

## Media Release

### **OCBC Group Reported First Quarter 2019 Net Profit of S\$1.23 billion**

***Earnings rose by 11% year-on-year and 33% quarter-on-quarter***

Singapore, 10 May 2019 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) achieved a net profit after tax of S\$1.23 billion for the first quarter ended 31 March 2019 (“1Q19”), 11% above S\$1.11 billion reported a year ago (“1Q18”) and up 33% from S\$926 million in the previous quarter (“4Q18”). This was driven by record operating profit before allowances, which was underpinned by strong income growth across the Group’s banking, wealth management and insurance franchise.

Total income for 1Q19 rose 15% year-on-year to a record S\$2.68 billion from S\$2.33 billion in the previous year.

Net interest income grew to a new high of S\$1.53 billion, an 8% increase from S\$1.42 billion last year, lifted by healthy asset growth and a rise in net interest margin (“NIM”). Customer loans climbed 5% to S\$259 billion, from S\$247 billion a year ago, driven by broad-based growth across key markets. NIM rose 9 basis points to 1.76%, mainly from higher asset yields in a rising interest rate environment and an increase in gapping income from money market placements.

Non-interest income grew 24% to S\$1.14 billion, from S\$918 million in 1Q18. Net trading income rose to S\$285 million in the first quarter, from S\$94 million in the previous year, largely from an increase in customer flow income as well as improved financial market conditions. Profit from life insurance of S\$233 million was 40% above S\$166 million a year ago, mainly attributable to favourable financial markets. Net realised gains from the sale of investment securities were higher at S\$34 million, as compared to S\$8 million a year ago. Net fees and commissions of S\$495 million were higher quarter-on-quarter but below S\$536 million in 1Q18, as increases in credit card, investment banking, loan and trade-related fees were offset by lower wealth management fees, as new fund launches in the previous year contributed to record wealth fees in 1Q18. As compared to the previous quarter, wealth management fees were 15% higher.

The Group’s overall wealth management-related income – comprising income from insurance, private banking, asset management, stockbroking and other wealth management products – rose 27% from a year ago to S\$921 million and represented 34% of the Group’s total income. As at 31 March 2019, sustained net new money inflows and improved asset valuations drove Bank of Singapore’s assets under management (“AUM”) to a new high of US\$108 billion (S\$146 billion) from US\$102 billion (S\$133 billion) a year ago.

Against total income growth of 15%, operating expenses for 1Q19 rose 6% year-on-year to S\$1.10 billion, largely due to higher staff costs and other expenses linked to a rise in business activities. The cost-to-income ratio was lower at 40.9% as compared to 44.2% a year ago. Allowances for loans and other assets were S\$249 million for the quarter.

The Group's share of results of associates rose 36% to S\$170 million, from S\$125 million a year ago.

Compared to the previous quarter ("4Q18"), net profit was 33% higher, driven by strong income growth, cost discipline and increased contributions from associates. Net interest income grew 1% quarter-on-quarter as a result of asset growth and a 4 basis points increase in NIM, driven largely by loan repricing in Singapore. Non-interest income was up 38%, lifted by higher fees and commissions, net trading income and profit from life insurance. Operating expenses were well-controlled and rose 2% from a quarter ago, while allowances for loans and other assets were 22% higher.

The Group's annualised return on equity for 1Q19 improved to 12.0%, as compared to 11.8% in 1Q18 and 11.5% for the full year of 2018. Annualised earnings per share increased 8.4% to S\$1.16 from S\$1.07 in a year ago, and 9.4% from S\$1.06 for the full year of 2018.

### **Allowances and Asset Quality**

The Group's asset quality continued to be healthy. New non-performing loan ("NPL") formation for 1Q19 was S\$298 million, significantly lower than S\$881 million in 4Q18, and largely offset by net recoveries and upgrades of S\$223 million during the quarter. As at 31 March 2019, total non-performing assets ("NPA") fell slightly to S\$3.92 billion, from S\$3.94 billion a quarter ago, while the NPL ratio of 1.5% was unchanged from the previous quarter.

Net allowances for loans and other assets for 1Q19 were S\$249 million, mainly comprising allowances for impaired loans of S\$231 million and allowances for non-impaired loans and other assets of S\$17 million.

Allowances for impaired loans of S\$231 million were lower than S\$250 million in 4Q18, but were significantly higher year-on-year from 1Q18, which reported only S\$13 million in allowances. The majority of the allowances this quarter were provided for loans to the existing oil and gas support vessels and services ("OSV") sector which were already classified as NPLs. Despite the recovery in fuel oil prices, the OSV sector did not see a corresponding increase in vessel employment or rise in charter rates. Given the structural changes taking place in the offshore oil industry and continued absence of visible recovery in this sector, a prudent decision was made to substantially reduce collateral valuations further, to the extent of writing down vessels pending employment to scrap value.

## Funding and Capital Position

The Group continued to maintain a strong funding and capital position. As at 31 March 2019, customer loans expanded 5% year-on-year to S\$259 billion while customer deposits grew 2% to S\$294 billion. The loans-to-deposits ratio was 87.1%, as compared to 84.4% a year ago. Current account and savings (“CASA”) deposits rose 1% from the previous year and represented 46.8% of total non-bank deposits.

The average Singapore dollar and all-currency liquidity coverage ratios for the Group in 1Q19 were 262% and 150% respectively, while the net stable funding ratio was 110%.

The Group's Common Equity Tier 1 capital adequacy ratio (“CAR”), Tier 1 CAR and Total CAR as at 31 March 2019 were 14.2%, 14.9% and 16.7% respectively and were higher than the corresponding ratios of 13.1%, 14.2% and 15.8% from a year ago. The Group's leverage ratio was 7.4% as at 31 March 2019.

These regulatory ratios were all above their respective regulatory requirements.

## CEO's Comments

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

“Our strong first quarter 2019 results demonstrated the underlying strength of the Group's banking, wealth management and insurance franchise which drove our operating profit to a new high. Record net interest income was boosted by asset growth and higher NIM. Market-related income has benefitted from favourable financial market conditions, contributing to higher non-interest income. Our wealth management business continued to perform well, as fee income strongly rebounded from the previous quarter and private banking AUM climbed to new highs, driven by sustained net new money inflows in Bank of Singapore.

While asset quality remained sound and NPAs dipped from the previous quarter, we decided to prudently set aside additional allowances for the NPLs in the OSV sector through further write downs to substantially reduce the value of vessel collateral to reflect the prolonged malaise in the industry.

We will continue to stay watchful of the progress of trade negotiations between the United States and China, developments in financial markets and conclusion of a number of elections in the region. In sustainable financing, we made significant strides to grow the financing of renewable energy projects and pledged to stop new coal-fired power plant financing. With our strong funding and capital position, we are very well-placed to ride on new opportunities as they are presented and will continue to deepen our presence in our core businesses and markets.”

## 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 Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

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 more than 560 branches and representative offices in 19 countries and regions. These include over 300 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 90 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

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 First Quarter Ended 31 March 2019**

For the first quarter ended 31 March 2019, 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 first quarter ended 31 March 2019 as the Bank pays dividend on a semi-annual basis.

Peter Yeoh  
Secretary

Singapore, 10 May 2019

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**  
**First Quarter 2019 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 (International) ("SFRS(I)") issued by Accounting Standards Council.

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2019:

|                                    |  |
|------------------------------------|--|
| SFRS(I) 3, SFRS(I) 11 (Amendments) | <i>Previously Held Interest in a Joint Operation</i>                                     |
| SFRS(I) 9 (Amendments)             | <i>Prepayment Features with Negative Compensation</i>                                    |
| SFRS(I) 16                         | <i>Leases</i>  |
| SFRS(I) 1-12 (Amendments)          | <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> |
| SFRS(I) 1-19 (Amendments)          | <i>Plan Amendment, Curtailment or Settlement</i>   |
| SFRS(I) 1-23 (Amendments)          | <i>Borrowing Costs Eligible for Capitalisation</i>                                       |
| SFRS(I) 1-28 (Amendments)          | <i>Long-term Interests in Associates and Joint Ventures</i>                              |
| SFRS(I) INT 23                     | <i>Uncertainty over Income Tax Treatments</i>  |

The Group adopted SFRS(I) 16 *Leases* effective 1 January 2019. On adoption, right-of-use ("ROU") assets and lease liabilities were recognised on the balance sheet of the Group. Depreciation as well as interest expenses were also recognised in the income statement, replacing the rental expenses.

As of 31 March 2019, ROU assets and lease liabilities were S\$271 million and S\$251 million respectively.

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 SFRS(I) 17 *Insurance Contracts*. SFRS(I) 17 is effective from 1 January 2021.

## Financial Results

The Group reported a net profit after tax of S\$1.23 billion for the first quarter ended 31 March 2019 ("1Q19"), representing an increase of 11% from S\$1.11 billion a year ago ("1Q18").

Net interest income for 1Q19 was S\$1.53 billion and was 8% higher from S\$1.42 billion a year ago, driven by healthy asset growth and higher net interest margin. Net fees and commissions of S\$495 million were 8% lower as compared to S\$536 million in 1Q18, as increases in credit card, investment banking, loan and trade-related fees were offset by lower wealth management fees. Income from life and general insurance was up 34% from S\$206 million a year ago to S\$276 million, while net trading income was higher at S\$285 million as compared to S\$94 million in 1Q18. The share of results of associates increased 36% to S\$170 million for the quarter, up from S\$125 million a year ago.

Operating expenses rose 6% to S\$1.10 billion in 1Q19, from S\$1.03 billion a year ago. Net allowances for loans and other assets were higher at S\$249 million, compared to S\$12 million a year ago. The Group's non-performing loans ("NPL") ratio was 1.5% as at 31 March 2019, an increase from 1.4% the previous year.

Compared to the fourth quarter of 2018 ("4Q18"), Group net profit after tax rose 33% from S\$926 million, driven by strong income growth, cost discipline and increased contributions from associates.

Annualised return on equity for 1Q19 was 12.0%, higher as compared to 11.8% a year ago and 9.0% the previous quarter. Annualised earnings per share was S\$1.16, up from S\$1.07 in 1Q18 and S\$0.85 in 4Q18.

## FINANCIAL SUMMARY *(continued)*

The Group's unrealised valuation surplus as at 31 March 2019 amounted to S\$8.66 billion. The unrealised valuation surplus represents the difference between the carrying amounts and market values of its properties, investments in associates and quoted subsidiaries.

| S\$ million   | 1Q19         | 1Q18         | +/(-) %   | 4Q18       | +/(-) %   |
|---|--------------|--------------|-----------|------------|-----------|
| <b>Selected Income Statement Items</b>                                  |              |              |           |            |           |
| Net interest income   | 1,534        | 1,415        | 8         | 1,520      | 1         |
| Non-interest income   | 1,142        | 918          | 24        | 830        | 38        |
| Total income  | 2,676        | 2,333        | 15        | 2,350      | 14        |
| Operating expenses  | (1,095)      | (1,032)      | 6         | (1,078)    | 2         |
| Operating profit before allowances and amortisation                     | 1,581        | 1,301        | 21        | 1,272      | 24        |
| Amortisation of intangible assets                                       | (25)         | (25)         | 1         | (26)       | (1)       |
| Allowances for loans and other assets                                   | (249)        | (12)         | nm        | (205)      | 22        |
| Operating profit after allowances and amortisation                      | 1,307        | 1,264        | 3         | 1,041      | 25        |
| Share of results of associates  | 170          | 125          | 36        | 85         | 102       |
| Profit before income tax  | 1,477        | 1,389        | 6         | 1,126      | 31        |
| <b>Net profit attributable to shareholders</b>                          | <b>1,231</b> | <b>1,112</b> | <b>11</b> | <b>926</b> | <b>33</b> |
| <b>Cash basis net profit attributable to shareholders <sup>1/</sup></b> | <b>1,256</b> | <b>1,137</b> | <b>10</b> | <b>952</b> | <b>32</b> |

### Selected Balance Sheet Items

|  |         |         |    |         |   |
|--|---------|---------|----|---------|---|
| Ordinary equity  | 42,327  | 38,533  | 10 | 40,637  | 4 |
| Equity attributable to equity holders of the Bank      | 43,827  | 39,033  | 12 | 42,137  | 4 |
| Total assets   | 469,513 | 458,405 | 2  | 467,543 | — |
| Assets excluding life insurance fund investment assets | 389,708 | 383,831 | 2  | 390,676 | — |
| Net customer loans                                     | 256,066 | 243,780 | 5  | 255,193 | — |
| Deposits of non-bank customers                         | 294,111 | 288,770 | 2  | 295,412 | — |

Note:

1. Excludes amortisation of intangible assets.

## FINANCIAL SUMMARY (continued)

|   | 1Q19 | 1Q18 | 4Q18 |
|---|------|------|------|
| <b>Key Financial Ratios (%)</b>                   |      |      |      |
| <b>Performance ratios</b>                         |      |      |      |
| Return on equity <sup>1/ 2/</sup>                 | 12.0 | 11.8 | 9.0  |
| Return on assets <sup>3/</sup>                    | 1.29 | 1.18 | 0.94 |
| <b>Revenue mix/efficiency ratios</b>              |      |      |      |
| Net interest margin                               | 1.76 | 1.67 | 1.72 |
| Net interest income to total income               | 57.3 | 60.7 | 64.7 |
| Non-interest income to total income               | 42.7 | 39.3 | 35.3 |
| Cost-to-income                                    | 40.9 | 44.2 | 45.9 |
| Loans-to-deposits                                 | 87.1 | 84.4 | 86.4 |
| NPL ratio   | 1.5  | 1.4  | 1.5  |
| <b>Capital adequacy ratios <sup>8/</sup></b>      |      |      |      |
| Common Equity Tier 1                              | 14.2 | 13.1 | 14.0 |
| Tier 1  | 14.9 | 14.2 | 14.8 |
| Total   | 16.7 | 15.8 | 16.4 |
| <b>Leverage ratio <sup>5/ 8/</sup></b>            | 7.4  | 7.0  | 7.2  |
| <b>Liquidity coverage ratios <sup>6/ 8/</sup></b> |      |      |      |
| Singapore dollar                                  | 262  | 230  | 265  |
| All-currency                                      | 150  | 149  | 156  |
| <b>Net stable funding ratio <sup>7/ 8/</sup></b>  | 110  | 106  | 109  |
| <b>Earnings per share (S\$) <sup>2/</sup></b>     |      |      |      |
| Basic earnings                                    | 1.16 | 1.07 | 0.85 |
| Diluted earnings                                  | 1.16 | 1.07 | 0.85 |
| <b>Net asset value per share (S\$)</b>            | 9.97 | 9.21 | 9.56 |

### Notes:

1. Preference equity, other equity instruments and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on net profit less distributions on other equity instruments paid and estimated to be due at the end of the financial period.
3. Computation of return on assets excludes life insurance fund investment assets.
4. Return on equity, return on assets, net interest margin and earnings per share are computed on an annualised basis.
5. The Group's Leverage ratio is computed based on MAS Notice 637.
6. The Group's Liquidity coverage ratios ("LCR") are computed based on MAS Notice 649 and reported based on the average LCR for the respective periods.
7. The Group's Net stable funding ratio is computed based on MAS Notice 652.
8. Public disclosures required under MAS Notice 637, MAS Notice 651 and MAS Notice 653 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)).

## NET INTEREST INCOME

### Average Balance Sheet

| S\$ million                                     | 1Q19            |              |                                 | 1Q18            |              |                                 | 4Q18            |              |                                 |
|---|-----------------|--------------|---------------------------------|-----------------|--------------|---------------------------------|-----------------|--------------|---------------------------------|
|   | Average Balance | Interest     | Average Rate <sup>2/</sup><br>% | Average Balance | Interest     | Average Rate <sup>2/</sup><br>% | Average Balance | Interest     | Average Rate <sup>2/</sup><br>% |
| <b>Interest earning assets</b>                  |                 |              |                                 |                 |              |                                 |                 |              |                                 |
| Loans and advances to non-bank customers        | 252,348         | 2,254        | 3.62                            | 240,011         | 1,847        | 3.12                            | 253,624         | 2,216        | 3.47                            |
| Placements with and loans to banks              | 49,441          | 394          | 3.23                            | 54,577          | 364          | 2.71                            | 47,434          | 424          | 3.54                            |
| Other interest earning assets                   | 51,888          | 365          | 2.85                            | 49,559          | 299          | 2.45                            | 48,930          | 337          | 2.73                            |
|   | <b>353,677</b>  | <b>3,013</b> | <b>3.46</b>                     | <b>344,147</b>  | <b>2,510</b> | <b>2.96</b>                     | <b>349,988</b>  | <b>2,977</b> | <b>3.37</b>                     |
| <b>Interest bearing liabilities</b>             |                 |              |                                 |                 |              |                                 |                 |              |                                 |
| Deposits of non-bank customers                  | 292,268         | 1,219        | 1.69                            | 284,076         | 886          | 1.27                            | 290,710         | 1,179        | 1.61                            |
| Deposits and balances of banks                  | 10,520          | 47           | 1.80                            | 9,249           | 40           | 1.75                            | 7,567           | 46           | 2.40                            |
| Other borrowings                                | 28,433          | 213          | 3.05                            | 31,200          | 169          | 2.19                            | 32,504          | 232          | 2.83                            |
|   | <b>331,221</b>  | <b>1,479</b> | <b>1.81</b>                     | <b>324,525</b>  | <b>1,095</b> | <b>1.37</b>                     | <b>330,781</b>  | <b>1,457</b> | <b>1.75</b>                     |
| <b>Net interest income/margin <sup>1/</sup></b> |                 | <b>1,534</b> | <b>1.76</b>                     |                 | <b>1,415</b> | <b>1.67</b>                     |                 | <b>1,520</b> | <b>1.72</b>                     |

Notes:

1. Net interest margin is net interest income as a percentage of interest earning assets.
2. Average rates are computed on an annualised basis.

Net interest income was S\$1.53 billion in 1Q19, 8% higher from S\$1.42 billion a year ago, driven by healthy asset growth and higher net interest margin. Net interest margin rose 9 basis points to 1.76%, from 1.67% in 1Q18, mainly from higher asset yields in a rising interest rate environment and an increase in gapping income from money market placements.

Against 4Q18, net interest income increased by 1% from S\$1.52 billion. Net interest margin was up 4 basis points quarter-on-quarter, led by loan repricing in Singapore.

## NET INTEREST INCOME *(continued)*

### Volume and Rate Analysis

|  | 1Q19 vs 1Q18 |      |               | 1Q19 vs 4Q18 |      |               |
|--|--------------|------|---------------|--------------|------|---------------|
| Increase/(decrease) due to change in:<br>S\$ million | Volume       | Rate | Net<br>change | Volume       | Rate | Net<br>change |
| <b>Interest income</b>                               |              |      |               |              |      |               |
| Loans and advances to non-bank customers             | 95           | 312  | 407           | (11)         | 97   | 86            |
| Placements with and loans to banks                   | (34)         | 64   | 30            | 18           | (38) | (20)          |
| Other interest earning assets                        | 14           | 52   | 66            | 20           | 15   | 35            |
|  | 75           | 428  | 503           | 27           | 74   | 101           |
| <b>Interest expense</b>                              |              |      |               |              |      |               |
| Deposits of non-bank customers                       | 26           | 307  | 333           | 6            | 60   | 66            |
| Deposits and balances of banks                       | 5            | 2    | 7             | 17           | (16) | 1             |
| Other borrowings                                     | (15)         | 59   | 44            | (28)         | 15   | (13)          |
|  | 16           | 368  | 384           | (5)          | 59   | 54            |
| <b>Impact on net interest income</b>                 | 59           | 60   | 119           | 32           | 15   | 47            |
| Due to change in number of days                      |              |      | –             |              |      | (33)          |
| <b>Net interest income</b>                           |              |      | 119           |              |      | 14            |

## NON-INTEREST INCOME

| S\$ million  | 1Q19         | 1Q18         | +/(-) %     | 4Q18         | +/(-) %    |
|--|--------------|--------------|-------------|--------------|------------|
| <b>Gross fee and commission income <sup>1/</sup></b> |              |              |             |              |            |
| Brokerage  | 21           | 37           | (43)        | 21           | (1)        |
| Wealth management                                    | 238          | 272          | (13)        | 206          | 15         |
| Fund management                                      | 27           | 29           | (7)         | 28           | (2)        |
| Credit card  | 84           | 78           | 8           | 91           | (7)        |
| Loan-related   | 73           | 71           | 4           | 72           | 1          |
| Trade-related and remittances                        | 58           | 56           | 4           | 62           | (8)        |
| Guarantees   | 5            | 4            | 2           | 4            | 11         |
| Investment banking                                   | 25           | 22           | 17          | 25           | 2          |
| Service charges                                      | 23           | 30           | (23)        | 25           | (8)        |
| Others   | 10           | 9            | 10          | 9            | 15         |
|  | <b>564</b>   | <b>608</b>   | <b>(7)</b>  | <b>543</b>   | <b>4</b>   |
| <b>Fee and commission expense</b>                    | <b>(69)</b>  | <b>(72)</b>  | <b>(4)</b>  | <b>(69)</b>  | <b>—</b>   |
| <b>Fees and commissions (net)</b>                    | <b>495</b>   | <b>536</b>   | <b>(8)</b>  | <b>474</b>   | <b>4</b>   |
| <b>Dividends</b>                                     | <b>14</b>    | <b>19</b>    | <b>(27)</b> | <b>15</b>    | <b>(7)</b> |
| <b>Rental income</b>                                 | <b>20</b>    | <b>20</b>    | <b>2</b>    | <b>20</b>    | <b>4</b>   |
| <b>Income from life and general insurance</b>        |              |              |             |              |            |
| Profit from life insurance                           | 233          | 166          | 40          | 199          | 17         |
| Premium income from general insurance                | 43           | 40           | 8           | 48           | (10)       |
| Sub-total  | <b>276</b>   | <b>206</b>   | <b>34</b>   | <b>247</b>   | <b>12</b>  |
| <b>Other income</b>                                  |              |              |             |              |            |
| Net trading income                                   | 285          | 94           | 205         | 9            | nm         |
| Net gain from investment securities                  | 34           | 8            | 313         | 2            | nm         |
| Net gain from disposal of subsidiaries and associate | 1            | —            | —           | 3            | (75)       |
| Net gain from disposal of properties                 | 9            | 24           | (64)        | 6            | 34         |
| Others   | 8            | 11           | (22)        | 54           | (85)       |
| Sub-total  | <b>337</b>   | <b>137</b>   | <b>147</b>  | <b>74</b>    | <b>354</b> |
| <b>Total non-interest income</b>                     | <b>1,142</b> | <b>918</b>   | <b>24</b>   | <b>830</b>   | <b>38</b>  |
| <b>Fees and commissions (net)/Total income</b>       | <b>18.5%</b> | <b>23.0%</b> |             | <b>20.2%</b> |            |

Note:

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

Non-interest income was S\$1.14 billion for 1Q19, and was 24% higher as compared to S\$918 million a year ago.

Net fees and commissions decreased 8% to S\$495 million, as increases in credit card, investment banking, loan and trade-related fees were offset by lower wealth management fees, as new fund launches in the previous year contributed to record wealth fees in 1Q18. As compared to the previous quarter, wealth management fees were 15% higher.

Net trading income was S\$285 million, up from S\$94 million a year ago, mainly from an increase in customer flow income as well as improved financial market conditions. Income from life and general insurance rose 34% to S\$276 million for the quarter.

As compared to 4Q18, non-interest income was up 38% from S\$830 million, led by higher net fees and commissions, trading income as well as income from life and general insurance.

## OPERATING EXPENSES

| S\$ million                     | 1Q19          | 1Q18   | +/(-) % | 4Q18   | +/(-) % |
|---------------------------------|---------------|--------|---------|--------|---------|
| <b>Staff costs</b>              | <b>677</b>    | 662    | 2       | 660    | 3       |
| <b>Property and equipment</b>   |               |        |         |        |         |
| Depreciation                    | 97            | 78     | 24      | 80     | 20      |
| Maintenance                     | 30            | 29     | 6       | 34     | (10)    |
| Rental expenses                 | 8             | 25     | (68)    | 25     | (68)    |
| Others                          | 69            | 62     | 12      | 77     | (11)    |
|                                 | <b>204</b>    | 194    | 6       | 216    | (6)     |
| <b>Other operating expenses</b> | <b>214</b>    | 176    | 22      | 202    | 6       |
| <b>Total operating expenses</b> | <b>1,095</b>  | 1,032  | 6       | 1,078  | 2       |
| <b>Group staff strength</b>     |               |        |         |        |         |
| Period end                      | <b>29,958</b> | 29,444 | 2       | 29,706 | 1       |
| Average                         | <b>29,872</b> | 29,285 | 2       | 29,736 | –       |

Against total income growth of 15%, operating expenses for the quarter grew 6% to S\$1.10 billion, from S\$1.03 billion in 1Q18, attributable to higher staff costs and other expenses linked to an increase in business activities. Staff costs rose 2% to S\$677 million, from S\$662 million in 1Q18. Property and equipment-related expenses were S\$204 million in 1Q19, up 6% from S\$194 million a year ago. In 1Q19, with the adoption of SFRS(I) 16 Leases, depreciation for ROU assets of S\$18 million was recognised, replacing the rental expenses. Other operating expenses increased to S\$214 million for the quarter, from S\$176 million in 1Q18.

Compared to 4Q18, operating expenses increased 2% from S\$1.08 billion.

The cost-to-income ratio was 40.9% for 1Q19, lower as compared to 44.2% a year ago and 45.9% in the previous quarter.

## ALLOWANCES FOR LOANS AND OTHER ASSETS

| S\$ million                                  | 1Q19       | 1Q18 | +/(-) % | 4Q18 | +/(-) % |
|--|------------|------|---------|------|---------|
| Allowances/(write-back):                     |            |      |         |      |         |
| Impaired loans                               |            |      |         |      |         |
| Singapore                                    | 74         | 0    | nm      | 140  | (47)    |
| Malaysia                                     | 42         | 7    | 539     | 11   | 288     |
| Greater China                                | 51         | 1    | nm      | 16   | 220     |
| Others                                       | 64         | 5    | nm      | 83   | (23)    |
|  | <b>231</b> | 13   | nm      | 250  | (7)     |
| Impaired other assets                        | 1          | (2)  | 140     | (0)  | nm      |
| Non-impaired loans                           | 20         | 16   | 25      | (47) | 143     |
| Non-impaired other assets                    | (3)        | (15) | 82      | 2    | (213)   |
| <b>Allowances for loans and other assets</b> | <b>249</b> | 12   | nm      | 205  | 22      |

Allowances for loans and other assets were S\$249 million in 1Q19, higher than S\$12 million a year ago and up from S\$205 million a quarter ago. The majority of the allowances for impaired loans this quarter were made for loans to the existing oil and gas support vessels and services (“OSV”) sector which were already classified in NPLs. Despite the recovery in oil prices, the OSV sector did not see a corresponding increase in vessel employment or rise in charter rates. Given the structural changes taking place in the offshore oil industry and continued absence of visible recovery in this sector, a prudent decision was made to substantially reduce collateral valuations further, to the extent of writing down vessels pending employment to scrap value.

## CUSTOMER LOANS

| S\$ million  | 31 Mar 2019          | 31 Dec 2018          | 31 Mar 2018 |
|--|----------------------|----------------------|-------------|
| Loans to customers                                       | 250,094              | 248,326              | 238,475     |
| Bills receivable   | 8,618                | 9,379                | 8,187       |
| Gross customer loans                                     | 258,712              | 257,705              | 246,662     |
| Allowances   |                      |                      |             |
| Impaired loans   | (1,356)              | (1,219)              | (1,207)     |
| Non-impaired loans                                       | (1,012)              | (984)                | (1,103)     |
|  | 256,344              | 255,502              | 244,352     |
| Less: assets pledged                                     | (278)                | (309)                | (572)       |
| Net customer loans                                       | 256,066              | 255,193              | 243,780     |
| <b>By Maturity</b>                                       |                      |                      |             |
| Within 1 year  | 107,251              | 107,516              | 102,166     |
| 1 to 3 years   | 42,741               | 41,075               | 38,427      |
| Over 3 years   | 108,720              | 109,114              | 106,069     |
|  | 258,712              | 257,705              | 246,662     |
| <b>By Industry</b>                                       |                      |                      |             |
| Agriculture, mining and quarrying                        | 9,480                | 8,894                | 7,140       |
| Manufacturing  | 17,555               | 16,703               | 14,055      |
| Building and construction                                | 55,516               | 53,572               | 38,476      |
| Housing loans  | 63,734               | 64,753               | 65,087      |
| General commerce   | 34,439               | 34,664               | 30,198      |
| Transport, storage and communication                     | 13,699               | 13,917               | 10,530      |
| Financial institutions, investment and holding companies | 21,264 <sup>2/</sup> | 22,144 <sup>2/</sup> | 41,590      |
| Professionals and individuals                            | 30,116               | 30,373               | 30,182      |
| Others   | 12,909               | 12,685               | 9,404       |
|  | 258,712              | 257,705              | 246,662     |
| <b>By Currency</b>                                       |                      |                      |             |
| Singapore Dollar   | 92,569               | 91,640               | 89,008      |
| United States Dollar                                     | 67,140               | 67,248               | 61,439      |
| Malaysian Ringgit  | 20,905               | 20,870               | 20,877      |
| Indonesian Rupiah  | 8,784                | 8,695                | 7,840       |
| Hong Kong Dollar   | 34,938               | 35,195               | 33,740      |
| Chinese Renminbi   | 4,640                | 4,502                | 5,173       |
| Others   | 29,736               | 29,555               | 28,585      |
|  | 258,712              | 257,705              | 246,662     |
| <b>By Geography<sup>1/</sup></b>                         |                      |                      |             |
| Singapore  | 108,682              | 108,169              | 103,778     |
| Malaysia   | 29,262               | 29,649               | 29,165      |
| Indonesia  | 20,006               | 19,660               | 18,973      |
| Greater China  | 62,737               | 64,404               | 62,805      |
| Other Asia Pacific                                       | 14,318               | 13,595               | 12,896      |
| Rest of the World  | 23,707               | 22,228               | 19,045      |
|  | 258,712              | 257,705              | 246,662     |

### Notes:

- 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.
- Exposure to investment and other holding companies were recategorised to the underlying industries.

Gross customer loans were S\$259 billion as at 31 March 2019, up from S\$258 billion the previous quarter and 5% higher from S\$247 billion a year ago. In constant currency terms, customer loans grew 4% year-on-year and 1% from the previous quarter.



## NON-PERFORMING ASSETS

| S\$ million               | Total<br>NPAs <sup>1/</sup> | Substandard | Doubtful | Loss | Secured<br>NPAs/<br>Total<br>NPAs<br>% | NPLs <sup>2/</sup> | NPL Ratio <sup>2/</sup><br>% |
|---------------------------|-----------------------------|-------------|----------|------|--|--------------------|------------------------------|
| <b>Singapore</b>          |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 1,425                       | 902         | 329      | 194  | 68.7                                   | 1,382              | 1.3                          |
| 31 Dec 2018               | 1,540                       | 923         | 433      | 184  | 65.0                                   | 1,456              | 1.3                          |
| 31 Mar 2018               | 1,011                       | 667         | 201      | 143  | 74.3                                   | 984                | 0.9                          |
| <b>Malaysia</b>           |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 805                         | 396         | 362      | 47   | 68.5                                   | 803                | 2.7                          |
| 31 Dec 2018               | 806                         | 395         | 369      | 42   | 70.9                                   | 803                | 2.7                          |
| 31 Mar 2018               | 860                         | 493         | 321      | 46   | 78.4                                   | 854                | 2.9                          |
| <b>Indonesia</b>          |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 686                         | 452         | 81       | 153  | 76.1                                   | 684                | 3.4                          |
| 31 Dec 2018               | 619                         | 406         | 95       | 118  | 75.0                                   | 618                | 3.1                          |
| 31 Mar 2018               | 637                         | 448         | 25       | 164  | 73.4                                   | 636                | 3.4                          |
| <b>Greater China</b>      |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 351                         | 61          | 251      | 39   | 40.5                                   | 351                | 0.6                          |
| 31 Dec 2018               | 262                         | 120         | 106      | 36   | 49.9                                   | 261                | 0.4                          |
| 31 Mar 2018               | 248                         | 97          | 102      | 49   | 59.0                                   | 247                | 0.4                          |
| <b>Other Asia Pacific</b> |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 121                         | 103         | 18       | 0    | 47.9                                   | 121                | 0.8                          |
| 31 Dec 2018               | 176                         | 158         | 18       | 0    | 57.3                                   | 165                | 1.2                          |
| 31 Mar 2018               | 279                         | 250         | 29       | —    | 68.1                                   | 268                | 2.1                          |
| <b>Rest of the World</b>  |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 532                         | 352         | 179      | 1    | 66.4                                   | 532                | 2.2                          |
| 31 Dec 2018               | 535                         | 354         | 180      | 1    | 66.5                                   | 535                | 2.4                          |
| 31 Mar 2018               | 417                         | 404         | 12       | 1    | 97.8                                   | 416                | 2.2                          |
| <b>Group</b>              |                             |             |          |      |  |                    |                              |
| 31 Mar 2019               | 3,920                       | 2,266       | 1,220    | 434  | 66.5                                   | 3,873              | 1.5                          |
| 31 Dec 2018               | 3,938                       | 2,356       | 1,201    | 381  | 66.7                                   | 3,838              | 1.5                          |
| 31 Mar 2018               | 3,452                       | 2,359       | 690      | 403  | 76.4                                   | 3,405              | 1.4                          |

Notes:

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

## NON-PERFORMING ASSETS (continued)

Non-performing assets ("NPAs") were S\$3.92 billion as at 31 March 2019, 14% higher as compared to S\$3.45 billion a year ago, but slightly below that of the previous quarter.

The Group's NPL ratio was 1.5%, an increase from 1.4% a year ago and unchanged quarter-on-quarter. Of the total NPAs, 58% were in the substandard category and 67% were secured by collateral.

|  | 31 Mar 2019      |            | 31 Dec 2018      |            | 31 Mar 2018  |            |
|--|------------------|------------|------------------|------------|--------------|------------|
|  | S\$ million      | % of loans | S\$ million      | % of loans | S\$ million  | % of loans |
| <b>NPLs by Industry</b>                                  |                  |            |                  |            |              |            |
| Loans and advances                                       |                  |            |                  |            |              |            |
| Agriculture, mining and quarrying                        | 548              | 5.8        | 555              | 6.2        | 298          | 4.2        |
| Manufacturing  | 400              | 2.3        | 395              | 2.4        | 395          | 2.8        |
| Building and construction                                | 161              | 0.3        | 143              | 0.3        | 66           | 0.2        |
| Housing loans  | 415              | 0.7        | 429              | 0.7        | 409          | 0.6        |
| General commerce   | 714              | 2.1        | 676              | 2.0        | 311          | 1.0        |
| Transport, storage and communication                     | 1,363            | 9.9        | 1,328            | 9.5        | 1,166        | 11.1       |
| Financial institutions, investment and holding companies | 38 <sup>1/</sup> | 0.2        | 38 <sup>1/</sup> | 0.2        | 363          | 0.9        |
| Professionals and individuals                            | 121              | 0.4        | 118              | 0.4        | 136          | 0.5        |
| Others   | 113              | 0.9        | 156              | 1.2        | 261          | 2.8        |
| <b>Total NPLs</b>  | <b>3,873</b>     | <b>1.5</b> | <b>3,838</b>     | <b>1.5</b> | <b>3,405</b> | <b>1.4</b> |
| <b>Classified debt securities</b>                        | <b>2</b>         |            | <b>2</b>         |            | <b>28</b>    |            |
| <b>Classified contingent liabilities</b>                 | <b>45</b>        |            | <b>98</b>        |            | <b>19</b>    |            |
| <b>Total NPAs</b>  | <b>3,920</b>     |            | <b>3,938</b>     |            | <b>3,452</b> |            |

|                               | 31 Mar 2019  |            | 31 Dec 2018  |            | 31 Mar 2018  |            |
|-------------------------------|--------------|------------|--------------|------------|--------------|------------|
|                               | S\$ million  | %          | S\$ million  | %          | S\$ million  | %          |
| <b>NPAs by Period Overdue</b> |              |            |              |            |              |            |
| Over 180 days                 | 1,450        | 37         | 1,225        | 31         | 1,268        | 37         |
| Over 90 to 180 days           | 960          | 25         | 397          | 10         | 257          | 7          |
| 30 to 90 days                 | 319          | 8          | 396          | 10         | 145          | 4          |
| Less than 30 days             | 87           | 2          | 164          | 4          | 159          | 5          |
| Not overdue                   | 1,104        | 28         | 1,756        | 45         | 1,623        | 47         |
|                               | <b>3,920</b> | <b>100</b> | <b>3,938</b> | <b>100</b> | <b>3,452</b> | <b>100</b> |

| S\$ million               | 31 Mar 2019  |            | 31 Dec 2018 |            | 31 Mar 2018 |            |
|---------------------------|--------------|------------|-------------|------------|-------------|------------|
|                           | Loan         | Allowance  | Loan        | Allowance  | Loan        | Allowance  |
| <b>Restructured Loans</b> |              |            |             |            |             |            |
| Substandard               | 1,253        | 452        | 765         | 113        | 722         | 231        |
| Doubtful                  | 143          | 86         | 157         | 99         | 199         | 114        |
| Loss                      | 49           | 26         | 33          | 12         | 54          | 47         |
|                           | <b>1,445</b> | <b>564</b> | <b>955</b>  | <b>224</b> | <b>975</b>  | <b>392</b> |

Note:

1. Exposure to investment and other holding companies were recategorised to the underlying industries.

## CUMULATIVE ALLOWANCES FOR ASSETS <sup>1/</sup>

| S\$ million               | Total cumulative allowances | Allowances for impaired assets | Allowances for non-impaired assets | Allowances for impaired assets as % of total NPAs | Cumulative allowances as % of total NPAs |
|---------------------------|-----------------------------|--------------------------------|------------------------------------|---|--|
|                           |                             |                                |                                    | %   | %  |
| <b>Singapore</b>          |                             |                                |                                    |   |  |
| 31 Mar 2019               | 1,198                       | 479                            | 719                                | 33.6  | 84.1                                     |
| 31 Dec 2018               | 1,160                       | 483                            | 677                                | 31.3  | 75.4                                     |
| 31 Mar 2018               | 1,006                       | 288                            | 718                                | 28.5  | 99.5                                     |
| <b>Malaysia</b>           |                             |                                |                                    |   |  |
| 31 Mar 2019               | 625                         | 368                            | 257                                | 45.6  | 77.6                                     |
| 31 Dec 2018               | 552                         | 333                            | 219                                | 41.3  | 68.5                                     |
| 31 Mar 2018               | 528                         | 339                            | 189                                | 39.5  | 61.4                                     |
| <b>Indonesia</b>          |                             |                                |                                    |   |  |
| 31 Mar 2019               | 516                         | 261                            | 255                                | 38.1  | 75.2                                     |
| 31 Dec 2018               | 407                         | 200                            | 207                                | 32.2  | 65.7                                     |
| 31 Mar 2018               | 408                         | 237                            | 171                                | 37.2  | 64.0                                     |
| <b>Greater China</b>      |                             |                                |                                    |   |  |
| 31 Mar 2019               | 433                         | 110                            | 323                                | 31.2  | 123.4                                    |
| 31 Dec 2018               | 390                         | 61                             | 329                                | 23.4  | 148.9                                    |
| 31 Mar 2018               | 350                         | 58                             | 292                                | 23.4  | 140.8                                    |
| <b>Other Asia Pacific</b> |                             |                                |                                    |   |  |
| 31 Mar 2019               | 53                          | 2                              | 51                                 | 1.6   | 43.4                                     |
| 31 Dec 2018               | 45                          | 2                              | 43                                 | 1.4   | 25.8                                     |
| 31 Mar 2018               | 157                         | 110                            | 47                                 | 39.3  | 56.4                                     |
| <b>Rest of the World</b>  |                             |                                |                                    |   |  |
| 31 Mar 2019               | 242                         | 139                            | 103                                | 26.2  | 45.6                                     |
| 31 Dec 2018               | 215                         | 142                            | 73                                 | 26.6  | 40.1                                     |
| 31 Mar 2018               | 246                         | 180                            | 66                                 | 43.2  | 59.1                                     |
| <b>Group</b>              |                             |                                |                                    |   |  |
| 31 Mar 2019               | 3,067                       | 1,359                          | 1,708                              | 34.7  | 78.2                                     |
| 31 Dec 2018               | 2,769                       | 1,221                          | 1,548                              | 31.0  | 70.3                                     |
| 31 Mar 2018               | 2,695                       | 1,212                          | 1,483                              | 35.1  | 78.1                                     |

Note:

1. Included regulatory loss allowance reserve.

As at 31 March 2019, the Group's total cumulative allowances for assets were S\$3.07 billion, comprising S\$1.36 billion in allowances for impaired assets and S\$1.71 billion in allowances for non-impaired assets. The cumulative allowances represented 233% of unsecured NPAs and 78% of total NPAs.

## DEPOSITS

| S\$ million                          | 31 Mar 2019    | 31 Dec 2018    | 31 Mar 2018    |
|--------------------------------------|----------------|----------------|----------------|
| Deposits of non-bank customers       | 294,111        | 295,412        | 288,770        |
| Deposits and balances of banks       | 8,141          | 7,576          | 9,318          |
|                                      | <b>302,252</b> | <b>302,988</b> | <b>298,088</b> |
| <b>Total Deposits By Maturity</b>    |                |                |                |
| Within 1 year                        | 296,561        | 297,702        | 294,693        |
| 1 to 3 years                         | 3,018          | 2,749          | 1,463          |
| Over 3 years                         | 2,673          | 2,537          | 1,932          |
|                                      | <b>302,252</b> | <b>302,988</b> | <b>298,088</b> |
| <b>Non-Bank Deposits By Product</b>  |                |                |                |
| Fixed deposits                       | 131,327        | 131,610        | 123,777        |
| Savings deposits                     | 54,578         | 52,796         | 52,588         |
| Current account                      | 83,036         | 84,295         | 83,387         |
| Others                               | 25,170         | 26,711         | 29,018         |
|                                      | <b>294,111</b> | <b>295,412</b> | <b>288,770</b> |
| <b>Non-Bank Deposits By Currency</b> |                |                |                |
| Singapore Dollar                     | 107,053        | 105,327        | 100,900        |
| United States Dollar                 | 89,456         | 91,036         | 93,687         |
| Malaysian Ringgit                    | 23,385         | 23,297         | 23,736         |
| Indonesian Rupiah                    | 9,522          | 9,474          | 8,866          |
| Hong Kong Dollar                     | 27,899         | 28,428         | 26,990         |
| Chinese Renminbi                     | 6,851          | 7,674          | 6,975          |
| Others                               | 29,945         | 30,176         | 27,616         |
|                                      | <b>294,111</b> | <b>295,412</b> | <b>288,770</b> |

Non-bank customer deposits were S\$294 billion as at 31 March 2019, as compared to S\$289 billion a year ago and S\$295 billion the previous quarter. The ratio of current account and savings deposits to total non-bank deposits was 46.8% as at 31 March 2019. The Group's loans-to-deposits ratio was 87.1%, an increase from 84.4% a year ago and 86.4% in the previous quarter.

## DEBT ISSUED

| S\$ million                    | 31 Mar 2019   | 31 Dec 2018   | 31 Mar 2018   |
|--------------------------------|---------------|---------------|---------------|
| <b>Unsecured</b>               |               |               |               |
| Subordinated debt              | 3,255         | 3,247         | 3,129         |
| Fixed and floating rate notes  | 3,854         | 3,857         | 2,698         |
| Commercial papers              | 16,181        | 18,155        | 18,875        |
| Structured notes               | 1,616         | 1,483         | 1,315         |
| <b>Secured</b>                 |               |               |               |
| Covered bonds                  | 3,482         | 3,530         | 2,863         |
|                                | <b>28,388</b> | <b>30,272</b> | <b>28,880</b> |
| <b>Debt Issued By Maturity</b> |               |               |               |
| Within one year                | 19,025        | 20,526        | 20,223        |
| Over one year                  | 9,363         | 9,746         | 8,657         |
|                                | <b>28,388</b> | <b>30,272</b> | <b>28,880</b> |

As at 31 March 2019, the Group had S\$16.18 billion of commercial papers outstanding, lower from a year ago and the previous quarter. The commercial papers form part of the Group's diversified funding sources.

The covered bonds were issued by the Bank under its USD10 billion Global Covered Bond Programme. The Covered Bond Guarantor, Red Sail Pte. Ltd., guarantees the payments of interest and principal. The guarantee is secured by a portfolio of Singapore home loans transferred from OCBC Bank to Red Sail Pte. Ltd..

## CAPITAL ADEQUACY RATIOS <sup>1/</sup>

| S\$ million                         | 31 Mar 2019    | 31 Dec 2018    | 31 Mar 2018    |
|-------------------------------------|----------------|----------------|----------------|
| Ordinary shares                     | 15,704         | 15,750         | 15,083         |
| Disclosed reserves/others           | 20,344         | 19,219         | 17,942         |
| Regulatory adjustments              | (7,024)        | (6,901)        | (6,819)        |
| <b>Common Equity Tier 1 Capital</b> | <b>29,024</b>  | <b>28,068</b>  | <b>26,206</b>  |
| Additional Tier 1 capital           | 1,561          | 1,572          | 2,071          |
| Regulatory adjustments              | –              | –              | –              |
| <b>Tier 1 Capital</b>               | <b>30,585</b>  | <b>29,640</b>  | <b>28,277</b>  |
| Tier 2 capital                      | 3,570          | 3,347          | 3,163          |
| Regulatory adjustments              | (0)            | (1)            | (0)            |
| <b>Total Eligible Capital</b>       | <b>34,155</b>  | <b>32,986</b>  | <b>31,440</b>  |
| <b>Risk Weighted Assets</b>         | <b>204,357</b> | <b>200,248</b> | <b>198,817</b> |
| <b>Capital Adequacy Ratios</b>      |                |                |                |
| Common Equity Tier 1                | 14.2%          | 14.0%          | 13.1%          |
| Tier 1                              | 14.9%          | 14.8%          | 14.2%          |
| Total                               | 16.7%          | 16.4%          | 15.8%          |

The Group remains strongly capitalised, with a Common Equity Tier 1 (“CET1”) capital adequacy ratio (“CAR”) of 14.2%, and Tier 1 and Total CAR of 14.9% and 16.7% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2019 <sup>2/</sup>.

The capital adequacy information of the Group’s significant banking subsidiaries as at 31 March 2019 were:

| S\$ million                 | Total Risk<br>Weighted Assets | Capital Adequacy Ratios |        |       |
|-----------------------------|-------------------------------|-------------------------|--------|-------|
|                             |                               | Common Equity<br>Tier 1 | Tier 1 | Total |
| OCBC Wing Hang Bank Limited | 22,914                        | 13.6%                   | 14.7%  | 16.9% |
| OCBC Bank (Malaysia) Berhad | 13,839                        | 12.7%                   | 14.3%  | 16.9% |
| Bank OCBC NISP              | 13,961                        | 16.7%                   | 16.7%  | 17.7% |

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 Financial Services Authority Regulation in Indonesia.

<sup>1</sup> Public disclosures required under MAS Notice 637 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)).

<sup>2</sup> In addition to these minimum capital requirements, the Group is required to meet Capital Conservation Buffer (“CCB”) of 2.5% and Countercyclical Buffer (“CCyB”) of up to 2.5%. The CCyB is not an on-going requirement and the applicable magnitude will be the weighted average of the country-specific CCyB requirements that are being applied by national authorities in jurisdictions to which the Bank has private sector credit exposures.

## 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, OCBC Wing Hang and Insurance.

### Operating Profit After Allowances and Amortisation by Business Segment

| S\$ million   | 1Q19         | 1Q18         | +/(-) %  | 4Q18         | +/(-) %   |
|---|--------------|--------------|----------|--------------|-----------|
| Global Consumer/Private Banking                           | 350          | 351          | –        | 300          | 17        |
| Global Corporate/Investment Banking                       | 381          | 552          | (31)     | 381          | –         |
| Global Treasury and Markets                               | 130          | 122          | 6        | 100          | 30        |
| OCBC Wing Hang  | 97           | 99           | (1)      | 129          | (25)      |
| Insurance   | 377          | 162          | 131      | 138          | 172       |
| Others  | (28)         | (22)         | 26       | (7)          | 294       |
| <b>Operating profit after allowances and amortisation</b> | <b>1,307</b> | <b>1,264</b> | <b>3</b> | <b>1,041</b> | <b>25</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.

Global Consumer/Private Banking's 1Q19 operating profit after allowances was comparable to the year before at S\$350 million. Net interest income growth and lower allowances were offset by a decline in fee income. Quarter-on-quarter, operating profit grew by 17% to S\$350 million, driven 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 offers 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.

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## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's operating profit after allowances fell by 31% year-on-year to S\$381 million, from S\$552 million a year ago, as higher net interest income was more than offset by an increase in allowances. Compared with 4Q18, operating profit remained unchanged, as higher fee income was offset by an increase in allowances.

### Global Treasury and Markets

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

Global Treasury's operating profit after allowances was S\$130 million in 1Q19, up 6% year-on-year and rose 30% from the previous quarter. The operating profit growth for both periods was largely contributed by higher gains from its fixed income portfolio, partly offset by lower net interest income.

### OCBC Wing Hang

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's operating profit after allowances was 1% lower at S\$97 million in 1Q19, mainly attributable to higher expenses despite an increase in net gains from the sale of investments. Against the previous quarter, operating profit fell by 25% mainly from a fall in income, partly offset by lower allowances.

### Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.9%-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 more than doubled from a year ago and the previous quarter to S\$377 million in 1Q19. The operating profit growth for both periods was driven by improved investment performance as a result of financial market conditions.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$290 million in 1Q19, compared with S\$123 million in 1Q18 and S\$109 million in 4Q18.

### 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/<br>Private Banking | Global Corporate/<br>Investment Banking | Global Treasury<br>And Markets | OCBC Wing<br>Hang | Insurance  | Others      | Group        |
|---|-------------------------------------|---|--------------------------------|-------------------|------------|-------------|--------------|
| <b>1Q19</b>   |                                     |   |                                |                   |            |             |              |
| Net interest income                                       | 501                                 | 681                                     | 146                            | 201               | 24         | (19)        | 1,534        |
| Non-interest income                                       | 383                                 | 212                                     | 49                             | 60                | 444        | (6)         | 1,142        |
| <b>Total income</b>                                       | <b>884</b>                          | <b>893</b>                              | <b>195</b>                     | <b>261</b>        | <b>468</b> | <b>(25)</b> | <b>2,676</b> |
| Operating profit before allowances and amortisation       | 356                                 | 615                                     | 127                            | 120               | 389        | (26)        | 1,581        |
| Amortisation of intangible assets                         | (4)                                 | –                                       | –                              | (10)              | (11)       | –           | (25)         |
| Allowance for loans and impairment for other assets       | (2)                                 | (234)                                   | 3                              | (13)              | (1)        | (2)         | (249)        |
| <b>Operating profit after allowances and amortisation</b> | <b>350</b>                          | <b>381</b>                              | <b>130</b>                     | <b>97</b>         | <b>377</b> | <b>(28)</b> | <b>1,307</b> |
| <b>Other information:</b>                                 |                                     |   |                                |                   |            |             |              |
| Capital expenditure                                       | 3                                   | 0                                       | 0                              | 3                 | 12         | 44          | 62           |
| Depreciation  | 19                                  | 3                                       | 0                              | 19                | 2          | 54          | 97           |
| <b>1Q18</b>   |                                     |   |                                |                   |            |             |              |
| Net interest income                                       | 464                                 | 603                                     | 161                            | 203               | 18         | (34)        | 1,415        |
| Non-interest income                                       | 417                                 | 215                                     | 23                             | 39                | 215        | 9           | 918          |
| <b>Total income</b>                                       | <b>881</b>                          | <b>818</b>                              | <b>184</b>                     | <b>242</b>        | <b>233</b> | <b>(25)</b> | <b>2,333</b> |
| Operating profit before allowances and amortisation       | 379                                 | 553                                     | 122                            | 115               | 174        | (42)        | 1,301        |
| Amortisation of intangible assets                         | (3)                                 | –                                       | –                              | (10)              | (12)       | –           | (25)         |
| Allowance for loans and impairment for other assets       | (25)                                | (1)                                     | 0                              | (6)               | 0          | 20          | (12)         |
| <b>Operating profit after allowances and amortisation</b> | <b>351</b>                          | <b>552</b>                              | <b>122</b>                     | <b>99</b>         | <b>162</b> | <b>(22)</b> | <b>1,264</b> |
| <b>Other information:</b>                                 |                                     |   |                                |                   |            |             |              |
| Capital expenditure                                       | 9                                   | 0                                       | 0                              | 4                 | 13         | 20          | 46           |
| Depreciation  | 10                                  | 2                                       | 0                              | 16                | 1          | 49          | 78           |
| <b>4Q18</b>   |                                     |   |                                |                   |            |             |              |
| Net interest income                                       | 486                                 | 685                                     | 159                            | 207               | 21         | (38)        | 1,520        |
| Non-interest income                                       | 346                                 | 187                                     | 13                             | 92                | 191        | 1           | 830          |
| <b>Total income</b>                                       | <b>832</b>                          | <b>872</b>                              | <b>172</b>                     | <b>299</b>        | <b>212</b> | <b>(37)</b> | <b>2,350</b> |
| Operating profit before allowances and amortisation       | 318                                 | 593                                     | 101                            | 157               | 150        | (47)        | 1,272        |
| Amortisation of intangible assets                         | (4)                                 | –                                       | –                              | (10)              | (12)       | –           | (26)         |
| Allowance for loans and impairment for other assets       | (14)                                | (212)                                   | (1)                            | (18)              | 0          | 40          | (205)        |
| <b>Operating profit after allowances and amortisation</b> | <b>300</b>                          | <b>381</b>                              | <b>100</b>                     | <b>129</b>        | <b>138</b> | <b>(7)</b>  | <b>1,041</b> |
| <b>Other information:</b>                                 |                                     |   |                                |                   |            |             |              |
| Capital expenditure                                       | 18                                  | 2                                       | 0                              | 9                 | 16         | 56          | 101          |
| Depreciation  | 11                                  | 2                                       | 0                              | 16                | 2          | 49          | 80           |



## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

| S\$ million                | Global<br>Consumer/<br>Private<br>Banking | Global<br>Corporate/<br>Investment<br>Banking | Global<br>Treasury<br>And<br>Markets | OCBC<br>Wing<br>Hang | Insurance | Others  | Group          |
|----------------------------|---|---|--------------------------------------|----------------------|-----------|---------|----------------|
| <b>At 31 March 2019</b>    |   |   |                                      |                      |           |         |                |
| Segment assets             | 110,571                                   | 143,314                                       | 76,626                               | 54,675               | 90,013    | 18,478  | 493,677        |
| Unallocated assets         |   |   |                                      |                      |           |         | 1,505          |
| Elimination                |   |   |                                      |                      |           |         | (25,669)       |
| <b>Total assets</b>        |   |   |                                      |                      |           |         | <b>469,513</b> |
| Segment liabilities        | 131,021                                   | 111,255                                       | 56,529                               | 46,169               | 79,335    | 22,966  | 447,275        |
| Unallocated liabilities    |   |   |                                      |                      |           |         | 2,741          |
| Elimination                |   |   |                                      |                      |           |         | (25,669)       |
| <b>Total liabilities</b>   |   |   |                                      |                      |           |         | <b>424,347</b> |
| <b>Other information:</b>  |   |   |                                      |                      |           |         |                |
| Gross non-bank loans       | 93,062                                    | 135,769                                       | 1,315                                | 33,270               | 15        | (4,719) | 258,712        |
| NPAs                       | 555                                       | 3,298   | –                                    | 222                  | 2         | (157)   | 3,920          |
| <b>At 31 December 2018</b> |   |   |                                      |                      |           |         |                |
| Segment assets             | 111,730                                   | 139,597                                       | 78,818                               | 56,693               | 85,745    | 19,045  | 491,628        |
| Unallocated assets         |   |   |                                      |                      |           |         | 1,292          |
| Elimination                |   |   |                                      |                      |           |         | (25,377)       |
| <b>Total assets</b>        |   |   |                                      |                      |           |         | <b>467,543</b> |
| Segment liabilities        | 128,106                                   | 113,058                                       | 58,609                               | 48,236               | 75,879    | 23,175  | 447,063        |
| Unallocated liabilities    |   |   |                                      |                      |           |         | 2,465          |
| Elimination                |   |   |                                      |                      |           |         | (25,377)       |
| <b>Total liabilities</b>   |   |   |                                      |                      |           |         | <b>424,151</b> |
| <b>Other information:</b>  |   |   |                                      |                      |           |         |                |
| Gross non-bank loans       | 94,128                                    | 132,028                                       | 2,195                                | 33,998               | 15        | (4,659) | 257,705        |
| NPAs                       | 568                                       | 3,309   | –                                    | 211                  | 2         | (152)   | 3,938          |
| <b>At 31 March 2018</b>    |   |   |                                      |                      |           |         |                |
| Segment assets             | 109,981                                   | 131,129                                       | 81,828                               | 54,865               | 83,223    | 15,186  | 476,212        |
| Unallocated assets         |   |   |                                      |                      |           |         | 1,045          |
| Elimination                |   |   |                                      |                      |           |         | (18,852)       |
| <b>Total assets</b>        |   |   |                                      |                      |           |         | <b>458,405</b> |
| Segment liabilities        | 122,106                                   | 113,608                                       | 58,296                               | 47,061               | 73,090    | 18,596  | 432,757        |
| Unallocated liabilities    |   |   |                                      |                      |           |         | 2,731          |
| Elimination                |   |   |                                      |                      |           |         | (18,852)       |
| <b>Total liabilities</b>   |   |   |                                      |                      |           |         | <b>416,636</b> |
| <b>Other information:</b>  |   |   |                                      |                      |           |         |                |
| Gross non-bank loans       | 94,564                                    | 123,542                                       | 1,551                                | 32,210               | 31        | (5,236) | 246,662        |
| NPAs                       | 560                                       | 2,822   | –                                    | 170                  | 4         | (104)   | 3,452          |

## PERFORMANCE BY GEOGRAPHICAL SEGMENT

|                                 | 1Q19         |            | 1Q18         |            | 4Q18         |            |
|---------------------------------|--------------|------------|--------------|------------|--------------|------------|
|                                 | S\$ million  | %          | S\$ million  | %          | S\$ million  | %          |
| <b>Total income</b>             |              |            |              |            |              |            |
| Singapore                       | 1,675        | 63         | 1,354        | 58         | 1,314        | 56         |
| Malaysia                        | 343          | 13         | 332          | 14         | 359          | 15         |
| Indonesia                       | 199          | 7          | 196          | 8          | 198          | 8          |
| Greater China                   | 347          | 13         | 345          | 15         | 367          | 16         |
| Other Asia Pacific              | 49           | 2          | 68           | 3          | 48           | 2          |
| Rest of the World               | 63           | 2          | 38           | 2          | 64           | 3          |
|                                 | <b>2,676</b> | <b>100</b> | <b>2,333</b> | <b>100</b> | <b>2,350</b> | <b>100</b> |
| <b>Profit before income tax</b> |              |            |              |            |              |            |
| Singapore                       | 887          | 60         | 697          | 50         | 602          | 54         |
| Malaysia                        | 160          | 11         | 207          | 15         | 213          | 19         |
| Indonesia                       | 80           | 6          | 106          | 8          | 117          | 10         |
| Greater China                   | 280          | 19         | 291          | 21         | 124          | 11         |
| Other Asia Pacific              | 35           | 2          | 56           | 4          | 36           | 3          |
| Rest of the World               | 35           | 2          | 32           | 2          | 34           | 3          |
|                                 | <b>1,477</b> | <b>100</b> | <b>1,389</b> | <b>100</b> | <b>1,126</b> | <b>100</b> |

|                     | 31 Mar 2019    |            | 31 Dec 2018    |            | 31 Mar 2018    |            |
|---------------------|----------------|------------|----------------|------------|----------------|------------|
|                     | S\$ million    | %          | S\$ million    | %          | S\$ million    | %          |
| <b>Total assets</b> |                |            |                |            |                |            |
| Singapore           | 273,708        | 58         | 271,142        | 58         | 260,231        | 57         |
| Malaysia            | 66,989         | 14         | 66,173         | 14         | 64,969         | 14         |
| Indonesia           | 16,779         | 4          | 16,481         | 4          | 15,463         | 3          |
| Greater China       | 78,607         | 17         | 80,917         | 17         | 85,875         | 19         |
| Other Asia Pacific  | 14,500         | 3          | 14,114         | 3          | 13,703         | 3          |
| Rest of the World   | 18,930         | 4          | 18,716         | 4          | 18,164         | 4          |
|                     | <b>469,513</b> | <b>100</b> | <b>467,543</b> | <b>100</b> | <b>458,405</b> | <b>100</b> |

The geographical segment analysis is based on the location where assets or transactions are booked. For 1Q19, Singapore accounted for 63% of total income and 60% of pre-tax profit, while Malaysia contributed for 13% of total income and 11% of pre-tax profit. Indonesia comprised 7% of total income and 6% of pre-tax profit. Greater China made up for 13% of total income and 19% of pre-tax profit.

Pre-tax profit for Singapore was S\$887 million in 1Q19, an increase of 27% from S\$697 million a year ago, led by higher net interest income and non-interest income, which more than offset higher allowances. Malaysia's pre-tax profit was S\$160 million, 23% lower than S\$207 million in 1Q18, mainly attributable to higher allowances. Pre-tax profit for Greater China decreased 4% to S\$280 million, as higher allowances more than offset an increase in the Group's share of associates' profits. Indonesia's pre-tax profit was S\$80 million in 1Q19, 25% lower from a year ago, largely as a result of a rise in allowances.

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

| S\$ million  | 1Q19           | 1Q18           | +/(-) %   | 4Q18           | +/(-) %   |
|--|----------------|----------------|-----------|----------------|-----------|
| Interest income  | 3,013          | 2,510          | 20        | 2,977          | 1         |
| Interest expense   | (1,479)        | (1,095)        | 35        | (1,457)        | 2         |
| <b>Net interest income</b>                                 | <b>1,534</b>   | <b>1,415</b>   | <b>8</b>  | <b>1,520</b>   | <b>1</b>  |
| Premium income   | 2,430          | 2,311          | 5         | 2,857          | (15)      |
| Investment income  | 2,502          | (177)          | nm        | (956)          | (362)     |
| Net claims, surrenders and annuities                       | (1,394)        | (1,377)        | 1         | (1,638)        | (15)      |
| Change in life insurance fund contract liabilities         | (2,727)        | (229)          | nm        | 317            | (959)     |
| Commission and others                                      | (578)          | (362)          | 60        | (381)          | 52        |
| Profit from life insurance                                 | 233            | 166            | 40        | 199            | 17        |
| Premium income from general insurance                      | 43             | 40             | 8         | 48             | (10)      |
| Fees and commissions (net)                                 | 495            | 536            | (8)       | 474            | 4         |
| Dividends  | 14             | 19             | (27)      | 15             | (7)       |
| Rental income  | 20             | 20             | 2         | 20             | 4         |
| Other income   | 337            | 137            | 147       | 74             | 354       |
| <b>Non-interest income</b>                                 | <b>1,142</b>   | <b>918</b>     | <b>24</b> | <b>830</b>     | <b>38</b> |
| <b>Total income</b>  | <b>2,676</b>   | <b>2,333</b>   | <b>15</b> | <b>2,350</b>   | <b>14</b> |
| Staff costs  | (677)          | (662)          | 2         | (660)          | 3         |
| Other operating expenses                                   | (418)          | (370)          | 13        | (418)          | –         |
| <b>Total operating expenses</b>                            | <b>(1,095)</b> | <b>(1,032)</b> | <b>6</b>  | <b>(1,078)</b> | <b>2</b>  |
| <b>Operating profit before allowances and amortisation</b> | <b>1,581</b>   | <b>1,301</b>   | <b>21</b> | <b>1,272</b>   | <b>24</b> |
| Amortisation of intangible assets                          | (25)           | (25)           | 1         | (26)           | (1)       |
| Allowances for loans and other assets                      | (249)          | (12)           | nm        | (205)          | 22        |
| <b>Operating profit after allowances and amortisation</b>  | <b>1,307</b>   | <b>1,264</b>   | <b>3</b>  | <b>1,041</b>   | <b>25</b> |
| Share of results of associates                             | 170            | 125            | 36        | 85             | 102       |
| <b>Profit before income tax</b>                            | <b>1,477</b>   | <b>1,389</b>   | <b>6</b>  | <b>1,126</b>   | <b>31</b> |
| Income tax expense   | (195)          | (228)          | (15)      | (171)          | 14        |
| <b>Profit for the period</b>                               | <b>1,282</b>   | <b>1,161</b>   | <b>10</b> | <b>955</b>     | <b>34</b> |
| <b>Profit attributable to:</b>                             |                |                |           |                |           |
| Equity holders of the Bank                                 | 1,231          | 1,112          | 11        | 926            | 33        |
| Non-controlling interests                                  | 51             | 49             | 4         | 29             | 74        |
|  | <b>1,282</b>   | <b>1,161</b>   | <b>10</b> | <b>955</b>     | <b>34</b> |
| <b>Earnings per share <sup>1/</sup></b>                    |                |                |           |                |           |
| <b>(for the period – cents)</b>                            |                |                |           |                |           |
| Basic  | 28.3           | 26.3           |           | 21.8           |           |
| Diluted  | 28.2           | 26.3           |           | 21.7           |           |

Note:

1. Earnings mean profit attributable to ordinary equity holders of the bank.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

| <b>S\$ million</b>  | <b>1Q19</b>  | <b>1Q18</b>  | <b>+ / (-)</b><br>% | <b>4Q18</b>  | <b>+ / (-)</b><br>% |
|---|--------------|--------------|---------------------|--------------|---------------------|
| <b>Profit for the period</b>  | <b>1,282</b> | <b>1,161</b> | <b>10</b>           | <b>955</b>   | <b>34</b>           |
| <b>Other comprehensive income:</b>                                    |              |              |                     |              |                     |
| Items that may be reclassified subsequently to income statement:      |              |              |                     |              |                     |
| Financial assets, at FVOCI <sup>1/</sup>                              |              |              |                     |              |                     |
| Fair value gains/(losses) for the period                              | <b>356</b>   | (231)        | 255                 | 71           | 404                 |
| Reclassification of (gains)/losses to income statement                |              |              |                     |              |                     |
| – on disposal   | <b>(40)</b>  | (8)          | (381)               | (1)          | nm                  |
| – on impairment   | <b>(3)</b>   | (17)         | 85                  | 2            | (224)               |
| Tax on net movements  | <b>(48)</b>  | 10           | (603)               | (10)         | (406)               |
| Cash flow hedges  | <b>(0)</b>   | (1)          | 83                  | 2            | (108)               |
| Currency translation on foreign operations                            | <b>23</b>    | (96)         | 123                 | 16           | 44                  |
| Other comprehensive income of associates                              | <b>97</b>    | 54           | 80                  | 54           | 82                  |
| Items that will not be reclassified subsequently to income statement: |              |              |                     |              |                     |
| Financial assets, at FVOCI <sup>1/</sup> , net change in fair value   | <b>111</b>   | (98)         | 214                 | (254)        | 144                 |
| Defined benefit plans remeasurements                                  | <b>0</b>     | (0)          | 381                 | 6            | (98)                |
| Own credit  | <b>0</b>     | –            | –                   | (6)          | 103                 |
| <b>Total other comprehensive income, net of tax</b>                   | <b>496</b>   | <b>(387)</b> | <b>228</b>          | <b>(120)</b> | <b>512</b>          |
| <b>Total comprehensive income for the period, net of tax</b>          | <b>1,778</b> | <b>774</b>   | <b>130</b>          | <b>835</b>   | <b>113</b>          |
| <b>Total comprehensive income attributable to:</b>                    |              |              |                     |              |                     |
| Equity holders of the Bank  | <b>1,694</b> | 765          | 121                 | 819          | 107                 |
| Non-controlling interests   | <b>84</b>    | 9            | 837                 | 16           | 441                 |
|   | <b>1,778</b> | <b>774</b>   | <b>130</b>          | <b>835</b>   | <b>113</b>          |

Note:

1. Fair value through other comprehensive income.

## BALANCE SHEETS (UNAUDITED)

|  | GROUP            |                |                  | BANK             |                |                  |
|--|------------------|----------------|------------------|------------------|----------------|------------------|
| S\$ million  | 31 Mar<br>2019 @ | 31 Dec<br>2018 | 31 Mar<br>2018 @ | 31 Mar<br>2019 @ | 31 Dec<br>2018 | 31 Mar<br>2018 @ |
| <b>EQUITY</b>  |                  |                |                  |                  |                |                  |
| <b>Attributable to equity holders of the Bank</b>                            |                  |                |                  |                  |                |                  |
| Share capital  | 15,704           | 15,750         | 15,083           | 15,704           | 15,750         | 15,083           |
| Other equity instruments   | 1,497            | 1,497          | 499              | 1,497            | 1,497          | 499              |
| Capital reserves   | 1,142            | 930            | 786              | 784              | 639            | 222              |
| Fair value reserves  | 407              | (66)           | (46)             | 4                | (81)           | (53)             |
| Revenue reserves   | 25,077           | 24,026         | 22,711           | 13,926           | 13,491         | 12,393           |
|  | <b>43,827</b>    | <b>42,137</b>  | <b>39,033</b>    | <b>31,915</b>    | <b>31,296</b>  | <b>28,144</b>    |
| <b>Non-controlling interests</b>   | <b>1,339</b>     | <b>1,255</b>   | <b>2,736</b>     | <b>–</b>         | <b>–</b>       | <b>–</b>         |
| <b>Total equity</b>  | <b>45,166</b>    | <b>43,392</b>  | <b>41,769</b>    | <b>31,915</b>    | <b>31,296</b>  | <b>28,144</b>    |
| <b>LIABILITIES</b>   |                  |                |                  |                  |                |                  |
| Deposits of non-bank customers   | 294,111          | 295,412        | 288,770          | 181,864          | 183,600        | 183,269          |
| Deposits and balances of banks   | 8,141            | 7,576          | 9,318            | 6,537            | 6,350          | 6,697            |
| Due to subsidiaries  | –                | –              | –                | 21,256           | 20,938         | 17,804           |
| Due to associates  | 381              | 366            | 300              | 129              | 142            | 111              |
| Trading portfolio liabilities  | 190              | 214            | 472              | 190              | 214            | 472              |
| Derivative payables  | 5,956            | 7,105          | 7,883            | 4,895            | 5,252          | 5,933            |
| Other liabilities  | 6,216            | 5,813          | 6,118            | 2,016            | 1,825          | 1,925            |
| Current tax payables   | 1,105            | 1,014          | 1,292            | 421              | 367            | 542              |
| Deferred tax liabilities   | 1,636            | 1,451          | 1,440            | 196              | 181            | 61               |
| Debt issued  | 28,388           | 30,272         | 28,880           | 26,897           | 28,812         | 29,276           |
|  | <b>346,124</b>   | <b>349,223</b> | <b>344,473</b>   | <b>244,401</b>   | <b>247,681</b> | <b>246,090</b>   |
| Life insurance fund liabilities  | 78,223           | 74,928         | 72,163           | –                | –              | –                |
| <b>Total liabilities</b>   | <b>424,347</b>   | <b>424,151</b> | <b>416,636</b>   | <b>244,401</b>   | <b>247,681</b> | <b>246,090</b>   |
| <b>Total equity and liabilities</b>  | <b>469,513</b>   | <b>467,543</b> | <b>458,405</b>   | <b>276,316</b>   | <b>278,977</b> | <b>274,234</b>   |
| <b>ASSETS</b>  |                  |                |                  |                  |                |                  |
| Cash and placements with central banks                                       | 17,481           | 18,748         | 18,802           | 13,966           | 13,740         | 13,341           |
| Singapore government treasury bills and securities                           | 10,184           | 9,611          | 9,573            | 8,571            | 8,973          | 8,909            |
| Other government treasury bills and securities                               | 18,694           | 18,165         | 17,992           | 7,859            | 8,259          | 8,967            |
| Placements with and loans to banks   | 36,689           | 39,035         | 42,013           | 27,053           | 29,064         | 29,862           |
| Loans and bills receivable   | 256,066          | 255,193        | 243,780          | 158,691          | 156,897        | 148,715          |
| Debt and equity securities   | 26,516           | 25,542         | 25,375           | 12,935           | 11,973         | 13,673           |
| Assets pledged   | 1,295            | 1,105          | 2,290            | 1,302            | 1,007          | 936              |
| Assets held for sale   | 17               | 2              | 37               | 17               | –              | 0                |
| Derivative receivables   | 5,820            | 7,201          | 7,601            | 4,781            | 5,331          | 5,836            |
| Other assets   | 4,038            | 3,475          | 3,830            | 1,976            | 1,657          | 1,619            |
| Deferred tax assets  | 57               | 106            | 105              | 21               | 28             | 23               |
| Associates   | 3,370            | 3,183          | 3,148            | 1,387            | 1,387          | 951              |
| Subsidiaries   | –                | –              | –                | 34,738           | 37,692         | 38,411           |
| Property, plant and equipment  | 3,575            | 3,337          | 3,292            | 648              | 577            | 597              |
| Investment property  | 857              | 880            | 916              | 504              | 525            | 527              |
| Goodwill and intangible assets   | 5,049            | 5,093          | 5,077            | 1,867            | 1,867          | 1,867            |
|  | <b>389,708</b>   | <b>390,676</b> | <b>383,831</b>   | <b>276,316</b>   | <b>278,977</b> | <b>274,234</b>   |
| Life insurance fund investment assets  | 79,805           | 76,867         | 74,574           | –                | –              | –                |
| <b>Total assets</b>  | <b>469,513</b>   | <b>467,543</b> | <b>458,405</b>   | <b>276,316</b>   | <b>278,977</b> | <b>274,234</b>   |
| <b>Net asset value (before valuation surplus) per ordinary share – S\$ @</b> |                  |                |                  |                  |                |                  |
|  | <b>9.97</b>      | <b>9.56</b>    | <b>9.21</b>      | <b>7.16</b>      | <b>7.01</b>    | <b>6.61</b>      |
| <b>OFF-BALANCE SHEET ITEMS</b>   |                  |                |                  |                  |                |                  |
| Contingent liabilities   | 12,055           | 11,964         | 10,906           | 8,601            | 8,565          | 7,869            |
| Commitments  | 145,432          | 143,783        | 130,997          | 87,696           | 85,665         | 79,107           |
| Derivative financial instruments   | 1,046,965        | 1,040,759      | 1,069,206        | 873,404          | 867,445        | 908,410          |

Note:

1. "@" represents unaudited.

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

For the three months ended 31 March 2019

| S\$ million   | Attributable to equity holders of the Bank |                  |                     |                  |               | Non-controlling interests | Total equity  |
|---|--|------------------|---------------------|------------------|---------------|---------------------------|---------------|
|   | Share capital and other equity             | Capital reserves | Fair value reserves | Revenue reserves | Total         |                           |               |
| <b>Balance at 1 January 2019</b>                      | <b>17,247</b>                              | <b>930</b>       | <b>(66)</b>         | <b>24,026</b>    | <b>42,137</b> | <b>1,255</b>              | <b>43,392</b> |
| Total comprehensive income for the period             | –  | –                | 473                 | 1,221            | 1,694         | 84                        | 1,778         |
| Transactions with owners, recorded directly in equity |  |                  |                     |                  |               |                           |               |
| Contributions by and distributions to owners          |  |                  |                     |                  |               |                           |               |
| Transfers   | –  | 140              | –                   | (140)            | –             | –                         | –             |
| Dividends and distribution                            | –  | –                | –                   | (30)             | (30)          | –                         | (30)          |
| Share-based payments for staff costs                  | –  | 5                | –                   | –                | 5             | –                         | 5             |
| Share buyback held in treasury                        | (52)                                       | –                | –                   | –                | (52)          | –                         | (52)          |
| Shares vested under DSP Scheme                        | –  | 67               | –                   | –                | 67            | –                         | 67            |
| Treasury shares transferred/sold                      | 6  | (0)              | –                   | –                | 6             | –                         | 6             |
| Total contributions by and distributions to owners    | (46)                                       | 212              | –                   | (170)            | (4)           | –                         | (4)           |
| <b>Balance at 31 March 2019</b>                       | <b>17,201</b>                              | <b>1,142</b>     | <b>407</b>          | <b>25,077</b>    | <b>43,827</b> | <b>1,339</b>              | <b>45,166</b> |
| Included in the balances:                             |  |                  |                     |                  |               |                           |               |
| Share of reserves of associates                       | –  | –                | 86                  | 1,373            | 1,459         | –                         | 1,459         |
| <b>Balance at 1 January 2018</b>                      | <b>15,635</b>                              | <b>715</b>       | <b>251</b>          | <b>22,667</b>    | <b>39,268</b> | <b>2,765</b>              | <b>42,033</b> |
| Total comprehensive income for the period             | –  | –                | (297)               | 1,062            | 765           | 9                         | 774           |
| Transactions with owners, recorded directly in equity |  |                  |                     |                  |               |                           |               |
| Contributions by and distributions to owners          |  |                  |                     |                  |               |                           |               |
| Transfers   | –  | 8                | –                   | (8)              | –             | –                         | –             |
| Dividends and distribution                            | –  | –                | –                   | (10)             | (10)          | (38)                      | (48)          |
| Redemption of preference shares issued                | –  | –                | –                   | (1,000)          | (1,000)       | –                         | (1,000)       |
| Share-based payments for staff costs                  | –  | 4                | –                   | –                | 4             | –                         | 4             |
| Share buyback held in treasury                        | (83)                                       | –                | –                   | –                | (83)          | –                         | (83)          |
| Shares vested under DSP Scheme                        | –  | 59               | –                   | –                | 59            | –                         | 59            |
| Treasury shares transferred/sold                      | 30   | (0)              | –                   | –                | 30            | –                         | 30            |
| Total contributions by and distributions to owners    | (53)                                       | 71               | –                   | (1,018)          | (1,000)       | (38)                      | (1,038)       |
| <b>Balance at 31 March 2018</b>                       | <b>15,582</b>                              | <b>786</b>       | <b>(46)</b>         | <b>22,711</b>    | <b>39,033</b> | <b>2,736</b>              | <b>41,769</b> |
| Included in the balances:                             |  |                  |                     |                  |               |                           |               |
| Share of reserves of associates                       | –  | –                | (57)                | 1,010            | 953           | –                         | 953           |

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

For the three months ended 31 March 2019

| S\$ million                               | Share capital and other equity | Capital reserves | Fair value reserves | Revenue reserves | Total equity  |
|---|--------------------------------|------------------|---------------------|------------------|---------------|
| <b>Balance at 1 January 2019</b>          | <b>17,247</b>                  | <b>639</b>       | <b>(81)</b>         | <b>13,491</b>    | <b>31,296</b> |
| Total comprehensive income for the period | –                              | –                | 85                  | 605              | 690           |
| Transfers                                 | –                              | 140              | –                   | (140)            | –             |
| Dividends and distribution                | –                              | –                | –                   | (30)             | (30)          |
| Share-based payments for staff costs      | –                              | 5                | –                   | –                | 5             |
| Share buyback held in treasury            | (52)                           | –                | –                   | –                | (52)          |
| Treasury shares transferred/sold          | 6                              | –                | –                   | –                | 6             |
| <b>Balance at 31 March 2019</b>           | <b>17,201</b>                  | <b>784</b>       | <b>4</b>            | <b>13,926</b>    | <b>31,915</b> |
| <b>Balance at 1 January 2018</b>          | <b>15,635</b>                  | <b>221</b>       | <b>40</b>           | <b>12,903</b>    | <b>28,799</b> |
| Total comprehensive income for the period | –                              | –                | (93)                | 497              | 404           |
| Transfers                                 | –                              | (3)              | –                   | 3                | –             |
| Dividends and distribution                | –                              | –                | –                   | (10)             | (10)          |
| Redemption of preference shares issued    | –                              | –                | –                   | (1,000)          | (1,000)       |
| Share-based payments for staff costs      | –                              | 4                | –                   | –                | 4             |
| Share buyback held in treasury            | (83)                           | –                | –                   | –                | (83)          |
| Treasury shares transferred/sold          | 30                             | –                | –                   | –                | 30            |
| <b>Balance at 31 March 2018</b>           | <b>15,582</b>                  | <b>222</b>       | <b>(53)</b>         | <b>12,393</b>    | <b>28,144</b> |

## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the three months ended 31 March 2019

| S\$ million  | 1Q19           | 1Q18           |
|--|----------------|----------------|
| <b>Cash flows from operating activities</b>  |                |                |
| Profit before income tax   | 1,477          | 1,389          |
| Adjustments for non-cash items:  |                |                |
| Allowances for loans and other assets  | 249            | 12             |
| Amortisation of intangible assets  | 25             | 25             |
| Change in hedging transactions, fair value through profit or loss securities and debt issued | (138)          | 180            |
| Depreciation of property and equipment and interest expense on lease liabilities             | 98             | 78             |
| Net gain on disposal of government, debt and equity securities                               | (34)           | (8)            |
| Net gain on disposal of property and equipment   | (9)            | (24)           |
| Net gain on disposal of interests in subsidiary  | (1)            | –              |
| Share-based costs  | 16             | 13             |
| Share of results of associates   | (170)          | (125)          |
| Items relating to life insurance fund  |                |                |
| Surplus before income tax  | 267            | 178            |
| Surplus transferred from life insurance fund   | (233)          | (166)          |
| Operating profit before change in operating assets and liabilities                           | 1,547          | 1,552          |
| Change in operating assets and liabilities:  |                |                |
| Deposits of non-bank customers   | (1,285)        | 5,208          |
| Deposits and balances of banks   | 564            | 1,833          |
| Derivative payables and other liabilities  | (1,053)        | 1,082          |
| Trading portfolio liabilities  | (24)           | (150)          |
| Government securities and treasury bills   | (1,037)        | (691)          |
| Restricted balances with central banks   | 79             | 60             |
| Fair value through profit or loss securities   | (164)          | 244            |
| Placements with and loans to banks   | 2,405          | 7,078          |
| Loans and bills receivable   | (1,091)        | (9,382)        |
| Derivative receivables and other assets  | 1,325          | (1,769)        |
| Net change in investment assets and liabilities of life insurance fund                       | 197            | (49)           |
| Cash provided by operating activities  | 1,463          | 5,016          |
| Income tax paid  | (152)          | (114)          |
| <b>Net cash provided by operating activities</b>   | <b>1,311</b>   | <b>4,902</b>   |
| <b>Cash flows from investing activities</b>  |                |                |
| Investment in associate  | –              | (62)           |
| Purchases of debt and equity securities  | (4,634)        | (4,586)        |
| Purchases of property and equipment  | (62)           | (46)           |
| Proceeds from disposal of debt and equity securities   | 4,005          | 3,174          |
| Proceeds from disposal of property and equipment   | 11             | 27             |
| <b>Net cash used in investing activities</b>   | <b>(680)</b>   | <b>(1,493)</b> |
| <b>Cash flows from financing activities</b>  |                |                |
| Buy-back of shares held as treasury shares   | (52)           | (83)           |
| Dividends and distribution paid  | (30)           | (51)           |
| Net redemption of other debt issued  | (1,778)        | (1,728)        |
| Payment of lease liabilities   | (39)           | –              |
| Proceeds from treasury shares transferred/sold under the Bank's employee share schemes       | 6              | 30             |
| Redemption of preference shares issued   | –              | (1,000)        |
| Redemption of subordinated debt issued   | –              | (1,314)        |
| <b>Net cash used in financing activities</b>   | <b>(1,893)</b> | <b>(4,146)</b> |
| <b>Net currency translation adjustments</b>  | <b>72</b>      | <b>9</b>       |
| <b>Net change in cash and cash equivalents</b>   | <b>(1,190)</b> | <b>(728)</b>   |
| <b>Cash and cash equivalents at beginning of period</b>                                      | <b>13,386</b>  | <b>13,835</b>  |
| <b>Cash and cash equivalents at end of period</b>  | <b>12,196</b>  | <b>13,107</b>  |



## 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   | Three months ended 31 Mar |               |
|--|---------------------------|---------------|
|  | 2019                      | 2018          |
| <b>Issued ordinary shares</b>  |                           |               |
| Balance at beginning/end of period   | <b>4,256,770,207</b>      | 4,193,784,461 |
| <b>Treasury shares</b>   |                           |               |
| Balance at beginning of period   | <b>(6,738,940)</b>        | (7,070,767)   |
| Share buyback  | <b>(4,600,000)</b>        | (6,400,000)   |
| Shares sold/transferred to employees pursuant to OCBC Share Option Scheme          | <b>651,592</b>            | 3,131,639     |
| Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan | <b>160,017</b>            | 246,378       |
| Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan               | <b>8,499</b>              | 1,952         |
| Balance at end of period   | <b>(10,518,832)</b>       | (10,090,798)  |
| <b>Total</b>   | <b>4,246,251,375</b>      | 4,183,693,663 |

Pursuant to the share purchase mandate approved at the annual general meeting held on 30 April 2018, the Bank purchased a total of 4,600,000 ordinary shares in the first quarter ended 31 March 2019. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$10.89 to S\$11.84 per share and the total consideration paid was S\$51,804,244 (including transaction costs).

From 1 January 2019 to 31 March 2019 (both dates inclusive), the Bank utilised 651,592 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 ("SOS 2001"). As of 31 March 2019, the number of options outstanding under the OCBC SOS 2001 was 37,875,740 (31 March 2018: 33,509,791).

From 1 January 2019 to 31 March 2019 (both dates inclusive), the Bank utilised 160,017 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan ("ESPP"). As of 31 March 2019, the number of acquisition rights outstanding under the OCBC ESPP was 12,816,158 (31 March 2018: 14,047,279).

From 1 January 2019 to 31 March 2019 (both dates inclusive), the Bank transferred 8,499 treasury shares to the Trust administering the OCBC Deferred Share Plan following the Bank's award of deferred shares to employees of the Group.

No new preference shares were allotted and issued by the Bank in the first quarter ended 31 March 2019.

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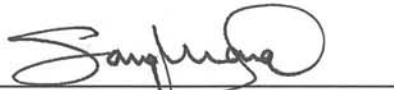
## **OTHER MATTERS**

1. The Bank has not obtained a general mandate from shareholders for Interested Person Transactions pursuant to Rule 920(1) of the Listing Manual.
2. The Bank has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual pursuant to Rule 720(1) of the Listing Manual.

## 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 31 March 2019 to be false or misleading.

On behalf of the Board of Directors



Ooi Sang Kuang  
Chairman



Samuel N. Tsien  
Chief Executive Officer / Director

9 May 2019