-based staff costs	10	10	3	3
Share of results of associates and joint ventures	(48)	(49)	(14)	(13)
Items relating to life assurance fund				
Surplus before income tax	749	589	244	317
Surplus transferred from life assurance fund	(578)	(434)	(174)	(240)
Operating profit before change in operating assets and liabilities	3,807	3,114	1,322	1,129
Change in operating assets and liabilities				
Deposits of non-bank customers	8,913	16,136	3,598	4,997
Deposits and balances of banks	1,153	(275)	1,104	1,037
Derivative payables and other liabilities	252	456	1,695	(561)
Trading portfolio liabilities	(191)	(115)	(97)	339
Government securities and treasury bills	(694)	416	1,247	(519)
Trading and fair value through profit and loss securities	(750)	(1,748)	112	164
Placements with and loans to banks	1,895	(5,276)	(416)	(3,206)
Loans and bills receivable	(11,720)	(18,002)	(3,861)	(3,095)
Derivative receivables and other assets	(116)	(118)	(923)	(195)
Net change in investment assets and liabilities of life assurance fund	13	(274)	48	(438)
Cash from/(used in) operating activities	2,562	(5,686)	3,829	(348)
Income tax paid	(506)	(438)	(173)	(129)
Net cash from/(used in) operating activities	2,056	(6,124)	3,656	(477)
Cash flows from investing activities				
Dividends from associates	1	1	1	–
Decrease/(increase) in associates and joint ventures	(368)	45	(360)	8
Net cash flow from acquisition/establishment of subsidiaries	(390)	–	(391)	–
Purchases of debt and equity securities	(8,363)	(8,193)	(2,769)	(2,240)
Purchases of property, plant and equipment and investment property	(219)	(242)	(78)	(82)
Proceeds from disposal of debt and equity securities	8,195	5,151	2,692	1,626
Proceeds from disposal of interests in associate and joint venture	63	–	–	–
Proceeds from disposal of property, plant and equipment and investment property	15	18	6	10
Net cash used in investing activities	(1,066)	(3,220)	(899)	(678)
Cash flows from financing activities				
Acquisition of non-controlling interests	(2,918)	–	(2,918)	–
Dividends paid to equity holders of the Bank	(126)	(1,228)	–	(590)
Dividends paid to non-controlling interests	(133)	(138)	(57)	(56)
Issue of subordinated debt	2,488	–	–	–
Redemption of subordinated debt issued	(712)	(721)	–	–
Increase/(decrease) in other debt issued	(1,271)	11,284	(1,683)	3,705
Net proceeds from Rights Issue	3,307	–	3,307	–
Redemption of preference shares	–	(1,500)	–	(1,000)
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	84	91	59	41
Share buyback held in treasury	(112)	(147)	(30)	(38)
Net cash from financing activities	607	7,641	(1,322)	2,062
Net currency translation adjustments	13	(230)	18	(203)
Net change in cash and cash equivalents	1,610	(1,933)	1,453	704
Cash and cash equivalents at beginning of period	19,341	16,397	19,498	13,760
Cash and cash equivalents at end of period	20,951	14,464	20,951	14,464

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	
	2014	2013	2014	2013
Issued ordinary shares				
Balance at beginning of period	3,441,176,885	3,441,099,691	3,497,793,970	3,441,176,885
Shares issued to non-executive directors	76,191	77,194	–	–
Shares issued pursuant to Scrip Dividend Scheme	56,540,894	–	–	–
Shares issued pursuant to Rights Issue	436,775,254	–	436,775,254	–
Balance at end of period	3,934,569,224	3,441,176,885	3,934,569,224	3,441,176,885
Treasury shares				
Balance at beginning of period	(8,367,614)	(10,158,830)	(8,976,846)	(9,305,895)
Share buyback	(11,525,000)	(14,139,000)	(3,125,000)	(3,740,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	4,769,835	7,668,626	2,145,007	698,713
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	6,144,006	5,033,520	5,004,424	3,928,619
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	4,026,358	3,174,121	–	–
Shares sold for cash	–	3,502	–	502
Balance at end of period	(4,952,415)	(8,418,061)	(4,952,415)	(8,418,061)
Total	3,929,616,809	3,432,758,824	3,929,616,809	3,432,758,824

Pursuant to the share purchase mandate approved at the extraordinary general meeting held on 24 April 2014, the Bank purchased a total of 3,125,000 ordinary shares in the third quarter ended 30 September 2014. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$9.40 to S\$10.44 per share and the total consideration paid was S\$30,546,560 (including transaction costs).

From 1 July 2014 to 30 September 2014 (both dates inclusive), the Bank utilised 2,145,007 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 2014, the number of options outstanding under the OCBC SOS 2001 was 34,576,327 (30 September 2013: 32,327,791).

From 1 July 2014 to 30 September 2014 (both dates inclusive), the Bank utilised 5,004,424 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 2014, the number of acquisition rights outstanding under the OCBC ESPP was 14,213,330 (30 September 2013: 13,656,511).

436,775,254 ordinary shares were issued on 26 September 2014 pursuant to the renounceable underwritten Rights Issue at an issue price of S\$7.65 for each Rights Share, on the basis of one Rights Share for every eight existing ordinary shares in the capital of the Bank.

No new preference shares were allotted and issued by the Bank in the third quarter ended 30 September 2014.

OTHER MATTERS

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

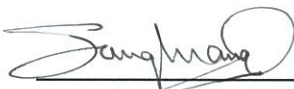
SUBSEQUENT EVENTS

1. On 14 October 2014, OCBC Bank announced that its wholly owned subsidiary, OCBC Pearl Limited (“OCPL”), will complete the compulsory acquisition of all outstanding OCBC Wing Hang Bank Limited (“WHB”) (formerly known as Wing Hang Bank, Limited) shares that it does not already own on 15 October 2014. As a result of the completion of the compulsory acquisition, WHB will become a wholly owned subsidiary of OCPL. The listing of WHB shares on The Stock Exchange of Hong Kong Limited will be withdrawn with effect from 16 October 2014.
2. On 16 October 2014, OCBC Bank announced that it had allotted and issued 58,360,095 new ordinary shares on 16 October 2014 to ordinary shareholders who elected to participate in the Scrip Dividend Scheme in respect of the FY14 interim tax exempt dividend of 18 cents per share. The participation rate for the scrip dividend was 84.1% of shareholdings. The new shares rank pari passu in all respects with the existing ordinary shares of the Bank. Following the allotment and issuance of the new shares, the issued ordinary shares of the Bank increased by 1.5% to 3,992,929,319 shares.

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 September 2014 to be false or misleading.

On behalf of the Board of Directors



Ooi Sang Kuang
Chairman



Samuel N. Tsien
Chief Executive Officer / Director

29 October 2014