

Bank of Singapore Limited Hong Kong Branch

Key Financial Information Disclosure Statements

30 June 2016

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 30 June 2016

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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Bank of Singapore, Hong Kong Branch

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
Alternate Chief Executive
Bank of Singapore, Hong Kong Branch
30 September 2016

Section A – Branch Information (Hong Kong Office)

(I) Income Statement

	Half-year ended 30 Jun 2016 HK\$'000	Half-year ended 30 Jun 2015 HK\$'000
Interest Income	21,329	12,147
Interest Expense	(11,620)	(6,092)
Net Interest Income	9,709	6,055
Other operating income:		
Gains less losses arising from trading in foreign currencies	5,199	4,125
Gains less losses on securities held for trading purposes	8,434	5,348
Gains less losses arising from trading in interest rate derivatives	95	42
Gains less losses from other trading activities	928	1,615
Net fees and commission income	8,394	13,095
Fees and commission income	9,362	14,689
Fees and commission expense	(968)	(1,594)
Others	134,747	140,197
Total Income	167,506	170,477
Operating expenses		
Staff expenses	(117,196)	(116,482)
Rental expenses	(17,466)	(17,567)
Other expenses	(15,934)	(18,210)
Total Expenses	(150,596)	(152,259)
Profit before taxation	16,910	18,218
Tax expense	(2,818)	(3,387)
Profit after taxation	14,092	14,831

(II) Statement of Financial Position

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
ASSETS		
Cash and balances with banks (except those included in amount due from overseas offices)	498,094	192,215
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)	56,930	-
Amount due from overseas offices	1,869,111	1,331,308
Loans and receivables	2,281,762	2,109,279
Investment securities	1,163,513	968,671
Property, plant and equipment and investment properties	7,265	8,527
TOTAL ASSETS	5,876,675	4,610,000
LIABILITIES		
Deposits and balances from banks (except those included in amount due to overseas offices)	-	-
Deposits from customers	4,306,188	3,200,950
Demand deposits and current accounts	3,428,830	2,855,413
Savings deposits	-	-
Time, call and notice deposits	877,358	345,537
Amount due to overseas offices	1,334,678	1,254,104
Other accounts and provisions	235,809	154,946
TOTAL LIABILITIES	5,876,675	4,610,000

(III) Additional Statement of Financial Position

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
1. Loans And Receivables		
Loans and advances to customers	2,199,615	2,057,690
Loans and advances to banks	-	-
Accrued interest and other accounts	82,147	51,589
	<u>2,281,762</u>	<u>2,109,279</u>

There were no impaired, overdue nor rescheduled loans and advances to customers, banks and other financial institutions as at 30 June 2016 and 31 December 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.

	30 Jun 2016		31 Dec 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	-	100%	194,000	100%
Financial concerns	1,093,948	100%	874,266	100%
	<u>1,093,948</u>	<u>100%</u>	<u>1,068,266</u>	<u>100%</u>
<i>Individuals</i>				
For the purchase of other residential properties	4,718	100%	4,232	100%
Others	1,100,949	100%	985,192	100%
	<u>1,105,667</u>	<u>100%</u>	<u>989,424</u>	<u>100%</u>
Total loans and advances for use in Hong Kong	<u>2,199,615</u>	<u>100%</u>	<u>2,057,690</u>	<u>100%</u>
Loans for use outside Hong Kong	-	-	-	-
Total loans and advances to customers	<u>2,199,615</u>	<u>100%</u>	<u>2,057,690</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 locations constituting 10% or more of the aggregate total loans and advances to customers are disclosed.

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Hong Kong	1,324,470	1,178,343
Singapore	318,604	415,958
British Virgin Islands	244,322	261,214
Other Asian Countries	312,219	202,175
	<u>2,199,615</u>	<u>2,057,690</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.

	30 Jun 2016					
	Non-bank private sector					
		Official	Non-bank	Non-financial		
	Banks	sector	financial	private	Others	Total)
(HK\$ million)			institutions	sector		
Developed countries	462	1,164	-	3	-	1,629
-of which:						
United States	431	1,164	-	-	-	1,595
Offshore centres	2,506	-	301	677	-	3,484
-of which:						
Singapore	1,970	-	77	197	-	2,244
British Virgin Islands*	-	-	249	-	-	249
Hong Kong	528	-	(25)	480	-	983
Developing Asia and Pacific	95	-	-	269	-	364
Total	3,063	1,164	301	949	-	5,477

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

4. International Claims (Continued)

	31 Dec 2015					
	Non-bank private sector					
		Official	Non-bank	Non-		
	Banks	sector	financial	financial	private	Total)
(HK\$ million)			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 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

(HK\$'000)	30 Jun 2016		
	On-balance sheet exposure	Off-balance sheet exposure	Total Exposure
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	190,288	22	190,310
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	190,288	22	190,310
Total asset after provision	5,876,675		
On-balance sheet exposures as percentage of total assets	3.24%		

5. Mainland Activities Exposures (Continued)

	31 Dec 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	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%		

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.

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.

	30 Jun 2016			
	<u>USD</u>	<u>SGD</u>	<u>Others</u>	<u>Total</u>
(HK\$ million)				
Spot assets	3,773	184	1,329	5,286
Spot liabilities	(3,767)	(186)	(1,332)	(5,285)
Forward purchases	69	9	71	149
Forward sales	(76)	(6)	(67)	(149)
Net options position	-	-	-	-
Net long/ (short) position	(1)	1	1	1
Net structural position	-	-	-	-

	31 Dec 2015			
	<u>USD</u>	<u>SGD*</u>	<u>Others</u>	<u>Total</u>
(HK\$ million)				
Spot assets	2,506	131	1,160	3,797
Spot liabilities	(2,618)	(122)	(1,059)	(3,799)
Forward purchases	170	34	124	328
Forward sales	(63)	(42)	(224)	(329)
Net options position	-	-	-	-
Net long/ (short) position	(5)	1	1	(3)
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.

* 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)

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Direct credit substitutes	57,200	67,484
Other commitments	3,929,822	3,710,664
Other	36,871	74,485
	4,023,893	3,852,633

2. Derivatives Transactions (HK\$'000)

	30 Jun 2016			31 Dec 2015		
	Fair value		Total Notional amount	Fair value		Total Notional amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivatives contracts	6,562	(7,065)	1,686,997	4,649	(6,306)	1,463,938
Interest rate contracts	60	(60)	45,874	-	-	32,158
Others	5,079	(5,079)	126,204	11,654	(11,456)	193,938
	11,701	(12,204)	1,859,075	16,303	(17,762)	1,690,034

There are no bilateral netting arrangements for above derivatives contracts.

(V) Liquidity

	Half-year ended 30 Jun 2016 %	Half-year ended 30 Jun 2015 %
Average liquidity maintenance ratio for the period	39.51%	47.37%

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

The average liquidity ratio for the period 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 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.

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

	30 Jun 2016 US\$'000	31 Dec 2015 US\$'000
Shareholders' equity	1,468,083	1,397,657
Total capital ratio	16.8%	16.8%
Tier 1 capital ratio	16.8%	16.8%

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

(II) Other Financial Information

	30 Jun 2016 US\$'000	31 Dec 2015 US\$'000
Statement of financial position		
Total assets	21,893,626	18,562,499
Total liabilities	20,425,543	17,164,842
Total loans and advances	13,925,039	11,649,725
Total customer deposits	17,894,377	15,654,047
	Half-year ended 30 Jun 2016 US\$'000	Half-year ended 30 Jun 2015 US\$'000
Income statement		
Pre-tax profit	86,127	81,919