
Media Release

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

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

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

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

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

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

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

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

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

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

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

Allowances and Asset Quality

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

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

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

Funding and Capital Position

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

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

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

These regulatory ratios were all above their respective regulatory requirements.

CEO's Comments

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

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

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

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

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 560 branches and representative offices in 19 countries and regions. These include over 300 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and over 90 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

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

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

For more information, please visit www.ocbc.com.

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To Our Shareholders

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

Unaudited Financial Results for the First Quarter Ended 31 March 2019

For the first quarter ended 31 March 2019, Group reported net profit after tax was S\$1.23 billion. Details of the financial results are in the accompanying Group Financial Report.

Ordinary Dividend

No interim dividend on ordinary shares has been declared for the first quarter ended 31 March 2019 as the Bank pays dividend on a semi-annual basis.

Peter Yeoh
Secretary

Singapore, 10 May 2019

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

Oversea-Chinese Banking Corporation Limited
First Quarter 2019 Group Financial Report



Incorporated in Singapore
Company Registration Number: 193200032W

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Notes:

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

FINANCIAL SUMMARY

OCBC Group prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) issued by Accounting Standards Council.

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

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

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

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

There are a number of new/revised financial reporting standards in issue but not yet effective. They are not expected to have a material impact on the Group’s financial statements when adopted except for SFRS(I) 17 *Insurance Contracts*. SFRS(I) 17 is effective from 1 January 2021.

Financial Results

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

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

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

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

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

FINANCIAL SUMMARY (continued)

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

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

Selected Balance Sheet Items

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

Note:

1. Excludes amortisation of intangible assets.

FINANCIAL SUMMARY (continued)

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

Notes:

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

NET INTEREST INCOME

Average Balance Sheet

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

Notes:

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

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

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

NET INTEREST INCOME *(continued)*

Volume and Rate Analysis

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

NON-INTEREST INCOME

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

Note:

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

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

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

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

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

OPERATING EXPENSES

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

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

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

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

ALLOWANCES FOR LOANS AND OTHER ASSETS

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

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

CUSTOMER LOANS

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

Notes:

- Loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.
- Exposure to investment and other holding companies were recategorised to the underlying industries.

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

NON-PERFORMING ASSETS

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

Notes:

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

NON-PERFORMING ASSETS (continued)

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

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

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

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

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

Note:

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

CUMULATIVE ALLOWANCES FOR ASSETS ^{1/}

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

Note:

1. Included regulatory loss allowance reserve.

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

DEPOSITS

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

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

DEBT ISSUED

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

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

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

CAPITAL ADEQUACY RATIOS ^{1/}

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

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

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

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

The capital adequacy ratios of OCBC Wing Hang Bank Limited are computed in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority, and the ratios for OCBC Bank (Malaysia) Berhad are computed in accordance with the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia. Bank OCBC NISP computes their ratios based on the Financial Services Authority Regulation in Indonesia.

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

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

PERFORMANCE BY BUSINESS SEGMENT

OCBC Group's businesses are presented in the following customer segments and business activities: Global Consumer/Private Banking, Global Corporate/Investment Banking, Global Treasury and Markets, OCBC Wing Hang and Insurance.

Operating Profit After Allowances and Amortisation by Business Segment

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

Global Consumer/Private Banking

Global Consumer/Private Banking provides a full range of products and services to individual customers. At Global Consumer Banking, the products and services offered include deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards, wealth management products (unit trusts, bancassurance products and structured deposits) and brokerage services. Private Banking caters to the specialised banking needs of high net worth individuals, offering wealth management expertise, including investment advice and portfolio management services, estate and trust planning, and wealth structuring.

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

Global Corporate/Investment Banking

Global Corporate/Investment Banking serves institutional customers ranging from large corporates and the public sector to small and medium enterprises. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, deposit accounts and fee-based services such as cash management and custodian services. Investment Banking offers a comprehensive range of financing solutions, syndicated loans and advisory services, corporate finance services for initial public offerings, secondary fund-raising, takeovers and mergers, as well as customised and structured equity-linked financing.

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

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

Global Treasury and Markets

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

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

OCBC Wing Hang

OCBC Wing Hang offers a comprehensive range of commercial banking and related financial services such as consumer financing, share brokerage and insurance.

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

Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.9%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Operating profit after allowances from GEH more than doubled from a year ago and the previous quarter to S\$377 million in 1Q19. The operating profit growth for both periods was driven by improved investment performance as a result of financial market conditions.

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

Others

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

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

PERFORMANCE BY BUSINESS SEGMENT *(continued)*

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

PERFORMANCE BY GEOGRAPHICAL SEGMENT

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

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

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

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

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

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

Note:

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

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

Note:

1. Fair value through other comprehensive income.

BALANCE SHEETS (UNAUDITED)

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

Note:

1. "[@]" represents unaudited.

STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 31 March 2019

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

STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the three months ended 31 March 2019

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

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the three months ended 31 March 2019

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

SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

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

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

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

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

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

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

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

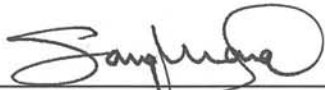
OTHER MATTERS

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

CONFIRMATION BY THE BOARD

We, Ooi Sang Kuang and Samuel N. Tsien, being directors of Oversea-Chinese Banking Corporation Limited ("the Bank"), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Bank and of the Group for the quarter ended 31 March 2019 to be false or misleading.

On behalf of the Board of Directors



Ooi Sang Kuang
Chairman



Samuel N. Tsien
Chief Executive Officer / Director

9 May 2019