



DBS BANK LTD, HONG KONG BRANCH

(Incorporated in Singapore with limited liability)

**FINANCIAL DISCLOSURE STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

DBS BANK LTD, HONG KONG BRANCH

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DBS BANK LTD, HONG KONG BRANCH

UNAUDITED INCOME STATEMENT

| | | For the year ended | |
|--------------------------------------------|------|-----------------------------------------|-----------------------------------------|
| | Note | 31 December 2016 <i>HK\$ million</i> | 31 December 2015 <i>HK\$ million</i> |
| Interest income | | 3,706 | 4,120 |
| Interest expense | | (1,438) | (1,331) |
| Net interest income | | 2,268 | 2,789 |
| Fee and commission income | | 559 | 759 |
| Other income | 1 | 193 | 395 |
| Total income | | 3,020 | 3,943 |
| Total expenses | 2 | (668) | (688) |
| Profit before allowances for credit losses | | 2,352 | 3,255 |
| Allowances for credit losses | | (225) | 51 |
| Profit before income tax | | 2,127 | 3,306 |
| Income tax expense | | (353) | (525) |
| Profit after income tax | | 1,774 | 2,781 |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED STATEMENT OF FINANCIAL POSITION

| | Note | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|------------------------------------------|------|--------------------------------------------------|----------------------------------------------|
| Assets | | | |
| Cash and balance with central bank | 3 | 522 | 2,874 |
| Due from banks | 4 | 35,653 | 44,958 |
| Government securities and treasury bills | 5 | 8,075 | 8,022 |
| Derivatives | 12 | 31,816 | 24,339 |
| Bank and corporate securities | 6 | 14,416 | 10,559 |
| Loans and advances to customers | 7 | 145,920 | 139,087 |
| Other assets | 8 | 1,948 | 3,780 |
| Total assets | | <u>238,350</u> | <u>233,619</u> |
| Liabilities | | | |
| Due to banks | 9 | 132,902 | 126,303 |
| Derivatives | 12 | 32,244 | 24,930 |
| Deposits and balances from customers | 10 | 46,249 | 54,498 |
| Other liabilities | | 19,878 | 20,623 |
| Issued debt securities | 11 | 7,077 | 7,265 |
| Total liabilities | | <u>238,350</u> | <u>233,619</u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

1. Other income

| | For the year ended | |
|--------------------------------------------------------|---------------------|---------------------|
| | 31 December 2016 | 31 December 2015 |
| | <i>HK\$ million</i> | <i>HK\$ million</i> |
| Net trading income | | |
| – Foreign exchange | 264 | 97 |
| – Interest rates, debt securities, equities and others | (121) | 294 |
| | <u>143</u> | <u>391</u> |
| Net income from investment securities | 50 | 4 |
| | <u>193</u> | <u>395</u> |

2. Total expenses

| | For the year ended | |
|--------------------|---------------------|---------------------|
| | 31 December 2016 | 31 December 2015 |
| | <i>HK\$ million</i> | <i>HK\$ million</i> |
| Employee benefits | 265 | 270 |
| Rental of premises | 21 | 20 |
| Brokerage | 43 | 47 |
| Other expenses | 339 | 351 |
| | <u>668</u> | <u>688</u> |

3. Cash and balance with central bank

| | As at | As at |
|---------------------------|---------------------|---------------------|
| | 31 December 2016 | 30 June 2016 |
| | <i>HK\$ million</i> | <i>HK\$ million</i> |
| Cash in hand | 1 | 1 |
| Balance with central bank | 521 | 2,873 |
| | <u>522</u> | <u>2,874</u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

4. Due from banks

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|--------------------------------------------|--------------------------------------------------|----------------------------------------------|
| (a) Balances with banks | <u>932</u> | <u>1,562</u> |
| Of which, amounts due from overseas office | 39 | 8 |
| (b) Placements with and advances to banks | | |
| Remaining maturity | | |
| – Within one month | 28,664 | 36,394 |
| – One year or less but over one month | 551 | 1,212 |
| – Over one year | <u>5,506</u> | <u>5,790</u> |
| | <u>34,721</u> | <u>43,396</u> |
| Of which, amounts due from overseas office | <u>32,492</u> | <u>40,418</u> |
| Total due from banks | <u><u>35,653</u></u> | <u><u>44,958</u></u> |

5. Government securities and treasury bills

| | Held for trading <i>HK\$ million</i> | Available- for-sale <i>HK\$ million</i> | Total <i>HK\$ million</i> |
|-------------------------------|--------------------------------------------|-----------------------------------------------|------------------------------|
| As at 31 December 2016 | | | |
| Treasury bills | – | 3,395 | 3,395 |
| Other debt securities | <u>22</u> | <u>4,658</u> | <u>4,680</u> |
| | <u><u>22</u></u> | <u><u>8,053</u></u> | <u><u>8,075</u></u> |
| As at 30 June 2016 | | | |
| Treasury bills | – | 3,399 | 3,399 |
| Other debt securities | <u>–</u> | <u>4,623</u> | <u>4,623</u> |
| | <u><u>–</u></u> | <u><u>8,022</u></u> | <u><u>8,022</u></u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

6. Bank and corporate securities

| | Held for trading <i>HK\$ million</i> | Available-for-sale <i>HK\$ million</i> | Loans and receivables <i>HK\$ million</i> | Total <i>HK\$ million</i> |
|-------------------------------|-----------------------------------------|-------------------------------------------|----------------------------------------------|------------------------------|
| As at 31 December 2016 | | | | |
| Debt securities | 1,295 | 5,652 | 7,357 | 14,304 |
| Equity securities | 112 | – | – | 112 |
| | <u>1,407</u> | <u>5,652</u> | <u>7,357</u> | <u>14,416</u> |
| As at 30 June 2016 | | | | |
| Debt securities | 1,265 | 5,788 | 3,367 | 10,420 |
| Equity securities | 139 | – | – | 139 |
| | <u>1,404</u> | <u>5,788</u> | <u>3,367</u> | <u>10,559</u> |

7. Loans and advances to customers

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|---------------------------------|--------------------------------------------------|----------------------------------------------|
| Loans and advances to customers | 147,187 | 140,405 |
| Less | | |
| – General allowances | <u>(1,267)</u> | <u>(1,318)</u> |
| | <u>145,920</u> | <u>139,087</u> |
| Comprising: | | |
| – Trade bills | 17,991 | 7,085 |
| – Loans | <u>127,929</u> | <u>132,002</u> |
| | <u>145,920</u> | <u>139,087</u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

7. Loans and advances to customers (continued)

In determining general allowances, the Branch follows the Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the home country regulator.

A specific allowance for credit losses is established if there is evidence that the Bank will be unable to collect all amounts due under a claim according to the original contractual terms or the equivalent value.

A specific allowance for credit losses is recorded as a reduction in the carrying value of a claim on the balance sheet.

8. Other assets

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|------------------------------|--------------------------------------------------|----------------------------------------------|
| Accrued interest receivables | 260 | 453 |
| Other accounts | 1,417 | 3,054 |
| Deferred tax assets | 269 | 271 |
| Fixed assets | 2 | 2 |
| | <u>1,948</u> | <u>3,780</u> |

9. Due to banks

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|----------------------------------|--------------------------------------------------|----------------------------------------------|
| Balances from central banks | – | 3,011 |
| Deposits and balances from banks | 103,818 | 93,002 |
| Amounts due to overseas offices | 29,084 | 30,290 |
| | <u>132,902</u> | <u>126,303</u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

10. Deposits and balances from customers

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|--------------------------------------|--------------------------------------------------|----------------------------------------------|
| Demand deposits and current accounts | 8,769 | 6,938 |
| Savings deposits | 11,706 | 19,536 |
| Time, call and notice deposits | 25,774 | 28,024 |
| | <u>46,249</u> | <u>54,498</u> |

11. Issued debt securities

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|----------------------------------------|--------------------------------------------------|----------------------------------------------|
| Trading liabilities | 167 | 310 |
| Liabilities measured at amortised cost | 6,910 | 6,955 |
| | <u>7,077</u> | <u>7,265</u> |

12. Derivatives

The contractual/notional amounts of derivatives are disclosed as follows:

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|------------------------------|--------------------------------------------------|----------------------------------------------|
| Foreign exchange derivatives | 1,654,181 | 2,049,514 |
| Interest rate derivatives | 701,647 | 709,431 |
| Equity derivatives | 170 | 337 |
| Commodity derivatives | 3,051 | 1,373 |
| | <u>2,359,049</u> | <u>2,760,655</u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

12. Derivatives (continued)

The amounts are shown on a gross basis and do not take into account the effect of bilateral netting arrangements.

The contract/notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date. They do not represent amounts at risk.

The following table summarises the positive and negative fair values of each class of derivatives:

| | As at 31 December 2016 HK\$ million | As at 30 June 2016 HK\$ million |
|------------------------------|----------------------------------------------------|------------------------------------------------|
| Positive fair values | | |
| Foreign exchange derivatives | 27,665 | 18,079 |
| Interest rate derivatives | 3,755 | 5,644 |
| Equity derivatives | – | 1 |
| Commodity derivatives | 396 | 615 |
| | 31,816 | 24,339 |
| Negative fair values | | |
| Foreign exchange derivatives | 27,963 | 19,043 |
| Interest rate derivatives | 3,880 | 5,265 |
| Equity derivatives | 5 | 7 |
| Commodity derivatives | 396 | 615 |
| | 32,244 | 24,930 |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

13. Contingent liabilities and commitments

The following is a summary of the contractual amount of each significant class of contingent liabilities and commitments:

| | As at 31 December 2016 HK\$ million | As at 30 June 2016 HK\$ million |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------|
| Direct credit substitutes | 6,890 | 5,967 |
| Transaction-related contingencies | 5,264 | 5,814 |
| Trade-related contingencies | 3,213 | 2,528 |
| Forward forward deposits placed | 1 | 15 |
| Other commitments with an original maturity of not more than one year or which are unconditionally cancellable | 98,215 | 88,477 |
| Other commitments with an original maturity of more than one year | 29,817 | 25,638 |
| | <u>143,400</u> | <u>128,439</u> |

The above table shows the contractual amounts of the Branch's off balance sheet exposures that commit it to extend credit to customers. The above amounts represent a worse case scenario of credit risk exposure arising from these instruments, without taking into account any collateral held or other credit enhancements attached. The amounts do not represent amounts at risk at the balance sheet date.

14. Liquidity

The Branch complies with the minimum requirement of Liquidity Maintenance Ratio ("LMR") on a daily basis, in accordance with the Banking (Liquidity) Rules issued by the Hong Kong Monetary Authority ("HKMA").

| | For the year ended | |
|--------------------------|---------------------------|-------------------------|
| | 31 December 2016 | 31 December 2015 |
| Average LMR for the year | <u>32.7%</u> | <u>35.1%</u> |

The average LMR is calculated as the simple average of each month's average liquidity maintenance ratio for the financial year.

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

14. Liquidity (continued)

Approach to liquidity risk management

The Branch's approach to liquidity risk management comprises the building blocks of governance by policies, oversight by risk committees, and well-defined risk methodologies.

The Group Liquidity Risk Management Policy sets out the Branch's overall approach towards liquidity risk management and describes the range of strategies employed by the Branch to manage its liquidity. These include maintaining an adequate counterbalancing capacity to address potential cashflow shortfalls and maintaining diversified sources of liquidity. Counterbalancing capacity includes liquid assets and the capacity to borrow from the money markets as well as forms of managerial interventions that improve liquidity. In the event of a potential or actual crisis, the Branch has in place a set of liquidity contingency and recovery plans to ensure that decisive actions are taken to ensure the Branch maintains adequate liquidity.

The primary measure used to manage liquidity within the tolerance is the cashflow maturity mismatch analysis. The analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of the counterbalancing capacity to fund or mitigate any cashflow shortfalls that may occur as forecasted in the cashflow movements across successive time bands. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined.

The Branch seeks to manage its liquidity in a manner that ensures that its liquidity obligations would continue to be honoured under normal as well as adverse circumstances. Oversight relating to the management of liquidity risk is provided by the Hong Kong Risk Executive Committee ("Risk Exco") and the Hong Kong Market and Liquidity Risk Committee ("MLRC"). The HK Risk Exco comprises the HK Chief Executive Officer, the Senior Risk Executive and representatives from relevant business and support units. The HK MLRC reports to the HK Risk Exco and comprises representatives from Risk Management Group and relevant business and supports units. The Hong Kong Assets and Liabilities Committee ("ALCO") regularly reviews the balance sheet composition, trends in loans and deposits, utilization of wholesale funding, momentum in business activities, market competition, economic outlooks, market conditions and other factors that may affect liquidity in the continual refinement of the Branch's funding strategy.

The Branch also follows the guidance set forth by the HKMA in Supervisory Policy Manual LM-2, Sound Systems and Controls for Liquidity Risk Management.

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

15. Currency concentrations

| | USD | CNY | AUD | Others | Total |
|-------------------------------------|--------------|--------------|------------|--------------|--------------|
| In HK\$ million | | | | | |
| As at 31 December 2016 | | | | | |
| Hong Kong dollar equivalents | | | | | |
| Spot assets | 127,049 | 15,289 | 2,048 | 7,617 | 152,003 |
| Spot liabilities | (124,090) | (2,485) | (4,498) | (2,277) | (133,350) |
| Forward purchases | 865,948 | 575,888 | 5,102 | 49,285 | 1,496,223 |
| Forward sales | (855,976) | (597,693) | (2,268) | (55,056) | (1,510,993) |
| Net options position | (8,282) | 8,133 | 6 | (80) | (223) |
| Net long/(short) position | <u>4,649</u> | <u>(868)</u> | <u>390</u> | <u>(511)</u> | <u>3,660</u> |
| As at 30 June 2016 | | | | | |
| Hong Kong dollar equivalents | | | | | |
| Spot assets | 129,853 | 19,838 | 2,167 | 8,335 | 160,193 |
| Spot liabilities | (113,397) | (7,799) | (5,285) | (2,155) | (128,636) |
| Forward purchases | 1,026,090 | 774,487 | 5,128 | 45,124 | 1,850,829 |
| Forward sales | (1,024,177) | (800,027) | (1,691) | (52,186) | (1,878,081) |
| Net options position | (14,840) | 13,963 | – | – | (877) |
| Net long/(short) position | <u>3,529</u> | <u>462</u> | <u>319</u> | <u>(882)</u> | <u>3,428</u> |

There is no structural position in any particular currency as at 31 December 2016 and 30 June 2016.

The net options position is calculated based on the delta-weighted position as set out in the prudential return “Foreign Currency Position” issued by the HKMA.

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

16. Loans and advances to customers by loan usage

The Branch employs a range of policies and practices to mitigate credit risk, one of which is the taking of collateral. The collateral includes cash, marketable securities, properties, trade receivables, inventory, equipment and other physical and financial collateral. Balances of advances analysed by loan usage and the corresponding balances covered by collateral are as follows:

| | As at 31 December 2016 | | As at 30 June 2016 | |
|----------------------------------------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|
| | Outstanding balance | Balance covered by collateral | Outstanding balance | Balance covered by collateral |
| In HK\$ million | | | | |
| Loans for use in Hong Kong | | | | |
| Industrial, commercial and financial | | | | |
| – Property development | 15,542 | 2,945 | 15,162 | 2,300 |
| – Property investment | 15,793 | 9,586 | 14,569 | 10,132 |
| – Wholesale and retail trade | 13,176 | 3,552 | 10,190 | 3,739 |
| – Manufacturing | 1,749 | – | 2,964 | 252 |
| – Transport and transport equipment | 3,545 | 155 | 977 | 161 |
| – Recreational activities | 1,000 | – | 366 | – |
| – Information technology | 5,083 | – | 4,913 | – |
| – Others | 11,364 | 1,120 | 4,475 | 1,168 |
| Individuals | | | | |
| – Loans for the purchase of other residential properties | 60 | 60 | 68 | 68 |
| – Others | – | – | 2 | 2 |
| Trade finance (including trade bills) | 21,829 | 1,365 | 20,054 | 1,403 |
| Loans for use outside Hong Kong | 58,046 | 1,644 | 66,665 | 1,646 |
| | <u>147,187</u> | <u>20,427</u> | <u>140,405</u> | <u>20,871</u> |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

17. Loans and advances to customers by geographical area

| | As at 31 December 2016 <i>HK\$ million</i> | As at 30 June 2016 <i>HK\$ million</i> |
|----------------|-----------------------------------------------------------|-------------------------------------------------------|
| Hong Kong | 120,704 | 122,437 |
| Mainland China | 24,812 | 15,395 |
| Others | 1,671 | 2,573 |
| | <u>147,187</u> | <u>140,405</u> |

The above analysis by geographical area is based on the location of the counterparty after taking into account the transfer of risk. In general, transfer of risk applies when an advance is guaranteed by a party in a country which is different from that of the counterparty.

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

18. International claims

Analysis of international claims by location and by type of counterparty is as follows:

| | Banks | Official sectors | Non-bank private sector | | Total |
|-----------------------------------|---------------|------------------|----------------------------------------|-------------------------------------|----------------|
| | | | <i>Non-bank financial institutions</i> | <i>Non-financial private sector</i> | |
| In HK\$ million | | | | | |
| As at 31 December 2016 | | | | | |
| Developed countries | 4,213 | 7,259 | – | 2 | 11,474 |
| Offshore centres, of which: | 33,820 | – | 588 | 57,491 | 91,899 |
| – Singapore | 32,600 | – | – | 1,034 | 33,634 |
| – Hong Kong | 1,220 | – | 588 | 56,086 | 57,894 |
| – Others | – | – | – | 371 | 371 |
| Developing Asia Pacific, of which | 21,111 | 1,329 | 914 | 7,756 | 31,110 |
| – China | 20,926 | 1,329 | 914 | 7,639 | 30,808 |
| – Others | 185 | – | – | 117 | 302 |
| International organisations | – | 526 | – | – | 526 |
| Total | 59,144 | 9,114 | 1,502 | 65,249 | 135,009 |
| As at 30 June 2016 | | | | | |
| Developed countries | 4,707 | 3,174 | 187 | 36 | 8,104 |
| Offshore centres, of which: | 42,902 | – | 1,817 | 66,518 | 111,237 |
| – Singapore | 40,539 | – | – | 1,059 | 41,598 |
| – Hong Kong | 2,363 | – | 1,817 | 64,904 | 69,084 |
| – Others | – | – | – | 555 | 555 |
| Developing Asia Pacific, of which | 10,453 | 1,480 | 1,591 | 9,583 | 23,107 |
| – China | 10,403 | 1,480 | 1,591 | 9,466 | 22,940 |
| – Others | 50 | – | – | 117 | 167 |
| International organisations | – | 413 | – | – | 413 |
| Total | 58,062 | 5,067 | 3,595 | 76,137 | 142,861 |

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

19. Non-performing loans and advances

There is no non-performing loan and advance as at 31 December 2016 and 30 June 2016.

Non-performing loans and advances are advances with objective evidence of impairment and are assessed using discounted cash flow method. Specific allowances of such advances are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The specific allowances were made after taking into account the value of collateral in respect of the above advances.

20. Overdue and rescheduled loans and advances

There is no overdue, rescheduled loan and advance to customer and no repossessed asset as at 31 December 2016 and 30 June 2016.

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

21. Mainland activities

| Type of Counterparties | On-balance sheet exposures <i>HK\$ million</i> | Off-balance sheet exposures <i>HK\$ million</i> | Total <i>HK\$ million</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|------------------------------|
| As at 31 December 2016 | | | |
| (a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs") | 44,989 | 12,639 | 57,628 |
| (b) Local governments, local government-owned entities and their subsidiaries and JVs | 20,824 | 1,132 | 21,956 |
| (c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 7,474 | 4,491 | 11,965 |
| (d) Other entities of central government not reported in part (a) above | 5,169 | 1,336 | 6,505 |
| (e) Other entities of local governments not reported in part (b) above | 5,518 | 280 | 5,798 |
| (f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 6,565 | 2,225 | 8,790 |
| (g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 7,133 | 3,483 | 10,616 |
| | <u>97,672</u> | <u>25,586</u> | <u>123,258</u> |
| Total assets after provisions | <u>238,020</u> | | |
| On-balance sheet exposures as percentage of total assets | <u>41.04%</u> | | |

DBS BANK LTD, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

21. Mainland activities (continued)

| Type of Counterparties | On-balance sheet exposures <i>HK\$ million</i> | Off-balance sheet exposures <i>HK\$ million</i> | Total <i>HK\$ million</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|------------------------------|
| As at 30 June 2016 | | | |
| (a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs") | 59,230 | 12,277 | 71,507 |
| (b) Local governments, local government-owned entities and their subsidiaries and JVs | 14,033 | 2,030 | 16,063 |
| (c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 7,989 | 4,206 | 12,195 |
| (d) Other entities of central government not reported in part (a) above | 4,201 | 166 | 4,367 |
| (e) Other entities of local governments not reported in part (b) above | 6,856 | 8 | 6,864 |
| (f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 6,610 | 853 | 7,463 |
| (g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 6,905 | 2,490 | 9,395 |
| | <u>105,824</u> | <u>22,030</u> | <u>127,854</u> |
| Total assets after provisions | <u>233,352</u> | | |
| On-balance sheet exposures as percentage of total assets | <u>45.35%</u> | | |

Certain comparative figures have been re-presented to conform to current year presentation.

Hong Kong, 15 February 2017

DBS GROUP HOLDINGS LTD

GROUP CONSOLIDATED FINANCIAL INFORMATION

1. Capital Position and Capital Adequacy Ratios

The Group's capital adequacy ratios are as follows:

| | As at 31 December 2016 | As at 30 June 2016 |
|-------------------------|-----------------------------------|-----------------------|
| Capital Adequacy Ratios | | |
| Common Equity Tier 1 | 14.1% | 14.2% |
| Tier 1 | 14.7% | 14.4% |
| Total | 16.2% | 16.3% |

The capital adequacy ratios are computed in accordance with the requirements set out in the Monetary Authority of Singapore's Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore".

The Group shareholders' funds, including capital and reserves, as at 31 December 2016 were S\$44,609 million (30 June 2016: S\$42,354 million).

2. Other financial information

| | For the year ended | |
|----------------|---------------------------|------------------|
| | 31 December 2016 | 31 December 2015 |
| | S\$'million | S\$'million |
| Pre-tax profit | 5,083 | 5,294 |

| | As at 31 December 2016 | As at 30 June 2016 |
|--------------------------|-----------------------------------|-----------------------|
| | S\$'million | S\$'million |
| Total assets | 481,570 | 450,886 |
| Total liabilities | 434,600 | 406,174 |
| Total loans and advances | 301,516 | 284,814 |
| Total customer deposits | 347,446 | 310,098 |

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