

# **Bank of Singapore Limited Hong Kong Branch**

## **Key Financial Information Disclosure Statements**

**31 December 2017**

Prepared under the Banking (Disclosure) Rule  
made pursuant to section 60A of the Banking Ordinance

## **Key Financial Information Disclosure Statements For the half year ended 31 December 2017**

The Statement is available at Bank of Singapore Limited, Hong Kong Branch at the following address:

**35/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong**

Copy of the Statement has been lodged with the public registry of the Hong Kong Monetary Authority for public inspection.

## Contents

Statement of Compliance	1
Income Statement	2
Statement of Financial Position	3
Additional Statement of Financial Position	4 - 9
Off-Balance Sheet Exposures	10
Liquidity	10 - 11
Disclosure on Remuneration	11
Consolidated Financial Information	12

## Statement Of Compliance

This Disclosure Statement has been prepared in accordance with the Banking (Disclosure) Rules and the disclosure standards set out in the Supervisory Policy Manual on "Guideline on the Application of the Banking (Disclosure) Rules" issued by the Hong Kong Monetary Authority on 06 August 2015. To the best of my knowledge, the disclosure is not false or misleading in any material respect.



Cindy Wong  
Alternative Chief Executive  
Bank of Singapore, Hong Kong Branch  
29 March 2018



## Section A – Branch Information (Hong Kong Office)

### (I) Income Statement

	Year ended 31 Dec 2017 HK\$'000	Year ended 31 Dec 2016 HK\$'000
Interest Income	235,034	52,429
Interest Expense	(153,952)	(32,237)
<b>Net Interest Income</b>	<b>81,082</b>	<b>20,192</b>
Other operating income:		
Gains less losses arising from trading in foreign currencies	61,870	10,762
Gains less losses on securities held for trading purposes	64,405	18,095
Gains less losses arising from trading in interest rate derivatives	894	98
Gains less losses from other trading activities	13,822	2,849
Net fees and commission income	56,785	19,800
Fees and commission income	61,859	21,166
Fees and commission expense	(5,074)	(1,366)
Others	311,686	248,386
<b>Total Income</b>	<b>590,544</b>	<b>320,182</b>
Operating expenses		
Staff expenses	(443,117)	(240,206)
Rental expenses	(61,860)	(43,371)
Other expenses	(52,793)	(36,903)
<b>Total Expenses</b>	<b>(557,770)</b>	<b>(320,480)</b>
Profit before taxation	32,774	(298)
Tax (expenses)/credit	(9,881)	3,280
<b>Profit after taxation</b>	<b>22,893</b>	<b>2,982</b>

## (II) Statement of Financial Position

	31 Dec 2017 HK\$'000	30 Jun 2017 HK\$'000
<b>ASSETS</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	427,672	476,467
Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices of the institution)	-	746
Amount due from overseas offices	7,204,044	6,048,041
Loans and receivables	10,848,787	8,668,340
Investment securities	4,527,819	4,544,540
Property, plant and equipment and investment properties	15,006	15,101
<b>TOTAL ASSETS</b>	<b>23,023,328</b>	<b>19,753,235</b>
<b>LIABILITIES</b>		
Deposits and balances from banks (except those included in amount due to overseas offices)	-	-
Deposits from customers	12,686,827	11,426,858
Demand deposits and current accounts	10,070,385	9,005,815
Savings deposits	-	-
Time, call and notice deposits	2,616,442	2,421,043
Amount due to overseas offices	7,885,297	7,136,595
Other accounts and provisions	2,451,204	1,189,782
<b>TOTAL LIABILITIES</b>	<b>23,023,328</b>	<b>19,753,235</b>

### (III) Additional Statement of Financial Position

	31 Dec 2017 HK\$'000	30 Jun 2017 HK\$'000
<b>1. Loans And Receivables</b>		
Loans and advances to customers	8,463,731	7,773,279
Loans and advances to banks	-	-
Accrued interest and other accounts	2,385,056	895,061
	<u>10,848,787</u>	<u>8,668,340</u>

There were no impaired, overdue nor rescheduled loans and advances to customers, banks and other financial institutions as at 31 December 2017 and 30 June 2017; nor were there any impairment allowances made for them on these dates.

#### 2. Loans And Advances To Customers - By Industry Sector

The sector analysis has been classified according to the usage of loans and advances based on categories and definitions used by the Hong Kong Monetary Authority.

	31 Dec 2017		30 Jun 2017	
	Gross Advances HK\$'000	% of advances covered by collateral*	Gross Advances HK\$'000	% of advances covered by collateral*
<b>Loans for use in Hong Kong</b>				
<i>Industrial, commercial &amp; financial sectors</i>				
Financial concerns	4,976,326	100%	5,095,603	100%
Wholesale and retail trade	41,272	100%	26,126	100%
	<u>5,017,598</u>	<u>100%</u>	<u>5,121,729</u>	<u>100%</u>
<i>Individuals</i>				
For the purchase of other residential properties	4,396	100%	4,396	100%
Others	3,441,737	100%	2,647,154	100%
	<u>3,446,133</u>	<u>100%</u>	<u>2,651,550</u>	<u>100%</u>
<b>Total loans and advances for use in Hong Kong</b>	<u>8,463,731</u>	<u>100%</u>	<u>7,773,279</u>	<u>100%</u>
<b>Loans for use outside Hong Kong</b>	-	-	-	-
<b>Total loans and advances to customers</b>	<u>8,463,731</u>	<u>100%</u>	<u>7,773,279</u>	<u>100%</u>

\* Where the collateral values are greater than gross loans and advances, only the amount of collateral up to the gross amount of loans and advances was included.

### 3. Loans And Advances To Customers - By Geographical Areas

The gross amounts of loans and advances to customers by geographical areas are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when a loan or advances is guaranteed by a party in a country which is different from that of the country. Only countries constituting 10% or more of the aggregate total loans and advances to customers are disclosed.

	31 Dec 2017	30 Jun 2017
	HK\$'000	HK\$'000
Hong Kong	4,403,168	3,388,532
British Virgin Islands	1,362,770	2,097,846
Singapore	1,118,971	1,075,320
Other Countries	1,578,822	1,211,581
	<b>8,463,731</b>	<b>7,773,279</b>

### 4. International Claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognized risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only countries constituting 10% or more of the aggregate international claims after taking into account any recognized risk transfer are disclosed.

	31 Dec 2017					
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>		
(HK\$ million)						
<b>Developed countries</b>	<b>398</b>	<b>4,538</b>	-	<b>379</b>	-	<b>5,315</b>
-of which:						
United States	333	4,538	-	-	-	4,871
<b>Offshore centres</b>	<b>8,339</b>	-	-	<b>6,962</b>	-	<b>15,301</b>
-of which:						
British Virgin Islands	-	-	-	2,845	-	2,845
Hong Kong	-	-	-	2,725	-	2,725
Singapore	8,339	-	-	1,035	-	9,374
<b>Developing Africa and Middle East</b>	-	-	-	<b>56</b>	-	<b>56</b>
<b>Developing Asia and Pacific</b>	<b>2</b>	-	-	<b>876</b>	-	<b>878</b>
<b>Total</b>	<b>8,739</b>	<b>4,538</b>	-	<b>8,273</b>	-	<b>21,550</b>

#### 4. International Claims (Continued)

30 Jun 2017						
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non- financial private sector</u>		
(HK\$ million)						
<b>Developed countries</b>	<b>445</b>	<b>4,545</b>	-	<b>393</b>	-	<b>5,383</b>
-of which:						
United States	391	4,545	-	-	-	4,936
<b>Offshore centres</b>	<b>6,441</b>	-	-	<b>5,914</b>	-	<b>12,355</b>
-of which:						
British Virgin Islands	-	-	-	2,433	-	2,433
Hong Kong	-	-	-	2,232	-	2,232
Singapore	6,441	-	-	1,108	-	7,549
<b>Developing Africa and Middle East</b>	-	-	-	<b>30</b>	-	<b>30</b>
<b>Developing Asia and Pacific</b>	<b>12</b>	-	-	<b>661</b>	-	<b>673</b>
<b>Total</b>	<b>6,898</b>	<b>4,545</b>	-	<b>6,998</b>	-	<b>18,441</b>

The above figures are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of International Banking Statistics.

Prior period results have been restated. This change had no impact on the Bank's overall net profit or balance sheet position.

## 5. Mainland Activities Exposures

(HK\$'000)	31 Dec 2017		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total Exposure</u>
<b>Types of counterparties</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	770,439	1,520,718	2,291,157
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	770,439	1,520,718	2,291,157
Total asset after provision	23,023,328		
On-balance sheet exposures as percentage of total assets	3.35%		



## 5. Mainland Activities Exposures (Continued)

(HK\$'000)	30 Jun 2017		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total Exposure</u>
<b>Types of counterparties</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	606,419	38,071	644,490
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>606,419</b>	<b>38,071</b>	<b>644,490</b>
Total asset after provision	19,753,235		
On-balance sheet exposures as percentage of total assets	3.07%		

The above figures are prepared in according to the types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of Mainland Activities.

Bank of Singapore, Hong Kong Branch

## 6. Currency Risk

The net position in a particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies. The positions are calculated in accordance with the Return of Foreign Currency Position (Form MA(BS)6) submitted to the HKMA.

31 Dec 17	USD	*CNY	*CAD	AUD	*SGD	IDR	MYR	*NOK	*SEK	Other CCY	Total Position
(HK\$ million)											
Spot assets	15,431	140	185	1,130	401	1	1	3	3	2,433	19,728
Spot liabilities	(15,375)	(141)	(186)	(1,160)	(413)	-	-	(3)	(3)	(2,453)	(19,734)
Forward purchases	101,646	48,881	113	129	14	3	-	-	-	16,352	167,138
Forward sales	(101,703)	(48,880)	(112)	(98)	(2)	(3)	-	-	-	(16,333)	(167,131)
Net long/ (short) position	(1)	-	-	1	-	1	1	-	-	(1)	1

30 Jun 17	USD	CNY	CAD	*AUD	SGD	*IDR	*MYR	NOK	SEK	Other CCY	Total Position
(HK\$ million)											
Spot assets	13,757	294	200	870	380	7	1	1	5	2,018	17,533
Spot liabilities	(13,583)	(296)	(204)	(823)	(410)	(7)	(1)	-	(4)	(2,223)	(17,551)
Forward purchases	62,253	44,329	37	141	62	8	-	-	-	2,576	109,406
Forward sales	(62,432)	(44,328)	(34)	(188)	(29)	(8)	-	-	-	(2,371)	(109,390)
Net long/ (short) position	(5)	(1)	(1)	-	3	-	-	1	1	-	(2)

The above represents the Hong Kong dollar equivalent values of the individual currency.

\* The currency constitutes less than 10% of the total net position in all foreign currencies is presented for comparative purpose only.



#### (IV) Off-Balance Sheet Exposures

##### 1. Contingent liabilities and commitments (Notional amount)

	31 Dec 2017 HK\$'000	30 Jun 2017 HK\$'000
Direct credit substitutes	86,622	70,669
Other commitments	21,089,098	16,198,263
Other	402,700	949,060
	<b>21,578,420</b>	<b>17,217,992</b>

##### 2. Derivatives Transactions (HK\$'000)

	31 Dec 2017			30 Jun 2017		
	Replacement cost		Total Notional amount	Replacement cost		Total Notional amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivatives contracts	2,156,020	(2,152,830)	342,660,173	702,273	(697,537)	196,139,809
Interest rate contracts	1,721	(1,721)	2,026,424	1,371	(1,371)	2,227,235
Others	23,836	(23,836)	1,096,728	21,827	(21,827)	1,016,473
	<b>2,181,577</b>	<b>(2,178,387)</b>	<b>345,783,325</b>	<b>725,471</b>	<b>(720,735)</b>	<b>199,383,517</b>

There are no bilateral netting arrangements for above derivatives contracts.

#### (V) Liquidity

	Year 2017 %	Year 2016 %
Average liquidity maintenance ratio for the year	43.79%	41.30%

The liquidity maintenance ratio came into effect on 1<sup>st</sup> January 2015. The ratio is calculated in accordance with the Banking (Liquidity) Rules.

The average liquidity ratio for the year is the simple average of each calendar month's average liquidity ratio, which is computed as required by the Hong Kong Monetary Authority for its regulatory purpose, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

## **(V) Liquidity (Continued)**

### **Liquidity Risk**

Liquidity risk is the risk that the Bank is unable to service its cash flow obligations. Throughout the year, the Bank, in conjunction with the Group, manages liquidity risk by a combination of positive cash flow management, the maintenance of portfolios of high quality liquid assets and diversification of its funding base.

## **(VI) Disclosure On Remuneration**

Bank of Singapore Hong Kong Branch has adopted the remuneration policy of the head office, Bank of Singapore Limited. Bank of Singapore Limited is a wholly-owned subsidiary of OCBC Bank, and OCBC Bank is the sole shareholder. The remuneration framework of Bank of Singapore Limited is largely aligned with the remuneration policy of the OCBC Bank. The objective of the Bank's remuneration policy is to attract, retain and motivate employee to contribute their best.

In relation to the disclosure on remuneration, such information on (but not be limited to) the decision-making process, firm-wide remuneration policy, criteria used for performance measurement and risk adjustment, the linkage between pay and performance, deferral policy and vesting criteria, and the parameters used for allocation cash versus other forms of remuneration, aggregate information of Senior Management and Material Risk Takers, where applicable, in respect of guaranteed bonuses, sign-on, severance payments and variable remunerations awarded during the financial year, and the breakdown of total compensation of OCBC Bank's Chief Executive Officer, are disclosed in the Annual Report of OCBC Bank.

## Section B – Bank Information (Consolidated basis)

The following information relates to Bank of Singapore Limited, ultimately a wholly owned subsidiary of Overseas-Chinese Banking Corporation Limited. Please refer to the full annual accounts for further information.

### (I) Capital And Capital Adequacy

	31 Dec 2017 US\$'000	30 Jun 2017 US\$'000
Shareholders' equity	2,163,071	2,050,970
Total capital ratio	22.5%	15.2%
Tier 1 capital ratio	22.5%	15.2%

The capital adequacy ratio is computed in accordance with the rules established by the Monetary Authority of Singapore ("MAS").

### (II) Other Financial Information

	31 Dec 2017 US\$'000	30 Jun 2017 US\$'000
<b>Statement of financial position</b>		
Total assets	29,790,680	28,461,561
Total liabilities	27,627,609	26,410,591
Total loans and advances	20,312,560	18,859,002
Total customer deposits	24,155,468	23,361,778
	<b>Year ended 31 Dec 2017 US\$'000</b>	<b>Year ended 31 Dec 2016 US\$'000</b>
<b>Income statement</b>		
Pre-tax profit	293,404	148,881