

Bank of Singapore Limited Hong Kong Branch

Key Financial Information Disclosure Statements

31 December 2015

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

Bank of Singapore, Hong Kong Branch

Key Financial Information Disclosure Statements For the year ended 31 December 2015

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.

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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.



Sermon Kwan
Chief Executive
Bank of Singapore, Hong Kong Branch
30 March 2016

Bank of Singapore, Hong Kong Branch

Section A – Branch Information (Hong Kong Office)

(I) Income Statement

	Year ended 31 Dec 2015 HK\$'000	Year ended 31 Dec 2014 HK\$'000
Interest Income	29,723	22,538
Interest Expense	(14,333)	(10,763)
Net Interest Income	15,390	11,775
Other operating income:		
Gains less losses arising from trading in foreign currencies	8,435	4,028
Gains less losses on securities held for trading purposes	9,986	9,820
Gains less losses arising from trading in interest rate derivatives	81	76
Gains less losses from other trading activities	2,592	2,103
Net fees and commission income	20,695	14,503
Fees and commission income	23,295	16,196
Fees and commission expense	(2,600)	(1,693)
Others	279,359	253,380
Total Income	336,538	295,685
Operating expenses		
Staff expenses	(231,906)	(200,290)
Rental expenses	(35,152)	(34,756)
Other expenses	(35,596)	(33,981)
Total Expenses	(302,654)	(269,027)
Profit before taxation	33,884	26,658
Tax expense	(6,005)	(4,462)
Profit after taxation	27,879	22,196

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(II) Statement of Financial Position

	31 Dec 2015 HK\$'000	30 Jun 2015 HK\$'000
ASSETS		
Cash and balances with banks (except those included in amount due from overseas offices)	192,215	104,746
Amount due from overseas offices	1,331,308	1,283,765
Loans and receivables	2,109,279	1,674,430
Investment securities	968,671	969,050
Property, plant and equipment and investment properties	8,527	7,679
TOTAL ASSETS	4,610,000	4,039,670
LIABILITIES		
Deposits and balances from banks (except those included in amount due to overseas offices)	-	-
Deposits from customers	3,200,950	2,998,721
Demand deposits and current accounts	2,855,413	2,665,974
Savings deposits	-	-
Time, call and notice deposits	345,537	332,747
Amount due to overseas offices	1,254,104	852,015
Other accounts and provisions	154,946	188,934
TOTAL LIABILITIES	4,610,000	4,039,670

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(III) Additional Statement of Financial Position

	31 Dec 2015 HK\$'000	30 Jun 2015 HK\$'000
1. Loans And Receivables		
Loans and advances to customers	2,057,690	1,598,637
Loans and advances to banks	-	-
Accrued interest and other accounts	51,589	75,793
	<u>2,109,279</u>	<u>1,674,430</u>

There were no impaired, overdue nor rescheduled loans and advances to customers, banks and other financial institutions as at 31 December 2015 and 30 June 2015; 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 2015		30 Jun 2015	
	Gross Advances HK\$'000	% of advances covered by collateral*	Gross Advances HK\$'000	% of advances covered by collateral*
Loans for use in Hong Kong				
<i>Industrial, commercial & financial sectors</i>				
Property development & investment	194,000	100%	215,000	100%
Financial concerns	874,266	100%	770,298	100%
	<u>1,068,266</u>	<u>100%</u>	<u>985,298</u>	<u>100%</u>
<i>Individuals</i>				
For the purchase of other residential properties	4,232	100%	4,232	100%
Others	985,192	100%	609,107	100%
	<u>989,424</u>	<u>100%</u>	<u>613,339</u>	<u>100%</u>
Total loans and advances for use in Hong Kong	<u>2,057,690</u>	<u>100%</u>	<u>1,598,637</u>	<u>100%</u>
Loans for use outside Hong Kong	-	-	-	-
Total loans and advances to customers	<u>2,057,690</u>	<u>100%</u>	<u>1,598,637</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.

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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 locations constituting 10% or more of the aggregate total loans and advances to customers are disclosed.

	31 Dec 2015 HK\$'000	30 Jun 2015 HK\$'000
Hong Kong	1,178,343	894,422
Singapore	415,958	336,524
British Virgin Islands	261,214	222,157
Other Asian Countries	202,175	145,534
	<u>2,057,690</u>	<u>1,598,637</u>

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 regions constituting 10% or more of the aggregate international claims after taking into account any recognized risk transfer are disclosed.

	31 Dec 2015					
	Non-bank private sector					
			Non-bank	Non-		
	Banks	Official	financial	financial	private	Total
(HK\$ million)		sector	institutions	sector	Others	
Developed countries	116	969	-	-	-	1,085
-of which:						
United States	87	969	-	-	-	1,056
Offshore centres	1,379	-	649	674	-	2,702
-of which:						
Singapore	1,379	-	153	268	-	1,800
British Virgin Islands*	-	-	264	-	-	264
Hong Kong	-	-	225	406	-	631
Developing Asia and Pacific	20	-	50	149	-	219
Total	1,515	969	699	823	-	4,006

* The country constitutes less than 10% of the aggregate cross-border claims is presented for comparative purpose only.

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4. International Claims (Continued)

	30 Jun 2015					
	Non-bank private sector					
			Non-bank	Non-		
	Banks	Official	financial	financial	Others	Total
		sector	institutions	private		
				sector		
(HK\$ million)						
Developed countries	47	969	-	-	-	1,016
-of which:						
United States	14	969	-	-	-	983
Offshore centres	1,354	-	589	445	-	2,388
-of which:						
Singapore	1,337	-	63	139	-	1,539
British Virgin Islands	-	-	458	-	-	458
Hong Kong	17	-	28	306	-	351
Developing Asia and Pacific	-	-	-	87	-	87
Total	1,401	969	589	532	-	3,491

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.

5. Mainland Activities Exposures

	31 Dec 2015		
	<u>On-balance</u>	<u>Off-balance</u>	
	<u>sheet</u>	<u>sheet</u>	<u>Total</u>
(HK\$'000)	<u>exposure</u>	<u>exposure</u>	<u>Exposure</u>
Types of counterparties			
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	94,944	10	94,954
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	94,944	10	94,954
Total asset after provision	4,610,000		
On-balance sheet exposures as percentage of total assets	2.06%		

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5. Mainland Activities Exposures (Continued)

	30 Jun 2015		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total Exposure</u>
(HK\$'000)			
Types of counterparties			
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	46,327	106	46,433
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	46,327	106	46,433
Total asset after provision	4,039,670		
On-balance sheet exposures as percentage of total assets	1.15%		

The above figures are prepared in accordance with 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.

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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.

<u>31 Dec 2015</u>			
	<u>USD</u>	<u>Others</u>	<u>Total</u>
(HK\$ million)			
Spot assets	2,506	1,291	3,797
Spot liabilities	(2,618)	(1,181)	(3,799)
Forward purchases	170	158	328
Forward sales	(63)	(266)	(329)
Net options position	-	-	-
Net long/ (short) position	(5)	2	(3)
Net structural position	-	-	-

<u>30 Jun 2015</u>			
	<u>USD</u>	<u>Others</u>	<u>Total</u>
(HK\$ million)			
Spot assets	2,182	1,122	3,304
Spot liabilities	(2,219)	(1,086)	(3,305)
Forward purchases	127	175	302
Forward sales	(91)	(211)	(302)
Net options position	-	-	-
Net long/ (short) position	(1)	-	(1)
Net structural position	-	-	-

The above represents the Hong Kong dollar equivalent values of the individual currency. Net options position is calculated using the delta-weighted approach.

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(IV) Off-Balance Sheet Exposures

1. Contingent liabilities and commitments (Notional amount)

	31 Dec 2015 HK\$'000	30 Jun 2015 HK\$'000
Direct credit substitutes	67,484	67,755
Other commitments	3,710,664	3,382,061
Other	74,485	165,095
	<u>3,852,633</u>	<u>3,614,911</u>

2. Derivatives Transactions (HK\$'000)

	31 Dec 2015			30 Jun 2015		
	Fair value		Total Notional amount	Fair value		Total Notional amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivatives contracts	4,649	(6,306)	1,463,938	6,704	(8,727)	2,302,443
Interest rate contracts	-	-	32,158	90	(90)	46,341
Others	11,654	(11,456)	193,938	9,456	(9,456)	203,317
	<u>16,303</u>	<u>(17,762)</u>	<u>1,690,034</u>	<u>16,250</u>	<u>(18,273)</u>	<u>2,552,101</u>

There are no bilateral netting arrangements for above derivatives contracts.

(V) Liquidity

	Year 2015 %	Year 2014 %
Average liquidity maintenance ratio for the year	43.45%	N/A
Average liquidity ratio for the year	N/A	58.77%

The liquidity maintenance ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015 and is therefore not directly comparable with the average liquidity ratio reported for the year of 2014.

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.

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(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 OCBC Bank. The objective of the Bank's remuneration policy is to attract, motivate, reward and retain quality staff. The remuneration policies are in line with the strategic objectives and corporate values of the Bank and do not give rise to conflicts between the objectives of the Bank and the interests of individual directors and key executives.

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 allocating cash versus other forms of remuneration, aggregate quantitative information, where applicable, in respect of sign-on and severance payments awarded during the financial year, and the breakdown of the total compensation of OCBC Bank's Chief Executive Officer and other senior executives (reporting directly to him) by fixed, variable and deferred proportions, are disclosed in the Annual Report of OCBC Bank.

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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 2015 US\$'000	30 Jun 2015 US\$'000
Shareholders' equity	1,397,657	1,149,116
Total capital ratio	16.8%	14.6%
Tier 1 capital ratio	16.8%	14.6%

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 2015 US\$'000	30 Jun 2015 US\$'000
Statement of financial position		
Total assets	18,562,499	17,709,405
Total liabilities	17,164,842	16,560,289
Total loans and advances	11,649,725	11,496,658
Total customer deposits	15,654,047	14,309,140
	Year ended 31 Dec 2015 US\$'000	Year ended 31 Dec 2014 US\$'000
Income statement		
Pre-tax profit	137,426	105,991