

Media Release

OCBC Group Reported Third Quarter 2017 Net Profit of S\$1.06 billion

*Third quarter earnings grew 12% year-on-year driven by
broad-based growth across all key markets and businesses*

Nine months net profit rose 16% to S\$3.11 billion

Singapore, 26 October 2017 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$1.06 billion for the third quarter of 2017 (“3Q17”), 12% above S\$943 million a year ago (“3Q16”). The strong performance was driven by sustained momentum across the Group’s banking, wealth management and insurance businesses in its key markets of Singapore, Malaysia, Indonesia and Greater China.

Net interest income grew 12% to S\$1.38 billion in 3Q17 from S\$1.23 billion a year ago, underpinned by asset growth and higher net interest margin (“NIM”). Average customer loans rose 11%, driven by broad-based lending across industries and geographical segments. NIM for the quarter rose by 4 basis points to 1.66%, largely attributable to an increase in the average loans-to-deposits ratio (“LDR”) and higher yields from money market placements.

Non-interest income was 1% higher at S\$978 million as compared to S\$970 million a year ago. Fees and commissions increased 14% to S\$488 million, mainly from wealth management, fund management and trade-related income. Wealth management fee income grew 32% year-on-year, partly contributed by the former wealth and investment management business of Barclays PLC in Singapore and Hong Kong (“Barclays WIM”) which was acquired in November 2016. Net realised gains from the sale of investment securities increased 55% from a year ago to S\$64 million, while net trading income was 27% lower at S\$118 million. Profit from life assurance rose 23% to S\$201 million as operating profit from Great Eastern Holdings’ (“GEH”) underlying insurance business grew year-on-year and its investment portfolio achieved positive performance as a result of favourable market conditions.

The Group’s share of results of associates of S\$127 million was 21% above S\$105 million in 3Q16.

Operating expenses for the quarter rose 5% to S\$1.00 billion from S\$953 million a year ago, largely contributed by an increase in staff costs associated with the inclusion of Barclays WIM. The cost-to-income ratio of 42.4% was lower than 43.2% in 3Q16. Allowances for loans and other assets fell 6% to S\$156 million as compared to S\$166 million a year ago.

The Group's net profit after tax was 2% lower against the previous quarter ("2Q17"). Net interest income increased 3%, as average customer loans grew 2% and NIM improved by 1 basis point. Non-interest income fell 7% mainly from lower net trading income and profit from life assurance. Reflecting disciplined cost management, operating expenses grew a modest 1% against 2Q17. Net allowances for loans and other assets were 8% lower than the previous quarter.

Nine Months Performance

Net profit after tax for the first nine months of 2017 ("9M17") of S\$3.11 billion was 16% higher than S\$2.68 billion a year ago ("9M16").

Net interest income grew 5% to S\$4.00 billion, led by an 8% increase in average asset volumes that more than offset a 4 basis points decline in NIM. Non-interest income of S\$3.00 billion rose 20% from a year ago. Growth across key customer segments drove fee and commission income up 20% to S\$1.46 billion. Net trading income was 2% higher at S\$417 million, and net gains from the sale of investment securities were up 27% at S\$182 million. Profit from life assurance of S\$617 million was significantly above S\$355 million a year ago, mainly attributable to higher operating profit and positive performance in the investment portfolio as a result of favourable market conditions.

The Group's wealth management income, comprising income from insurance, private banking, asset management, stockbroking and other wealth management products, of S\$2.25 billion grew 38% from S\$1.63 billion a year ago. As a proportion of the Group's total income, wealth management contributed 32%, higher than 26% in 9M16. Assets under management at OCBC's private banking business rose to US\$95 billion (S\$129 billion) as at 30 September 2017, a 53% increase from US\$62 billion (S\$85 billion) a year ago, partially contributed by the acquisition of Barclays WIM.

Operating expenses rose 6% to S\$2.97 billion, largely from higher staff-related costs following the acquisition of Barclays WIM. Net allowances for loans and other assets of S\$493 million were 17% above S\$421 million a year ago.

Income from associates of S\$361 million in 9M17 grew 15% from S\$314 million a year ago.

Annualised return on equity for 9M17 was 11.4%, higher than 10.5% a year ago. Annualised earnings per share amounted to 98.0 cents, an increase from 85.1 cents a year ago.

Allowances and Asset Quality

Total net allowances for loans and other assets for 3Q17 were S\$156 million, comprising specific provisions for loans, net of recoveries and write-backs of S\$138 million, portfolio allowances of S\$3 million and allowances for other assets of S\$15 million. This was lower than S\$166 million a year ago and S\$169 million in the previous quarter.

Specific allowances for loans for the quarter were higher against both prior periods, and represented an annualised 24 basis points of loans. An increased amount of specific allowances was prudently set aside, driven by a number of restructured accounts which, though continuing to service their repayment obligations, exhibited ongoing weakness and declining collateral valuations.

As at 30 September 2017, total non-performing assets (“NPAs”) were S\$2.98 billion. New NPA formation was lower quarter-on-quarter. The overall non-performing loans (“NPL”) ratio had remained stable at 1.3% since 31 December 2016. Compared to S\$2.59 billion a year ago, total NPAs were 15% higher, mainly led by the downgrade of corporate accounts in the oil and gas support services sector, which continued to be under stress. The Group maintained healthy coverage ratios, with total cumulative allowances representing 309% of unsecured NPAs and 101% of total NPAs as at 30 September 2017.

Funding and Capital Position

The Group maintained a strong funding and capital position as at 30 September 2017. Customer loans grew 11% to S\$232 billion from S\$209 billion a year ago. Current account and savings (“CASA”) deposits rose 9% year-on-year and comprised 50.5% of total non-bank deposits. These contributed to the overall increase in customer deposits, which grew 8% to S\$268 billion. The LDR was 85.3%, higher as compared to 83.1% in the previous year.

For 3Q17, the average Singapore dollar and all-currency liquidity coverage ratios for the Group (excluding OCBC Wing Hang Hong Kong, OCBC Wing Hang Macau and OCBC Yangon which will be included in due course) were 269% and 147% respectively, well above the respective regulatory ratios of 100% and 80%.

The Group’s Common Equity Tier 1 capital adequacy ratio (“CAR”), Tier 1 CAR and Total CAR as at 30 September 2017, were 13.1%, 14.0% and 16.2% respectively. Based on Basel III transitional arrangements, 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% will be phased in from 2016 to 2019. The CCB was 1.25% as at 1 January 2017, and will be increased by 0.625% each year to reach 2.5% on 1 January 2019. The Group’s leverage ratio of 7.6% was better than the 3% minimum requirement as guided by the Basel Committee

CEO's Comments

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

"Our strong third quarter earnings demonstrated the quality and continued momentum in each of our banking, wealth management and insurance franchises. Our key markets of Singapore, Malaysia, Indonesia and Greater China have all contributed to our broad-based income growth. Asset quality was stable and healthy coverage ratios were maintained.

Business activities and investments are generally picking up in tandem with regional economic trends and we are well-placed to serve our customers and capture opportunities as they arise. However, we will remain watchful of ongoing geo-political event risks and the continuing stress observed in the oil and gas industry."

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 and the Asia Pacific 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 600 branches and representative offices in 18 countries and regions. These include over 330 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

For more information, please contact:

Koh Ching Ching
Head
Group Corporate Communications
OCBC Bank

Collins Chin
Head
Investor Relations
OCBC Bank

Tel: (65) 6530 1531
Fax: (65) 6535 7477

Tel: (65) 6679 5008
Fax: (65) 6532 6001

To Our Shareholders

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

Unaudited Financial Results for the Third Quarter Ended 30 September 2017

For the third quarter ended 30 September 2017, Group reported net profit after tax was S\$1.06 billion. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend

No interim dividend on ordinary shares has been declared for the third quarter ended 30 September 2017.

Preference Dividend

The Board of Directors has declared payment of semi-annual tax exempt dividend on its Class M non-cumulative non-convertible preference shares at 4.0% (2016: 4.0%) per annum. The semi-annual dividend, computed for the period from 20 June 2017 to 19 December 2017 (both dates inclusive) will be paid on 20 December 2017. Total amount of dividend payable is S\$20.1 million.

Notice is hereby given that the Transfer Books and the Register of Preference Shareholders will be closed from 5 December 2017 to 6 December 2017 (both dates inclusive). Duly completed transfers received by the Bank’s Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 4 December 2017 will be registered to determine the entitlement of the preference shareholders to the semi-annual dividend.

Peter Yeoh
Secretary

Singapore, 26 October 2017

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

Oversea-Chinese Banking Corporation Limited
Third Quarter 2017 Group Financial Report



Incorporated in Singapore
Company Registration Number: 193200032W

CONTENTS

Financial Summary	2
Financial Review	
Net Interest Income	5
Non-Interest Income	7
Operating Expenses	8
Allowances for Loans and Other Assets	9
Loans and Advances	10
Non-Performing Assets	11
Cumulative Allowances for Assets	13
Deposits	14
Debt Issued	14
Capital Adequacy Ratios	15
Leverage Ratio	16
Liquidity Coverage Ratios	16
Unrealised Valuation Surplus	16
Performance by Business Segment	17
Performance by Geographical Segment	22
Financial Statements	
Consolidated Income Statement (Unaudited)	23
Consolidated Statement of Comprehensive Income (Unaudited)	24
Balance Sheets (Unaudited)	25
Statement of Changes in Equity – Group (Unaudited)	
For the nine months ended 30 September 2017	26
For the three months ended 30 September 2017	27
Statement of Changes in Equity – Bank (Unaudited)	
For the nine months ended 30 September 2017	28
For the three months ended 30 September 2017	28
Consolidated Cash Flow Statement (Unaudited)	29
Share Capital and Options on Shares in the Bank	30
Other Matters	31
Attachment: Confirmation by the Board	

Notes:

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

FINANCIAL SUMMARY

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

The following revised financial reporting standards and interpretations were applied with effect from 1 January 2017:

FRS 7 (Amendments)	<i>Statement of Cash Flows: Disclosure Initiatives</i>
FRS 12 (Amendments)	<i>Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses</i>
Various	<i>Improvements to FRSs (December 2016)</i>

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

Financial Results

The Group reported a net profit after tax of S\$1.06 billion for the third quarter ended 30 September 2017 (“3Q17”), representing an increase of 12% from S\$943 million a year ago (“3Q16”).

Net interest income for 3Q17 was 12% higher at S\$1.38 billion as compared with S\$1.23 billion in 3Q16, underpinned by asset growth and higher net interest margin. Non-interest income increased 1% to S\$978 million against S\$970 million a year ago. Fee and commission income was S\$488 million, 14% higher than S\$428 million in 3Q16, driven by higher wealth management, fund management and trade-related income. Net realised gains from the sale of investment securities rose 55% from a year ago to S\$64 million, while net trading income was 27% lower at S\$118 million. Profit from life assurance of S\$201 million, was 23% higher than S\$164 million a year ago. The share of results of associates increased 21% to S\$127 million for the quarter, up from S\$105 million in 3Q16.

Operating expenses rose 5% to S\$1.00 billion in 3Q17 from S\$953 million a year ago. Allowances for loans and other assets were lower at S\$156 million, as compared to S\$166 million a year ago. The Group’s non-performing loans (“NPL”) ratio was 1.3% as at 30 September 2017.

For the first nine months of 2017 (“9M17”), Group net profit after tax grew 16% to S\$3.11 billion from S\$2.68 billion a year ago (“9M16”), and was driven by broad-based income growth.

Annualised return on equity was 11.4% in 9M17, as compared with 10.5% a year ago. Annualised earnings per share was 98.0 cents, an increase from 85.1 cents in 9M16.

FINANCIAL SUMMARY *(continued)*

S\$ million	9M17	9M16	+ / (-)	3Q17	3Q16	+ / (-)	2Q17	+ / (-)
			%			%		%
Selected Income Statement Items								
Net interest income	3,999	3,801	5	1,382	1,234	12	1,345	3
Non-interest income	3,008	2,511	20	978	970	1	1,053	(7)
Total income	7,007	6,312	11	2,360	2,204	7	2,398	(2)
Operating expenses	(2,967)	(2,807)	6	(1,001)	(953)	5	(992)	1
Operating profit before allowances and amortisation	4,040	3,505	15	1,359	1,251	9	1,406	(3)
Amortisation of intangible assets	(78)	(72)	9	(26)	(23)	7	(27)	(2)
Allowances for loans and impairment for other assets	(493)	(421)	17	(156)	(166)	(6)	(169)	(8)
Operating profit after allowances and amortisation	3,469	3,012	15	1,177	1,062	11	1,210	(3)
Share of results of associates	361	314	15	127	105	21	119	6
Profit before income tax	3,830	3,326	15	1,304	1,167	12	1,329	(2)
Net profit attributable to shareholders	3,113	2,684	16	1,057	943	12	1,083	(2)
Cash basis net profit attributable to shareholders ^{1/}	3,191	2,756	16	1,083	966	12	1,110	(2)

Selected Balance Sheet Items

Ordinary equity	36,710	34,775	6	36,710	34,775	6	36,523	1
Total equity <i>(excluding non-controlling interests)</i>	38,210	36,275	5	38,210	36,275	5	38,023	–
Total assets	438,513	394,190	11	438,513	394,190	11	429,601	2
Assets excluding life assurance fund investment assets	369,243	332,234	11	369,243	332,234	11	362,728	2
Loans and bills receivable <i>(net of allowances)</i>	228,886	205,564	11	228,886	205,564	11	225,355	2
Deposits of non-bank customers	268,234	247,318	8	268,234	247,318	8	264,421	1

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY (continued)

	9M17	9M16	3Q17	3Q16	2Q17
Key Financial Ratios					
Performance ratios (% p.a.)					
Return on equity ^{1/2/}					
SFRS ^{3/} basis	11.4	10.5	11.4	10.8	11.9
Cash basis	11.7	10.8	11.7	11.1	12.2
Return on assets ^{4/}					
SFRS ^{3/} basis	1.15	1.07	1.14	1.12	1.21
Cash basis	1.18	1.10	1.17	1.15	1.23
Revenue mix/efficiency ratios (%)					
Net interest margin (annualised)	1.64	1.68	1.66	1.62	1.65
Net interest income to total income	57.1	60.2	58.6	56.0	56.1
Non-interest income to total income	42.9	39.8	41.4	44.0	43.9
Cost-to-income	42.3	44.5	42.4	43.2	41.4
Loans-to-deposits	85.3	83.1	85.3	83.1	85.2
NPL ratio	1.3	1.2	1.3	1.2	1.3
Earnings per share ^{2/} (annualised - cents)					
Basic earnings	98.0	85.1	98.7	88.3	102.4
Basic earnings (cash basis)	100.5	87.5	101.2	90.5	104.9
Diluted earnings	97.9	85.1	98.5	88.2	102.3
Net asset value per share (S\$)					
Before valuation surplus	8.76	8.31	8.76	8.31	8.73
After valuation surplus	10.87	9.82	10.87	9.82	10.77
Capital adequacy ratios (%) ^{5/}					
Common Equity Tier 1	13.1	15.1	13.1	15.1	13.0
Tier 1	14.0	15.6	14.0	15.6	13.9
Total	16.2	17.6	16.2	17.6	16.1
Leverage ratio (%) ^{6/}					
	7.6	8.4	7.6	8.4	7.8
Liquidity coverage ratios (%) ^{8/}					
Singapore dollar	265	267	269	271	260
All-currency	145	128	147	133	144

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. "SFRS" refers to Singapore Financial Reporting Standards.
4. Computation of return on assets excludes life assurance fund investment assets.
5. The Group's Capital adequacy ratios are computed based on Basel III transitional arrangements.
6. The Group's Leverage ratio is computed based on the revised MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore.
7. Return on equity, return on assets, net interest margin and earnings per share are computed on an annualised basis.
8. The Group's Liquidity coverage ratios ("LCR") is computed based on MAS Notice 649 on Minimum Liquid Assets and Liquidity Coverage Ratio, and is reported based on the average LCR for the respective quarters.

NET INTEREST INCOME

Average Balance Sheet

S\$ million	9M17			9M16		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets						
Loans and advances to non-bank customers	222,595	5,049	3.03	205,121	4,919	3.20
Placements with and loans to banks	54,201	765	1.89	51,115	586	1.53
Other interest earning assets ^{1/}	48,517	876	2.41	45,797	804	2.35
Total	325,313	6,690	2.75	302,033	6,309	2.79
Interest bearing liabilities						
Deposits of non-bank customers	264,853	2,151	1.09	246,361	2,066	1.12
Deposits and balances of banks	11,849	109	1.23	13,559	95	0.93
Other borrowings ^{2/}	28,003	431	2.06	22,071	347	2.10
Total	304,705	2,691	1.18	281,991	2,508	1.19
Net interest income/margin ^{3/}		3,999	1.64		3,801	1.68

S\$ million	3Q17			3Q16			2Q17		
	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %	Average Balance	Interest	Average Rate ^{4/} %
Interest earning assets									
Loans and advances to non-bank customers	226,244	1,735	3.04	203,953	1,586	3.09	222,896	1,690	3.04
Placements with and loans to banks	54,786	289	2.09	51,684	195	1.51	55,271	257	1.87
Other interest earning assets ^{1/}	49,670	308	2.46	47,843	278	2.31	48,835	294	2.41
Total	330,700	2,332	2.80	303,480	2,059	2.70	327,002	2,241	2.75
Interest bearing liabilities									
Deposits of non-bank customers	268,646	757	1.12	248,323	675	1.08	263,585	710	1.08
Deposits and balances of banks	10,447	37	1.42	12,220	32	1.04	13,100	41	1.26
Other borrowings ^{2/}	31,920	156	1.94	22,436	118	2.10	29,290	145	1.98
Total	311,013	950	1.21	282,979	825	1.16	305,975	896	1.17
Net interest income/margin ^{3/}		1,382	1.66		1,234	1.62		1,345	1.65

Notes:

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

NET INTEREST INCOME *(continued)*

Net interest income grew 12% to S\$1.38 billion in 3Q17 from S\$1.23 billion a year ago, largely attributable to asset growth and higher net interest margin. Net interest margin rose 4 basis points to 1.66%, from 1.62% in 3Q16, largely attributable to an increase in the average loans-to-deposits ratio (“LDR”) and higher yields from money market placements.

Against 2Q17, net interest income increased 3% from S\$1.35 billion, driven by growth in average customer loans. Net interest margin rose 1 basis point to 1.66% from 1.65%.

Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	9M17 vs 9M16			3Q17 vs 3Q16			3Q17 vs 2Q17		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
Interest income									
Loans and advances to non-bank customers	418	(270)	148	173	(24)	149	26	(0)	26
Placements with and loans to banks	35	146	181	12	82	94	(2)	31	29
Other interest earning assets	48	27	75	11	19	30	5	6	11
Total	501	(97)	404	196	77	273	29	37	66
Interest expense									
Deposits of non-bank customers	155	(63)	92	56	26	82	14	24	38
Deposits and balances of banks	(12)	27	15	(5)	10	5	(8)	4	(4)
Other borrowings	93	(8)	85	50	(12)	38	13	(3)	10
Total	236	(44)	192	101	24	125	19	25	44
Impact on net interest income	265	(53)	212	95	53	148	10	12	22
Due to change in number of days			(14)			–			15
Net interest income			198			148			37

NON-INTEREST INCOME

S\$ million	9M17	9M16	+/(-)	3Q17	3Q16	+/(-)	2Q17	+/(-)
			%			%		%
Fees and commissions								
Brokerage	54	49	11	19	17	16	17	16
Wealth management	636	431	48	205	155	32	215	(5)
Fund management	80	72	11	28	26	11	27	6
Credit card	118	119	–	40	45	(13)	44	(10)
Loan-related	221	228	(3)	76	78	(3)	79	(3)
Trade-related and remittances	161	154	4	56	53	5	53	6
Guarantees	14	15	(9)	5	4	10	5	7
Investment banking	68	50	37	15	21	(29)	24	(40)
Service charges	80	74	8	33	19	80	19	73
Others	29	27	4	11	10	2	9	14
Sub-total	1,461	1,219	20	488	428	14	492	(1)
Dividends	65	83	(22)	24	45	(47)	27	(10)
Rental income	62	68	(9)	21	23	(9)	20	3
Profit from life assurance	617	355	74	201	164	23	240	(16)
Premium income from general insurance	110	113	(2)	37	35	5	38	(2)
Other income								
Net trading income	417	407	2	118	163	(27)	140	(16)
Net gain from investment securities	182	143	27	64	41	55	54	19
Net gain/(loss) from disposal of subsidiaries and associate	10	(18)	156	(10)	0	nm	20	(149)
Net gain from disposal of properties	55	79	(30)	25	51	(51)	6	301
Others	29	62	(55)	10	20	(52)	16	(40)
Sub-total	693	673	3	207	275	(25)	236	(13)
Total non-interest income	3,008	2,511	20	978	970	1	1,053	(7)
Fees and commissions/Total income	20.9%	19.3%		20.7%	19.4%		20.5%	
Non-interest income/Total income	42.9%	39.8%		41.4%	44.0%		43.9%	

Non-interest income was 1% higher at S\$978 million for 3Q17 as compared with S\$970 million a year ago.

Fee and commission income for the quarter rose 14% to S\$488 million from S\$428 million in 3Q16. This was underpinned by a 32% rise in wealth management fee income, which was partly attributable to the acquisition of the former wealth and investment management business of Barclays PLC in Singapore and Hong Kong (“Barclays WIM”) acquired in November 2016. Net trading income was 27% lower at S\$118 million for the quarter, while net realised gains from the sale of investment securities increased 55% from a year ago to S\$64 million. Profit from life assurance rose to S\$201 million in 3Q17, from S\$164 million a year ago, as operating profit from Great Eastern Holdings’ (“GEH”) underlying insurance business grew year-on-year and its investment portfolio achieved positive performance as a result of favourable market conditions.

Non-interest income was 7% lower from S\$1,053 million in the previous quarter.

OPERATING EXPENSES

S\$ million	9M17	9M16	+/(-) %	3Q17	3Q16	+/(-) %	2Q17	+/(-) %
Staff costs								
Salaries and other costs	1,654	1,598	4	550	542	1	560	(2)
Share-based expenses	41	37	9	14	14	1	14	–
Contribution to defined contribution plans	134	126	6	44	45	(1)	45	(2)
	1,829	1,761	4	608	601	1	619	(2)
Property and equipment								
Depreciation	234	227	3	79	77	3	77	2
Maintenance and hire of property, plant & equipment	88	87	1	29	29	(1)	30	(2)
Rental expenses	74	74	–	24	24	(1)	24	(3)
Others	187	170	10	63	56	12	64	(1)
	583	558	4	195	186	5	195	–
Other operating expenses	555	488	14	198	166	20	178	12
Total operating expenses	2,967	2,807	6	1,001	953	5	992	1
Group staff strength								
Period end	29,161	29,760	(2)	29,161	29,760	(2)	29,207	–
Average	29,453	29,964	(2)	29,159	29,880	(2)	29,491	(1)
Cost-to-income ratio	42.3%	44.5%		42.4%	43.2%		41.4%	

Operating expenses for the quarter grew 5% to S\$1,001 million, up from S\$953 million year ago. Staff costs rose 1% to S\$608 million, as compared with S\$601 million a year ago, mainly attributable to staff costs associated with the inclusion of Barclays WIM. Property and equipment-related expenses of S\$195 million in 3Q17 were 5% higher than S\$186 million in 3Q16.

Compared with 2Q17, operating expenses rose 1% from S\$992 million, reflecting disciplined cost management.

The cost-to-income ratio was 42.4% in 3Q17 and 42.3% in 9M17, as compared with 43.2% and 44.5% in the respective periods a year ago.

ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	9M17	9M16	+ / (-) %	3Q17	3Q16	+ / (-) %	2Q17	+ / (-) %
Specific allowances/ (write back) for loans								
Singapore	205	89	129	49	13	293	60	(18)
Malaysia	34	32	5	4	9	(49)	21	(79)
Greater China	77	36	116	63	20	205	8	625
Others	36	93	(61)	22	57	(62)	16	39
	352	250	41	138	99	40	105	31
Portfolio allowances for loans	100	128	(22)	3	64	(96)	59	(95)
Allowances and impairment charges for other assets	41	43	(7)	15	3	471	5	165
Allowances for loans and impairment for other assets	493	421	17	156	166	(6)	169	(8)

Allowances for loans and other assets were S\$156 million in 3Q17, comprising specific provisions for loans, net of recoveries and write-backs of S\$138 million, portfolio allowances of S\$3 million and allowances for other assets of S\$15 million. This was lower than S\$166 million a year ago and S\$169 million in the previous quarter.

Specific allowances for loans, net of recoveries and write-backs were S\$138 million for the quarter, an increase as compared with S\$99 million in 3Q16 and S\$105 million in the previous quarter. A higher level of specific allowances was prudently set aside this quarter, driven by a number of restructured accounts which, though continuing to service their repayment obligations, exhibited ongoing weakness and declining collateral valuations. Net specific allowances were 24 basis points of loans on an annualised basis.

LOANS AND ADVANCES

S\$ million	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Loans to customers	225,036	221,490	213,623	202,778
Bills receivable	7,389	7,315	6,529	5,850
Gross loans to customers	232,425	228,805	220,152	208,628
Allowances				
Specific allowances	(696)	(643)	(616)	(409)
Portfolio allowances	(2,303)	(2,300)	(2,241)	(2,170)
	229,426	225,862	217,295	206,049
Less: assets pledged	(540)	(507)	(465)	(485)
Loans net of allowances	228,886	225,355	216,830	205,564
By Maturity				
Within 1 year	94,472	90,220	82,942	75,551
1 to 3 years	37,568	38,187	38,003	36,797
Over 3 years	100,385	100,398	99,207	96,280
	232,425	228,805	220,152	208,628
By Industry				
Agriculture, mining and quarrying	7,997	7,855	8,974	7,621
Manufacturing	12,991	13,530	12,697	11,775
Building and construction	35,250	36,683	35,632	33,974
Housing loans	62,037	60,998	60,149	58,881
General commerce	27,626	27,247	25,348	23,907
Transport, storage and communication	12,198	12,367	11,520	10,914
Financial institutions, investment and holding companies	36,929	32,736	30,491	27,913
Professionals and individuals	27,943	27,573	26,396	24,460
Others	9,454	9,816	8,945	9,183
	232,425	228,805	220,152	208,628
By Currency				
Singapore Dollar	83,787	83,378	81,260	81,351
United States Dollar	60,808	59,685	56,576	48,573
Malaysian Ringgit	20,093	20,091	20,552	21,083
Indonesian Rupiah	7,642	7,652	7,486	6,953
Hong Kong Dollar	31,714	30,990	30,339	27,728
Chinese Renminbi	5,283	5,574	5,182	5,242
Others	23,098	21,435	18,757	17,698
	232,425	228,805	220,152	208,628
By Geography ^{1/}				
Singapore	98,069	95,853	93,580	90,467
Malaysia	27,933	27,899	27,948	28,253
Indonesia	19,409	19,646	18,138	17,023
Greater China	57,346	55,918	53,997	49,233
Other Asia Pacific	12,685	12,756	11,988	11,176
Rest of the World	16,983	16,733	14,501	12,476
	232,425	228,805	220,152	208,628

Note:

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

Gross loans to customers were S\$232 billion as at 30 September 2017, an increase of 11% from S\$209 billion a year ago, and up 2% from S\$229 billion the previous quarter. In constant currency terms, customer loans grew 12% year-on-year and 2% quarter-on-quarter. The year-on-year increase was driven by broad-based lending across customer and market segments.

NON-PERFORMING ASSETS

S\$ million	Total NPAs ^{1/}	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs ^{2/}	NPL Ratio ^{2/} %
Singapore							
30 Sep 2017	963	449	353	161	62.2	913	0.9
30 Jun 2017	884	414	306	164	62.9	828	0.9
31 Dec 2016	800	404	248	148	68.3	745	0.8
30 Sep 2016	560	274	138	148	66.9	525	0.6
Malaysia							
30 Sep 2017	705	565	90	50	76.2	700	2.5
30 Jun 2017	719	596	76	47	79.1	717	2.6
31 Dec 2016	610	485	81	44	79.5	607	2.2
30 Sep 2016	617	486	100	31	78.8	614	2.2
Indonesia							
30 Sep 2017	677	436	115	126	67.7	677	3.5
30 Jun 2017	628	386	98	144	65.5	626	3.2
31 Dec 2016	691	433	120	138	67.0	689	3.8
30 Sep 2016	625	448	84	93	68.7	622	3.7
Greater China							
30 Sep 2017	304	63	188	53	49.4	304	0.5
30 Jun 2017	323	178	94	51	50.4	323	0.6
31 Dec 2016	389	219	114	56	40.2	354	0.7
30 Sep 2016	399	168	167	64	39.7	340	0.7
Other Asia Pacific							
30 Sep 2017	249	239	10	–	75.6	249	2.0
30 Jun 2017	286	256	30	–	62.7	286	2.2
31 Dec 2016	326	301	25	–	67.6	326	2.7
30 Sep 2016	317	305	12	–	72.9	316	2.8
Rest of the World							
30 Sep 2017	85	81	3	1	88.9	85	0.5
30 Jun 2017	80	75	4	1	91.8	79	0.5
31 Dec 2016	70	60	9	1	88.5	62	0.4
30 Sep 2016	67	57	9	1	87.3	60	0.5
Group							
30 Sep 2017	2,983	1,833	759	391	67.3	2,928	1.3
30 Jun 2017	2,920	1,905	608	407	66.8	2,859	1.3
31 Dec 2016	2,886	1,902	597	387	67.0	2,783	1.3
30 Sep 2016	2,585	1,738	510	337	67.2	2,477	1.2

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”) rose 2% from the previous quarter to S\$2.98 billion as at 30 September 2017. The rate of new NPA formation eased quarter-on-quarter. Compared to S\$2.59 billion a year ago, total NPAs rose 15%. The year-on-year increase in NPAs was attributable to the downgrade of corporate accounts in the oil and gas support services sector, which continued to be under stress.

The Group’s NPL ratio was 1.3%, unchanged from the previous quarter and higher from 1.2% a year ago. Of the total NPAs, 61% were in the substandard category and 67% were secured by collateral.

	30 Sep 2017		30 Jun 2017		31 Dec 2016		30 Sep 2016	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
NPLs by Industry								
Loans and advances								
Agriculture, mining and quarrying	154	1.9	152	1.9	152	1.7	145	1.9
Manufacturing	303	2.3	289	2.1	254	2.0	244	2.1
Building and construction	61	0.2	98	0.3	94	0.3	106	0.3
Housing loans	475	0.8	461	0.8	406	0.7	366	0.6
General commerce	324	1.2	356	1.3	376	1.5	343	1.4
Transport, storage and communication	732	6.0	654	5.3	608	5.3	475	4.4
Financial institutions, investment and holding companies	477	1.3	452	1.4	435	1.4	389	1.4
Professionals and individuals	127	0.5	121	0.4	170	0.6	145	0.6
Others	275	2.9	276	2.8	288	3.2	264	2.9
Total NPLs	2,928	1.3	2,859	1.3	2,783	1.3	2,477	1.2
Classified debt securities	40		38		80		101	
Classified contingent liabilities	15		23		23		7	
Total NPAs	2,983		2,920		2,886		2,585	

	30 Sep 2017		30 Jun 2017		31 Dec 2016		30 Sep 2016	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
NPAs By Period Overdue								
Over 180 days	1,461	49	1,177	40	1,528	53	1,114	43
Over 90 to 180 days	332	11	388	13	337	12	634	25
30 to 90 days	396	13	464	16	248	9	217	8
Less than 30 days	416	14	426	15	323	11	96	4
Not overdue	378	13	465	16	450	15	524	20
	2,983	100	2,920	100	2,886	100	2,585	100

	30 Sep 2017		30 Jun 2017		31 Dec 2016		30 Sep 2016	
	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
Restructured Loans								
Substandard	549	18	492	14	865	72	860	5
Doubtful	291	136	90	56	156	118	74	68
Loss	46	30	53	34	42	28	24	14
	886	184	635	104	1,063	218	958	87

CUMULATIVE ALLOWANCES FOR ASSETS

S\$ million	Total cumulative allowances	Specific allowances	Portfolio allowances	Specific allowances as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
Singapore					
30 Sep 2017	1,233	315	918	32.7	128.0
30 Jun 2017	1,149	272	877	30.8	130.1
31 Dec 2016	1,082	235	847	29.4	135.2
30 Sep 2016	939	128	811	22.8	167.9
Malaysia					
30 Sep 2017	490	136	354	19.2	69.5
30 Jun 2017	516	138	378	19.2	71.7
31 Dec 2016	509	124	385	20.4	83.4
30 Sep 2016	485	91	394	14.7	78.6
Indonesia					
30 Sep 2017	492	143	349	21.1	72.6
30 Jun 2017	485	148	337	23.5	77.2
31 Dec 2016	461	173	288	25.0	66.7
30 Sep 2016	391	121	270	19.3	62.5
Greater China					
30 Sep 2017	562	98	464	32.4	185.2
30 Jun 2017	551	57	494	17.8	170.5
31 Dec 2016	610	89	521	23.0	156.9
30 Sep 2016	590	90	500	22.7	147.8
Other Asia Pacific					
30 Sep 2017	128	3	125	1.3	51.4
30 Jun 2017	140	21	119	7.1	48.9
31 Dec 2016	127	17	110	5.1	38.9
30 Sep 2016	112	5	107	1.5	35.3
Rest of the World					
30 Sep 2017	104	11	93	12.6	121.8
30 Jun 2017	103	8	95	10.6	129.3
31 Dec 2016	98	8	90	10.8	139.3
30 Sep 2016	95	7	88	10.6	142.1
Group					
30 Sep 2017	3,009	706	2,303	23.7	100.9
30 Jun 2017	2,944	644	2,300	22.1	100.8
31 Dec 2016	2,887	646	2,241	22.4	100.0
30 Sep 2016	2,612	442	2,170	17.1	101.1

As at 30 September 2017, the Group's total cumulative allowances for assets were S\$3.01 billion, comprising S\$706 million in specific allowances and S\$2.30 billion in portfolio allowances. The coverage ratios as of 30 September 2017 comprised total cumulative allowances amounting to 309% of unsecured NPAs and 101% of total NPAs.

DEPOSITS

S\$ million	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Deposits of non-bank customers	268,234	264,421	261,486	247,318
Deposits and balances of banks	11,640	11,734	10,740	11,215
	279,874	276,155	272,226	258,533
Loans-to-deposits ratio (net non-bank loans/non-bank deposits)	85.3%	85.2%	82.9%	83.1%

S\$ million	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Total Deposits By Maturity				
Within 1 year	275,544	271,409	268,328	254,867
1 to 3 years	2,423	2,692	2,045	1,786
Over 3 years	1,907	2,054	1,853	1,880
	279,874	276,155	272,226	258,533
Non-Bank Deposits By Product				
Fixed deposits	108,338	107,920	113,943	107,520
Savings deposits	51,323	50,791	48,240	45,879
Current account	84,061	83,854	85,411	78,333
Others	24,512	21,856	13,892	15,586
	268,234	264,421	261,486	247,318
Non-Bank Deposits By Currency				
Singapore Dollar	95,579	95,448	94,413	93,733
United States Dollar	84,455	82,928	80,402	72,839
Malaysian Ringgit	22,309	22,049	21,701	23,022
Indonesian Rupiah	8,216	7,796	7,563	7,095
Hong Kong Dollar	25,811	25,803	27,336	24,065
Chinese Renminbi	7,654	7,614	8,008	6,919
Others	24,210	22,783	22,063	19,645
	268,234	264,421	261,486	247,318

Non-bank customer deposits as at 30 September 2017 were S\$268 billion, up 8% from S\$247 billion a year ago and 1% higher from S\$264 billion in 2Q17. The year-on-year growth in customer deposits was led by a 9% increase in current account and savings deposits. The ratio of current account and savings deposits to total non-bank deposits increased to 50.5% as at 30 September 2017, from 50.2% a year ago. The Group's loan-to-deposit ratio was 85.3%, as compared with 83.1% a year ago and 85.2% in the previous quarter.

DEBT ISSUED

S\$ million	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Subordinated debt (unsecured)	5,323	5,589	6,503	6,386
Fixed and floating rate notes (unsecured)	2,790	2,573	3,565	3,831
Commercial papers (unsecured)	22,279	21,079	8,572	8,548
Structured notes (unsecured)	1,252	1,316	1,307	1,457
Covered bonds (secured)	792	774	–	–
Total	32,436	31,331	19,947	20,222
Debt Issued By Maturity				
Within one year	25,443	24,654	12,480	11,961
Over one year	6,993	6,677	7,467	8,261
Total	32,436	31,331	19,947	20,222

As at 30 September 2017, the Group had S\$22.3 billion of commercial papers outstanding, higher from a year ago and the previous quarter. The commercial papers form part of the Group's diversified funding sources.

CAPITAL ADEQUACY RATIOS¹

S\$ million	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Ordinary shares	14,153	14,106	14,107	14,101
Disclosed reserves/others	22,775	22,607	21,586	20,838
Regulatory adjustments	(9,121)	(8,913)	(6,550)	(6,211)
Common Equity Tier 1 Capital	27,807	27,800	29,143	28,728
Additional Tier 1 capital	2,986	2,988	3,109	3,106
Regulatory adjustments	(1,099)	(1,104)	(2,284)	(2,098)
Tier 1 Capital	29,694	29,684	29,968	29,736
Tier 2 capital	5,738	5,825	6,087	5,884
Regulatory adjustments	(1,182)	(1,125)	(2,080)	(2,041)
Total Eligible Capital	34,250	34,384	33,975	33,579
Risk Weighted Assets	211,372	212,527	197,763	189,775
Capital Adequacy Ratios				
Common Equity Tier 1	13.1%	13.0%	14.7%	15.1%
Tier 1	14.0%	13.9%	15.1%	15.6%
Total	16.2%	16.1%	17.1%	17.6%

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 14.0% and 16.2% respectively. These ratios, based on Basel III transitional arrangements, were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2017².

The Group’s CET1 CAR, based on Basel III rules which will be effective from 1 January 2018, was 12.0%.

The capital adequacy information of the Group’s significant banking subsidiaries as at 30 September 2017 were:

S\$ million	Total Risk Weighted Assets	Capital Adequacy Ratios		
		Common Equity Tier 1	Tier 1	Total
OCBC Wing Hang Bank Limited	19,273	14.7%	14.7%	16.7%
OCBC Bank (Malaysia) Berhad	12,741	12.1%	14.3%	16.7%
Bank OCBC NISP	12,618	16.8%	16.8%	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 standardised approach under the Basel III framework.

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% will be phased in from 2016 to 2019. The CCB was 1.25% on 1 January 2017 and increases by 0.625% each year 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	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Tier 1 Capital	29,694	29,684	29,968	29,736
Total exposures	387,576	380,558	365,126	351,709
Leverage ratio	7.6%	7.8%	8.2%	8.4%

Note:

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

The leverage ratio is an indicator of capital strength to supplement the risk-based capital requirements and is the ratio of Tier 1 Capital to total exposures (comprising on-balance sheet exposures, derivative exposures, securities financing transaction exposures and off-balance sheet items). As at 30 September 2017, the Group's leverage ratio of 7.6% was better than the minimum requirement of 3% as guided by the Basel Committee.

LIQUIDITY COVERAGE RATIOS

For 3Q17, the average Singapore dollar ("SGD") and all-currency liquidity coverage ratios ("LCR") for the Group (excluding OCBC Wing Hang Hong Kong, OCBC Wing Hang Macau and OCBC Yangon which will be included in due course) were 269% and 147% respectively. Compared to 2Q17, the average all-currency LCR was higher by 3 percentage points with lower cash outflow from wholesale funding. The SGD LCR increased by 9 percentage points with higher SGD High Quality Liquid Assets ("HQLA").

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	30 Sep 2017	30 Jun 2017	31 Dec 2016	30 Sep 2016
Properties ^{2/}	3,934	3,923	3,890	3,908
Equity securities ^{3/}	4,894	4,612	2,557	2,400
Total	8,828	8,535	6,447	6,308

Notes:

- Includes properties classified as investment properties and assets held for sale. Property values are determined mainly based on external valuations at year-end, with internal reviews performed for other quarters.
- Comprises mainly investments in quoted subsidiaries, 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.

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

The valuation surplus as at 30 September 2017 was S\$8.8 billion, an increase of 3% as compared with S\$8.5 billion as at 30 June 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	9M17	9M16	+/(-) %	3Q17	3Q16	+/(-) %	2Q17	+/(-) %
Global Consumer/Private Banking	944	691	37	311	236	31	320	(3)
Global Corporate/Investment Banking	1,159	1,323	(12)	374	378	(1)	429	(13)
Global Treasury and Markets	387	367	5	144	142	2	134	8
OCBC Wing Hang ^{1/}	286	256	12	111	89	26	91	22
Insurance	785	441	78	252	215	17	296	(15)
Others	(92)	(66)	38	(15)	2	(713)	(60)	(76)
Operating profit after allowances and amortisation	3,469	3,012	15	1,177	1,062	11	1,210	(3)

Note:

1. Includes the operating profit of OCBC Bank (China) from mid-July 2016, following the merger of OCBC Bank (China) and Wing Hang Bank (China). The operating profit of China operations is also reported in the business segments.

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 was S\$944 million in 9M17 and S\$311 million in 3Q17, a year-on-year increase of 37% and 31% respectively. The operating profit growth for both periods was led by higher net interest income and fee income, as well as lower allowances, partly offset by an increase in expenses. Against the previous quarter, 3Q17 operating profit declined by 3% as net interest income growth was more than offset by a drop in fee income and from higher operating expenses.

Global Corporate/Investment Banking

Global Corporate/Investment Banking serves institutional customers ranging from large corporates and the public sector to small and medium enterprises. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, deposit accounts and fee-based services such as cash management and custodian services. Investment Banking 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 was S\$1.16 billion in 9M17, 12% lower from S\$1.32 billion a year ago, as higher net interest income and lower operating expenses were more than offset by an increase in allowances. 3Q17 operating profit declined 1% year-on-year and 13% from a quarter ago to S\$374 million, with an increase in net interest income, offset by higher 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 rose 5% to S\$387 million in 9M17, and was up 2% to S\$144 million in 3Q17. The higher year-on-year operating profit for both periods was largely contributed by net interest income growth from money market opportunities, partly offset by a decline in net trading income. Against the previous quarter, operating profit in 3Q17 was up 8%, mainly driven by an increase in 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 rose 12% to S\$286 million in 9M17, driven by higher net interest income. 3Q17 operating profit of S\$111 million was 26% higher year-on-year, largely driven by net interest income growth. Quarter-on-quarter, operating profit rose 22%, mainly attributable to an increase in net interest income and realised gains from the sale of equity investments, partly offset by higher operating 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 increased 78% year-on-year to S\$785 million in 9M17, driven by higher insurance income from stronger investment performance of the Non-Participating Fund as a result of favourable market movements, as well as higher gains from the sale of equity investments. 3Q17 operating profit rose 17% from the previous year to S\$252 million. This was driven by higher profit from its underlying insurance business and positive performance in the investment portfolio as a result of favourable market conditions. Compared with 2Q17, operating profit was 15% lower.

After tax and non-controlling interests, GEH's contribution to the Group's core net profit was S\$607 million in 9M17 and S\$194 million in 3Q17, higher than S\$311 million in 9M16 and S\$159 million in 3Q16 respectively.

Others

Others comprise mainly property holding, investment holding and items not attributable to the business segments described above. It also includes the offset of China operations which is reported in both the business segments and OCBC Wing Hang.

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
9M17							
Total income	2,391	2,301	595	724	1,015	(19)	7,007
Operating profit before allowances and amortisation	1,001	1,531	397	315	834	(38)	4,040
Amortisation of intangible assets	(12)	–	–	(31)	(35)	–	(78)
Write-back/(allowances and impairment) for loans and other assets	(45)	(372)	(10)	2	(14)	(54)	(493)
Operating profit after allowances and amortisation	944	1,159	387	286	785	(92)	3,469
Other information:							
Capital expenditure	19	1	0	8	47	100	175
Depreciation	32	8	1	49	2	142	234
9M16							
Total income	2,016	2,285	565	657	653	136	6,312
Operating profit before allowances and amortisation	777	1,509	363	295	489	72	3,505
Amortisation of intangible assets	(6)	–	–	(31)	(35)	–	(72)
Write-back/(allowances and impairment) for loans and other assets	(80)	(186)	4	(8)	(13)	(138)	(421)
Operating profit after allowances and amortisation	691	1,323	367	256	441	(66)	3,012
Other information:							
Capital expenditure	30	2	0	10	40	197	279
Depreciation	31	8	2	46	2	138	227

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
3Q17							
Total income	806	766	211	266	326	(15)	2,360
Operating profit before allowances and amortisation	330	508	145	126	271	(21)	1,359
Amortisation of intangible assets	(4)	–	–	(10)	(12)	–	(26)
Write-back/(allowances and impairment) for loans and other assets	(15)	(134)	(1)	(5)	(7)	6	(156)
Operating profit after allowances and amortisation	311	374	144	111	252	(15)	1,177
Other information:							
Capital expenditure	4	0	0	3	23	37	67
Depreciation	11	3	0	16	1	48	79
3Q16							
Total income	686	731	207	242	288	50	2,204
Operating profit before allowances and amortisation	265	473	140	102	231	40	1,251
Amortisation of intangible assets	(2)	–	–	(10)	(11)	–	(23)
Write-back/(allowances and impairment) for loans and other assets	(27)	(95)	2	(3)	(5)	(38)	(166)
Operating profit after allowances and amortisation	236	378	142	89	215	2	1,062
Other information:							
Capital expenditure	11	1	0	5	14	63	94
Depreciation	10	3	1	17	0	46	77
2Q17							
Total income	808	794	202	232	376	(14)	2,398
Operating profit before allowances and amortisation	340	534	136	99	312	(15)	1,406
Amortisation of intangible assets	(4)	–	–	(10)	(13)	–	(27)
Write-back/(allowances and impairment) for loans and other assets	(16)	(105)	(2)	2	(3)	(45)	(169)
Operating profit after allowances and amortisation	320	429	134	91	296	(60)	1,210
Other information:							
Capital expenditure	7	1	0	3	10	34	55
Depreciation	11	2	1	16	0	47	77

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 30 September 2017							
Segment assets	103,805	124,888	77,920	54,220	80,519	12,982	454,334
Unallocated assets							1,100
Elimination							(16,921)
Total assets							438,513
Segment liabilities	114,512	106,182	53,069	47,321	70,625	20,215	411,924
Unallocated liabilities							2,610
Elimination							(16,921)
Total liabilities							397,613
Other information:							
Gross non-bank loans	89,309	116,724	1,426	30,387	50	(5,471)	232,425
NPAs	611	2,297	-	253	5	(183)	2,983
At 30 June 2017							
Segment assets	103,313	123,955	76,029	50,138	77,460	16,858	447,753
Unallocated assets							1,022
Elimination							(19,174)
Total assets							429,601
Segment liabilities	114,470	102,935	54,035	42,452	67,816	23,780	405,488
Unallocated liabilities							2,572
Elimination							(19,174)
Total liabilities							388,886
Other information:							
Gross non-bank loans	87,255	115,807	1,354	29,977	50	(5,638)	228,805
NPAs	599	2,256	-	269	3	(207)	2,920
At 31 December 2016							
Segment assets	104,482	115,471	72,186	50,075	71,912	18,011	432,137
Unallocated assets							1,005
Elimination							(23,258)
Total assets							409,884
Segment liabilities	116,963	104,612	49,553	42,212	62,951	14,969	391,260
Unallocated liabilities							2,240
Elimination							(23,258)
Total liabilities							370,242
Other information:							
Gross non-bank loans	83,802	110,111	1,384	30,389	52	(5,586)	220,152
NPAs	573	2,222	-	268	10	(187)	2,886
At 30 September 2016							
Segment assets	93,456	110,304	69,497	46,906	71,815	18,892	410,870
Unallocated assets							920
Elimination							(17,600)
Total assets							394,190
Segment liabilities	106,518	101,761	46,431	39,420	62,914	13,558	370,602
Unallocated liabilities							2,319
Elimination							(17,600)
Total liabilities							355,321
Other information:							
Gross non-bank loans	78,740	104,912	1,671	28,261	50	(5,006)	208,628
NPAs	543	1,961	-	261	7	(187)	2,585

PERFORMANCE BY GEOGRAPHICAL SEGMENT

	9M17		9M16		3Q17		3Q16		2Q17	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total income										
Singapore	4,181	60	3,647	58	1,393	59	1,294	59	1,422	59
Malaysia	948	13	973	15	314	13	318	14	323	13
Indonesia	610	9	542	8	204	9	185	8	209	9
Greater China	987	14	938	15	354	15	333	15	344	14
Other Asia Pacific	121	2	106	2	42	2	37	2	41	2
Rest of the World	160	2	106	2	53	2	37	2	59	3
	7,007	100	6,312	100	2,360	100	2,204	100	2,398	100
Profit before income tax										
Singapore	2,078	54	1,691	51	682	52	609	52	767	58
Malaysia	596	16	606	18	214	16	201	17	182	14
Indonesia	229	6	196	6	72	6	59	5	75	6
Greater China	762	20	716	22	272	21	242	21	256	19
Other Asia Pacific	75	2	66	2	30	2	24	2	19	1
Rest of the World	90	2	51	1	34	3	32	3	30	2
	3,830	100	3,326	100	1,304	100	1,167	100	1,329	100

	30 Sep 2017		30 Jun 2017		31 Dec 2016		30 Sep 2016	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
Total assets								
Singapore	250,188	57	245,535	57	229,752	56	222,535	56
Malaysia	61,553	14	61,387	14	60,412	15	61,868	16
Indonesia	15,010	3	14,769	4	14,946	4	13,713	4
Greater China	81,677	19	77,282	18	75,563	18	68,825	17
Other Asia Pacific	13,309	3	13,490	3	12,007	3	11,522	3
Rest of the World	16,776	4	17,138	4	17,204	4	15,727	4
	438,513	100	429,601	100	409,884	100	394,190	100

The geographical segment analysis is based on the location where assets or transactions are booked. For 3Q17, Singapore accounted for 59% of total income and 52% of pre-tax profit, while Malaysia comprised 13% of total income and 16% of pre-tax profit. Greater China made up 15% of total income and 21% of pre-tax profit.

Pre-tax profit for Singapore was S\$682 million in the third quarter, an increase of 12% from S\$609 million in 3Q16, underpinned by higher profit from life assurance and fee income, which more than offset higher operating expenses. Malaysia's pre-tax profit was S\$214 million, 6% higher from S\$201 million a year ago, largely attributable to higher net interest income. Pre-tax profit for Greater China increased 12% to S\$272 million, from S\$242 million in 3Q16, driven by higher net interest income and non-interest income.

9M17 pre-tax profit for Singapore was S\$2.08 billion, an increase of 23% from S\$1.69 billion in 9M16. This was underpinned by higher net interest income and profit from life assurance, which outpaced the increase in operating expenses. Malaysia's pre-tax profit was S\$596 million for the period, down 2% from S\$606 million a year ago, attributable mainly to lower trading income. Pre-tax profit for Greater China increased 6% to S\$762 million, from S\$716 million a year ago, mainly from an increase in associates' profits.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	9M17	9M16	+ / (-) %	3Q17	3Q16	+ / (-) %	2Q17	+ / (-) %
Interest income	6,690	6,309	6	2,332	2,059	13	2,241	4
Interest expense	(2,691)	(2,508)	7	(950)	(825)	15	(896)	6
Net interest income	3,999	3,801	5	1,382	1,234	12	1,345	3
Premium income	7,924	6,494	22	2,980	2,218	34	2,350	27
Investment income	3,115	1,672	86	1,064	798	33	941	13
Net claims, surrenders and annuities	(3,872)	(3,612)	7	(1,387)	(1,244)	11	(1,296)	7
Change in life assurance fund contract liabilities	(5,197)	(3,195)	63	(1,995)	(1,190)	68	(1,347)	48
Commission and others	(1,353)	(1,004)	35	(461)	(418)	10	(408)	13
Profit from life assurance	617	355	74	201	164	23	240	(16)
Premium income from general insurance	110	113	(2)	37	35	5	38	(2)
Fees and commissions (net)	1,461	1,219	20	488	428	14	492	(1)
Dividends	65	83	(22)	24	45	(47)	27	(10)
Rental income	62	68	(9)	21	23	(9)	20	3
Other income	693	673	3	207	275	(25)	236	(13)
Non-interest income	3,008	2,511	20	978	970	1	1,053	(7)
Total income	7,007	6,312	11	2,360	2,204	7	2,398	(2)
Staff costs	(1,829)	(1,761)	4	(608)	(601)	1	(619)	(2)
Other operating expenses	(1,138)	(1,046)	9	(393)	(352)	12	(373)	5
Total operating expenses	(2,967)	(2,807)	6	(1,001)	(953)	5	(992)	1
Operating profit before allowances and amortisation	4,040	3,505	15	1,359	1,251	9	1,406	(3)
Amortisation of intangible assets	(78)	(72)	9	(26)	(23)	7	(27)	(2)
Allowances for loans and impairment for other assets	(493)	(421)	17	(156)	(166)	(6)	(169)	(8)
Operating profit after allowances and amortisation	3,469	3,012	15	1,177	1,062	11	1,210	(3)
Share of results of associates	361	314	15	127	105	21	119	6
Profit before income tax	3,830	3,326	15	1,304	1,167	12	1,329	(2)
Income tax expense	(546)	(515)	6	(192)	(175)	10	(185)	4
Profit for the period	3,284	2,811	17	1,112	992	12	1,144	(3)
Profit attributable to:								
Equity holders of the Bank	3,113	2,684	16	1,057	943	12	1,083	(2)
Non-controlling interests	171	127	34	55	49	12	61	(10)
	3,284	2,811	17	1,112	992	12	1,144	(3)
Earnings per share (for the period – cents)								
Basic	73.5	63.9		25.0	22.3		25.4	
Diluted	73.4	63.8		25.0	22.3		25.4	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	9M17	9M16	+ / (-) %	3Q17	3Q16	+ / (-) %	2Q17	+ / (-) %
Profit for the period	3,284	2,811	17	1,112	992	12	1,144	(3)
Other comprehensive income:								
Available-for-sale financial assets								
Gains/(losses) for the period	416	421	(1)	31	263	(88)	146	(79)
Reclassification of (gains)/losses to income statement								
– on disposal	(156)	(143)	(9)	(63)	(41)	(55)	(53)	(19)
– on impairment	40	29	37	14	5	169	5	165
Tax on net movements	(42)	(40)	(5)	(4)	(37)	90	(7)	46
Exchange differences on translating foreign operations	(481)	(88)	(450)	(91)	118	(178)	(78)	(17)
Defined benefit plans remeasurements ^{1/}	0	1	(37)	0	0	(5)	0	(4)
Other comprehensive income of associates	(184)	(106)	(74)	(38)	43	(188)	(23)	(65)
Total other comprehensive income, net of tax	(407)	74	(650)	(151)	351	(143)	(10)	nm
Total comprehensive income for the period, net of tax	2,877	2,885	–	961	1,343	(28)	1,134	(15)
Total comprehensive income attributable to:								
Equity holders of the Bank	2,705	2,731	(1)	908	1,268	(28)	1,072	(15)
Non-controlling interests	172	154	11	53	75	(30)	62	(16)
	2,877	2,885	–	961	1,343	(28)	1,134	(15)

Note:

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

BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP				BANK			
	30 Sep 2017 [@]	30 Jun 2017 [@]	31 Dec 2016	30 Sep 2016 [@]	30 Sep 2017 [@]	30 Jun 2017 [@]	31 Dec 2016	30 Sep 2016 [@]
EQUITY								
Attributable to equity holders of the Bank								
Share capital	15,154	15,106	15,107	15,101	15,154	15,106	15,107	15,101
Other equity instruments	499	499	499	499	499	499	499	499
Capital reserves	322	323	572	514	117	114	106	106
Fair value reserves	251	330	156	510	70	99	8	153
Revenue reserves	21,984	21,765	20,673	19,651	12,539	12,849	12,561	12,065
	38,210	38,023	37,007	36,275	28,379	28,667	28,281	27,924
Non-controlling interests	2,690	2,692	2,635	2,594	–	–	–	–
Total equity	40,900	40,715	39,642	38,869	28,379	28,667	28,281	27,924
LIABILITIES								
Deposits of non-bank customers	268,234	264,421	261,486	247,318	165,607	162,545	155,753	151,245
Deposits and balances of banks	11,640	11,734	10,740	11,215	9,292	9,055	9,090	9,478
Due to subsidiaries	–	–	–	–	15,407	16,684	16,289	12,773
Due to associates	269	212	206	286	86	79	127	144
Trading portfolio liabilities	558	507	598	804	558	507	581	804
Derivative payables	6,013	5,433	7,474	5,957	4,722	4,432	6,008	5,070
Other liabilities	6,203	5,851	5,590	5,253	1,873	1,712	1,747	1,652
Current tax	1,057	1,007	914	939	398	421	388	406
Deferred tax	1,553	1,565	1,325	1,380	50	50	51	51
Debt issued	32,436	31,331	19,947	20,222	32,837	31,753	19,532	19,977
	327,963	322,061	308,280	293,374	230,830	227,238	209,566	201,600
Life assurance fund liabilities	69,650	66,825	61,962	61,947	–	–	–	–
Total liabilities	397,613	388,886	370,242	355,321	230,830	227,238	209,566	201,600
Total equity and liabilities	438,513	429,601	409,884	394,190	259,209	255,905	237,847	229,524
ASSETS								
Cash and placements with central banks	14,431	15,244	16,559	15,655	9,361	10,190	11,365	10,188
Singapore government treasury bills and securities	10,761	10,436	8,066	8,407	10,161	10,065	7,702	8,030
Other government treasury bills and securities	16,924	16,189	16,298	16,409	7,531	7,055	7,164	8,661
Placements with and loans to banks	46,559	44,850	39,801	39,025	33,163	35,173	31,210	31,311
Loans and bills receivable	228,886	225,355	216,830	205,564	139,728	137,805	131,874	127,197
Debt and equity securities	24,537	24,586	23,157	22,965	13,127	13,259	11,612	11,438
Assets pledged	2,715	2,176	1,789	1,919	1,492	1,463	936	1,058
Assets held for sale	35	35	28	32	1	1	1	6
Derivative receivables	6,310	5,982	7,838	5,498	5,070	4,943	6,352	4,647
Other assets	5,736	5,576	4,889	4,727	1,569	1,610	1,591	1,704
Deferred tax	180	189	196	148	62	70	64	52
Associates	2,624	2,439	2,415	2,354	594	595	595	591
Subsidiaries	–	–	–	–	34,346	30,657	24,333	21,617
Property, plant and equipment	3,358	3,407	3,479	3,346	604	614	649	621
Investment property	962	973	1,093	1,132	533	538	532	536
Goodwill and intangible assets	5,225	5,291	5,473	5,053	1,867	1,867	1,867	1,867
	369,243	362,728	347,911	332,234	259,209	255,905	237,847	229,524
Life assurance fund investment assets	69,270	66,873	61,973	61,956	–	–	–	–
Total assets	438,513	429,601	409,884	394,190	259,209	255,905	237,847	229,524
Net Asset Value Per Ordinary Share[@] (before valuation surplus – S\$)								
	8.76	8.73	8.49	8.31	6.42	6.49	6.40	6.32
OFF-BALANCE SHEET ITEMS								
Contingent liabilities	10,231	9,640	11,145	9,009	7,343	6,881	8,273	6,465
Commitments	127,374	124,607	119,965	108,333	78,063	77,167	55,561	56,476
Derivative financial instruments	931,805	902,587	684,961	652,047	778,135	769,125	580,952	570,091

Note:

1. “@” represents unaudited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the nine months ended 30 September 2017

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			
Balance at 1 January 2017	15,606	572	156	20,673	37,007	2,635	39,642	
Total comprehensive income for the period	–	–	95	2,610	2,705	172	2,877	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Transfers	–	(250)	–	250	–	–	–	
Distributions and dividends to non-controlling interests	–	–	–	–	–	(107)	(107)	
DSP reserve from dividends on unvested shares	–	–	–	5	5	–	5	
Distribution for perpetual capital securities	–	–	–	(19)	(19)	–	(19)	
Ordinary and preference dividends	–	–	–	(1,528)	(1,528)	–	(1,528)	
Share-based staff costs capitalised	–	11	–	–	11	–	11	
Share buyback held in treasury	(168)	–	–	–	(168)	–	(168)	
Shares issued to non-executive directors	1	–	–	–	1	–	1	
Shares transferred to DSP Trust	–	(7)	–	–	(7)	–	(7)	
Shares vested under DSP Scheme	–	49	–	–	49	–	49	
Treasury shares transferred/sold	214	(53)	–	–	161	–	161	
Total contributions by and distributions to owners	47	(250)	–	(1,292)	(1,495)	(107)	(1,602)	
Changes in ownership interests in subsidiaries that does not result in loss of control								
Changes in non-controlling interests	–	–	–	(7)	(7)	(10)	(17)	
Total changes in ownership interests in a subsidiary	–	–	–	(7)	(7)	(10)	(17)	
Balance at 30 September 2017	15,653	322	251	21,984	38,210	2,690	40,900	
Included:								
Share of reserves of associates	–	–	(110)	1,046	936	–	936	
Balance at 1 January 2016	15,059	527	234	18,733	34,553	2,558	37,111	
Total comprehensive income for the period	–	–	276	2,455	2,731	154	2,885	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Transfers	–	4	–	(4)	–	–	–	
Dividends to non-controlling interests	–	–	–	–	–	(109)	(109)	
DSP reserve from dividends on unvested shares	–	–	–	6	6	–	6	
Distribution for perpetual capital securities	–	–	–	(19)	(19)	–	(19)	
Ordinary and preference dividends	–	–	–	(930)	(930)	–	(930)	
Share-based staff costs capitalised	–	11	–	–	11	–	11	
Share buyback held in treasury	(117)	–	–	–	(117)	–	(117)	
Shares issued in-lieu of ordinary dividends	584	–	–	(584)	–	–	–	
Shares issued to non-executive directors	1	–	–	–	1	–	1	
Shares transferred to DSP Trust	–	(6)	–	–	(6)	–	(6)	
Shares vested under DSP Scheme	–	43	–	–	43	–	43	
Treasury shares transferred/sold	73	(65)	–	–	8	–	8	
Total contributions by and distributions to owners	541	(13)	–	(1,531)	(1,003)	(109)	(1,112)	
Changes in ownership interests in subsidiaries that do not result in loss of control								
Changes in non-controlling interests	–	–	–	(6)	(6)	(9)	(15)	
Total changes in ownership interests in subsidiaries	–	–	–	(6)	(6)	(9)	(15)	
Balance at 30 September 2016	15,600	514	510	19,651	36,275	2,594	38,869	
Included:								
Share of reserves of associates	–	–	94	685	779	(1)	778	

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 September 2017

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			
Balance at 1 July 2017	15,605	323	330	21,765	38,023	2,692	40,715	
Total comprehensive income for the period	–	–	(79)	987	908	53	961	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends to non-controlling interests	–	–	–	–	–	(45)	(45)	
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3	
Distribution for perpetual capital securities	–	–	–	(9)	(9)	–	(9)	
Ordinary dividends	–	–	–	(755)	(755)	–	(755)	
Share-based staff costs capitalised	–	3	–	–	3	–	3	
Share buyback held in treasury	(61)	–	–	–	(61)	–	(61)	
Shares transferred to DSP Trust	–	(4)	–	–	(4)	–	(4)	
Shares vested under DSP Scheme	–	0	–	–	0	–	0	
Treasury shares transferred/sold	109	(0)	–	–	109	–	109	
Total contributions by and distributions to owners	48	(1)	–	(761)	(714)	(45)	(759)	
Changes in ownership interests in subsidiaries that does not result in loss of control								
Changes in non-controlling interests	–	–	–	(7)	(7)	(10)	(17)	
Total changes in ownership interests in a subsidiary	–	–	–	(7)	(7)	(10)	(17)	
Balance at 30 September 2017	15,653	322	251	21,984	38,210	2,690	40,900	
Included:								
Share of reserves of associates	–	–	(110)	1,046	936	–	936	
Balance at 1 July 2016	15,605	512	310	19,348	35,775	2,572	38,347	
Total comprehensive income for the period	–	–	200	1,068	1,268	75	1,343	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends to non-controlling interests	–	–	–	–	–	(44)	(44)	
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3	
Distribution for perpetual capital securities	–	–	–	(9)	(9)	–	(9)	
Ordinary dividends	–	–	–	(753)	(753)	–	(753)	
Share-based staff costs capitalised	–	4	–	–	4	–	4	
Share buyback held in treasury	(5)	–	–	–	(5)	–	(5)	
Shares transferred to DSP Trust	–	(2)	–	–	(2)	–	(2)	
Shares vested under DSP Scheme	–	0	–	–	0	–	0	
Treasury shares transferred/sold	0	(0)	–	–	0	–	0	
Total contributions by and distributions to owners	(5)	2	–	(759)	(762)	(44)	(806)	
Changes in ownership interests in subsidiaries that do not result in loss of control								
Changes in non-controlling interests	–	–	–	(6)	(6)	(9)	(15)	
Total changes in ownership interests in subsidiaries	–	–	–	(6)	(6)	(9)	(15)	
Balance at 30 September 2016	15,600	514	510	19,651	36,275	2,594	38,869	
Included:								
Share of reserves of associates	–	–	94	685	779	(1)	778	

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the nine months ended 30 September 2017

S\$ million	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 January 2017	15,606	106	8	12,561	28,281
Total comprehensive income for the period	–	–	62	1,520	1,582
DSP reserve from dividends on unvested shares	–	–	–	5	5
Ordinary and preference dividends	–	–	–	(1,528)	(1,528)
Distribution for perpetual capital securities	–	–	–	(19)	(19)
Share-based staff costs capitalised	–	11	–	–	11
Share buyback held in treasury	(168)	–	–	–	(168)
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	214	–	–	–	214
Balance at 30 September 2017	15,653	117	70	12,539	28,379
Balance at 1 January 2016	15,059	95	38	11,545	26,737
Total comprehensive income for the period	–	–	115	1,783	1,898
Arising from merger of subsidiaries	–	–	–	264	264
DSP reserve from dividends on unvested shares	–	–	–	6	6
Ordinary and preference dividends	–	–	–	(930)	(930)
Distribution for perpetual capital securities	–	–	–	(19)	(19)
Share-based staff costs capitalised	–	11	–	–	11
Share buyback held in treasury	(117)	–	–	–	(117)
Shares issued in-lieu of ordinary dividends	584	–	–	(584)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	73	–	–	–	73
Balance at 30 September 2016	15,600	106	153	12,065	27,924

For the three months ended 30 September 2017

S\$ million	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total equity
Balance at 1 July 2017	15,605	114	99	12,849	28,667
Total comprehensive income for the period	–	–	(29)	451	422
DSP reserve from dividends on unvested shares	–	–	–	3	3
Ordinary dividends	–	–	–	(755)	(755)
Distribution for perpetual capital securities	–	–	–	(9)	(9)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(61)	–	–	–	(61)
Treasury shares transferred/sold	109	–	–	–	109
Balance at 30 September 2017	15,653	117	70	12,539	28,379
Balance at 1 July 2016	15,605	102	129	12,035	27,871
Total comprehensive income for the period	–	–	24	525	549
Arising from merger of subsidiaries	–	–	–	264	264
DSP reserve from dividends on unvested shares	–	–	–	3	3
Ordinary dividends	–	–	–	(753)	(753)
Distribution for perpetual capital securities	–	–	–	(9)	(9)
Share-based staff costs capitalised	–	4	–	–	4
Share buyback held in treasury	(5)	–	–	–	(5)
Treasury shares transferred/sold	0	–	–	–	0
Balance at 30 September 2016	15,600	106	153	12,065	27,924

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months ended 30 September 2017

S\$ million	9M17	9M16	3Q17	3Q16
Cash flows from operating activities				
Profit before income tax	3,830	3,326	1,304	1,167
Adjustments for non-cash items:				
Amortisation of intangible assets	78	72	26	23
Allowances for loans and impairment for other assets	493	421	156	166
Change in hedging transactions, trading, fair value through profit and loss securities and debt issued	13	(33)	60	4
Depreciation of property, plant and equipment and investment property	234	227	79	77
Net gain on disposal of property, plant and equipment and investment property	(55)	(78)	(25)	(51)
Net gain on disposal of government, debt and equity securities	(182)	(143)	(64)	(41)
Net (gain)/loss on disposal of interests in subsidiaries and associate	(10)	18	10	(0)
Share-based costs	41	11	14	4
Share of results of associates	(361)	(314)	(127)	(105)
Items relating to life assurance fund				
Surplus before income tax	980	425	306	246
Surplus transferred from life assurance fund	(617)	(356)	(201)	(164)
Operating profit before change in operating assets and liabilities	4,444	3,576	1,538	1,326
Change in operating assets and liabilities:				
Deposits of non-bank customers	6,811	993	3,871	936
Deposits and balances of banks	900	(831)	(94)	(2,820)
Derivative payables and other liabilities	(1,899)	164	671	(809)
Trading portfolio liabilities	(40)	159	51	282
Government securities and treasury bills	(3,359)	(3,868)	(1,183)	1,221
Restricted balances with central banks	(224)	44	(75)	(193)
Trading and fair value through profit and loss securities	(510)	107	(399)	558
Placements with and loans to banks	(6,923)	(3,482)	(1,754)	4,315
Loans and bills receivable	(12,585)	1,815	(3,704)	(3,184)
Derivative receivables and other assets	1,314	786	(395)	1,078
Net change in investment assets and liabilities of life assurance fund	328	(58)	338	(246)
Cash (used in)/from operating activities	(11,743)	(595)	(1,135)	2,464
Income tax paid	(483)	(566)	(171)	(214)
Net cash (used in)/from operating activities	(12,226)	(1,161)	(1,306)	2,250
Cash flows from investing activities				
Dividends from associates	57	97	57	72
Decrease/(increase) in associates	43	135	(14)	(12)
Purchases of debt and equity securities	(15,855)	(9,333)	(4,032)	(3,055)
Purchases of property, plant and equipment and investment property	(175)	(279)	(67)	(94)
Proceeds from disposal of debt and equity securities	14,216	9,475	3,982	3,074
Proceeds from disposal of interests in subsidiaries and associate	58	24	5	–
Proceeds from disposal of property, plant and equipment and investment property	90	87	30	48
Net cash (used in)/from investing activities	(1,566)	206	(39)	33
Cash flows from financing activities				
Acquisition of non-controlling interests	(17)	(15)	(17)	(15)
Dividends paid to equity holders of the Bank	(1,528)	(930)	(755)	(753)
Distributions and dividends paid to non-controlling interests	(107)	(109)	(45)	(44)
Redemption of subordinated debt issued	(840)	–	(191)	–
Net issuance/(redemption) in other debt issued	14,288	(3,163)	1,463	(1,882)
Distributions for perpetual capital securities	(19)	(19)	(9)	(9)
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	161	8	109	0
Share buyback held in treasury	(168)	(117)	(61)	(5)
Net cash from/(used in) financing activities	11,770	(4,345)	494	(2,708)
Net currency translation adjustments	(332)	(180)	(37)	94
Net change in cash and cash equivalents	(2,354)	(5,480)	(888)	(331)
Cash and cash equivalents at beginning of period	11,177	15,901	9,711	10,752
Cash and cash equivalents at end of period	8,823	10,421	8,823	10,421

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

Number of Shares	Nine months ended 30 Sep		Three months ended 30 Sep	
	2017	2016	2017	2016
Issued ordinary shares				
Balance at beginning of period	4,193,729,363	4,121,561,367	4,193,784,461	4,193,729,363
Shares issued to non-executive directors	55,098	57,584	–	–
Shares issued pursuant to Scrip Dividend Scheme	–	72,110,412	–	–
Balance at end of period	4,193,784,461	4,193,729,363	4,193,784,461	4,193,729,363
Treasury shares				
Balance at beginning of period	(11,022,010)	(6,085,703)	(10,243,440)	(10,674,805)
Share buyback	(15,960,000)	(13,614,000)	(5,560,000)	(650,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	11,594,811	1,236,276	6,211,363	35,703
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	6,034,437	25,887	5,310,522	3,250
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	5,075,828	7,154,412	4,621	2,724
Shares sold for cash	218	–	218	–
Balance at end of period	(4,276,716)	(11,283,128)	(4,276,716)	(11,283,128)
Total	4,189,507,745	4,182,446,235	4,189,507,745	4,182,446,235

Pursuant to the share purchase mandate approved at the annual general meeting held on 28 April 2017, the Bank purchased a total of 5,560,000 ordinary shares in the third quarter ended 30 September 2017. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$10.56 to S\$11.41 per share and the total consideration paid was S\$61,382,408 (including transaction costs).

From 1 July 2017 to 30 September 2017 (both dates inclusive), the Bank utilised 6,211,363 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As of 30 September 2017, the number of options outstanding under the OCBC SOS 2001 was 38,374,256 (30 September 2016: 41,706,246).

From 1 July 2017 to 30 September 2017 (both dates inclusive), the Bank utilised 5,310,522 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As of 30 September 2017, the number of acquisition rights outstanding under the OCBC ESPP was 15,266,617 (30 September 2016: 16,350,787).

From 1 July 2017 to 30 September 2017 (both dates inclusive), the Bank transferred 4,621 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 third quarter ended 30 September 2017.

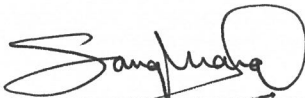
OTHER MATTERS

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.

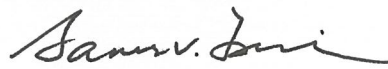
CONFIRMATION BY THE BOARD

We, Ooi Sang Kuang and Samuel N. Tsien, being directors of Oversea-Chinese Banking Corporation Limited (“the Bank”), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Bank and of the Group for the quarter ended 30 September 2017 to be false or misleading.

On behalf of the Board of Directors



Ooi Sang Kuang
Chairman



Samuel N. Tsien
Chief Executive Officer / Director

25 October 2017