



**OVERSEA-CHINESE BANKING
CORPORATION LIMITED**

*(Incorporated in the Republic of Singapore)
Company Registration No. 1932000032W*

MEDIA RELEASE

With suggested social media text

OCBC BANK ANNOUNCES PRE-CONDITIONAL VOLUNTARY GENERAL OFFER TO ACQUIRE WING HANG BANK TO EXPAND GREATER CHINA BUSINESS

The acquisition strengthens OCBC Bank's business franchise with an expanded scope of capabilities - an enlarged customer base, deeper market penetration and a more comprehensive product range

OCBC Bank will invest to grow Wing Hang Bank's franchise, adding new products and services while retaining the management and employees

Singapore, 1 April 2014 – Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**” or “**the Bank**”) announced today that it has made a pre-conditional voluntary general offer (“**the Offer**”) through its wholly owned subsidiary, OCBC Pearl Limited, to acquire the entire issued share capital of Wing Hang Bank, Limited (“**WHB**”), which is listed on the Hong Kong Stock Exchange, at an offer price of HK\$125 per WHB share, or a total of HK\$38,428 million (approximately S\$6,234 million) in cash. The Bank has sufficient financial resources to satisfy the full acceptance of the Offer, through its own internal cash and cash-equivalent resources and/or a committed loan facility.

At HK\$125 in cash for each WHB share, the price works out to a premium of approximately 1.6 per cent to the last closing price of HK\$123, and a premium of approximately 67.3 per cent to the 90-day average price (as of 16 September 2013 close).

The proposed acquisition value is approximately 1.77 times WHB's consolidated net book value as at 31 December 2013. The Bank considers this to be a fair price given the intrinsic value it sees in WHB's network, customer franchise and business capabilities.

OCBC Pearl has received irrevocable undertakings to accept the Offer from a number of WHB's shareholders, including the Fung family and BNY International Financing Corporation in respect of the aggregate 44.79% of WHB shares which they hold, as well as certain other WHB shareholders in respect of an aggregate of 3.37% of WHB shares. In addition to the irrevocable undertakings, OCBC Pearl has agreed to acquire 7,704,500 Wing Hang shares. These shares, together with the shares subject to the

irrevocable undertakings, represent approximately 50.66% of the issued share capital of WHB.

The making of the Offer is subject to certain pre-conditions being satisfied, including the obtaining of regulatory approvals. It therefore remains a possibility only. Once made, the Offer is also conditional upon, among other things, OCBC Bank acquiring and/or receiving acceptances under the Offer in respect of more than 50 per cent of WHB shares. OCBC envisages it will be able to satisfy the acceptance condition based on the irrevocable acceptances received, and the shares agreed to be acquired, as at the date of announcement.

We believe that the acquisition will be accretive to OCBC Bank's earnings per share and return on equity by 2017.

OCBC Bank's capital position is expected to remain robust post-acquisition and it plans to utilise a mix of internal resources and raising new debt and equity capital to maintain capital adequacy ratios at prudent levels post-acquisition. These details will be announced at a later date. Before taking into account any external funding sources, the acquisition is expected to reduce OCBC Bank's common equity tier 1 capital adequacy ratio ("CAR") and tier 1 CAR from 14.5% to 11.0% and total CAR from 16.3% to 12.5% based on our capital position as at 31 December 2013.

Rationale for proposed acquisition

Capitalising on Economic Growth in Greater China and the Increased Connectivity between North and South East Asia

The acquisition of WHB furthers the Bank's strategic goal of deepening its presence in its four core markets – Singapore, Malaysia, Indonesia and the Greater China region (China, Hong Kong, Macau and Taiwan). OCBC Bank has been focusing its operations on capturing capital, trade, investment and people flows associated with China through its close relationships with its customers in this region, both onshore and offshore.

Today, OCBC Bank (China) Limited ("OCBC China"), OCBC Bank's wholly-owned subsidiary, has 16 branches and sub-branches in China. OCBC Bank also has one branch in Hong Kong and another in Taiwan. Its private banking subsidiary, Bank of Singapore, has a branch in Hong Kong.

Immediately post-acquisition, WHB will have increased the full-year profit-before-tax contribution from Greater China to OCBC Bank, on a pro forma basis, to 16 per cent from 6 per cent in 2013, based on financials as at 31 December 2013. WHB has a network of 70 branches in Hong Kong, Macau and China. Its expertise in secured and unsecured SME banking in Greater China will complement OCBC China's current focus on corporate banking, and should increase overall asset yield. As Hong Kong is a leading North Asia hub for wealth management, WHB also presents OCBC Bank with significant opportunities in private banking for Bank of Singapore.

Deepening and Widening OCBC's Product Capabilities and Gaining Access to a Broader Funding Base

The acquisition will deepen and broaden OCBC's product capabilities, while providing access to a larger funding base not just in RMB and HKD, but also USD.

Hong Kong is the biggest offshore RMB market, with the largest pool of offshore RMB deposits. It is likely to retain this competitive advantage due to its geographical proximity to mainland China and its economic and historical ties with the country. WHB will provide OCBC Bank with an established franchise and a sizeable platform from which to grow its RMB-denominated businesses.

The range of RMB products and services could be developed or enhanced further to include treasury, trade finance, cash management and payments, capital markets and offshore wealth management offerings. In addition, having access to a stable source of retail and wholesale funding via the WHB franchise will support growth of loans denominated in RMB.

WHB's deposit base in HKD and USD will be an additional source of stable funding.

Enhancing Franchise Value through 'Merger of Scope'

The acquisition gives both banks greater scope in product capabilities, network size, customer base and market coverage, with minimal duplication. WHB therefore offers OCBC Bank an opportunity for accelerated growth.

Founded in 1937, WHB is recognised in the Hong Kong banking industry as a well-managed bank helmed by a seasoned and competent management team. In addition to serving corporates and retail customers, WHB has built an SME customer franchise in China and carved a niche for itself in auto and equipment financing in Hong Kong and Macau. These areas of expertise will complement OCBC Bank's existing corporate banking focus in Hong Kong and China.

Meanwhile, WHB can leverage the Bank's regional platform, sales management and product expertise to give its customers access to a wider range of capabilities. This will allow it to deepen penetration in its existing customer base and build its presence in new customer segments.

OCBC Bank will be well-positioned to serve the cross-border banking needs of WHB's larger corporates. With its broad wealth management platform and its expertise, there are also substantial opportunities for cross-selling wealth and bancassurance products and services to WHB's affluent retail customers and SME entrepreneurs.

Extensive Integration Experience from previous Acquisitions

Over the past 10 years, OCBC Bank has strategically acquired key stakes in financial institutions, building up extensive experience in integration.

In 2010, it acquired ING Asia Private Bank. The successfully-rebranded Bank of Singapore gained product cross-selling opportunities as well as the ability to source for retail and commercial banking products and services from OCBC Bank. By the end of 2013, assets under management had tripled to US\$46 billion.

To offer a complete range of wealth management products and services to its customers, OCBC Bank also increased its stake in Great Eastern Holdings Limited to the current 87% from 48.9% in 2004. Working closely with Great Eastern, OCBC Bank has maintained its leading position in bancassurance for 13 consecutive years.

In 2004, OCBC Bank acquired a 22.5% shareholding in PT Bank NISP in Indonesia, and over time built the ownership to 85%. Drawing on its successful experiences in Singapore and Malaysia, OCBC Bank helped Bank OCBC NISP grow its SME and consumer businesses. As a result, Bank OCBC NISP's total assets grew more than six times to 98 IDR trillion (US\$8,428 million) between 2004 and 2013. Bank OCBC NISP's distribution network more than doubled to 339.

The Bank expects the integration of WHB to be seamless for its customers and intends to continue the existing business of WHB in all material respects. It will retain WHB's management team and staff with no redundancies in the short term, and supplement the existing management team with experts in areas such as wealth management and treasury. The integration of the two businesses will be executed at the appropriate time to maximise synergies without compromising shareholder value or inconveniencing customers.

Future Investments

OCBC Bank will invest in systems and channels and product capabilities over time to nurture the WHB franchise, and grow WHB's business in areas such as treasury, corporate and SME banking, investment banking, cash management and payments, trade finance and wealth management. It will also invest significantly in human resources by, for example, putting in place comprehensive training and development programmes.

Upon completion of the Offer, the name 'Wing Hang' will be retained with OCBC's name and brand being reflected in the identity of the bank. Over time, the 'OCBC' name and brand will be strengthened in Hong Kong and Macau.

Statement from Mr. Samuel Tsien, CEO of OCBC Bank

“Wing Hang is a solid franchise with distinctive product capabilities, an impressive network and strong customer base. It is a strategic component of our Greater China strategy. Without the opportunity presented by this potential acquisition, I would expect OCBC to take a much longer period of time, and encounter greater challenges with less certainty of success, before we can fully benefit from the continuing internationalization of the Renminbi and other developments in Greater China. We will leverage the complementary capabilities of Wing Hang and OCBC to derive substantial synergistic value. Our customers will benefit from a wider selection of products and services while gaining access to a much broader network. We are also committed to investing in Wing Hang’s business and employees to better serve our enlarged customer base.

We are therefore very excited about this potential partnership, which would further establish us as a leading, well-diversified Asian financial services group with a broad geographical footprint in North and South East Asia.”

Statement from Mr. Patrick Fung, Chairman of Wing Hang Bank

“The board is delighted to have reached an agreement with OCBC. We believe the offer price represents an attractive opportunity for our shareholders to realize the investment value of Wing Hang. With the strong capability and expertise OCBC possesses, we are also confident that OCBC is the best partner to further grow the Wing Hang business in Hong Kong and the Greater China region, in the future.

It was critical to us that OCBC demonstrated a commitment to the stability of Wing Hang’s business and that we were able to ensure the protection of our loyal and trusted employees who have been instrumental to our success. I am optimistic about Wing Hang’s prospects and I believe with the continued dedication and collaboration of our employees and partners, OCBC’s contribution will enhance Wing Hang’s capabilities and benefit our customers in the long-term.”

Interests

None of the Directors or substantial shareholders of OCBC Bank has any interest, direct or indirect, in the proposed transaction.

This media release should be read in conjunction with the announcements made on the Singapore Stock Exchange and the Hong Kong Stock Exchange.

WARNING


The issue of this media release does not in any way imply that the Offer will be made or will complete if it is made. Both OCBC Bank shareholders and WHB shareholders and prospective investors are advised to exercise caution when dealing in the securities of OCBC Bank or WHB.

SOCIAL MEDIA ASSETS

Official hashtags: #ocbcbank #winghang

Keywords:

OCBC, Wing Hang, acquisition, RMB, Hong Kong, OCBC China

 **Suggested tweet:** OCBC makes Offer for Wing Hang in Hong Kong, well-entrenching its Greater China presence

 **Suggested Facebook post:** We have made an Offer to buy Wing Hang in Hong Kong at a price of HK\$125 per share, well-entrenching our Greater China presence. Wing Hang is a very established bank since 1937 with a strong network and customer base in Hong Kong, China and Macau. The acquisition positions us well for opportunities in North Asia and allows us to capture the growing capital, trade, investment and wealth flows within Asia.

For all other updates on OCBC, follow @OCBCBank on Twitter and “like” facebook.com/ocbcbank on Facebook.

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world’s most highly-rated banks, with an Aa1 rating from Moody’s. It was ranked by Bloomberg Markets as the world’s strongest bank in 2011 and 2012.

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

OCBC Bank’s key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 450 branches and representative offices in 17 countries and territories, including more than 330 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which continued to gain industry recognition including being voted "Outstanding Private Bank in Asia Pacific" in 2013 by Private Banker International.

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

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