Media Release

OCBC Group First Quarter 2018 Net Profit up 29% to S$1.11 billion

Return on equity higher at 11.8% compared to 9.6% a year ago

Singapore, 7 May 2018 – Oversea-Chinese Banking Corporation Limited ("OCBC Bank") reported a net profit after tax of S$1.11 billion for the first quarter of 2018 ("1Q18"), an increase of 29% from S$861 million a year ago ("1Q17"). The robust year-on-year performance was underpinned by strong net interest income growth, higher wealth management income, lower allowances and increased contributions from the Group's overseas banking subsidiaries.

Net interest income for the first quarter grew 11% to S$1.42 billion from S$1.27 billion a year ago, underscored by strong asset growth and increased net interest margin. Average customer loans grew 10% year-on-year, driven by broad-based growth across key industries and geographical segments. Net interest margin rose 5 basis points to 1.67% from 1.62% a year ago, attributable to improved customer loan yields, higher gapping income from money market placements and a rise in the average loans-to-deposits ratio.

Non-interest income was 8% higher at S$918 million as compared to S$850 million a year ago. Fee and commission income increased 11% to S$536 million, led by a 19% rise in wealth management fee income. Higher income from brokerage, fund management and loan-related activities also contributed to the strong fee income growth. Net trading income of S$94 million declined from S$158 million a year ago, attributed to lower treasury income whereas income from customer-related flows increased. Net realised gains from the sale of investment securities was lower at S$8 million for the quarter. Profit from life assurance was significantly higher at S$166 million from S$49 million in the prior year. Great Eastern Holdings' ("GEH") total weighted new sales and new business embedded value were S$231 million and S$101 million respectively, and new business embedded value margin rose to 43.6% from 39.6% a year ago.

The Group's overall wealth management income, comprising income from insurance, private banking, asset management, stockbroking and other wealth management products, grew 22% to S$727 million, from S$597 million a year ago. Bank of Singapore's assets under management increased 19% to US$102 billion (S$133 billion) as at 31 March 2018, from US$85 billion (S$119 billion) of the previous year. As a proportion of the Group's total income, wealth management income which included income from insurance operations, contributed 31%, up from 28% a year ago.

Operating expenses for the quarter rose 6% to S$1.03 billion from S$973 million a year ago, largely driven by a rise in staff costs. The Group's cost-to-income ratio fell from 45.9% to 44.2%, as a result of strong income growth and effective cost management. With year-on-year income growth of 10% exceeding the 6% increase in expenses, operating profit before allowances rose 13% to S$1.30 billion. Allowances for loans and other assets were S$12 million, below S$168 million the prior year.

The Group's share of results of associates was S$125 million, up 9% from S$114 million in 1Q17.

Against the previous quarter ("4Q17"), the Group's net profit after tax rose 8%.

The Group's annualised return on equity increased to 11.8% from 9.6% in 1Q17, and annualised earnings per share likewise increased to 107.3 cents from 82.1 cents a year ago.

Allowances and Asset Quality

Total allowances for loans and other assets for 1Q18 were S$12 million, significantly lower as compared to S$178 million in the preceding quarter and S$168 million a year ago, as the prior periods included allowances set aside for corporate accounts in the offshore support services and vessels sector.

The Group's asset quality remained healthy. As at 31 March 2018, total non-performing assets of S$3.45 billion were slightly below S$3.47 billion of the quarter before. The non-performing loans ratio fell to 1.4% from 1.5% as at 31 December 2017.

Funding and Capital Position

The Group continued to maintain a strong funding and capital position. As at 31 March 2018, customer loans rose 10% to S$247 billion while customer deposits increased 9% to S$289 billion from a year ago. Current account and savings ("CASA") deposits rose 3% year-on-year to S$136 billion and represented 47.1% of total non-bank deposits. The loans-to-deposits ratio stood at 84.4% as at 31 March 2018, compared to 83.6% the previous year.

For 1Q18, the average Singapore dollar and all-currency liquidity coverage ratios for the Group were 230% and 149% respectively, well above the respective regulatory ratios of 100% and 80%. The net stable funding ratio of 106% was higher than the minimum regulatory requirement of 100%.

Based on Basel III rules which came into full effect on 1 January 2018, the Group's Common Equity Tier 1 capital adequacy ratio ("CAR"), Tier 1 CAR and Total CAR as at 31 March 2018, were 13.1%, 14.2% and 15.8% respectively. These ratios were well above the respective regulatory minima of 6.5%, 8% and 10%. In addition to these minimum capital requirements, a capital conservation buffer ("CCB") of 2.5% and countercyclical buffer of up to 2.5% have been phased in from 2016 and will be fully implemented in 2019. The CCB was 1.875% as at 1 January 2018, and will be increased by 0.625% to reach 2.5% on 1 January 2019. The Group's leverage ratio of 7.0% was better than the 3% minimum requirement as guided by the Basel Committee.

Impact of Major Accounting Changes

With effect from 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”), to achieve full convergence with the International Financial Reporting Standards (“IFRS”).

The major accounting standards impacting OCBC are SFRS(I) 1 *First-time Adoption of Financial Reporting Standards (International)* and SFRS(I) 9 *Financial Instruments*.

The Group adopted the new financial reporting framework and applied all SFRS(I) with 1 January 2017 as the date of transition, and SFRS(I) 9, with 1 January 2018 as the date of transition.

The Group elected the optional exemption to reset its cumulative foreign currency translation reserves (“FCTR”) for all foreign operations to nil at the date of transition on 1 January 2017, as permitted under SFRS(I).

SFRS(I) 9 requires banks to measure credit loss allowances for financial assets according to a three-stage expected credit loss (“ECL”) impairment model. The change in ECL balances between periods would be recognised in profit or loss. Credit loss allowances for loans classified under Stages 1 and 2 are recognised as ‘allowances for non-impaired loans’, similar in concept to ‘portfolio allowances’ previously. For loans classified under Stage 3, credit loss allowances are reflected as ‘allowances for impaired loans’, similar in concept to what was previously classified as ‘specific allowances’. Under the revised MAS 612 requirement, the Group is required to maintain a minimum regulatory loss allowance (“MRLA”) of 1% on non-credit impaired non-bank exposures net of eligible collaterals. Where Stage 1 and 2 ECL balances are below the MRLA, the Group will maintain the difference in a regulatory loss allowance reserve (“RLAR”) account through the appropriation of Revenue Reserves.

For comparability to industry practices, GEH has changed its basis for the preparation of the financial statements from fund accounting basis to enterprise wide accounting basis, and aligned its income recognition policy with SFRS(I). 2017 comparatives were required to be restated for this accounting policy change.

More details on the impact of adopting the new accounting policies can be found in the accompanying Group Financial Report.

CEO's Comments

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

"We are pleased to report a robust set of results for the first quarter, underscored by the strong momentum of our well-diversified franchise of banking, wealth management and insurance. The Group's income growth was broad-based, loan growth was sustained, assets under management growth continued and allowances were much lower. Our Hong Kong, Malaysian and Indonesian banking subsidiaries also reported higher year-on-year earnings.

The overall quality of the loan portfolio was sound, with the NPL ratio improved from the previous quarter. The Group continued to maintain its strong liquidity and capital position.

Business sentiments have been positive, but we remain vigilant to geo-political events including increased global trade tensions and the effects of higher interest rates on investment activities and the overall economy. We will remain focused on our strategy of deepening and growing the Group's key markets and network to support our customers."

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's 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 590 branches and representative offices in 18 countries and regions. These include over 320 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 100 branches and offices in Hong Kong, China and Macao 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.

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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 2018

For the first quarter ended 31 March 2018, Group reported net profit after tax was S$1,112 million. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend

No interim dividend on ordinary shares has been declared for the first quarter ended 31 March 2018.

Preference Dividend

On 17 January 2018, the Bank paid final tax exempt dividend on its Class M non-cumulative non-convertible preference shares at 4.0% per annum. Total amount of dividend paid was S$3.1 million.

The S$1 billion 4.0% Class M Preference Shares were fully redeemed on 17 January 2018, as announced to the SGX-ST.

Peter Yeoh
Secretary

Singapore, 7 May 2018

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

Oversea-Chinese Banking Corporation Limited

First Quarter 2018 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 adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 January 2018. OCBC Group prepared its first set of financial statements for the first quarter of 2018 in accordance with SFRS(I).

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2018:

SFRS(I) 9	*Financial Instruments*
SFRS(I) 15	*Revenue from Contracts with Customers*
SFRS(I) 1-28 (Amendments)	*Measuring an Associate or Joint Venture at Fair Value*
SFRS(I) 1-40 (Amendments)	*Investment Property: Transfers of Investment Property*
SFRS(I) 2 (Amendments)	*Share-based Payment: Classification and Measurement of Share-based Payment Transactions*
SFRS(I) 4 (Amendments)	*Insurance Contracts: Applying SFRS(I) 9 Financial Instruments with SFRS(I) 4 Insurance Contracts*
SFRS(I) INT 22	*Foreign Currency Transactions and Advance Consideration*

On initial implementation of SFRS(I), OCBC Group was required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In this regard, the date of transition to SFRS(I) for the Group is 1 January 2017, unless otherwise stated.

The initial application of the above standards (including their consequential amendments) and interpretations did not have a significant impact on the Group's financial statements, except for the following:

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

The Group elected the optional exemption to reset its cumulative foreign currency translation reserves ("FCTR") for all foreign operations to nil at the date of transition on 1 January 2017, as permitted by SFRS(I). As a result, cumulative FCTR of S$0.9 billion as at 1 January 2017 was reclassified from FCTR to Unappropriated Profit within Revenue Reserves.

SFRS(I) 9 *Financial Instruments*

<u>Classification and Measurement</u>

The date of transition for SFRS(I) 9 was 1 January 2018.

Under SFRS(I) 9, classification and measurement of financial assets are determined based on the contractual cash flow characteristics of the financial assets and the business model associated with the financial assets.

The application of SFRS(I) 9 resulted in reclassification of certain financial assets held by OCBC Group (excluding life assurance fund investment assets) as at the date of transition as described below:

• S$0.4 billion of government treasury bills and debt securities were reclassified from available-for-sale ("AFS") to amortised cost, as these are held within the business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on principal outstanding;
• S$0.3 billion of loans to customers originated by the Group were reclassified from amortised cost to fair value through profit or loss ("FVTPL"), as the contractual cash flows do not represent solely payments of principal and interest on principal outstanding;
• S$1.5 billion of equity securities were reclassified from AFS to FVTPL. S$1.8 billion of equity securities were reclassified from AFS to fair value through other comprehensive income ("FVOCI"); and
• S$0.2 billion of debt securities were reclassified from AFS to FVTPL based on the assessment of business model and cash flow characteristics of the financial assets.

Expected Credit Loss

SFRS(I) 9 prescribes a forward-looking expected credit loss ("ECL") model. Credit loss allowances are measured according to a three-stage expected credit loss ("ECL") impairment model. The change in ECL balances between periods would be recognised in profit or loss. In addition, under the revised MAS 612 requirement, the Group is required to maintain a minimum regulatory loss allowance ("MRLA") of 1% on non-credit impaired non-bank exposures net of eligible collaterals. Where the accounting loss allowance computed under SFRS(I) 9 falls below the MRLA, the Group shall maintain the shortfall in a non-distributable regulatory loss allowance reserve ("RLAR") account through the appropriation of Revenue Reserves. Where the aggregated accounting loss allowance and RLAR exceeds the MRLA, the Group may transfer the excess amount in the RLAR to Revenue Reserves.

At transition to SFRS(I) 9, the Group's accounting loss allowance was S$1.13 billion, with RLAR of S$0.34 billion.

Hedge Accounting

The Group has applied the hedge accounting requirements of SFRS(I) 9. There is no material impact on the financial statements.

Change in basis of preparation of financial statements of GEH

GEH has changed its basis for the preparation of the financial statements from fund accounting basis to enterprise wide accounting basis for comparability to industry practices. GEH's financial statements will no longer be prepared on fund accounting basis and insurance fund profit will no longer be determined in accordance with the Insurance Regulations of the respective jurisdictions in which the insurance subsidiaries operate, but will be aligned with SFRS(I) instead. 2017 comparatives were restated for this accounting policy change.

Please refer to pages 30 and 31 of the Group Financial Report for more details on the impact of adopting of the new accounting policies.

Financial Results

The Group reported a net profit after tax of S$1.11 billion for the first quarter ended 31 March 2018 (“1Q18”), representing an increase of 29% from S$861 million a year ago (“1Q17”), led by growth in net interest income, higher wealth management income and lower allowances.

Net interest income for 1Q18 was S$1.42 billion and was 11% higher from S$1.27 billion in 1Q17, driven by strong asset growth as well as improved net interest margin. Fee and commission income was S$536 million, 11% higher than the S$481 million in 1Q17. Net trading income and net realised gains from the sale of investment securities were lower at S$94 million and S$8 million respectively. Profit from life assurance increased to S$166 million from S$49 million in 1Q17. Share of results of associates was 9% higher at S$125 million for the quarter, from S$114 million a year ago.

Operating expenses rose 6% to S$1.03 billion in 1Q18, from S$973 million a year ago, largely attributable to higher staff costs. Total allowances for loans and other assets were lower at S$12 million, compared to S$168 million a year ago. The Group’s non-performing loans (“NPL”) ratio was 1.4% as at 31 March 2018, as compared to 1.3% the previous year.

Against the fourth quarter of 2017 (“4Q17”), Group net profit after tax rose 8% from S$1.03 billion, led by higher associates’ contributions and lower allowances.

Annualised return on equity for 1Q18 was 11.8%, as compared to 9.6% a year ago and 10.9% the previous quarter. Annualised earnings per share was 107.3 cents, up from 82.1 cents in 1Q17 and 96.5 cents in 4Q17.

FINANCIAL SUMMARY *(continued)*

S$ million	1Q18	1Q17	+/(-) %	4Q17	+/(-) %
Selected Income Statement Items					
Net interest income	**1,415**	1,272	11	1,424	(1)
Non-interest income	**918**	850	8	1,214	(24)
Total income	**2,333**	2,122	10	2,638	(12)
Operating expenses	**(1,032)**	(973)	6	(1,075)	(4)
Operating profit before allowances and amortisation	**1,301**	1,149	13	1,563	(17)
Amortisation of intangible assets	**(25)**	(26)	(4)	(26)	(1)
Allowances for loans and other assets	**(12)**	(168)	(93)	(178)	(93)
Operating profit after allowances and amortisation	**1,264**	955	32	1,359	(7)
Share of results of associates	**125**	114	9	28	340
Profit before income tax	**1,389**	1,069	30	1,387	–
Net profit attributable to shareholders	**1,112**	861	29	1,034	8
Cash basis net profit attributable to shareholders 1/	**1,137**	887	28	1,060	7
Selected Balance Sheet Items					
Ordinary equity	**38,533**	36,295	6	37,528	3
Total equity *(excluding non-controlling interests)*	**39,033**	37,795	3	39,028	–
Total assets	**460,573**	426,939	8	454,895	1
Assets excluding life assurance fund investment assets	**385,999**	361,966	7	380,968	1
Loans and bills receivable *(net of allowances)*	**243,780**	221,459	10	234,141	4
Deposits of non-bank customers	**288,770**	265,044	9	283,642	2

Note:
1. Excludes amortisation of intangible assets.
2. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

FINANCIAL SUMMARY *(continued)*

	1Q18	1Q17	4Q17
Key Financial Ratios			
Performance ratios (% p.a.)			
Return on equity [1/ 2/]	**11.8**	9.6	10.9
Return on assets [3/]	**1.17**	0.99	1.09
Revenue mix/efficiency ratios (%)			
Net interest margin (annualised)	**1.67**	1.62	1.67
Net interest income to total income	**60.7**	60.0	54.0
Non-interest income to total income	**39.3**	40.0	46.0
Cost-to-income	**44.2**	45.9	40.8
Loans-to-deposits	**84.4**	83.6	82.5
NPL ratio	**1.4**	1.3	1.5
Earnings per share [2/] (annualised - cents)			
Basic earnings	**107.3**	82.1	96.5
Diluted earnings	**107.0**	82.0	96.2
Net asset value per share (S$)			
Before valuation surplus	**9.21**	8.68	8.96
After valuation surplus	**11.82**	10.41	11.34
Capital adequacy ratios (%)			
Common Equity Tier 1	**13.1**	13.3	13.9
Tier 1	**14.2**	14.2	14.9
Total	**15.8**	16.5	17.2
Leverage ratio (%) [5/]	**7.0**	7.7	7.3
Liquidity coverage ratios (%) [6/]			
Singapore dollar	**230**	267	254
All-currency	**149**	143	159
Net stable funding ratio (%) [7/]	**106**	na	na

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 preference dividends and 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 assurance 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 ratios are computed based on MAS Notice 637.
6. The Group's Liquidity coverage ratios ("LCR") are computed based on MAS Notice 649 and is 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. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.
9. "na" denotes not applicable.

NET INTEREST INCOME

Average Balance Sheet

S$ million	1Q18 Average Balance	1Q18 Interest	1Q18 Average Rate [2]	1Q17 Average Balance	1Q17 Interest	1Q17 Average Rate [2]	4Q17 Average Balance	4Q17 Interest	4Q17 Average Rate [2]
			%			%			%
Interest earning assets									
Loans and advances to non-bank customers	**240,011**	**1,847**	**3.12**	218,562	1,624	3.01	232,732	1,796	3.06
Placements with and loans to banks	**54,577**	**364**	**2.71**	52,519	219	1.69	55,850	325	2.31
Other interest earning assets	**49,559**	**299**	**2.45**	47,017	274	2.36	50,535	307	2.41
Total	**344,147**	**2,510**	**2.96**	318,098	2,117	2.70	339,117	2,428	2.84
Interest bearing liabilities									
Deposits of non-bank customers	**284,076**	**886**	**1.27**	262,257	684	1.06	278,272	809	1.15
Deposits and balances of banks	**9,249**	**40**	**1.75**	12,018	31	1.04	8,738	33	1.47
Other borrowings	**31,200**	**169**	**2.19**	22,699	130	2.32	31,496	162	2.05
Total	**324,525**	**1,095**	**1.37**	296,974	845	1.15	318,506	1,004	1.25
Net interest income/margin [1]		**1,415**	**1.67**		1,272	1.62		1,424	1.67

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$1.42 billion in 1Q18, representing an improvement of 11% from S$1.27 billion a year ago, largely attributable to strong asset growth and higher net interest margin. Net interest margin was up 5 basis points at 1.67%, from 1.62% in 1Q17, mainly as a result of improved customer loan yields, an increase in money market gapping income and average loans-to-deposits ratio.

Against 4Q17, net interest income was 1% lower. Net interest margin was stable quarter-on-quarter.

NET INTEREST INCOME *(continued)*

Volume and Rate Analysis

	1Q18 vs 1Q17			1Q18 vs 4Q17		
Increase/(decrease) due to change in: **S$ million**	**Volume**	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Interest income						
Loans and advances to non-bank customers	160	63	223	55	35	90
Placements with and loans to banks	8	137	145	(7)	54	47
Other interest earning assets	15	10	25	(6)	4	(2)
Total	183	210	393	42	93	135
Interest expense						
Deposits of non-bank customers	57	145	202	17	78	95
Deposits and balances of banks	(7)	16	9	2	7	9
Other borrowings	48	(9)	39	(2)	11	9
Total	98	152	250	17	96	113
Impact on net interest income	85	58	143	25	(3)	22
Due to change in number of days			–			(31)
Net interest income			143			(9)

NON-INTEREST INCOME

S$ million	1Q18	1Q17	+/(-)	4Q17	+/(-)
			%		%
Fees and commissions					
Brokerage	**25**	18	38	18	35
Wealth management	**255**	215	19	216	18
Fund management	**29**	25	15	28	4
Credit card	**35**	35	1	42	(18)
Loan-related	**71**	67	5	70	1
Trade-related and remittances	**55**	52	6	56	–
Guarantees	**4**	4	1	5	(12)
Investment banking	**22**	29	(25)	26	(17)
Service charges	**31**	27	17	21	51
Others	**9**	9	(2)	9	(1)
Sub-total	**536**	481	11	491	9
Dividends	**19**	15	25	11	66
Rental income	**20**	21	(4)	21	(4)
Profit from life assurance	**166**	49	242	270	(38)
Premium income from general insurance	**40**	35	14	40	–
Other income					
Net trading income	**94**	158	(41)	99	(5)
Net gain from investment securities	**8**	65	(87)	249	(97)
Net gain from disposal of subsidiaries and associates	**–**	–	–	21	(100)
Net gain from disposal of properties	**24**	24	–	1	nm
Others	**11**	2	424	11	–
Sub-total	**137**	249	(45)	381	(64)
Total non-interest income	**918**	850	8	1,214	(24)
Fees and commissions/Total income	**23.0%**	22.7%		18.6%	
Non-interest income/Total income	**39.3%**	40.0%		46.0%	

Note:
1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

Non-interest income was S$918 million for 1Q18, and was 8% higher than the S$850 million a year ago.

Fee and commission income rose 11% to S$536 million for the quarter, from S$481 million in 1Q17, largely from an increase in income from wealth management, brokerage, fund management and loan-related activities. Net trading income of S$94 million declined from S$158 million a year ago, attributed to lower treasury income whereas income from customer-related flows increased. Net realised gains from the sale of investment securities was lower at S$8 million. Profit from life assurance increased from S$49 million in 1Q17 to S$166 million.

As compared to 4Q17, non-interest income was 24% lower from S$1,214 million, mainly due to lower profit from life assurance and a decline in realised gains from the sale of investment securities.

OPERATING EXPENSES

S$ million	1Q18	1Q17	+/(-) %	4Q17	+/(-) %
Staff costs					
Salaries and other costs	**602**	544	11	582	3
Share-based expenses	**13**	13	2	15	(12)
Contribution to defined contribution plans	**47**	45	4	45	4
	662	602	10	642	3
Property and equipment					
Depreciation	**78**	78	–	81	(4)
Maintenance and hire of property, plant & equipment	**29**	29	(1)	33	(14)
Rental expenses	**25**	25	3	25	3
Others	**62**	60	2	71	(14)
	194	192	1	210	(8)
Other operating expenses	**176**	179	(2)	223	(21)
Total operating expenses	**1,032**	973	6	1,075	(4)
Group staff strength					
Period end	**29,444**	29,705	(1)	29,174	1
Average	**29,285**	29,709	(1)	29,247	–
Cost-to-income ratio	**44.2%**	45.9%		40.8%	

Note:
1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

Operating expenses for the quarter grew 6% to S$1,032 million, from S$973 million in 1Q17 mainly attributable to higher staff costs.

Compared to 4Q17, operating expenses declined 4% from S$1,075 million.

The cost-to-income ratio was 44.2% for 1Q18, 45.9% in 1Q17 and 40.8% in the previous quarter.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S$ million	1Q18	1Q17	+/(-) %	4Q17	+/(-) %
Allowances/(write-back) for impaired loans [1]					
Singapore	**0**	96	(100)	281	(100)
Malaysia	**7**	8	(18)	263	(97)
Greater China	**1**	5	(90)	8	(93)
Others	**5**	(1)	(508)	503	(99)
	13	108	(88)	1,055	(99)
Allowances for impaired other assets	**(2)**	21	(108)	10	(116)
Allowances for non-impaired loans [2]	**16**	39	(59)	(887)	(102)
Allowances for non-impaired other assets	**(15)**	–	–	–	–
Allowances for loans and other assets	**12**	168	(93)	178	(93)

Notes:
1. Referred to as specific allowances for periods prior to 2018.
2. Referred to as portfolio allowances for periods prior to 2018.

Allowances for loans and other assets were S$12 million in 1Q18, as compared to S$168 million a year ago and S$178 million in the previous quarter.

LOANS AND ADVANCES

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Loans to customers	**238,475**	229,523	218,025
Bills receivable	**8,187**	7,798	6,778
Gross loans to customers	**246,662**	237,321	224,803
Allowances			
Impaired loans	**(1,207)**	(1,236)	(648)
Non-impaired loans	**(1,103)**	(1,417)	(2,251)
	244,352	234,668	221,904
Less: assets pledged	**(572)**	(527)	(445)
Loans net of allowances	**243,780**	234,141	221,459
By Maturity			
Within 1 year	**102,166**	96,639	88,149
1 to 3 years	**38,427**	36,861	37,390
Over 3 years	**106,069**	103,821	99,264
	246,662	237,321	224,803
By Industry			
Agriculture, mining and quarrying	**7,140**	8,073	7,582
Manufacturing	**14,055**	12,501	13,185
Building and construction	**38,476**	35,436	35,742
Housing loans	**65,087**	64,542	60,027
General commerce	**30,198**	29,010	26,366
Transport, storage and communication	**10,530**	11,568	12,016
Financial institutions, investment and holding companies	**41,590**	37,838	33,225
Professionals and individuals	**30,182**	28,704	26,956
Others	**9,404**	9,649	9,704
	246,662	237,321	224,803
By Currency			
Singapore Dollar	**89,008**	85,485	83,069
United States Dollar	**61,439**	61,445	59,828
Malaysian Ringgit	**20,877**	20,481	20,264
Indonesian Rupiah	**7,840**	7,795	7,350
Hong Kong Dollar	**33,740**	33,011	29,561
Chinese Renminbi	**5,173**	4,626	5,144
Others	**28,585**	24,478	19,587
	246,662	237,321	224,803
By Geography [1/]			
Singapore	**103,778**	99,872	95,764
Malaysia	**29,165**	28,231	28,003
Indonesia	**18,973**	19,259	18,785
Greater China	**62,805**	59,114	54,161
Other Asia Pacific	**12,896**	12,754	12,359
Rest of the World	**19,045**	18,091	15,731
	246,662	237,321	224,803

Note:

1. Loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.

Gross loans to customers were S$247 billion as at 31 March 2018, up 10% from S$225 billion a year ago and 4% from S$237 billion the previous quarter. In constant currency terms, customer loans grew 12% year-on-year and 5% from the previous quarter. By industry, the year-on-year loan growth was largely from housing loans, loans to financial institutions, investment and holding companies and loans to general commerce.

NON-PERFORMING ASSETS

S$ million	Total NPAs [1/]	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs	NPLs [2/]	NPL Ratio [2/]
					%		%
Singapore							
31 Mar 2018	**1,011**	**667**	**201**	**143**	**74.3**	**984**	**0.9**
31 Dec 2017	1,132	772	212	148	73.1	1,086	1.1
31 Mar 2017	980	465	334	181	62.9	924	1.0
Malaysia							
31 Mar 2018	**860**	**493**	**321**	**46**	**78.4**	**854**	**2.9**
31 Dec 2017	862	485	335	42	77.4	857	3.0
31 Mar 2017	586	466	75	45	79.4	584	2.1
Indonesia							
31 Mar 2018	**637**	**448**	**25**	**164**	**73.4**	**636**	**3.4**
31 Dec 2017	589	399	29	161	73.4	588	3.1
31 Mar 2017	622	388	94	140	64.5	621	3.3
Greater China							
31 Mar 2018	**248**	**97**	**102**	**49**	**59.0**	**247**	**0.4**
31 Dec 2017	232	74	110	48	54.4	232	0.4
31 Mar 2017	307	199	51	57	46.4	307	0.6
Other Asia Pacific							
31 Mar 2018	**279**	**250**	**29**	**–**	**68.1**	**268**	**2.1**
31 Dec 2017	252	223	29	–	68.7	252	2.0
31 Mar 2017	314	288	26	–	68.5	314	2.5
Rest of the World							
31 Mar 2018	**417**	**404**	**12**	**1**	**97.8**	**416**	**2.2**
31 Dec 2017	401	386	13	2	97.3	400	2.2
31 Mar 2017	61	57	3	1	87.7	60	0.4
Group							
31 Mar 2018	**3,452**	**2,359**	**690**	**403**	**76.4**	**3,405**	**1.4**
31 Dec 2017	3,468	2,339	728	401	75.5	3,415	1.5
31 Mar 2017	2,870	1,863	583	424	66.0	2,810	1.3

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 relatively stable quarter-on-quarter, and were up 20% as compared to the previous year. The year-on-year increase in NPAs was mainly attributable to the downgrade of exposures associated with the offshore support services and vessels sector.

The Group's NPL ratio was 1.4%, an increase from 1.3% a year ago and down from 1.5% the previous quarter. Of the total NPAs, 68% were in the substandard category and 76% were secured by collateral.

	31 Mar 2018		31 Dec 2017		31 Mar 2017	
	S$ million	% of loans	S$ million	% of loans	S$ million	% of loans
NPLs by Industry						
Loans and advances						
Agriculture, mining and quarrying	**298**	**4.2**	305	3.8	144	1.9
Manufacturing	**395**	**2.8**	304	2.4	321	2.4
Building and construction	**66**	**0.2**	59	0.2	89	0.2
Housing loans	**409**	**0.6**	392	0.6	427	0.7
General commerce	**311**	**1.0**	291	1.0	349	1.3
Transport, storage and communication	**1,166**	**11.1**	1,277	11.0	613	5.1
Financial institutions, investment and holding companies	**363**	**0.9**	376	1.0	429	1.3
Professionals and individuals	**136**	**0.5**	146	0.5	159	0.6
Others	**261**	**2.8**	265	2.7	279	2.9
Total NPLs	**3,405**	**1.4**	3,415	1.5	2,810	1.3
Classified debt securities	**28**		35		37	
Classified contingent liabilities	**19**		18		23	
Total NPAs	**3,452**		3,468		2,870	

	31 Mar 2018		31 Dec 2017		31 Mar 2017	
	S$ million	%	S$ million	%	S$ million	%
NPAs by Period Overdue						
Over 180 days	**1,268**	**37**	1,212	35	1,236	43
Over 90 to 180 days	**257**	**7**	257	8	405	14
30 to 90 days	**145**	**4**	313	9	417	14
Less than 30 days	**159**	**5**	48	1	449	16
Not overdue	**1,623**	**47**	1,638	47	363	13
	3,452	**100**	3,468	100	2,870	100

	31 Mar 2018		31 Dec 2017		31 Mar 2017	
S$ million	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans						
Substandard	**722**	**231**	703	242	549	14
Doubtful	**199**	**114**	211	128	112	67
Loss	**54**	**47**	52	42	53	35
	975	**392**	966	412	714	116

CUMULATIVE ALLOWANCES FOR ASSETS [1/]

S$ million	Total cumulative allowances	Allowances for impaired assets [2/]	Allowances for non-impaired assets [3/]	Allowances for impaired assets as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
Singapore					
31 Mar 2018	**1,006**	**288**	**718**	**28.5**	**99.5**
31 Dec 2017	764	320	444	28.2	67.4
31 Mar 2017	1,160	312	848	31.8	118.4
Malaysia					
31 Mar 2018	**528**	**339**	**189**	**39.5**	**61.4**
31 Dec 2017	618	340	278	39.4	71.8
31 Mar 2017	494	121	373	20.6	84.4
Indonesia					
31 Mar 2018	**408**	**237**	**171**	**37.2**	**64.0**
31 Dec 2017	416	232	184	39.4	70.7
31 Mar 2017	455	148	307	23.8	73.1
Greater China					
31 Mar 2018	**350**	**58**	**292**	**23.4**	**140.8**
31 Dec 2017	428	61	367	26.5	184.8
31 Mar 2017	566	52	514	16.9	184.2
Other Asia Pacific					
31 Mar 2018	**157**	**110**	**47**	**39.3**	**56.4**
31 Dec 2017	194	111	83	44.1	77.0
31 Mar 2017	134	16	118	5.1	42.6
Rest of the World					
31 Mar 2018	**246**	**180**	**66**	**43.2**	**59.1**
31 Dec 2017	246	185	61	46.2	61.4
31 Mar 2017	92	1	91	1.6	151.4
Group					
31 Mar 2018	**2,695**	**1,212**	**1,483**	**35.1**	**78.1**
31 Dec 2017	2,666	1,249	1,417	36.0	76.9
31 Mar 2017	2,901	650	2,251	22.6	101.1

Notes:
1. Included RLAR.
2. Referred to as specific allowances for periods prior to 2018.
3. Referred to as portfolio allowances for periods prior to 2018.

As at 31 March 2018, the Group's total cumulative allowances for assets were S$2.70 billion, comprising S$1.21 billion in allowances for impaired assets and S$1.48 billion in allowances for non-impaired assets. As at 31 March 2018, total cumulative allowances amounted to 330% of unsecured NPAs and 78% of total NPAs.

DEPOSITS

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Deposits of non-bank customers	**288,770**	283,642	265,044
Deposits and balances of banks	**9,318**	7,485	14,543
	298,088	291,127	279,587
Loans-to-deposits ratio (net non-bank loans/non-bank deposits)	**84.4%**	82.5%	83.6%

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Total Deposits By Maturity			
Within 1 year	**294,693**	287,957	275,634
1 to 3 years	**1,463**	1,328	1,892
Over 3 years	**1,932**	1,842	2,061
	298,088	291,127	279,587
Non-Bank Deposits By Product			
Fixed deposits	**123,777**	118,078	114,603
Savings deposits	**52,588**	51,817	50,265
Current account	**83,387**	87,773	81,866
Others	**29,018**	25,974	18,310
	288,770	283,642	265,044
Non-Bank Deposits By Currency			
Singapore Dollar	**100,900**	97,665	94,159
United States Dollar	**93,687**	93,415	84,211
Malaysian Ringgit	**23,736**	22,364	21,635
Indonesian Rupiah	**8,866**	8,206	8,297
Hong Kong Dollar	**26,990**	28,640	25,828
Chinese Renminbi	**6,975**	7,551	7,819
Others	**27,616**	25,801	23,095
	288,770	283,642	265,044

Non-bank customer deposits as at 31 March 2018 were S$289 billion, an increase of 9% from S$265 billion a year ago, and 2% higher from S$284 billion the previous quarter. The ratio of current and savings deposits to total non-bank deposits was 47.1% as at 31 March 2018. The Group’s loans-to-deposits ratio was 84.4%, an increase from 83.6% a year ago and 82.5% the previous quarter.

DEBT ISSUED

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Subordinated debt (unsecured)	**3,129**	4,556	6,290
Fixed and floating rate notes (unsecured)	**2,698**	3,425	3,298
Commercial papers (unsecured)	**18,875**	21,381	16,178
Structured notes (unsecured)	**1,315**	1,289	1,244
Covered bonds (secured)	**2,863**	1,584	736
Total	**28,880**	32,235	27,746
Debt Issued By Maturity			
Within one year	**20,223**	24,618	21,259
Over one year	**8,657**	7,617	6,487
Total	**28,880**	32,235	27,746

As at 31 March 2018, the Group had S$18.9 billion of commercial papers outstanding, higher from a year ago and a decline from the previous quarter. The commercial papers form part of the Group’s diversified funding sources.

CAPITAL ADEQUACY RATIOS[1]

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Ordinary shares	**15,083**	14,136	14,113
Disclosed reserves/others	**17,942**	18,130	22,353
Regulatory adjustments	**(6,819)**	(5,359)	(8,778)
Common Equity Tier 1 Capital	**26,206**	26,907	27,688
Additional Tier 1 capital	**2,071**	2,985	2,987
Regulatory adjustments	**–**	(932)	(1,117)
Tier 1 Capital	**28,277**	28,960	29,558
Tier 2 capital	**3,163**	4,673	5,815
Regulatory adjustments	**(0)**	(408)	(1,078)
Total Eligible Capital	**31,440**	33,225	34,295
Risk Weighted Assets	**198,817**	193,082	207,224
Capital Adequacy Ratios			
Common Equity Tier 1	**13.1%**	13.9%	13.3%
Tier 1	**14.2%**	14.9%	14.2%
Total	**15.8%**	17.2%	16.5%

The Group remains strongly capitalised, with a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 13.1%, and Tier 1 and Total CAR of 14.2% and 15.8% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2018[2]. Compared with 31 December 2017, the Group's CAR was lower, largely due to the redemption of S$1 billion OCBC Class M preference shares and US$1 billion OCBC 3.15% subordinated notes, as well as an increase in risk weighted assets.

The capital adequacy of the Group's significant banking subsidiaries as at 31 March 2018 were:

		Capital Adequacy Ratios		
S$ million	**Total Risk Weighted Assets**	**Common Equity Tier 1**	**Tier 1**	**Total**
OCBC Wing Hang Bank Limited	20,320	13.9%	13.9%	16.0%
OCBC Bank (Malaysia) Berhad	12,996	12.7%	14.6%	17.3%
Bank OCBC NISP	12,927	16.1%	16.1%	17.0%

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.

[1] Public disclosures required under MAS Notice 637 Part XI can be found in the Capital and Regulatory Disclosures section of the Bank's Investor Relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

[2] In addition to these minimum capital requirements, Capital Conservation Buffer ("CCB") of 2.5% and Countercyclical Buffer ("CCyB") of up to 2.5% are being phased in from 2016 to 2019. The CCB was 1.875% on 1 January 2018 and increases by 0.625% to reach 2.5% on 1 January 2019. 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.

LEVERAGE RATIO

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Tier 1 Capital	**28,277**	28,960	29,558
Total exposures	**401,030**	394,770	380,068
Leverage ratio	**7.0%**	7.3%	7.7%

Notes:
1. Public disclosures required under MAS Notice 637 Part XI Division 3 Sub-division 11: Leverage ratio can be found in the Capital and Regulatory Disclosures section of the Bank's Investor Relations website (http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html).

The leverage ratio is an indicator of capital strength to supplement the risk-based capital requirements and is the ratio of Tier 1 Capital to total exposures (comprising on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet items). As at 31 March 2018, the Group's leverage ratio was 7.0%, above the 3% minimum regulatory requirement.

LIQUIDITY COVERAGE RATIOS

For 1Q18, the average Singapore dollar ("SGD") and all-currency liquidity coverage ratios ("LCR") for the Group (excluding OCBC Yangon which will be included in due course) were 230% and 149% respectively. Compared to 4Q17, the average all-currency LCR was lower by 10 percentage points driven by an increase in cash outflow from wholesale funding. The SGD LCR decreased by 24 percentage points due to lower net cash inflow from derivative transactions. High Quality Liquid Assets ("HQLA") increased over the quarter.

The Group continued to focus on acquiring stable deposits and to maintain a mix of HQLA comprising mainly Level 1 central bank reserves and liquid sovereign bonds. The Asset & Liability Management Desk in Global Treasury manages the day-to-day liquidity needs of the Group, and is subject to liquidity limits and triggers that serve as risk control on the Group's liquidity exposure.

Public disclosures required under MAS Notice 651 Liquidity Coverage Ratio Disclosure 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).

UNREALISED VALUATION SURPLUS

S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017
Properties [2/]	**3,998**	4,010	3,874
Equity securities [3/]	**6,922**	5,919	3,371
Total	**10,920**	9,929	7,245

Notes:
2. Includes properties classified as investment properties and assets held for sale. Property values are determined mainly based on external valuations at year-end, with internal reviews performed for other quarters.
3. Comprises mainly investments in quoted subsidiaries, a quoted associate and the investment in Hong Kong Life Insurance Limited ("Hong Kong Life"), which are valued based on their quarter-end market prices for quoted equities and the sale consideration for Hong Kong Life.
4. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

The Group's unrealised valuation surplus largely represents the difference between the carrying amounts and market values of its properties, investments in associates and quoted subsidiaries as at the end of respective periods. The carrying amounts of associates and quoted subsidiaries on the balance sheet are measured at cost plus post-acquisition reserves, while those of properties are measured at cost less accumulated depreciation, and impairment, if any.

The valuation surplus as at 31 March 2018 was S$10.92 billion, up 10% from S$9.93 billion as at 31 December 2017.

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 by Business Segment

S$ million	1Q18	1Q17	+/(-) %	4Q17	+/(-) %
Global Consumer/Private Banking	**369**	314	18	285	29
Global Corporate/Investment Banking	**506**	350	44	258	96
Global Treasury and Markets	**119**	109	9	95	26
OCBC Wing Hang	**99**	85	17	83	19
Insurance	**162**	110	48	482	(66)
Others	**9**	(13)	(170)	156	(94)
Operating profit after allowances and amortisation	**1,264**	955	32	1,359	(7)

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

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 operating profit after allowances rose 18% to S$369 million in 1Q18, from S$314 million a year ago. This was led by higher net interest income and wealth management fee income, partly offset by increase in expenses. Compared to 4Q17, operating profit grew by 29% from higher fee income, coupled with lower expenses and allowances.

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.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's operating profit after allowances grew 44% year-on-year to S$506 million in 1Q18, largely attributable to higher net interest income and lower allowances. Operating profit rose 96% quarter-on-quarter, driven by higher net interest income, investment banking income and a decline 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$119 million, up 9% from a year ago, mainly attributable to higher net interest income. Quarter-on-quarter, operating profit grew 26%, driven by higher net trading 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 rose 17% year-on-year to S$99 million in 1Q18, from S$85 million in 1Q17, driven by higher net interest income. Compared to 4Q17, operating profit was 19% higher, mainly attributable to a decline in expenses.

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 grew 48% to S$162 million in 1Q18, driven by higher profits from its underlying insurance business, partly offset by unrealised marked-to-market losses in its investment portfolio in 1Q18. Compared with 4Q17, operating profit fell 66%, largely due to lower realised gains from sale of equity investments.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S$123 million in 1Q18, compared with S$68 million in 1Q17 and S$363 million in 4Q17.

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	OCBC Wing Hang	Insurance	Others	Group
1Q18							
Total income	**880**	**818**	**184**	**242**	**233**	**(24)**	**2,333**
Operating profit before allowances and amortisation	**380**	**553**	**122**	**115**	**174**	**(43)**	**1,301**
Amortisation of intangible assets	**(3)**	**–**	**–**	**(10)**	**(12)**	**–**	**(25)**
Write-back/(allowances) for loans and other assets	**(8)**	**(47)**	**(3)**	**(6)**	**0**	**52**	**(12)**
Operating profit after allowances and amortisation	**369**	**506**	**119**	**99**	**162**	**9**	**1,264**
Other information:							
Capital expenditure	**9**	**0**	**0**	**4**	**13**	**20**	**46**
Depreciation	**10**	**2**	**0**	**7**	**1**	**58**	**78**
1Q17							
Total income	780	737	181	226	187	11	2,122
Operating profit before allowances and amortisation	332	484	115	90	125	3	1,149
Amortisation of intangible assets	(4)	–	–	(11)	(11)	–	(26)
Write-back/(allowances) for loans and other assets	(14)	(134)	(6)	6	(4)	(16)	(168)
Operating profit after allowances and amortisation	314	350	109	85	110	(13)	955
Other information:							
Capital expenditure	8	0	0	2	14	28	52
Depreciation	10	3	0	17	1	47	78
4Q17							
Total income	821	729	160	243	587	98	2,638
Operating profit before allowances and amortisation	311	461	96	98	497	100	1,563
Amortisation of intangible assets	(4)	–	–	(10)	(12)	–	(26)
Write-back/(allowances) for loans and other assets	(22)	(203)	(1)	(5)	(3)	56	(178)
Operating profit after allowances and amortisation	285	258	95	83	482	156	1,359
Other information:							
Capital expenditure	14	1	–	5	12	57	89
Depreciation	11	2	–	17	3	48	81

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	OCBC Wing Hang	Insurance	Others	Group
At 31 March 2018							
Segment assets	**110,175**	**131,443**	**81,829**	**54,865**	**85,391**	**14,677**	**478,380**
Unallocated assets							**1,045**
Elimination							**(18,852)**
Total assets							**460,573**
Segment liabilities	**122,110**	**113,603**	**58,296**	**47,061**	**75,258**	**18,597**	**434,925**
Unallocated liabilities							**2,731**
Elimination							**(18,852)**
Total liabilities							**418,804**
Other information:							
Gross non-bank loans	**94,563**	**123,543**	**1,551**	**32,210**	**31**	**(5,236)**	**246,662**
NPAs	**560**	**2,822**	**–**	**170**	**4**	**(104)**	**3,452**
At 31 December 2017							
Segment assets	106,529	126,157	82,913	55,874	85,299	15,167	471,939
Unallocated assets							906
Elimination							(17,950)
Total assets							454,895
Segment liabilities	117,287	111,069	55,415	48,251	75,020	21,387	428,429
Unallocated liabilities							2,623
Elimination							(17,950)
Total liabilities							413,102
Other information:							
Gross non-bank loans	91,144	118,242	1,519	31,285	42	(4,911)	237,321
NPAs	559	2,847	–	157	5	(100)	3,468
At 31 March 2017							
Segment assets	102,853	121,340	81,328	50,262	75,193	16,008	446,984
Unallocated assets							948
Elimination							(20,993)
Total assets							426,939
Segment liabilities	115,644	103,318	58,029	42,576	65,730	19,714	405,011
Unallocated liabilities							2,475
Elimination							(20,993)
Total liabilities							386,493
Other information:							
Gross non-bank loans	85,622	113,722	1,326	29,879	51	(5,797)	224,803
NPAs	582	2,219	–	247	3	(181)	2,870

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	1Q18		1Q17		4Q17	
	S$ million	%	S$ million	%	S$ million	%
Total income						
Singapore	**1,354**	**58**	1,243	59	1,617	61
Malaysia	**332**	**14**	308	14	381	15
Indonesia	**196**	**8**	197	9	199	8
Greater China	**345**	**15**	289	14	339	13
Other Asia Pacific	**68**	**3**	38	2	41	1
Rest of the World	**38**	**2**	47	2	61	2
	2,333	**100**	2,122	100	2,638	100
Profit before income tax						
Singapore	**697**	**50**	504	47	798	57
Malaysia	**207**	**15**	196	18	111	8
Indonesia	**106**	**8**	82	8	221	16
Greater China	**291**	**21**	234	22	216	16
Other Asia Pacific	**56**	**4**	26	2	44	3
Rest of the World	**32**	**2**	27	3	(3)	–
	1,389	**100**	1,069	100	1,387	100

	31 Mar 2018		31 Dec 2017		31 Mar 2017	
	S$ million	%	S$ million	%	S$ million	%
Total assets						
Singapore	**261,834**	**57**	257,521	57	240,719	56
Malaysia	**65,515**	**14**	62,914	14	61,004	14
Indonesia	**15,482**	**3**	15,373	3	15,207	4
Greater China	**85,875**	**19**	85,757	19	77,749	18
Other Asia Pacific	**13,703**	**3**	13,399	3	13,211	3
Rest of the World	**18,164**	**4**	19,931	4	19,049	5
	460,573	**100**	454,895	100	426,939	100

Note:
1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

The geographical segment analysis is based on the location where assets or transactions are booked. For 1Q18, Singapore accounted for 58% of total income and 50% of pre-tax profit, while Malaysia accounted for 14% of total income and 15% of pre-tax profit. Greater China accounted for 15% of total income and 21% of pre-tax profit.

Pre-tax profit for Singapore was S$697 million in the first quarter, an increase of 38% from S$504 million in 1Q17, as growth in net interest income and non-interest income were offset by an increase in operating expenses. Malaysia's pre-tax profit was S$207 million, 6% higher from S$196 million a year ago, largely attributable to higher net interest income. Pre-tax profit for Greater China was up 24% to S$291 million, from S$234 million in 1Q17, mainly from an increase in associate's profits and higher net interest income.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S$ million	1Q18	1Q17	+/(-) %	4Q17	+/(-) %
Interest income	**2,510**	2,117	19	2,428	3
Interest expense	**(1,095)**	(845)	30	(1,004)	9
Net interest income	**1,415**	1,272	11	1,424	(1)
Premium income	**2,311**	2,593	(11)	4,194	(45)
Investment income	**(177)**	1,111	(116)	1,002	(118)
Net claims, surrenders and annuities	**(1,377)**	(1,189)	16	(1,468)	(6)
Change in life assurance fund contract liabilities	**(229)**	(1,982)	(88)	(2,900)	(92)
Commission and others	**(362)**	(484)	(25)	(558)	(35)
Profit from life assurance	**166**	49	242	270	(38)
Premium income from general insurance	**40**	35	14	40	–
Fees and commissions (net)	**536**	481	11	491	9
Dividends	**19**	15	25	11	66
Rental income	**20**	21	(4)	21	(4)
Other income	**137**	249	(45)	381	(64)
Non-interest income	**918**	850	8	1,214	(24)
Total income	**2,333**	2,122	10	2,638	(12)
Staff costs	**(662)**	(602)	10	(642)	3
Other operating expenses	**(370)**	(371)	–	(433)	(15)
Total operating expenses	**(1,032)**	(973)	6	(1,075)	(4)
Operating profit before allowances and amortisation	**1,301**	1,149	13	1,563	(17)
Amortisation of intangible assets	**(25)**	(26)	(4)	(26)	(1)
Allowances for loans and other assets	**(12)**	(168)	(93)	(178)	(93)
Operating profit after allowances and amortisation	**1,264**	955	32	1,359	(7)
Share of results of associates	**125**	114	9	28	340
Profit before income tax	**1,389**	1,069	30	1,387	–
Income tax expense	**(228)**	(169)	35	(257)	(11)
Profit for the period	**1,161**	900	29	1,130	3
Profit attributable to:					
Equity holders of the Bank	**1,112**	861	29	1,034	8
Non-controlling interests	**49**	39	28	96	(49)
	1,161	900	29	1,130	3
Earnings per share [1/] **(for the period – cents)**					
Basic	**26.3**	20.4		24.1	
Diluted	**26.3**	20.3		24.1	

Note:
1. Earnings mean profit attributable to ordinary equity holders of the bank.
2. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S$ million	1Q18	1Q17	+/(-)	4Q17	+/(-)
			%		%
Profit for the period	**1,161**	900	29	1,130	3
Other comprehensive income:					
Items that may be reclassified subsequently to income statement:					
Financial assets, at FVOCI / available-for-sale					
Gains/(losses) for the period	**(231)**	369	(163)	22	nm
Reclassification of (gains)/losses to income statement					
– on disposal	**(8)**	(39)	79	(249)	97
– on impairment	**(17)**	20	(183)	10	(266)
Tax on net movements	**10**	(31)	131	28	(66)
Cash flow hedges	**(1)**	–	–	(0)	(864)
Currency translation on foreign operations	**(96)**	(311)	69	(45)	(115)
Other comprehensive income of associates	**54**	(123)	144	40	35
Items that will not be reclassified subsequently to income statement:					
Financial assets, at FVOCI	**(98)**	–	–	–	–
Defined benefit plans remeasurements	**(0)**	0	(160)	(2)	98
Total other comprehensive income, net of tax	**(387)**	(115)	(237)	(196)	(97)
Total comprehensive income for the period, net of tax	**774**	785	(1)	934	(17)
Total comprehensive income attributable to:					
Equity holders of the Bank	**765**	728	5	856	(11)
Non-controlling interests	**9**	57	(84)	78	(89)
	774	785	(1)	934	(17)

Note:
1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

BALANCE SHEETS (UNAUDITED)

	GROUP			BANK		
S$ million	31 Mar 2018	31 Dec 2017	31 Mar 2017	31 Mar 2018	31 Dec 2017	31 Mar 2017
EQUITY						
Attributable to equity holders of the Bank						
Share capital	**15,083**	15,136	15,113	**15,083**	15,136	15,113
Other equity instruments	**499**	499	499	**499**	499	499
Capital reserves	**786**	361	592	**222**	99	110
Fair value reserves	**(46)**	352	512	**(53)**	12	69
Revenue reserves	**22,711**	22,680	21,079	**12,393**	13,017	12,853
	39,033	39,028	37,795	**28,144**	28,763	28,644
Non-controlling interests	**2,736**	2,765	2,651	**–**	–	–
Total equity	**41,769**	41,793	40,446	**28,144**	28,763	28,644
LIABILITIES						
Deposits of non-bank customers	**288,770**	283,642	265,044	**183,269**	178,146	162,411
Deposits and balances of banks	**9,318**	7,485	14,543	**6,697**	6,085	12,137
Due to subsidiaries	**–**	–	–	**17,804**	16,301	18,986
Due to associates	**300**	220	212	**111**	103	111
Trading portfolio liabilities	**472**	622	765	**472**	622	688
Derivative payables	**7,883**	6,454	5,337	**5,933**	4,989	4,266
Other liabilities	**6,118**	6,066	5,805	**1,925**	1,855	1,725
Current tax payables	**1,292**	1,107	1,021	**542**	440	458
Deferred tax liabilities	**1,440**	1,516	1,454	**61**	54	48
Debt issued	**28,880**	32,235	27,746	**29,276**	32,498	27,394
	344,473	339,347	321,927	**246,090**	241,093	228,224
Life assurance fund liabilities	**74,331**	73,755	64,566	**–**	–	–
Total liabilities	**418,804**	413,102	386,493	**246,090**	241,093	228,224
Total equity and liabilities	**460,573**	454,895	426,939	**274,234**	269,856	256,868
ASSETS						
Cash and placements with central banks	**18,802**	19,594	19,410	**13,341**	14,355	14,249
Singapore government treasury bills and securities	**9,573**	9,840	10,003	**8,909**	9,089	9,642
Other government treasury bills and securities	**17,992**	17,631	17,495	**8,967**	8,444	7,490
Placements with and loans to banks	**42,013**	49,377	45,278	**29,862**	34,756	35,978
Loans and bills receivable	**243,780**	234,141	221,459	**148,715**	143,516	134,712
Debt and equity securities	**25,375**	25,329	23,463	**13,673**	13,981	12,568
Assets pledged	**2,290**	1,056	1,842	**936**	741	917
Assets held for sale	**37**	39	36	**0**	2	2
Derivative receivables	**7,601**	6,386	5,375	**5,836**	5,117	4,309
Other assets	**5,998**	5,639	5,198	**1,619**	1,472	1,505
Deferred tax assets	**105**	143	152	**23**	65	66
Associates	**3,148**	2,352	2,445	**951**	483	593
Subsidiaries	**–**	–	–	**38,411**	34,824	31,807
Property, plant and equipment	**3,292**	3,332	3,497	**597**	614	634
Investment property	**916**	949	962	**527**	530	529
Goodwill and intangible assets	**5,077**	5,160	5,351	**1,867**	1,867	1,867
	385,999	380,968	361,966	**274,234**	269,856	256,868
Life assurance fund investment assets	**74,574**	73,927	64,973	**–**	–	–
Total assets	**460,573**	454,895	426,939	**274,234**	269,856	256,868
Net asset value (before valuation surplus) per ordinary shares – S$	**9.21**	8.96	8.68	**6.61**	6.51	6.49
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	**10,906**	10,504	9,854	**7,869**	7,283	7,062
Commitments	**130,997**	130,383	118,068	**79,107**	80,501	73,205
Derivative financial instruments	**1,069,206**	919,224	817,939	**908,410**	754,752	695,585

Note:
1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 March 2018

	Attributable to equity holders of the Bank						
S$ million	**Share capital and other equity**	**Capital reserves**	**Fair value reserves**	**Revenue reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2018							
As previously reported	**15,635**	**361**	**120**	**22,892**	**39,008**	**2,768**	**41,776**
Effect of adopting SFRS(I) 1 and GEH accounting policy change	**–**	**–**	**232**	**(212)**	**20**	**(3)**	**17**
Effect of adopting SFRS(I) 9 and revised MAS612	**–**	**354**	**(101)**	**(13)**	**240**	**0**	**240**
As restated [1]	**15,635**	**715**	**251**	**22,667**	**39,268**	**2,765**	**42,033**
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 to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(38)**	**(38)**
Distribution for perpetual capital securities	**–**	**–**	**–**	**(10)**	**(10)**	**–**	**(10)**
Redemption of preference shares issued by the Bank	**–**	**–**	**–**	**(1,000)**	**(1,000)**	**–**	**(1,000)**
Share-based staff costs capitalised	**–**	**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)**
Balance at 31 March 2018	**15,582**	**786**	**(46)**	**22,711**	**39,033**	**2,736**	**41,769**
Included in the balances:							
Share of reserves of associates	**–**	**–**	**(57)**	**1,010**	**953**	**–**	**953**
Balance at 1 January 2017							
As previously reported	15,606	572	156	20,673	37,007	2,635	39,642
Effect of adopting SFRS(I) 1 and GEH accounting policy change	–	–	131	(117)	14	(3)	11
As restated [2]	15,606	572	287	20,556	37,021	2,632	39,653
Total comprehensive income for the period	–	–	225	503	728	57	785
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	(29)	–	29	–	–	–
Dividends to non-controlling interests	–	–	–	–	–	(38)	(38)
Distribution for perpetual capital securities	–	–	–	(9)	(9)	–	(9)
Share-based staff costs capitalised	–	4	–	–	4	–	4
Share buyback held in treasury	(17)	–	–	–	(17)	–	(17)
Shares vested under DSP Scheme	–	45	–	–	45	–	45
Treasury shares transferred/sold	23	–	–	–	23	–	23
Total contributions by and distributions to owners	6	20	–	20	46	(38)	8
Balance at 31 March 2017	15,612	592	512	21,079	37,795	2,651	40,446
Included in the balances:							
Share of reserves of associates	–	–	(32)	835	803	(0)	803

Note:
1. Included cumulative FCTR of S$924 million was reclassified from FCTR to unappropriated profit within revenue reserves.
2. Included cumulative FCTR of S$918 million was reclassified from FCTR to unappropriated profit within revenue reserves.

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)
For the three months ended 31 March 2018

S$ million	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2018					
As previously reported	**15,635**	**99**	**12**	**13,017**	**28,763**
Effect of adopting SFRS(I) 9 and revised MAS612	**–**	**122**	**28**	**(114)**	**36**
As restated [1]	**15,635**	**221**	**40**	**12,903**	**28,799**
Total comprehensive income for the period	**–**	**–**	**(93)**	**497**	**404**
Transfers	**–**	**(3)**	**–**	**3**	**–**
Distribution for perpetual capital securities	**–**	**–**	**–**	**(10)**	**(10)**
Redemption of preference shares issued by the Bank	**–**	**–**	**–**	**(1,000)**	**(1,000)**
Share-based staff costs capitalised	**–**	**4**	**–**	**–**	**4**
Share buyback held in treasury	**(83)**	**–**	**–**	**–**	**(83)**
Treasury shares transferred/sold	**30**	**–**	**–**	**–**	**30**
Balance at 31 March 2018	**15,582**	**222**	**(53)**	**12,393**	**28,144**
Balance at 1 January 2017					
As previously reported	15,606	106	8	12,561	28,281
As restated [1]	15,606	106	8	12,561	28,281
Total comprehensive income for the period	–	–	61	301	362
Distribution for perpetual capital securities	–	–	–	(9)	(9)
Share-based staff costs capitalised	–	4	–	–	4
Share buyback held in treasury	(17)	–	–	–	(17)
Treasury shares transferred/sold	23	–	–	–	23
Balance at 31 March 2017	15,612	110	69	12,853	28,644

Note:
1. Included cumulative FCTR of S$149 million was reclassified from FCTR to unappropriated profit within revenue reserves.

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
For the three months ended 31 March 2018

S$ million	1Q18	1Q17
Cash flows from operating activities		
Profit before income tax	**1,389**	1,069
Adjustments for non-cash items:		
Amortisation of intangible assets	**25**	26
Allowances for loans and other assets	**12**	168
Change in hedging transactions, trading, fair value through profit and loss securities and debt issued	**180**	(38)
Depreciation of property, plant and equipment and investment property	**78**	78
Net gain on disposal of property, plant and equipment and investment property	**(24)**	(24)
Net gain on disposal of government, debt and equity securities	**(8)**	(65)
Share-based costs	**13**	13
Share of results of associates	**(125)**	(114)
Items relating to life assurance fund		
Surplus before income tax	**178**	228
Surplus transferred from life assurance fund	**(166)**	(49)
Operating profit before change in operating assets and liabilities	**1,552**	1,292
Change in operating assets and liabilities:		
Deposits of non-bank customers	**5,208**	3,563
Deposits and balances of banks	**1,833**	3,804
Derivative payables and other liabilities	**1,082**	(2,493)
Trading portfolio liabilities	**(150)**	167
Government securities and treasury bills	**(691)**	(3,071)
Restricted balances with central banks	**60**	(56)
Trading and fair value through profit and loss securities	**244**	(186)
Placements with and loans to banks	**7,078**	(5,237)
Loans and bills receivable	**(9,382)**	(4,755)
Derivative receivables and other assets	**(1,736)**	2,404
Net change in investment assets and liabilities of life assurance fund	**(82)**	(229)
Cash from/(used in) operating activities	**5,016**	(4,797)
Income tax paid	**(114)**	(88)
Net cash from/(used in) operating activities	**4,902**	(4,885)
Cash flows from investing activities		
Decrease/(increase) in associates	**(62)**	60
Purchases of debt and equity securities	**(4,586)**	(6,161)
Purchases of property, plant and equipment and investment property	**(46)**	(52)
Proceeds from disposal of debt and equity securities	**3,174**	5,710
Proceeds from disposal of property, plant and equipment and investment property	**27**	51
Net cash used in investing activities	**(1,493)**	(392)
Cash flows from financing activities		
Dividends paid to equity holders of the Bank	**(3)**	–
Dividends paid to non-controlling interests	**(38)**	(38)
Redemption of preference shares issued by the Bank	**(1,000)**	–
Redemption of subordinated debt issued	**(1,314)**	–
Net (redemption)/issuance of other debt issued	**(1,728)**	8,378
Distribution for perpetual capital securities	**(10)**	(9)
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	**30**	23
Share buyback held in treasury	**(83)**	(17)
Net cash (used in)/from financing activities	**(4,146)**	8,337
Net currency translation adjustments	**9**	(266)
Net change in cash and cash equivalents	**(728)**	2,794
Cash and cash equivalents at beginning of period	**13,835**	11,177
Cash and cash equivalents at end of period	**13,107**	13,971

Note:
1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

IMPACT OF NEW ACCOUNTING POLICIES EFFECTIVE 1 JANUARY 2018

S$ million	SFRS framework	Effect of SFRS(I) 1 [1/]	Effect of GEH accounting policy change [1/]	Effect of SFRS(I) 9	SFRS(I) framework
	Increase / (decrease)				
Consolidated Balance sheet - 1 January 2018					
EQUITY					
Attributable to equity holders of the Bank:					
Share capital	15,136	–	–	–	15,136
Other equity instruments	499	–	–	–	499
Capital reserves	361	–	–	354	715
Fair value reserves	120	–	232	(101)	251
Revenue reserves	22,892	31	(243)	(13)	22,667
	39,008	31	(11)	240	39,268
Non-controlling interests	2,768	(1)	(2)	0	2,765
Total equity	41,776	30	(13)	240	42,033
LIABILITIES					
Other liabilities	6,065	–	1	0	6,066
Current tax payables	1,102	5	–	25	1,132
Deferred tax liabilities	1,582	(66)	–	(10)	1,506
Life assurance fund liabilities	73,755	–	–	(5)	73,750
ASSETS					
Cash and placements with central banks	19,594	–	–	(5)	19,589
Other government treasury bills and securities	17,631	–	–	(1)	17,630
Placements with and loans to banks	49,377	–	–	(7)	49,370
Loans and bills receivable	234,141	–	–	330	234,471
Debt and equity securities	25,329	–	–	(6)	25,323
Other assets	5,651	–	(12)	0	5,639
Deferred tax assets	174	(31)	–	(56)	87
Life assurance fund investment assets	73,927	–	–	(5)	73,922

Note:
1. Cumulative effect from 1 January 2017 to 31 December 2017.

IMPACT OF NEW ACCOUNTING POLICIES EFFECTIVE 1 JANUARY 2018 *(continued)*

S$ million	SFRS framework	Effect of SFRS(I) 1	Effect of GEH accounting policy change	SFRS(I) framework
		Increase / (decrease)		
Consolidated Income Statement Financial Year 2017				
Other income				
1Q17	**249**	**–**	**–**	**249**
2Q17	**236**	**(2)**	**–**	**234**
3Q17	**207**	**5**	**–**	**212**
4Q17	**383**	**(2)**	**–**	**381**
Profit from life assurance				
1Q17	**176**	**–**	**(127)**	**49**
2Q17	**240**	**–**	**(45)**	**195**
3Q17	**201**	**–**	**52**	**253**
4Q17	**259**	**–**	**11**	**270**
Operating expenses				
1Q17	**973**	**–**	**0**	**973**
2Q17	**992**	**(0)**	**1**	**993**
3Q17	**1,001**	**–**	**(0)**	**1,001**
4Q17	**1,067**	**8**	**0**	**1,075**
Profit for the period				
1Q17	**1,027**	**–**	**(127)**	**900**
2Q17	**1,144**	**(2)**	**(46)**	**1,096**
3Q17	**1,112**	**5**	**52**	**1,169**
4Q17	**1,129**	**(10)**	**11**	**1,130**

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

	Three months ended 31 Mar	
Number of Shares	**2018**	**2017**
Issued ordinary shares		
Balance at beginning/end of period	**4,193,784,461**	4,193,729,363
Treasury shares		
Balance at beginning of period	**(7,070,767)**	(11,022,010)
Share buyback	**(6,400,000)**	(1,800,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	**3,131,639**	2,880,323
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	**246,378**	1,798
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	**1,952**	–
Balance at end of period	**(10,090,798)**	(9,939,889)
Total	**4,183,693,663**	4,183,789,474

Pursuant to the share purchase mandate approved at the annual general meeting held on 28 April 2017, the Bank purchased a total of 6,400,000 ordinary shares in the first quarter ended 31 March 2018. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S$12.37 to S$13.59 per share and the total consideration paid was S$83,822,410 (including transaction costs).

From 1 January 2018 to 31 March 2018 (both dates inclusive), the Bank utilised 3,131,639 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 2018, the number of options outstanding under the OCBC SOS 2001 was 33,509,791 (31 March 2017: 37,814,078).

From 1 January 2018 to 31 March 2018 (both dates inclusive), the Bank utilised 246,378 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 2018, the number of acquisition rights outstanding under the OCBC ESPP was 14,047,279 (31 March 2017: 15,218,297).

From 1 January 2018 to 31 March 2018 (both dates inclusive), the Bank transferred 1,952 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 2018.

OTHER MATTERS

1. The Bank has not obtained a general mandate from shareholders for Interested Party 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.

OCBC Bank

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 2018 to be false or misleading.

On behalf of the Board of Directors

Ooi Sang Kuang	Samuel N. Tsien
Chairman	Chief Executive Officer / Director

4 May 2018