

PRESS RELEASE

OCBC WING HANG BANK LIMITED

<u>Consolidated Statement of Profit or Loss</u>
(Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

Interest income 5,853,074 6,284,733 Interest expense (2,157,145) (2,698,484) Net interest income 3,695,929 3,586,249 3.1% Fees and commissions (net) 746,627 768,046 7768,046 7768,046 777,759 778,046 778,046 778,046 778,046 778,046 778,046 778,046 778,046 778,046 778,047 778		2016	2015 (restated)	Change
Net interest income 3,695,929 3,586,249 3.1% Fees and commissions (net) 746,627 768,046 768,046 Dividends 9,208 9,100 9,100 Rental income 5,449 4,575 4,575 Other income 564,758 379,592 379,592 Other operating income 1,326,042 1,161,313 14.2% Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 30,774 Share of net gains of associated companies 42,771 59,422 -1.3% Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725)	Interest income	5,853,074	6,284,733	
Fees and commissions (net) 746,627 768,046 Dividends 9,208 9,100 Rental income 5,449 4,575 Other income 564,758 379,592 Other operating income 1,326,042 1,161,313 14.2% Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624)	Interest expense	(2,157,145)	(2,698,484)	
Dividends 9,208 9,100 Rental income 5,449 4,575 Other income 564,758 379,592 Other operating income 1,326,042 1,161,313 14.2% Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624)	Net interest income	3,695,929	3,586,249	3.1%
Rental income 5,449 4,575 Other income 564,758 379,592 Other operating income 1,326,042 1,161,313 14.2% Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 30,774 Share of net gains of associated companies 42,771 59,422 -1.3% Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624) -1.3%	Fees and commissions (net)	746,627	768,046	
Other income 564,758 379,592 Other operating income 1,326,042 1,161,313 14.2% Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 30,774 Share of net gains of associated companies 42,771 59,422 -1.3% Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624)	Dividends	9,208	9,100	
Other operating income 1,326,042 1,161,313 14.2% Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 30,774 Share of net gains of associated companies 42,771 59,422 -1.3% Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624)	Rental income	5,449	4,575	
Operating income 5,021,971 4,747,562 5.8% Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624)	Other income	564,758	379,592	
Operating expenses (2,673,204) (2,274,928) 17.5% Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624) Profit for the year attributable to equity (337,725) (388,624)	Other operating income	1,326,042	1,161,313	14.2%
Operating profit before impairment losses and allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624)	Operating income	5,021,971	4,747,562	5.8%
allowances 2,348,767 2,472,634 -5.0% Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624) Profit for the year attributable to equity	Operating expenses	(2,673,204)	(2,274,928)	17.5%
Impairment losses and allowances (98,762) (146,208) -32.5% Operating profit after impairment losses and allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624) Profit for the year attributable to equity -32.5%	Operating profit before impairment losses and			
Operating profit after impairment losses and allowances Unrealised gains on subordinated liabilities Profit before taxation Taxation Profit for the year attributable to equity 2,250,005 2,326,426 30,774 30,774 59,422 2,384,537 2,416,622 -1.3% (337,725) (388,624)	allowances	2,348,767	2,472,634	-5.0%
allowances 2,250,005 2,326,426 -3.3% Unrealised gains on subordinated liabilities 91,761 30,774 Share of net gains of associated companies 42,771 59,422 Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624) Profit for the year attributable to equity	Impairment losses and allowances	(98,762)	(146,208)	-32.5%
Unrealised gains on subordinated liabilities 91,761 Share of net gains of associated companies 42,771 Profit before taxation Taxation Profit for the year attributable to equity 91,761 30,774 59,422 2,384,537 2,416,622 -1.3% (388,624)	Operating profit after impairment losses and			
Share of net gains of associated companies Profit before taxation Taxation Profit for the year attributable to equity 1 59,422 2,416,622 -1.3% (388,624)	allowances	2,250,005	2,326,426	-3.3%
Profit before taxation 2,384,537 2,416,622 -1.3% Taxation (337,725) (388,624) Profit for the year attributable to equity	Unrealised gains on subordinated liabilities	91,761	30,774	
Taxation (337,725) (388,624) Profit for the year attributable to equity	Share of net gains of associated companies	42,771	59,422	
Profit for the year attributable to equity	Profit before taxation	2,384,537	2,416,622	-1.3%
Profit for the year attributable to equity	Taxation	(337,725)	(388,624)	
1 1	Profit for the year attributable to equity		<u>. </u>	
	shareholders of the Bank	2,046,812	2,027,998	0.9%

Consolidated Statement of Financial Position

(Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

	2016	2015 (restated)
ASSETS		
Cash and balances with banks, central banks and other		
financial institutions	9,622,651	4,742,130
Placements with banks, central banks and other financial		
institutions	6,237,703	6,914,867
Amounts due from ultimate holding company and fellow	0.450.000	0.640.750
subsidiaries	8,170,829	9,640,759
Trading assets	5,780,612	1,986,212
Financial assets designated at fair value through profit or loss	2,292,953	6,567,450
Advances to customers and other accounts Available-for-sale financial assets	167,510,656	155,932,929
Investments in associated companies	55,050,258 353,756	32,547,690 350,167
Tangible fixed assets	353,756	330,107
- Investment properties	338,895	182,900
- Other properties, plants and equipment	4,852,011	4,779,391
Goodwill	1,306,430	1,306,430
Current tax recoverable	3,216	-
Deferred tax assets	13,722	17,302
Total assets	261,533,692	224,968,227
EQUITY AND LIABILITIES Deposits and balances of banks, central banks and other financial institutions Amounts due to ultimate holding company and fellow subsidiaries	4,245,654 17,302,857	691,288 2,304,865
Deposits from customers	193,153,230	180,399,232
Certificates of deposit issued	3,843,176	8,650,384
Trading liabilities	2,485,215	893,269
Current tax payable	159,806	215,206
Deferred tax liabilities	241,563	243,671
Other accounts and provisions	3,895,602	2,657,975
Subordinated liabilities	3,146,519	3,236,237
Total liabilities	228,473,622	199,292,127
Share capital	7,307,606	1,740,750
Reserves	25,752,464	23,935,350
Total equity	33,060,070	25,676,100
Total equity and liabilities	261,533,692	224,968,227

Summary of 2016 Financial Ratios

	2016	2015 (restated)	Change
Net interest margin Cost to income ratio Return on average assets	1.67%	1.64%	0.03%
	53.2%	47.9%	5.3%
	0.86%	0.87%	-0.01%
Return on average shareholders' funds Average liquidity maintenance ratio	6.9%	8.2%	-1.3%
	41.5%	36.4%	5.1%
	31st December, 2016	31 st December, 2015	Change
Adjusted loan to deposit ratio Tier 1 capital ratio Total capital ratio	71.2%	71.7%	-0.5%
	16.0%	13.6%	2.4%
	19.0%	17.2%	1.8%

Note:

Certain comparative figures have been adjusted to conform to current year's presentation.

The full set of 2016 Annual Report is published on the website of the Bank (www.ocbcwhhk.com).