

Creating Sustainable Value and Inspiring a Better Future



About This Report

Approach to Reporting

At OCBC, reporting is an important mechanism that demonstrates transparency and accountability to our stakeholders. Through our report, we hope to be responsive to stakeholders’ interests and concerns, in order to build mutual understanding, trust and respect. Furthermore, the reporting process is part of our management approach to sustainability, supporting our efforts to drive continuous improvement across our business.

Scope of the Report

This is our second annual Sustainability Report. It covers the operations of the OCBC Group globally except for Great Eastern Holdings, a separately-listed subsidiary that publishes its independent sustainability report in accordance with the requirements of SGX-ST Listing Rules. The contents of this report focus on the activities carried out within the financial year ending 31 December 2018. Where applicable, data from previous financial years have been included for comparison and to show our performance over time. While we value consistency, we also strive to improve our approach to reporting year on year. As such, in 2018, we updated our material Environmental, Social and Governance (ESG) factors, described on page 55, to better communicate our management of the sustainability agenda.

Reporting Framework

We have adopted the Global Reporting Initiative (GRI) Standards as our reporting framework. This report has been prepared in accordance with GRI Standards: Core option and GRI G4 Financial Services Sector Disclosures. This includes adhering to the GRI principles for defining report content:

- Sustainability context
- Stakeholder inclusiveness
- Materiality
- Completeness

We have also referenced the primary components detailed in the Singapore Exchange (SGX) Listing Rules guide for sustainability reporting.

Data and External Assurance

While the data included in this report has undergone a rigorous review as part of our internal processes, we have not sought external assurance for this reporting period.

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Contact

We welcome your feedback and suggestions at corpcomms@ocbc.com.

Board Statement

Sustainability at OCBC is not just about doing good. It is about investing in a better future for our business and making a positive and lasting impact on society, driven by our Purpose and our six corporate values. This has guided the way we do business for the past 86 years and enabled us to adapt effectively to an ever-evolving operating environment.



Welcome to our second annual Sustainability Report. As a sustainable and responsible organisation, we seek to provide stakeholders with a better understanding of our business and our approach to creating long-term value. Our report provides a clear presentation of OCBC’s sustainability strategy and of its Environmental, Social and Governance (ESG) performance.

The Board considers sustainability to be an integral part of OCBC’s long-term strategy formulation and is responsible for overseeing the integration of sustainable practices across the business. We evaluate potential ESG factors to determine which are material and relevant against the backdrop of a changing business landscape and our key business developments. Accordingly, 12 material ESG factors have been identified as relevant to our business operations and stakeholders.

In 2018, we developed a Sustainability Framework, which provides a clear vision of what sustainability means to us at OCBC, reinforcing it within our culture and entrenching it within our corporate DNA. We believe that adopting the framework and using it to improve our business practices will create long-term value for our investors and shareholders.

The Sustainability Framework builds on our past efforts by articulating our ambitions through five pillars:

- Putting customers first
- Acting with integrity
- Valuing our people
- Engaging communities
- Being environmentally responsible

Using this framework as a blueprint, we want to create a healthy society for future generations and are committed to supporting the United Nations Sustainable Development Goals (SDGs). In this regard, we recognise the unique role we play in helping to achieve the SDGs and in promoting sustainable development. We have identified five SDGs that are most consistent with our ESG factors and business. These five SDGs, we believe, will enable the Bank to create a long-term, positive impact for our customers, employees, investors and society. Fundamental to this is the financing of energy solutions that enable the necessary transition to a low-carbon economy. Our goal is to reduce new financing of coal-fired power plants, while increasing the percentage of clean and renewable energy in our portfolio. This, again, is aligned to our Purpose and corporate values.

In this year’s report, we are particularly proud of the milestones reached in 2018. These include further enhancing our responsible and sustainable approach to finance, recent successes in our digital transformation across all departments, our award-winning schemes to train and equip our employees for the future, and our achievements in supporting the community and the environment through the #OCBCCares Programme.

We hope that this report provides a clear and realistic account of our approach to managing sustainability and our performance. Together with the Board, our Management remains committed to enhancing our practices over time.

Our Approach to Sustainability

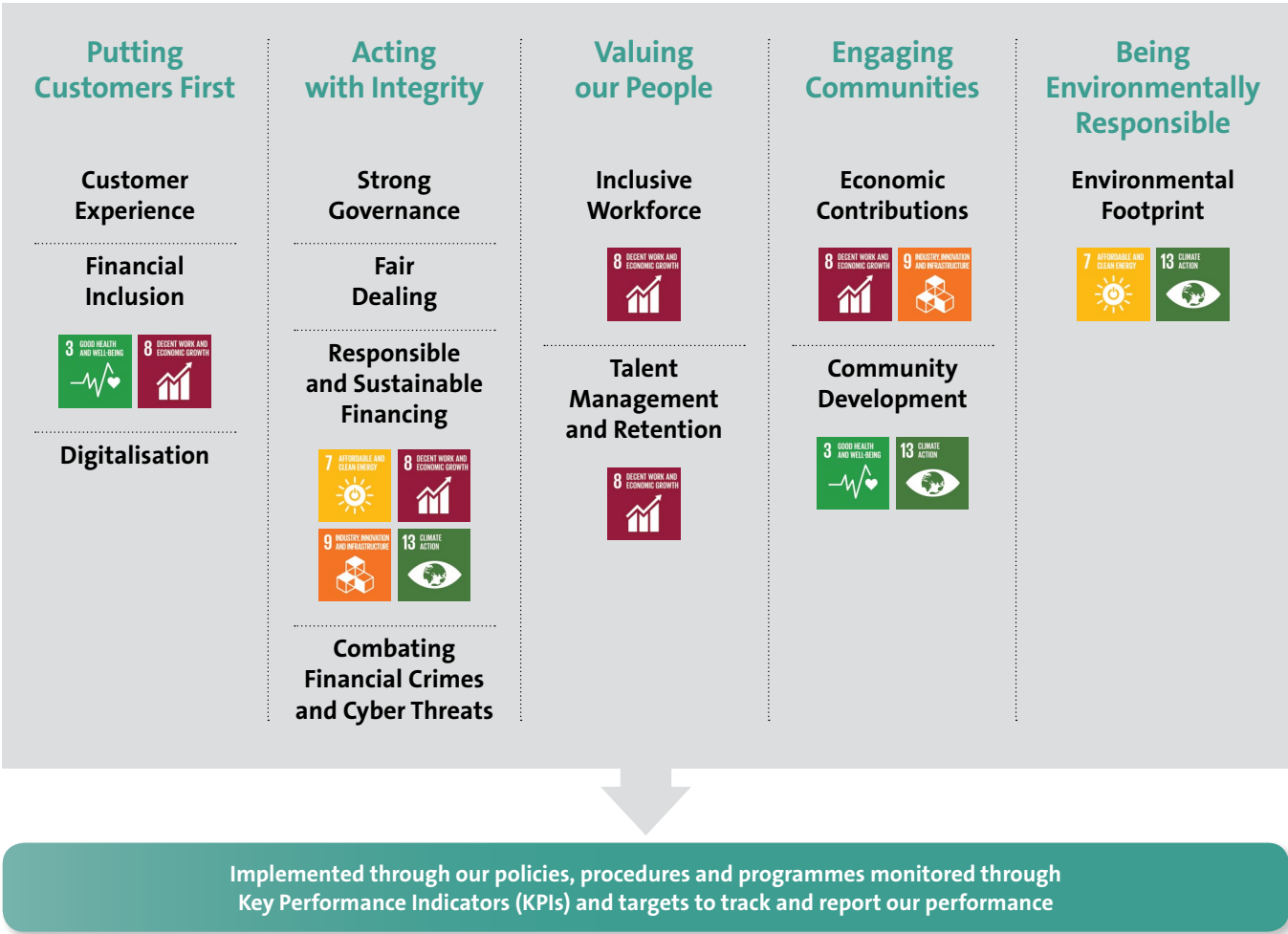
Our Sustainability Framework

Financial services are fundamental to the resilience and wellbeing of societies. We aim to create sustainable value and enable a better future for the people we engage by providing relevant financial services and trusted advice.

Our framework to achieve this vision is based on five pillars that reflect our sustainability commitments and embody our material Environmental, Social and Governance (ESG) factors.

This framework provides a clear vision for what sustainability means at OCBC. As such, it guides our approach to embedding responsible and sustainable business practices into the core of our business.

We report our progress and performance on each material ESG factor within our framework on pages 62 to 81.



The Sustainable Development Goals (SDGs)

On 25 September 2015, leaders from 193 countries came together at a historic UN Summit in New York to adopt the 17 SDGs, also known as the Global Goals for Sustainable Development.

The SDGs represent the world's most pressing priorities until 2030. They address a broad range of issues from taking action to eradicate poverty to protecting the planet.

At OCBC, we recognise the unique role we must play in helping to achieve the SDGs and in promoting sustainable development, including the transition to a low-carbon economy.

Having considered the alignment with our own material ESG factors, we have identified five SDGs where we believe we can make the biggest contribution to sustainable development.

We also recognise that we can have an impact across all 17 SDGs in different ways. We hope to support all the SDGs as a holistic framework for a better future through the financial products and services we bring to market, managing our business operations sustainably and responsibly, and being an advocate for sustainable development.



Relevant SDG Targets

3.8 — Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Alignment with OCBC's Material ESG Factors

- Financial Inclusion
- Community Development

How OCBC is Contributing

- Providing a full range of bancassurance products to our customers, in partnership with our subsidiary, Great Eastern Holdings
- Funding projects through our #OCBCCares Programme to promote mental wellbeing for less advantaged children, youths, the elderly and individuals with special needs



Relevant SDG Targets

7.2 — Substantially increase the share of renewable energy in the global energy mix by 2030

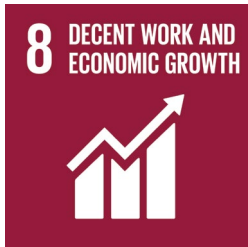
7.3 — Double the global rate of improvement in energy efficiency by 2030

Alignment with OCBC's Material ESG Factors

- Responsible and Sustainable Financing
- Environmental Footprint

How OCBC is Contributing

- Financing a broad range of sustainable energy projects across our markets, including solar farms, wind farms and clean energy technologies
- Integrating ESG considerations into our lending practices and capital market activities
- Continuously improving the environmental impact of our buildings and branch operations



Relevant SDG Targets

8.4 — Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead

8.5 — By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.10 — Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

Alignment with OCBC's Material ESG Factors

- Financial Inclusion
- Responsible and Sustainable Financing
- Inclusive Workforce
- Talent Management and Retention
- Economic Contributions

How OCBC is Contributing

- Providing innovative and relevant financial services to help individuals and businesses of all types and sizes to succeed and achieve their aspirations
- Strengthening existing policies and lending criteria, in particular establishing Responsible Financing policies for the following elevated risk sectors: Energy, Mining and Metals, Agriculture and Forestry
- Creating a work environment that is inclusive and supportive of our employees
- Investing in learning and development to ensure that all our employees have the opportunity to grow
- Contributing to wider economic growth and development by paying salaries, taxes and dividends to shareholders, as well as procuring from local suppliers



Relevant SDG Targets

9.4 — By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally-sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities

Alignment with OCBC's Material ESG Factors

- Responsible and Sustainable Financing
- Economic Contributions

How OCBC is Contributing

- Financing projects that support the development of sustainable infrastructure and industrial operations
- Continuously improving the environmental impact of our buildings and branch operations



Relevant SDG Targets

13.3 — Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Alignment with OCBC's Material ESG Factors

- Responsible and Sustainable Financing
- Community Development
- Environmental Footprint

How OCBC is Contributing

- Financing a broad range of sustainable energy solutions (including renewables), water management and pollution control projects in our markets
- Supporting ground-up projects that raise awareness of sustainability issues and engaging communities to take action through the #OCBCCares Fund for the Environment
- Continuously improving the environmental impact of our buildings and branch operations

Our Sustainability Governance Structure

To achieve our aspirations and embed responsible and sustainable practices into our business, a robust governance structure is important.

The Board has ultimate responsibility for overseeing all aspects of sustainability at OCBC. It is supported by the Sustainability Council and the Sustainability Working Group.

OCBC is committed to inculcating a culture of responsible and sustainable business throughout the organisation.

We encourage leadership, innovation and collaboration as well as sharing of best practices at all levels, in order to enhance the sustainability agenda across the business.

The Sustainability Council evaluates our management and performance for each of our material ESG factors and regularly updates the Board on progress. We make improvements to our approach as required on an ongoing basis.

	Roles	Members
Board	The Board has overall responsibility for sustainability efforts. It takes our identified material ESG factors into careful consideration when formulating OCBC’s strategy	<ul style="list-style-type: none">Board Directors
Sustainability Council	The Sustainability Council is responsible for identifying, managing and monitoring material ESG risks and opportunities. It is also responsible for the development of OCBC’s Sustainability Framework	<ul style="list-style-type: none">Group Chief Executive Officer (Chairperson)Chief Operating OfficerChief Financial OfficerHead – Global Treasury and Investment BankingHead – Group Risk ManagementHead – Global Commercial BankingHead – Global Corporate BankingHead – Group Human ResourcesHead – Group Operations and TechnologyHead – Group Brand and Communications
Sustainability Working Group	The Sustainability Working Group is responsible for implementing sustainability initiatives, engaging internal and external stakeholders on sustainability matters, driving performance against our material ESG factors through the setting and measurement of KPIs and targets, and compiling our annual Sustainability Report	<ul style="list-style-type: none">Consumer Financial Services SingaporeGlobal Corporate BankingGroup Brand and CommunicationsGroup Human ResourcesGroup Legal and Regulatory ComplianceGroup Operations and TechnologyGroup Property ManagementGroup Risk ManagementInvestor Relations

Our Materiality Assessment Process

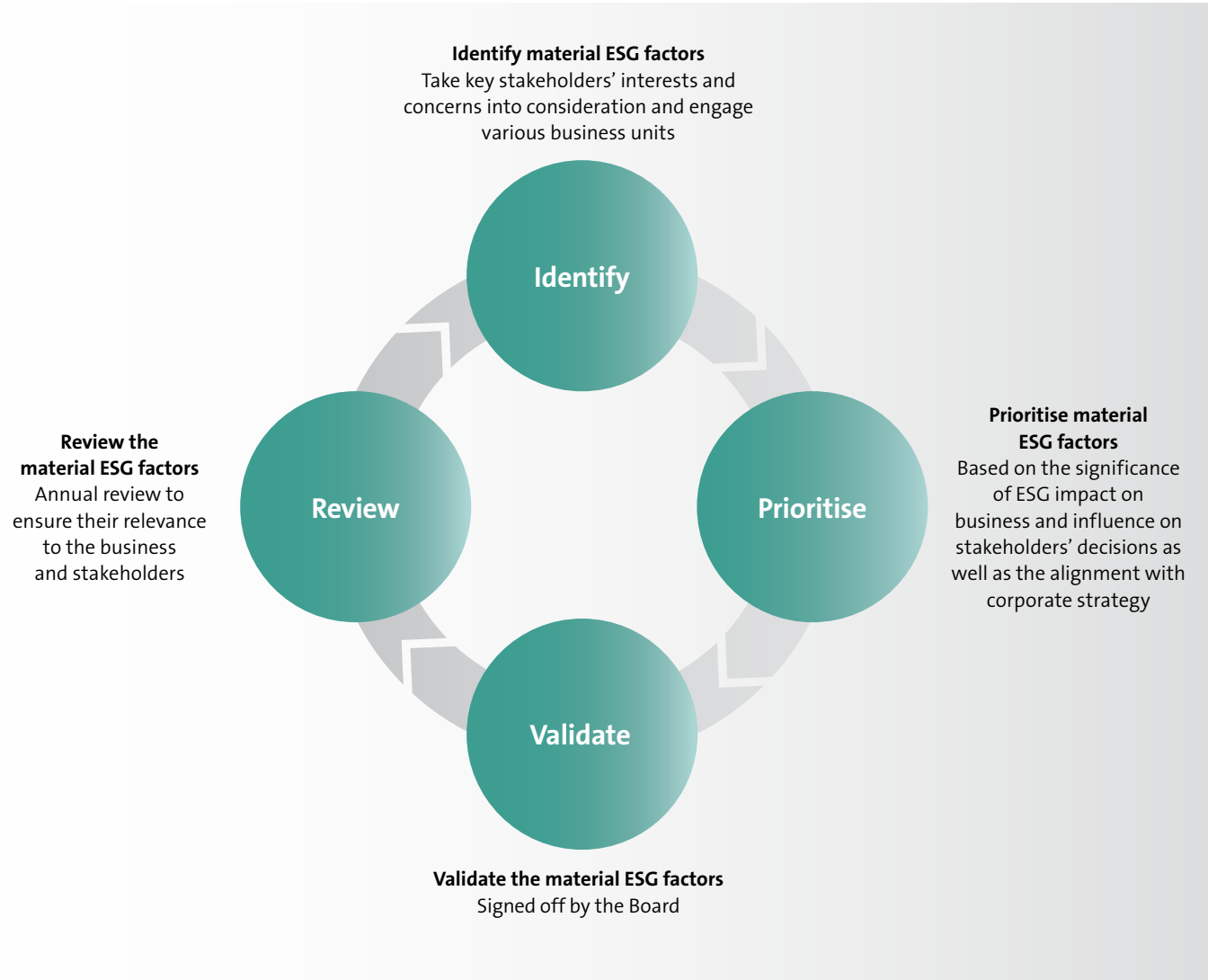
In 2017, we conducted a four-step exercise to identify and prioritise the ESG factors that are most material to us. For details of the process, please refer to the diagram below.

This year, we reviewed and further refined our ESG factors through an exercise which:

- Separated Digitalisation, as a standalone material factor, from within Customer Experience. Digitalisation is one of the key strategic priorities of the Group
- Expanded the former material factor Responsible Financing to include our efforts to develop relevant and innovative financial solutions that promote sustainable development. Renamed the factor as Responsible and Sustainable Financing

- Separated Talent Management and Retention, as a standalone material factor, from within Inclusive Workforce, because this issue is an important part of our agenda to value our people

As we progress on our sustainability journey and our business context changes, we will continue to evolve and update our material factors through stakeholder engagements and in consultation with Management across our operations globally.



Our Approach to Sustainability

Stakeholder Engagement

At OCBC, we recognise stakeholder cooperation can positively influence our business performance. Every day, at every level of the business, we engage with a diverse group of stakeholders, both formally and informally. We have identified our key stakeholder groups through an internal mapping exercise, which prioritised those that have a significant impact on and/or are significantly impacted by our operations.

Through continuous, constructive and open dialogues, we identify and address potential issues proactively and collaboratively. These interactions enable us to respond effectively to sustainability challenges and opportunities which affect us all. Our approach towards stakeholder engagement is summarised in the table below.

Stakeholder Groups	Interests and Concerns	Our Response	Engagement Method	Frequency
Customers	<ul style="list-style-type: none">Quality and consistency of the customer experienceCommitment to customer relationshipsQuality of adviceRelevance and suitability of recommended products and servicesAdherence to Fair Dealing principles	<ul style="list-style-type: none">Deliver superior customer experience by leveraging new technologiesDevelop customer-centric products and solutions based on customer insights drawn from continuous interactions with customersDesign seamless, simple and meaningful ways to interact and engage with the BankEngage customers through our Simply Spot On Brand Promise as a pledge to understanding their needs	<ul style="list-style-type: none">Surveys, interviews and workshops to better understand our customers and benchmark against competitorsCustomer complaint tracking and problem resolution process/governanceCross functional projects with focus on the improvement of the experience and the delivery of our Brand PromiseActive senior engagement in customer experience projectsEmployee training programme on human-centered design techniques to ensure our customers are the focus of the product development process	<ul style="list-style-type: none">Regular interactions with customers through qualitative and quantitative research methodsMonthly tracking of service level performance across various channels and customer complaintsMonthly reporting to senior management on customer service excellenceAnnual benchmarking against competitors
Employees	<ul style="list-style-type: none">Supportiveness of work cultureProgressiveness of work environmentOpportunities for continuous learning and development	<ul style="list-style-type: none">Engage employees with HR policies and programmes based on the three pillars of the OCBC Employer Brand – Caring, Progressive and Delivering a DifferenceEnsure no employee is left behind in our digitalisation journey through our Future Smart Programme, which trains and develops digital competencies of employees globally	<ul style="list-style-type: none">Employee Engagement SurveyQuarterly e-mails from Group CEO on OCBC’s accomplishments and objectivesDivisional town hallsInternal newsletter — OCBC TellerFocus groups and skip-level sessions to obtain continuous feedback	<ul style="list-style-type: none">Biennial Employee Engagement SurveyOngoing engagement at division and department levels
Investors	<ul style="list-style-type: none">Stability and sustainability of earnings growthSoundness of funding and capital positionPredictability and sustainability of dividend payoutAsset qualityStrength of corporate governance and stewardshipCommitment to responsible financing practices	<ul style="list-style-type: none">Pursue a prudent growth strategyConstruct a sound funding and capital framework and diversified funding baseMaintain a consistent dividend policyApply robust risk management practices and disclosuresEnsure strong Board oversight and transparent disclosureAdopt responsible financing framework and disclose sustainability commitments and practicesHost a Digital Investor Day to communicate our digital strategy to investorsAddress Environmental, Social and Governance (ESG) queries in a timely and responsible manner	<ul style="list-style-type: none">Financial reports and disclosuresAnnual ReportAnnouncements on OCBC Bank’s websiteAnnouncements via SGXNetResults briefings and webcastsAnnual General Meeting with shareholdersMeetings, conferences and roadshowsCorporate Day	<ul style="list-style-type: none">Quarterly briefing for earnings announcementsAnnual ReportAnnual General MeetingRegular meetings with investors
Communities	<ul style="list-style-type: none">Support for family cohesionSupport for the needs of an ageing populationSocietal acceptance of individuals with special needsPromotion of environmental sustainabilityAvailability of education opportunities for children and youths	<ul style="list-style-type: none">Continue with the #OCBCCares Programme, which offers holistic support to make a differenceOrganise community engagement activities to build relationshipsSupport biodiversity enhancements at Coney Island in SingaporeContinue with the #OCBCCares Fund for the Environment to support ground-up initiatives which deliver sustainable environmental impactOffer bond-free scholarships and book prizesSponsor the OCBC Skyway at Gardens by the Bay and the Singapore Sports Hub, which includes OCBC Arena, OCBC Aquatic Centre and OCBC Square	<ul style="list-style-type: none">Volunteer activities that have strategic long-term impact on beneficiaries and support the environmentEvents that engage the community at largeCollaboration with partner organisationsEvaluation and disbursement of donations and funds to beneficiary groups and ground-up effortsTraining workshops to help community members apply for funds from OCBC for ground-up environmental efforts	<ul style="list-style-type: none">Regular disbursement of donations and funds to charity partners and educational institutionsRegular volunteer activities throughout the yearAnnual signature events, including OCBC Cycle and OCBC Community Day in Singapore, OCBC Cycle in Malaysia and OCBC Wing Hang Little Debate in China
Regulators	<ul style="list-style-type: none">Robustness of risk cultureManagement of risksCommitment to combating financial crimeStrength of data governance and securityPreparedness to face cyber threatsStability of financial performanceResponsiveness to fintech developments	<ul style="list-style-type: none">Formulate a comprehensive compliance risk framework to provide a holistic approach to managing legal and regulatory riskImplement policies and procedures to ensure compliance with applicable laws, rules and regulationsAdvise business units and provide regular training for employees on applicable laws, rules and regulationsConduct compliance testingLeverage on fintech solutions to improve regulatory monitoring effectiveness	<ul style="list-style-type: none">Regular meetings and consultations with regulatorsRepresentation at industry forumsRegulatory reportsAudit reports	<ul style="list-style-type: none">Ad hoc and regular engagement, as appropriate to circumstances

Customer Experience

Why this is Material to Us
Our customers are at the heart of our business. By listening to our customers, understanding their needs and delivering the best products and services, we aim to deliver a superior customer experience. This is fundamental to deepening our engagement and forging enduring relationships with them.

Our Management Approach
Being a customer-centric bank and putting customers first is our fundamental philosophy and drives what we do at all levels.

We aim to make banking with OCBC as simple and seamless as possible across all our channels and touchpoints. This starts with a relentless focus on improving our customers' journey with us.

Improving customers' journey
We employ a variety of techniques to better understand our customers: their needs, behaviours, pain points and use of our products and services. From there, we extract insights that guide the design of the events that customers are exposed to, in order to bank with us in a meaningful and effective way. The same insights are the basis for the development of products and services that address concrete customer needs.

The experience we deliver is closely monitored at both the strategic and operational level. Our Service Excellence Council (SEC) has oversight of our metrics for tracking customer experience and responsibility for setting the high-level strategy. The SEC, chaired by our Group CEO, includes representatives from our business divisions and reports directly to the Board.

Selected Policies, Procedures and Programmes

Launching Simply Spot On
• A new Brand Promise was launched in 2018 that reflects our commitment to listening to our customers and understanding their specific needs, to best provide solutions for them

Driving continuous improvement through tracking and understanding customer satisfaction
• The Net Promoter Score (NPS) is tracked on a monthly basis and measures the overall customer engagement at product, segment and overall company levels, based on how likely customers are to recommend OCBC to their peers
• Our internal Exceed expectation-Below expectation (E-B) Score is tracked with higher frequency and measures the level of satisfaction across the various touchpoints and interactions customers have with our staff and the Bank

Scaling customer centricity across the organisation – The Great Experience Design bootcamp
• A tailored Human-Centred Design programme for employees across divisions was launched in 2018 to teach ways to be more customer-centric in everything we do

Our Performance

Ranked
1st
in customer satisfaction ranking for the second year in a row in J.D. Power 2018 Singapore Retail Banking Satisfaction Study

4
customer compliments received for every customer complaint (OCBC Group)

100%
of customer complaints tracked until successful closure; 88% resolved within three working days of receiving the complaint (Singapore)

100%
of the 45 personal data-related complaints closed successfully; all eight valid complaints filed with the PDPC resolved satisfactorily without incurring any penalty (Singapore)

Our Targets

To achieve internal E-B score of 68% for our Singapore Retail Banking in 2019

Awards

Highest number of winners across all financial institutions for the fourth consecutive year
The Association of Banks in Singapore (ABS) Excellent Service Award (EXSA) OCBC Bank

Excellence in Customer Centricity
Retail Banker International Asia Trail Blazer Awards 2018 OCBC Bank

Financial Inclusion

Why this is Material to Us
Financial inclusion means providing innovative, accessible and the right financial products and services that meet the needs of society. This is in line with our fair dealing principles and the purpose of helping individuals and businesses across communities achieve their aspirations.

Our Management Approach
We provide products and services that help our customers achieve their ambitions, as well as make day-to-day living better and easier.

Digitalisation of our products and processes has enabled OCBC to provide new solutions and extend our reach beyond physical branches, opening new market segments which may have previously been underserved.

Selected Policies, Procedures and Programmes

Promoting financial and digital literacy through different life stages
• Child Development Accounts for children and young families
• FRANK by OCBC for youths between 16 and 29
• Silver Years by OCBC Life Goals for our pre-retirees and retirees

Supporting full spectrum of businesses in their growth journey
• Business First Loan provides access to funding for businesses as early as six months from incorporation
• Innovative financial services to support the growth and digitalisation of start-ups and small businesses
• Comprehensive range of products and services for established enterprises and large corporates that supports sustainable growth

Our Performance

No. 1
provider of Child Development Accounts in Singapore with 80% market share

Disbursed close to
S\$1b
in government-assisted loans to SMEs in Singapore, Malaysia and Hong Kong over the last three years

+11%
FRANK by OCBC accounts among youths aged 16–29

Our Targets

• Maintain No. 1 market share of Child Development Accounts in Singapore in 2019
• Grow government-assisted loans to SMEs in Singapore, Malaysia and Hong Kong by 25%, targeting S\$500m new loans in 2019.

Case Studies

Supporting Financial and Digital Literacy
In Singapore, we support the Singapore Digital (SG:D) national movement to promote digital literacy. Mr Lee Hsien Loong, the Prime Minister of Singapore (pictured, right), and Mr Dennis Tan, OCBC Bank Head of Consumer Financial Services Singapore, discussed OCBC's efforts to guide the elderly in their digitalisation journey at the Info-communications Media Development Authority's (IMDA) ePayment Learning Journey event in May 2018.



Bank OCBC NISP continues to support Indonesia's National Strategy for Financial Inclusion through initiatives aimed at both our customers and the general public.

In Hong Kong, OCBC staff volunteered to teach students practical tips on money management.

Guiding Seniors in Digital Transformation
Digital ambassadors have been deployed at our branches to help guide elderly customers in using our latest ATMs and digital service kiosks.



Our digital ambassador helps a senior customer gain hands-on experience in using our digital services.

Digitalisation

Why this is Material to Us

Technology is now a central part of our everyday lives. Customer behaviours, needs and expectations have changed. Digital-enabled business operations are creating new opportunities. As such, digitalisation is mission-critical for OCBC. We aim to provide innovative and seamless solutions that meet customer needs across all stages of their digitalisation journey as part of our Brand Promise.

Our Management Approach

Digital transformation has been a longstanding approach at OCBC. We are focused on transforming ourselves and creating the Bank of the Future.

Our digital strategy cuts across every aspect of the Bank. We are focused on innovation and collaboration as key tenets of our approach.

Carpe Diem

OCBC in-house Innovation Lab, Carpe Diem in Tampines Centre One, is a dedicated space for employees to build and test prototypes and develop unconventional solutions for the Bank by applying new technologies.

Since its launch in 2013, more than 6,000 ideas have been incubated with several of them eventually transformed into successes. These include the HR In Your Pocket app and an Application Programming Interface (API) platform which enabled transactional APIs and built partnerships with government agencies such as the Central Provident Fund (CPF) and Ministry of Education (MOE) in Singapore.

The Open Vault at OCBC

The Open Vault at OCBC (TOV) was launched in 2016 with the aim of opening the Bank to external innovative ideas and to co-create solutions with ecosystem participants from outside the Bank. Since then, TOV has evaluated over 1,500 fintechs globally and partnered more than 25 fintech start-ups to pilot new solutions in wealth management, virtual customer assistance, transaction monitoring, business banking, consumer marketing and life insurance.

In 2018, a dedicated Artificial Intelligence (AI) unit called AI Lab, was set up to strategically develop in-house AI capabilities with an initial investment of S\$10 million over three years.

Selected Policies, Procedures and Programmes

Deepening customer intimacy to drive loyalty

- Our mobile and digital solutions provide greater access to products and services that create a seamless customer experience
- Leverage on data analytics and AI to provide an unparalleled level of customer intimacy through creating highly-personalised interactions to drive loyalty

New engines of growth

- **Unlocking core market segments**
OCBC is the first bank in Southeast Asia to launch a robo-investment service. It is an automated, algorithm-based digital investment platform that helps customers to manage their investments without having to interact with a human financial consultant. Targeted at young and tech-savvy retail investors, OCBC RoboInvest makes investing simple in today's digitised world
- **Generating partner-led growth**
OCBC OneAdvisor Home brings together all home expertise onto one digital platform by integrating property search, affordability assessment and home-related advisory to help customers make holistic decisions. The ecosystem of partnerships includes property listings portals, interior designers, property agents and home insurance

Scalability

- **Efficient Frontier**
Stay at the efficient frontier enabled by new technologies such as AI, that enables the Bank to provide excellent service to a wide base of customers
- **Scalable and modular platforms**
Ensure our digital products, services and processes are scalable and shareable across platforms and customer channels, to provide a consistent customer experience

Digital inclusiveness

- **All-encompassing approach**
Create an open, agile and innovative culture to ensure that no one is left behind in our transformation journey
- **Customer engagement**
Please visit Customer Experience section on page 62
- **Staff empowerment**
Please visit Talent Management and Retention section on page 76

New frontiers of risk management enabled by AI and big data

- Improve risk management through the use of fintech solutions. OCBC is one of the first Singapore banks to tap on AI and machine learning to enhance the detection of suspicious transactions

Our approach to digitalisation is led by our Group CEO, who is supported by the dedicated digital teams in Singapore as well as our core markets. Each business unit is responsible for the execution of its part in the strategy.

For more information, please visit Redefining Customer Engagement through Digital Transformation on page 20.

Case Study

Driving Innovation through AI

The Open Vault at OCBC (TOV) shortlisted eight fintech companies to participate in the 2018 TOV Innovation Challenge, its annual showcase of innovative technological solutions. Amongst other experiments, OCBC Bank piloted Artificial Intelligence (AI) solutions from two of the companies – Scila, from Sweden, and Cardabel, from France – to bolster its audit processes for trading activities.

In 2018, OCBC became the first bank in Singapore to establish an in-house AI unit, called AI Lab. With an initial investment of S\$10 million over three years, a pioneering team will drive the adoption of AI and machine learning across banking services such as wealth advisory and loans financing.

OCBC's in-house Innovation Lab, named Carpe Diem, is a dedicated space for employees to build and test unconventional solutions. Among the ideas incubated here was our HR In Your Pocket app, which has an AI-powered chatbot that answers 90% of our employees' queries. The app has resulted in estimated savings of 13 man-hours per day.



OCBC Bank's Group CEO, Mr Samuel Tsien (third from left); Head of Group Audit, Ms Goh Chin Yee (far left); and Head of E-Business, Business Transformation and Fintech and Innovation Group, Mr Pranav Seth (second from left), discuss an AI solution with Mr Lionel Simon, CEO of fintech company Cardabel, at the 2018 TOV Innovation Challenge.



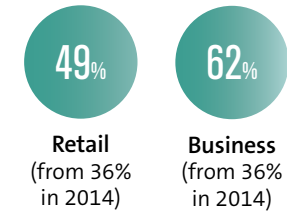
Mr Ken Wong (fourth from left), Head of AI Lab, leads his team of data scientists in a discussion.



OCBC's Innovation Lab is a dedicated space for employees to test unconventional solutions.

Our Performance

Digital customers⁽¹⁾ in Singapore



89% of financial transactions⁽²⁾ conducted digitally

71% of digital customers bank on mobile

Our Targets

Increase the number of digital customers in Singapore:

- Consumers: to 55% by 2019 and to 60% by 2023
- SMEs: to 65% by 2019 and to 70% by 2023

Awards

- The Best Innovation Centre by Financial Institution**
The Asian Banker 2018
OCBC Bank
- The Regulatory Technology Implementation of the Year**
The Asian Banker 2018
OCBC Bank
- Asia's Most Vigilant Bank Excellence in Governance, Risk & Compliance**
IDC Financial Insights 2018
OCBC Bank
- Small Business Bank of the Year**
The Asian Banker 2018
OCBC Bank
- The Best Mobile Initiative, Application or Programme**
The Asian Banker 2018
OCBC Bank-OCBC Business Mobile Banking

Notes:

- ⁽¹⁾ Digital customers are customers who have used Internet/mobile banking at least once in the last three months.
- ⁽²⁾ Financial transactions refer to fund transfers and payments which are non-cash in nature.

Strong Governance

Why this is Material to Us
Strong governance is essential to building and safeguarding the trust that our stakeholders place in us. It is also critical for effective decision making and oversight to ensure our long-term success.

Our Management Approach
We are committed to the highest standards of corporate governance and ethical conduct. This means complying with all applicable laws and regulations and also establishing best practices consistently across the OCBC Group.

The expected standards of behaviour for all employees are set out in the OCBC Code of Conduct and our Group policies. These are implemented through a rigorous approach to regular staff communication, engagement, training and assessment.

OCBC has a zero tolerance approach to any form of bribery and corruption, which is stated in our Code of Conduct. Our anti-bribery and anti-corruption policies have been communicated globally to all our employees.

Selected Policies, Procedures and Programmes

Board Ethics and Conduct Committee
Established by the Board of Directors, the committee provides oversight of policies, programmes and guidelines that inculcate and sustain a strong culture of responsible banking and fair dealing. That culture, which anchors the purpose, values and reputation of OCBC Bank, especially the emphasis on forging lasting relationships with customers and other stakeholders, is founded on trust that is established over time. OCBC Bank makes it a top priority to live up to and, indeed, surpass the ethical standards it is expected to meet.

Risk Culture Framework
Embeds and reinforces a systematic approach to managing risk at all levels of the Group to ensure awareness, competency and accountability of practices. The framework is underpinned by a rigorous approach to assessment and monitoring

Management Control Oversight Rating (MCOR)
Measures risk awareness and control consciousness of Management in discharging risks and controls supervisory/oversight responsibilities. The MCOR is derived based on the score of a set of factors including awareness, aptitude and attitude

OCBC adopts a zero-tolerance policy to fraud. Staff are informed that the Bank will investigate and report all internal fraud to the appropriate authorities. In 2013, an employee was suspected of conducting unauthorised transactions which led the Bank to promptly conduct an internal investigation, and thereafter report and cooperate with the authorities. The employee was convicted of the crime in December 2018.

We regularly review the effectiveness of our policies and practices, ensuring that they are relevant and implemented successfully across our business, with new ones added where warranted.

For further information on our approach to strong governance, please visit Corporate Governance on page 82.

Employee Conduct Triggers (ECT)
Supports the Group Risk Culture Programme. It comprises a set of indicators that monitor employee conduct which was developed as an integral supplement to the existing suite of human resource management tools. In 2018, we introduced the ECT model for the first time and assessed all employees in Singapore against it. Moving forward, the Group will progressively extend the programme to subsidiaries and continue to include more bank-wide and business-specific indicators

Material Risk Takers (MRT) Framework
Employees identified as having a material influence on the long-term performance of the Group have appropriate incentives set within the remuneration policy to ensure prudent behaviour

Positive Reinforcement
Employees are recognised for their effort in preventing fraud and helping customers avoid scams, and exhibiting the right behaviours that exemplifies the Bank's Purpose and values

Whistleblowing Programme
Provides a transparent channel for employees and the public to raise concerns. The channels for reporting include: Website: www.ocbcgroup.ethicspoint.com Hotline: 800-110-1967

Our Performance

100%
completion of mandatory staff training (fraud awareness, whistle-blowing, anti-bribery, anti-corruption)⁽¹⁾

Employee Conduct Triggers (ECT) reveals
98%
of employees in Singapore exhibit the right behaviours in accordance with the indicators tracked

Rated
A
by Morgan Stanley Capital International (MSCI) ESG Research according to our performance on ESG risks and opportunities relative to industry peers

Our Targets

- Maintain 100% completion rates for mandatory staff training in 2019
- Roll out Employee Conduct Triggers model to subsidiaries in 2019

Note:
⁽¹⁾ The training performance includes employees in Singapore, China and other international branches.

Fair Dealing

Why this is Material to Us
Fair dealing has been the basis of our business over the years and we will continue to forge enduring relationships with our customers as we grow our business.

- Our Management Approach**
We are committed to dealing fairly with our customers by:
- Continually strengthening their confidence in our conduct, being anchored in integrity, which is an integral part of our DNA
 - Providing them with the right products and services in line with their needs and risk profiles
 - Placing competent employees on the front line that can provide quality advice and appropriate recommendations
 - Providing clear, relevant and timely information in plain language to help them make informed decisions
 - Handling their complaints in an independent, effective and prompt manner

Selected Policies, Procedures and Programmes

Fair Dealing Committee and Framework
Maintains oversight of the strategic initiatives, organisational policies and practices related to the delivery of Fair Dealing outcomes

Product Suitability Committee, Policy and Framework
Governs the approval of new investment products, ensuring that they are offered appropriately to the Bank's target customer segments

Product Advertisement Policy
Aligns with the Monetary Authority of Singapore's latest guidelines on product advertising introduced in 2018

One-Page Risk Disclosures
Highlights the key risks associated with different investment products to help customers make informed decisions

Our Performance

100%
completion of mandatory Fair Dealing e-learning⁽¹⁾ module

100%
of the few incidents concerning product and service information and labelling resolved satisfactorily

100%
attendance in product suitability training and assessment for Product Managers

Our Targets

- Maintain 100% completion of mandatory Fair Dealing training in 2019
- Achieve zero non-compliance pertaining to Fair Dealing requirements in 2019

Note:
⁽¹⁾ The Fair Dealing training performance includes employees in Singapore and Malaysia.

Case Study: Meeting Our Customers' Needs

Fair Dealing Committee (FDC)
No adverse issues encountered in FDC's quarterly reviews of the Bank and its subsidiaries' Fair Dealing performance in 2018.

Singapore Product Suitability Committee (SPSC)
Total of 37 new investment products approved by the committee in 2018.



Responsible and Sustainable Financing

Why this is Material to Us

We recognise that we have an important role as a financial institution to take action on climate change and promote sustainable development. Fundamental to this is ensuring that we take a responsible approach to financing and provide financing solutions that contribute to the sustainable development of society.

Our Management Approach

At OCBC, responsible and sustainable financing are two sides of the same coin:

Responsible Financing

Integrating ESG considerations into our credit and risk evaluation process for our lending practices and capital markets activities.

Sustainable Financing

Developing a comprehensive and innovative range of solutions to respond to climate change and promote sustainable development.

We embed a responsible and sustainable approach into our processes and DNA, driving decision making by:

- Establishing clear and consistent frameworks and policies across the Group
- Building awareness and competencies on ESG issues through training
- Establishing taskforces and working groups to advance our approach in key areas
- Establishing dedicated resources to support the implementation of Responsible Financing Policies
- Promoting collaboration across the organisation to identify and develop Sustainable Financing related opportunities and solutions

Our approach references the Equator Principles, the Association of Banks in Singapore (ABS) Guidelines on Responsible Financing and other relevant international standards.

We actively engage with external stakeholders on sustainability-related matters, as we believe that sustainable development can only be accomplished by combined efforts. We work with Asia Sustainable Finance Initiative (ASFI) to support the shift of Asia's financial flows towards sustainable economic, social and environmental outcomes.

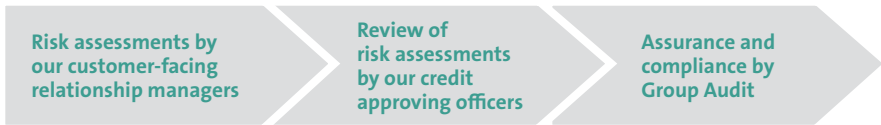
Please visit our website for a detailed description of our approach and practices.

Selected Policies, Procedures and Programmes

Responsible Financing

• ESG Risk Assessment Framework

Integrates ESG considerations in our lending and capital markets activities



Transactions with high ESG or reputational risk are escalated to the Reputational Risk Review Group for review and clearance

• Exclusion Lists

Define the types of projects that OCBC will not finance irrespective of region, industry sector or client

• Sector Policies and Climate Change Statement

Developed policies for following sectors, under which prohibitions and/or mandatory compliance requirements have been issued:

- Agriculture and Forestry:** Expect our clients to manage haze and fire risks by complying with the requirements of the ABS Haze Diagnostic Kit
- Energy:** Stopped financing new coal-fired power plant projects that use sub-critical technology or lignite (brown coal) as the main fuel source
- Metals and Mining:** Established prohibitions for projects of lignite mines under our mining and metal sector policy

In line with SDG 13 on taking urgent action to combat climate change, we issued our climate change statement and are committed to working towards a low-carbon economy.

Sustainable Financing

We aim to be a leader in sustainable finance, by developing a comprehensive and innovative range of solutions targeted at promoting sustainable development in key focus industries and ultimately supporting the achievement of our focus SDGs

Financing Solutions	Project Finance	Green Loans and Green Bonds	Sustainability-Linked Loans	Green Capital Instruments
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Focus Industries	Renewable Energy	Green Buildings	Water Management	Clean Transportation	Pollution Control
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Case Studies

Pioneering Green Finance in Indonesia

In July 2018, we worked with the International Finance Corporation (IFC), which extended IDR 2 trillion (S\$202.36 million) to Bank OCBC NISP Indonesia for green financing purposes.

"This is a major milestone for the Indonesian banking sector as it's expected to catalyse the development of the green bond market in Indonesia. In a country where green financing is relatively low, this first-ever green bond by a commercial bank marks the first step in unlocking the potential of the green bond market in Indonesia to spur new financing for climate-smart projects. The IFC is in discussions with other players and is keen to provide investment and advisory support to help develop green financing products in the country."

— Mr Philippe Le Houérou,
IFC Chief Executive



The signing ceremony on 31 July 2018 was attended by (from left) Mr Pramukti Surjaudaja, President Commissioner of Bank OCBC NISP; Mr Philippe Le Houérou, Chief Executive of IFC; Ms Parwati Surjaudaja, President Director of Bank OCBC NISP, and Mr Vivek Pathak, Regional Director for East Asia and the Pacific of IFC.

Partnering with Our Customers on Their Sustainability Journey

In June 2018, OCBC finalised a deal with Wilmar International Limited to peg interest rates for a US\$200 million (S\$269.81 million) loan to its sustainability performance, assessed annually. The deal was the largest sustainability-linked bilateral loan by a single Singapore bank at the point of announcement.

"We are pleased to collaborate with a major relationship bank, OCBC, to link our sustainability improvements with our corporate financing activities. Sustainability is a top priority at Wilmar and we are pleased to be able to demonstrate that responsible business practices will lead to sustainable growth and lower financing costs."

— Mr Ho Kiam Kong, Chief Financial Officer of
Wilmar International Limited



Our Performance

1,896

staff have been trained in responsible financing since 2017

Developed

4

sectoral policies for sectors identified as having elevated risks by ABS (agriculture, forestry, mining & metals and energy from fossil fuels)

4

dedicated Environmental, Social and Governance (ESG) specialists have been appointed to cover both business operations and risk management with a view to expanding the team in the near future

Integrated the ESG Risk Assessment Framework into lending processes across the Group

Our Targets

- Develop policies for the remaining sectors identified as having elevated risks (chemicals, defence, waste management and infrastructure) by 2019
- Reduce new financing of coal-fired power plants and double the Sustainable Financing portfolio by 2025

Awards

Best Green Bond Award
FinanceAsia China 2018
OCBC Bank

Combating Financial Crimes and Cyber Threats

Why this is Material to Us

The prevention of fraud, money laundering and the financing of terrorism is of critical importance across all the markets in which we operate. Cyber threats, and their link to cyber fraud and other crimes, have risen in volume and intensity globally, alongside data protection and data privacy concerns. This has the potential to severely disrupt banking services and result in large financial losses. Ensuring the security and resiliency of our systems is crucial to upholding trust and our licence to operate.

Our Management Approach

Protecting our customers has always been our priority. We adopt a holistic approach to risk management through ensuring all our products and services have security built in by design to protect customers' information and money, while still providing a frictionless banking experience.

We manage the risks relating to fraud, money laundering and financing of terrorism, cybersecurity and data protection across three key areas: physical assets, people and information.

We have in place a comprehensive framework of policies and practices, realised through active corporate risk governance and an extensive programme focusing on cyber defence capabilities, awareness and testing, incident response and crisis management, as well as insurance protection.

Senior management is involved in decision making on strategies to prevent, detect and respond to the evolving cyber threat landscape.

To further enhance our cyber resilience through external collaborations, we also actively engage in cyber threat information sharing with industry players via the Association of Banks in Singapore Standing Committee on Cyber Security (ABS SCCS) and the Financial Services Information Sharing and Analysis Centre (FS-ISAC), comprising members such as peer banks and the regulator.

For further information on our approach to Risk Management, please see page 103.

Selected Policies, Procedures and Programmes

Fraud

- Deployed a robust set of security and authentication measures across our Internet and mobile banking platforms to prevent fraud
- Provided education and advice to our customers and the community through our branch network, social media, radio and print media
- Invested S\$12 million over the last three years to enhance detection and monitoring systems, and improved fraud recovery procedures and staff awareness of fraud and scams

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

- Member of the Anti-Money Laundering/Countering the Financing of Terrorism Industry Partnership (ACIP)
- One of the first Singapore banks to tap on artificial intelligence (AI) and machine learning to enhance the detection of suspicious activity
- Collaborated with fintech start-up companies to explore AI in the detection of anti-money laundering patterns missed by humans

Cyber Resilience

- Adopt a "defence-in-depth" approach in instituting multi-layered controls and processes
- Conduct regular risk assessments, security reviews and audits to validate the effectiveness of safeguards established, with significant issues promptly remediated
- Manage and monitor our networks for cyber threats through a 24-hour Cybersecurity Operations Centre

• Our strategy comprises:

Cyber Risk & Resilience Policy
Incorporates regulatory requirements and aligns with international industry guidance on cyber risk and resilience. Roles and responsibilities across the three independent lines of defence are clearly defined

Cyber Defence Programme
Capabilities to sustain and enhance defences, and new ones continuously developed and deployed to address evolving and advanced threats. Incident response of people and processes are tested and improved to be more effective against cyber attacks

Cyber Risk Awareness & Social Engineering Testing Programme
Educates and tests all staff on cyber threats to continuously improve staff vigilance and cyber hygiene within the organisation. Educates customers through online channels, and outsourced services providers through cyber risk awareness sessions

Business Continuity & Crisis Management Programme
Ensures minimal disruption of essential banking services during times of crisis, including cyber attacks. Exercises are conducted regularly to improve responses to disruptions due to cyber attacks

Cyber & Network Security Insurance
Protects the Group using relevant insurance to cover damages due to a variety of cyber-attack situations

Case Studies

Preventing Fraud and Customer Scams

On several occasions, the timely intervention of our staff prevented customers from falling prey to scams. We received six Certificates of Appreciation for such actions from the Singapore Police Force in 2018.



Ms Sim Chin Ngui (centre), a customer service manager at OCBC Bank's Toa Payoh branch, receiving a certificate of appreciation from the Singapore Police Force.

Recognition for our Efforts

In 2018, OCBC Group Fraud Risk Management was presented with a plaque by the Singapore Police Force in recognition of their overall crime prevention efforts and successful delivery of important crime prevention messages to the public.



OCBC Group Fraud Risk Management presented with a plaque of appreciation from the Singapore Police Force.

Fraud Awareness Campaign

We launched a multi-channel campaign across print, radio, digital and social media channels in Singapore to create awareness of scams and educate members of the public on how scammers usually work. We produced three videos that were viewed more than 100,000 times on YouTube and social media within the first month of the launch. The Singapore Police Force and National Crime Prevention Council commended OCBC for our efforts to drive public awareness.



OCBC produced three videos educating the public about love scams, business email impersonation scams and police impersonation scams.

Our Performance

Prevented and recovered approximately
S\$8.3m
for our customers in 2018

100%
completion of mandatory biennial AML and CFT training and assessment ⁽¹⁾

100%
of employees tested by Social Engineering Test Programme ⁽²⁾

100%
completion of Annual Cyber & Information Risk Awareness Online Training & Assessment course ⁽¹⁾

Active member of the Alliance of Public PrivAte Cybercrime StAkeholders (APPACT), which was set up by the Cybercrime Command of the Singapore Police Force

Our Targets

- Maintain 100% completion of mandatory biennial AML and CFT training and assessment in 2019
- Maintain 100% of employees tested by Social Engineering Test Programme in 2019
- Maintain 100% completion of Annual Cyber & Information Risk Awareness Online Training & Assessment course in 2019

Notes:
⁽¹⁾ The training performance includes employees in Singapore, China and other international branches.
⁽²⁾ Testing includes employees in Singapore, Malaysia and China (including Hong Kong).

Inclusive Workforce

Why this is Material to Us
Having an inclusive workforce which represents our diverse customer groups provides the organisation with different perspectives, skills and talents. We aim to cultivate a culture where all employees are treated fairly with respect and where they can bring their whole selves to work. We believe that by creating an inclusive culture, employees will be engaged and inspired to contribute fully. This facilitates growth for our people and for the business.

Our Management Approach
We are committed to creating a work environment that is inclusive, embraces differences and recognises the value and contributions of individuals. We believe in having a diverse workforce at all levels of management.

As always, we tolerate no harassment of any kind. Our Code of Conduct has guidelines for our employees concerning anti-bullying and harassment. We have a robust grievance procedure in place for employees to share their concerns without any fear of retaliation.

Furthermore, it is crucial for us to instil a culture that welcomes different views. We believe this is a central ingredient to enhancing productivity and creativity, which will lead to greater employee performance. The OCBC Employer Brand articulates our programmes and policies, which are anchored on three Employer Brand pillars – Caring, Progressive and Delivering a Difference.

We maintain our commitment to be supportive of working parents, who often have to juggle demands both at home and at work. For example, our employees are given opportunities to adopt flexible work arrangements that allow them to balance time with family while continuing a career with OCBC. We provide childcare centres with full facilities at two of our sites with a third at One Marina Boulevard in Singapore.

Our approach to creating an inclusive workplace is reviewed on a regular basis and we will continue to enhance our policies and programmes to attract, engage, develop and retain a diverse employee group.

Selected Policies, Procedures and Programmes
In today’s constantly evolving work environment, we recognise that it is essential for organisations and employees to adapt in order to stay relevant. It is vital to be a learning organisation that encourages employees to step up and share.

OCBC Future Smart Programme

- Our largest-scale and most ambitious digital transformation initiative: A S\$20 million investment in our employees
- Promotes learning agility, as well as global and sustainability perspectives
- Anticipates future business needs that will impact our people

LifeRefresh@OCBC Programme

- Since 2016, over 300 employees have participated in this lifelong learning programme
- In 2018, the programme helped older employees be digitally-savvy and try out creating websites, participating in marketplaces and going cashless via e-payments

- Our Targets**
- Develop a diverse, inclusive and positive working environment for all employees regardless of gender, age, ethnicity or background so that employees can have meaningful careers and continue to be engaged with the Bank
 - Maintain a balanced gender mix in terms of headcount in 2019
 - Grow the pool of women in leadership positions from 38% to 42% by 2025

- Awards**
- Fair and Progressive Employment Practices**
Tripartite Alliance Awards 2018
OCBC Bank
 - Work-Life Excellence**
Tripartite Alliance Awards 2018
OCBC Bank
 - Excellence in Women Empowerment Strategy (SG) – Gold Award**
HR Excellence Awards 2018
OCBC Bank
 - Excellence in HR Innovation - Bronze Award**
HR Excellence Awards 2018
OCBC Bank

Case Studies

Recognising our Long-Serving Staff
We honoured more than 800 employees with Long Service Awards in 2018. Among them were 219 who have spent 20 years or more growing in their careers with OCBC and whose contributions were celebrated at a ceremony on 20 November 2018.



Among the staff recognised was Ms Lim Chay Yoon (pictured, right), a senior member of the Business Banking Commercial Service Centre, who has served the Bank for 43 years and was our longest-tenured Long Service Award recipient this year.



Mentorship Opportunities for Female Employees
In July 2018, we launched the MentorMe programme for junior female employees to be mentored by senior leaders within the Bank. This nine-month mentorship programme provides a network for women to support one another to achieve personal and professional success.



A networking session was organised for mentors and mentees in the MentorMe programme before participants were matched.

Celebrating International Women’s Day
In conjunction with International Women’s Day 2018, we organised a series of panels in Singapore titled “Different Walks of Life” on 13 March and 20 March 2018. Singapore Paralympic swimmer Theresa Goh, along with local artistes, business leaders and OCBC scholars, shared their life stories to celebrate what women are capable of.



Singapore Paralympian Theresa Goh (front row, fourth from left), actress-host Belinda Lee (back row, fourth from left), and OCBC employees who are trailblazers in their work, Janet Ang and Veronica Lai (back row, first and third from left, respectively), shared their inspiring stories at events at OCBC Campus celebrating International Women’s Day.

Inclusive Workforce

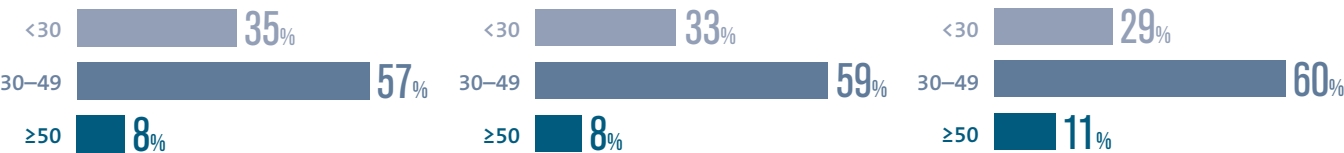
Our Performance

Total Workforce ⁽¹⁾

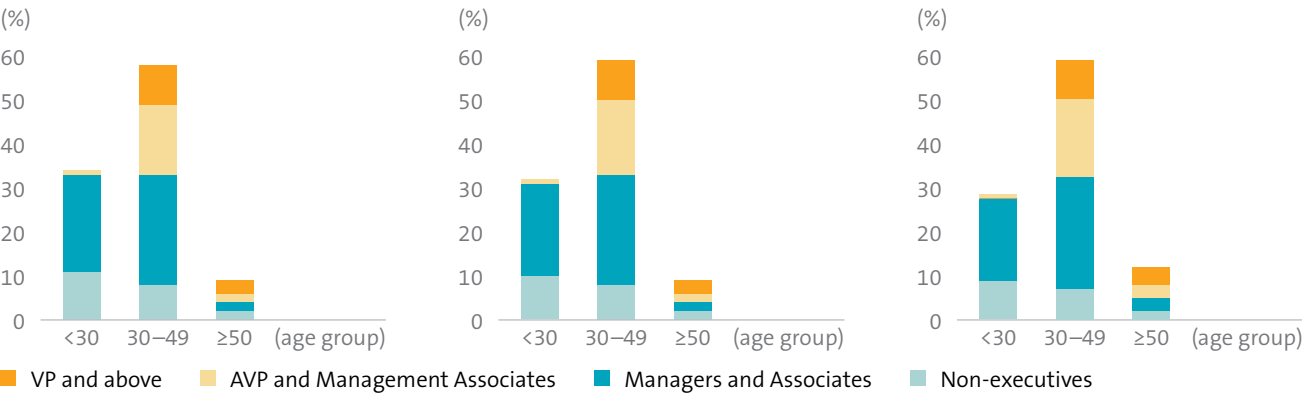


Workforce (Permanent and Contract Staff) ⁽²⁾

Age Group (years old)



Employee Category by Age Group (Permanent and Contract Staff)

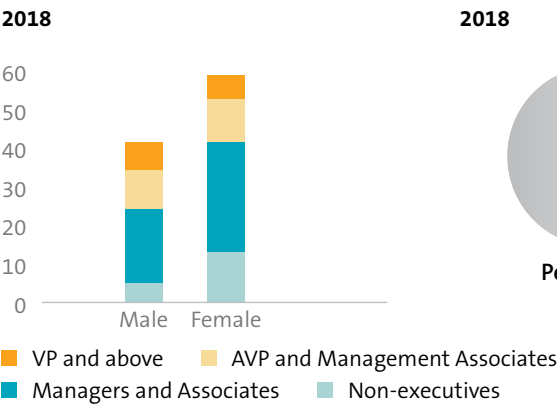


Gender ⁽³⁾

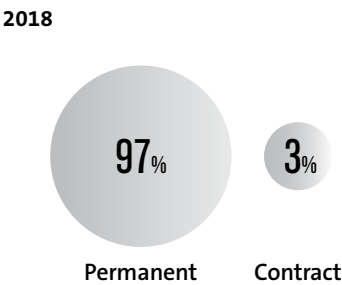
2018



Employee Category by Gender (Permanent and Contract Staff)



Employment Nature



Notes:
⁽¹⁾ To be consistent with our Annual Report, we have included the employees of Great Eastern Holdings and Lion Global Investors.
⁽²⁾ The statistics exclude Great Eastern Holdings and Lion Global Investors. In 2018, we have extended the scope by including Hong Kong and Macau.
⁽³⁾ The gender mix was at 59% (Female) and 41% (Male) consistently from 2015 to 2017.

Good Representation of Female Leaders

Leadership Positions



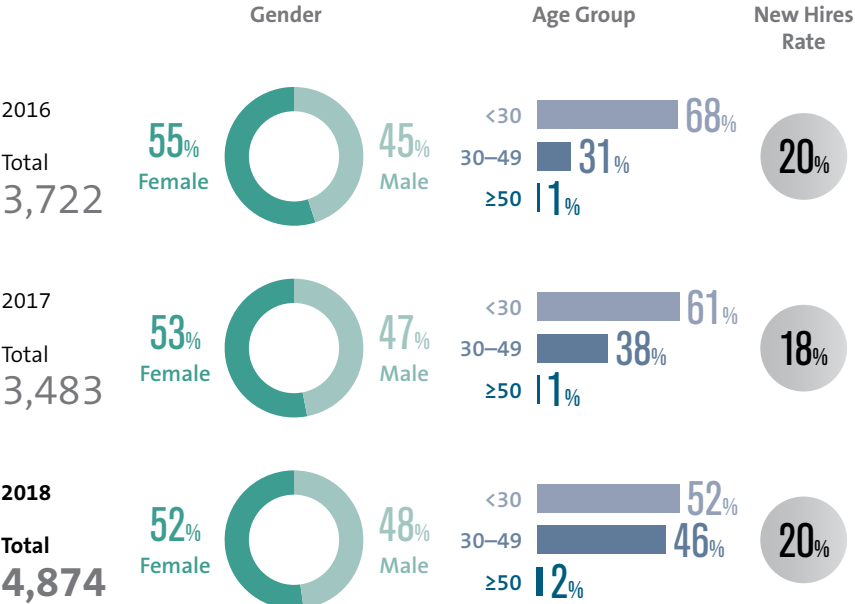
Senior Management Positions



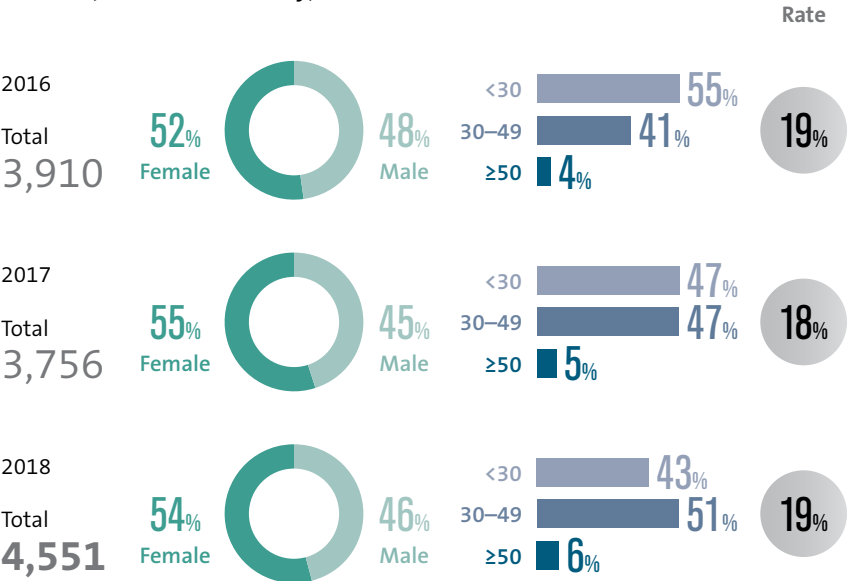
OCBC Group supports development of leaders and aims to create an equal opportunity working environment.

New Hires (Permanent Staff Only) ⁽¹⁾⁽²⁾

The new hires and attrition rates indicate the stability of our workforce within the organisation.



Attrition (Permanent Staff Only) ⁽¹⁾⁽²⁾



Notes:
⁽¹⁾ The statistics exclude Great Eastern Holdings and Lion Global Investors. In 2018, we have extended our scope by including Hong Kong and Macau.
⁽²⁾ 2016 and 2017 data for new hires and attrition have been restated due to data refinements.

Talent Management and Retention

Why this is Material to Us

Our employees are critical assets of the Bank. The continued success of our business pivots on a team of experienced and knowledgeable employees. As the needs of society evolve with the acceleration of technological advancement, it is imperative that we continue to invest in and support our employees in their development. This commitment is enshrined in People, one of our core values.

Our Management Approach

We aim to attract and retain the very best people. We offer a compelling work experience, which empowers employees to realise their full potential, take charge of their learning journey and supports work-life integration.

Selected Policies, Procedures and Programmes

OCBC Future Smart Programme

Invests S\$20 million in developing the digital competencies of employees so they will thrive in the new digital economy

Campus on Cloud

A digital platform enabling multiple learning modalities such as online communities and gig assignments. It empowers employees to take control of their own learning and will facilitate a paperless workplace

Nurturing young talent to be game-changers in the banking industry — FRANKpreneurship

A 16-week internship for young individuals offering training and mentorship in entrepreneurship

OCBC Graduate Talent Programme

Grooms the next generation of leaders through a 24-month structured programme with rotations and opportunity to work on real business projects with industry experts and build a regional network with graduate talents across the OCBC Group. It enables young leaders to accelerate their career path in the banking and finance industry

Executive Development Programme (EDP)

Designed in partnership with INSEAD Business School, it has developed over 300 leaders since 2007. This year, OCBC EDP went international as the participants learned how the global ecosystem, business innovation and digital transformation come together by visiting some overseas companies

Our Targets

- Maintain an average of at least five days of learning and development for employees in 2019
- Invest S\$20 million to equip all employees with digital skills over the next three years from 2018
- Keep employee engagement score above 70% in the 2020 Employee Engagement Survey
- Ensure that all employees continue to have access to career development opportunities within the Bank through internal channels and programmes

Awards

Best Training, Learning & Development
Kaplan Professional Award 2018
OCBC Bank

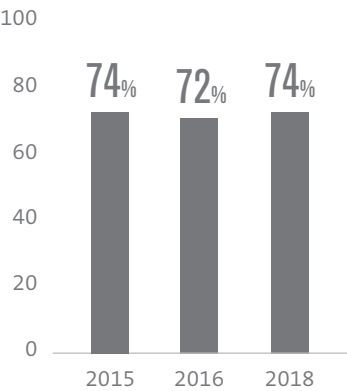
IBF Learning Partner Award (2018)
The Institute of Banking and Finance
OCBC Bank

Excellence in Learning and Development (Silver)
HR Excellence Awards 2018
OCBC Bank

Young HR Talent of the Year Award
HR Excellence Awards 2018
Louise Chin

Our Performance

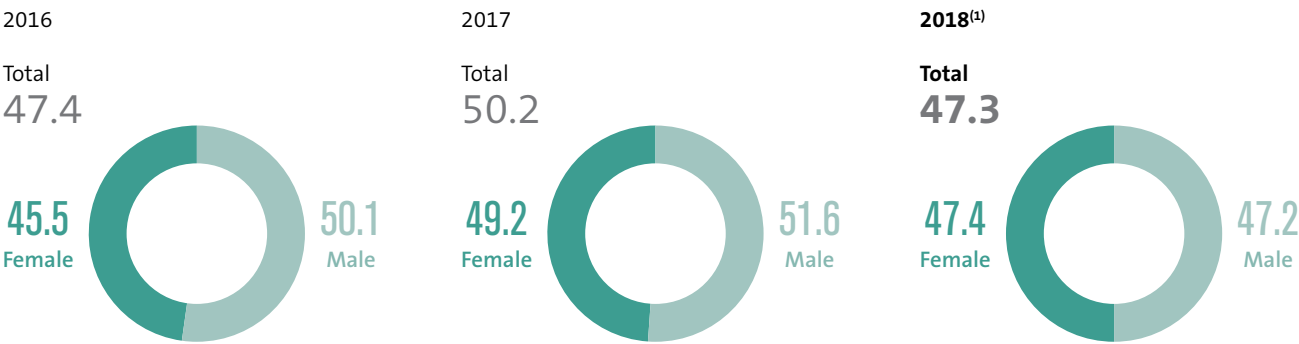
Employee Engagement Survey ⁽¹⁾⁽²⁾⁽³⁾



Notes:
⁽¹⁾ Effective from 2017, the organisation will conduct the survey on a biennial basis.
⁽²⁾ The percentage score reflects the proportion of employees in the organisation who will speak positively about their work experience, be motivated to contribute more and stay with the organisation.
⁽³⁾ The statistics reflect the engagement scores of OCBC Group employees including Great Eastern Holdings and Lion Global Investors.

Our Performance

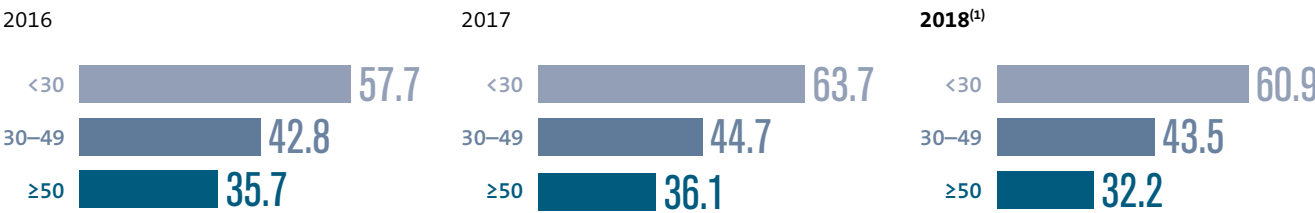
Average Training Hours by Gender



Average Training Hours by Employee Category



Average Training Hours by Age Group (years old)



Note:
⁽¹⁾ In 2018, the average training hours are derived based on a wider reporting scope by including staff from Hong Kong and Macau. The statistics exclude Great Eastern Holdings and Lion Global Investors.

Economic Contributions

Why this is Material to Us
As a bank, we play an important role in supporting the local economy where we operate, from the creation of jobs to the provision of financial services.

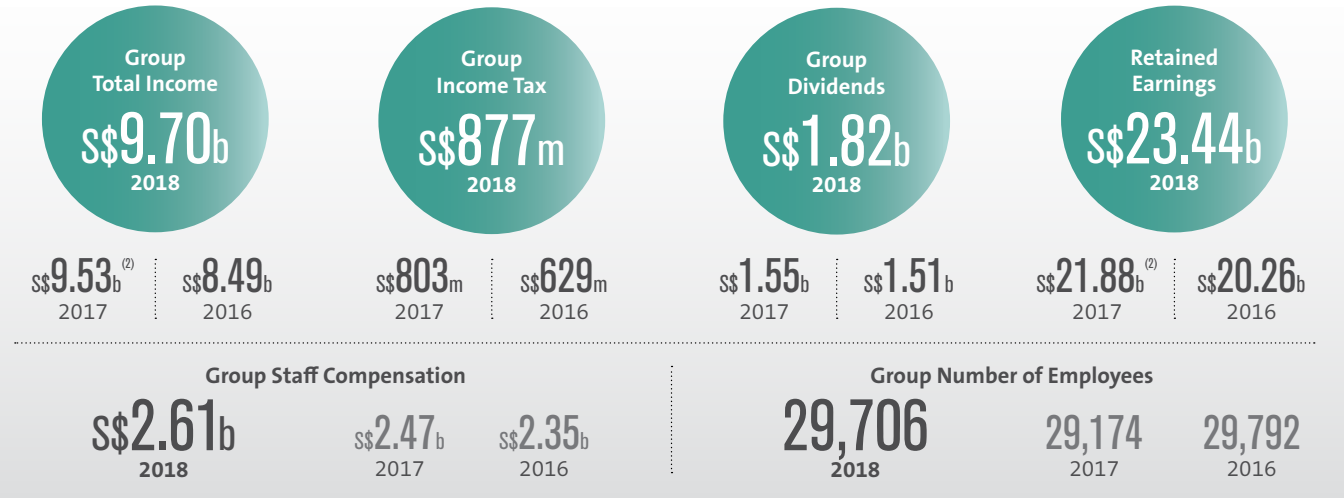
Our Management Approach
We undertake a disciplined pursuit of growth, supported by sustainable and responsible business practices to create value for our stakeholders over the long term.

Our Targets
Maintain above 85% of total spend on local vendors in 2019

Our Performance

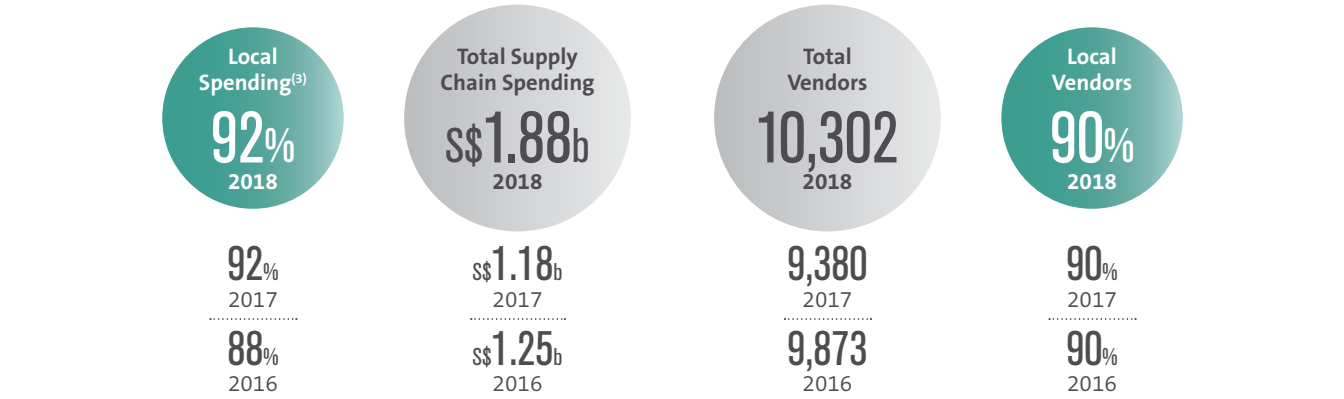
Our economic contributions arise from compensation to our employees, taxes to the authorities, retained earnings and dividends to our shareholders and payments to our suppliers.

Economic Contributions ⁽¹⁾



Where possible, we procure from local suppliers as part of our commitment towards supporting the long-term development of local enterprises in the core markets of our operations – Singapore, Malaysia, Indonesia, China and Hong Kong. In 2018, our supply chain spending increased significantly as we have extended the reporting scope by including Indonesia.

Total Supply Chain Spending



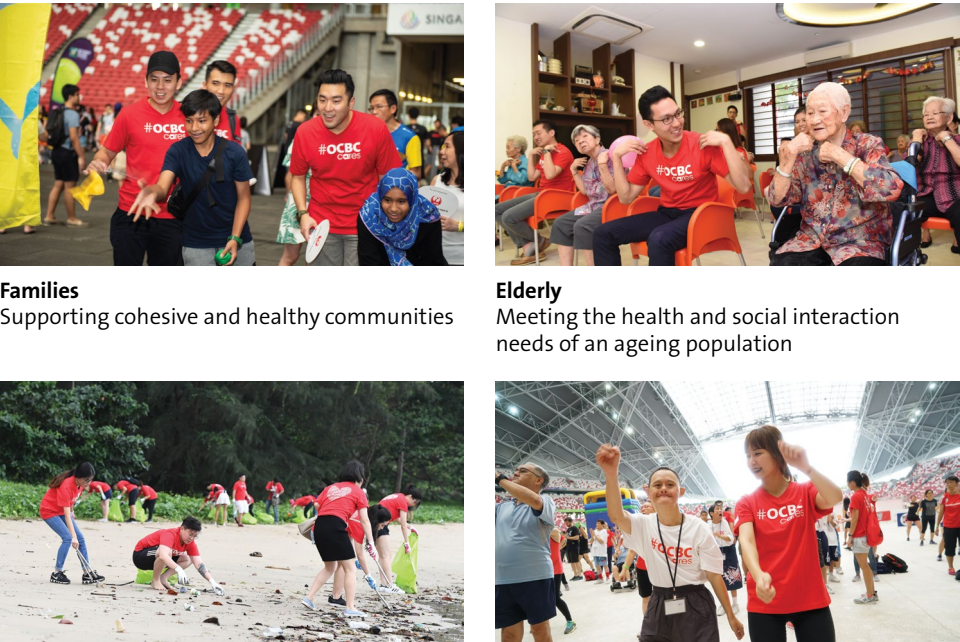
Notes:
⁽¹⁾ To be consistent with our financial statements, we have included the performance of Great Eastern Holdings in this table.
⁽²⁾ 2017 figures were restated with the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)).
⁽³⁾ Local is defined as registered in same country.

Community Development

Why this is Material to Us
Giving back is an integral part of our corporate culture. We aim to contribute to healthy, growing and inclusive communities in all the markets where we operate. We believe doing so will not only support sustainable development, but also enable us to succeed alongside a thriving society.

Our Management Approach
At OCBC, we take a strategic approach to giving back to the community through various initiatives. Through our flagship #OCBCCares Programme, we offer our charity partners meaningful financial and volunteer support.

We make a sustainable difference through targeted programmes across four themes:



Families
Supporting cohesive and healthy communities

Elderly
Meeting the health and social interaction needs of an ageing population

Environmental Sustainability
Promoting environmentally responsible behaviour and supporting conservation efforts

Persons with Special Needs
Encouraging societal inclusion and acceptance

Our #OCBCCares Committee oversees the selection of suitable charity partners to support and spearheads our strategy for engaging employees in volunteering.

Across our key markets, we take a localised approach to community development. OCBC is the Premier Founding Partner of the Singapore Sports Hub. We partner the Gardens by the Bay (the OCBC skyway) and the Singapore National Parks Board in various environmental initiatives and programmes. For many years, OCBC has sponsored the largest cycling event – OCBC Cycle – in Singapore and Kuala Lumpur.

For more information, please visit Caring for Our Community and the Environment on page 44.

Case Study

Participating in Global Compact Network Singapore (GCNS) Young SDG Leader Awards

A team of students from Nanyang Polytechnic supported and mentored by OCBC staff were joint first runner-up in the CDL-GCNS Young SDG Leaders Awards 2018. This was part of our efforts to engage the next generation of leaders to foster responsible and sustainable business.

Our Performance

106,116 beneficiaries supported

9,910 volunteers

43,248 volunteering hours

S\$1.8m donated

947 activities organised across the Group

Planted 213 trees and shrubs at Coney Island Park which can accumulate 13.6 tonnes of carbon over 10 years

This is the equivalent of approximately one year of household emissions for almost 88 persons in Singapore, based on the Singapore household emissions in 2014.

Our Targets

In 2019, we aim to progressively enhance our support for the underserved in the community, committing financial and volunteer support to improve lives

Being Environmentally Responsible

Environmental Footprint

Why this is Material to Us

A thriving society is dependent on a healthy environment. While our direct impact on the environment is relatively small, we actively seek to reduce our footprint and avoid unnecessary use or waste of resources. Optimising our operations and encouraging environmentally-friendly behaviours among staff and customers reduces cost and helps to protect the environment.

Our Management Approach

Our direct environmental management efforts are focused on three key areas:

Sustainable buildings and operations

Minimising our environmental footprint by proactively adopting energy- and water-saving measures, as well as promoting waste recycling in our buildings

Sustainable procurement

Prioritising the procurement of greener products and services during the screening and selection of suppliers, wherever feasible

Promoting environmentally-friendly behaviours

Raising awareness and enabling of environmentally-friendly behaviours among our employees, customers and the wider community

Case Study

United for Wildlife Financial Taskforce

OCBC is proud to be a signatory to the United for Wildlife Financial Taskforce, a coalition of financial institutions committed to playing our part in combating the illegal wildlife trade. We recognise that the illegal wildlife trade — among the five most lucrative global crimes — has a devastating impact on the dwindling populations of endangered wildlife left in the world. We are committed to ensuring that the Bank does not facilitate or tolerate financial flows derived from the illegal wildlife trade and the corruption associated with it, such as the sale of illegal wildlife products



OCBC is a member of the United for Wildlife Financial Taskforce, a leading global effort to combat illegal wildlife trade. We marked our participation at a declaration signing ceremony held in London on 10 October 2018, attended by the Duke of Cambridge, Prince William (seated, fourth from left).

Selected Policies, Procedures and Programmes

- Undertaking retrofitting for our buildings, such as upgrading of lifts and replacing air-conditioning systems to maximise efficiency and allow for energy savings
 - Implementing state-of-the-art video and audio conferencing facilities across our operations to avoid unnecessary travel and allow for more flexible working arrangements among staff
 - Raising awareness and educating staff on our #noplastics campaign. In 2018, we screened the BBC documentary, The Blue Planet, and held a talk on the impact of single-use plastics for over 300 staff, partners and senior management from across our businesses
 - Encouraging our customers to switch to e-statements to save paper. As of December 2018, close to 50% of our eligible accounts were on e-statements
 - Eliminating the use of plastic bottled water at all our branches in Singapore, preventing almost seven tonnes of plastic from entering the waste stream since 2017
 - Providing financial support for initiatives that enhance environmental sustainability in Singapore through our #OCBCCares Fund for the Environment
- For more information on #OCBCCares Fund for the Environment, please visit page 48.

Our Performance

Although OCBC owns and manages a number of non-banking properties, our banking operations represent the bulk of our environmental footprint, consumption and emissions.

This year, we have decided to report only on our banking operations. These also represent the greatest opportunity for us to track and drive initiatives and improvements.

Our Targets

- Reduce paper usage by 5% in 2019
- Maintain electricity consumption in a range of +/-5% of 2018's consumption in 2019

Energy and Emissions	2016 ⁽¹⁾	2017	2018 ⁽²⁾
Electricity consumption (MWh)	70,860	79,188	99,365
Electricity usage intensity (kWh/ft ²)	20.7	23.1	21.7
Scope 2 emissions from purchased electricity (tonnes CO ₂) ⁽³⁾⁽⁴⁾	36,101	38,835	53,837
Scope 2 emissions intensity (kgCO ₂ /ft ²)	10.5	11.3	11.8
Water			
Total water consumption (m ³) ⁽⁵⁾	382,272	333,947	501,464
Water consumption intensity (m ³ /ft ²)	0.1	0.1	0.1
Paper			
Office paper consumption (tonnes) ⁽⁶⁾	316	303	258

Notes:

⁽¹⁾ Energy, water consumption and GHG emissions data for 2016 and 2017 only included OCBC-occupied buildings, offices, branches and subsidiaries (BOS and OSPL) in Singapore, Malaysia and China.

⁽²⁾ The 2018 data for energy, water consumption, GHG emissions also includes OCBC Wing Hang (China, Hong Kong and Macau).

⁽³⁾ OCBC uses the operational control approach for determining GHG emissions.

⁽⁴⁾ Emission factor source: Institute of Global Environment Strategies (IGES) -IGES Grid Emission Factors.

⁽⁵⁾ Water consumption is from public utilities.

⁽⁶⁾ Paper consumption data is only applicable for operations in Singapore.

Case Study

Youths in Support of #noplastics

To kick off Earth Day 2018, FRANK by OCBC teamed up with the founders of Our Singapore Reefs to raise awareness of the adverse effect of plastic waste on our coral reef ecosystem. During the half-day boat trip and dive session, over 68kg and 363 pieces of marine trash were removed from Lazarus Island's reefs.



The FRANK by OCBC team participated in a half-day boat trip and dive session to collect marine trash from coral reefs at Lazarus Island off Singapore.

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Disclosure Number	Disclosure Title	Page Reference and Remarks
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Oversea-Chinese Banking Corporation Limited
102-2	Activities, brands, products and services	An Unwavering Focus on Sustainable Value Creation, 30–31
102-3	Location of headquarters	63 Chulia Street, #10-00 OCBC Centre East, Singapore 049514
102-4	Location of operations	More than 600 branches and representative offices in 18 countries and regions
102-5	Ownership and legal form	Public limited company listed on the Singapore Exchange
102-6	Markets served	Key markets are Singapore, Malaysia, Indonesia and Greater China
102-7	Scale of the organisation	30–31, 74, 134–282
102-8	Information on employees and other workers	74
102-9	Supply Chain	78, OCBC engages external service providers in IT, advertising and event management, outsourcing, HR recruitment, legal, real estate/ facilities maintenance and other services
102-10	Significant changes to the organisation and its supply chain	OCBC can confirm that there have been no significant changes to the organisation and its supply chain
102-11	Precautionary Principle or approach	OCBC does not explicitly refer to the precautionary principle or approach in its risk management principles. We seek to create sustainable value for our stakeholders. Please see our approach to responsible financing on page 68 or risk management on page 103
102-12	External initiatives	We have been signatory to the United Nations Global Compact (UNGC) since April 2008 and observe its ten principles in the areas of human rights, labour, the environment and anti-corruption
102-13	Membership of associations	OCBC key memberships include The Association of Banks in Singapore (ABS), The Association of Banks in Malaysia (ABM), The Hong Kong Association of Banks (HKAB), Indonesian Bank Association (Perbanas) and China Banking Association (CBA) OCBC became a pioneer member of Global Compact Network Singapore (GCNS) which is a local chapter of the UNGC in 2006 We are one of the founding members of the National Volunteer & Philanthropy Centre (NVPC) Company of Good in 2016 We became signatory to the United for Wildlife Financial Taskforce in 2018
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Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	www.ocbc.com/group/who-we-are/purpose-values.html
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102-41	Collective bargaining agreements	In Singapore, the Singapore Bank Officers’ Association (SBOA), Singapore Bank Employees’ Union (SBEU) and Singapore Manual and Mercantile Workers’ Union (SMMWU) represent the applicable cohort on collective bargaining In West Malaysia, the Association of Bank Officers, Peninsular Malaysia (ABOM) and National Union of Bank Employees, States of Malaya (NUBE) and in East Malaysia, the Sabah Banking Employees’ Union and Sarawak Bank Employees’ Union represent the applicable cohorts on collective bargaining
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