

# **Bank of Singapore Limited**

## **Hong Kong Branch**

### **Key Financial Information Disclosure Statements**

**31 December 2016**

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

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

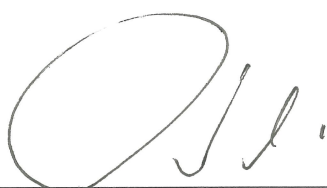
Copy of the Statement has been lodged with the public registry of the Hong Kong Monetary Authority for public inspection.

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## **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.



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**Cindy Wong**  
**Alternate Chief Executive**  
**Bank of Singapore, Hong Kong Branch**  
**31 March 2017**



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

### (I) Income Statement

	Year ended 31 Dec 2016 HK\$'000	Year ended 31 Dec 2015 HK\$'000
Interest Income	52,429	29,723
Interest Expense	(32,237)	(14,333)
<b>Net Interest Income</b>	<b>20,192</b>	<b>15,390</b>
Other operating income:		
Gains less losses arising from trading in foreign currencies	10,762	8,435
Gains less losses on securities held for trading purposes	18,095	9,986
Gains less losses arising from trading in interest rate derivatives	98	81
Gains less losses from other trading activities	2,849	2,592
Net fees and commission income	19,800	20,695
Fees and commission income	21,166	23,295
Fees and commission expense	(1,366)	(2,600)
Others	248,386	279,359
<b>Total Income</b>	<b>320,182</b>	<b>336,538</b>
Operating expenses		
Staff expenses	(240,206)	(231,906)
Rental expenses	(43,371)	(35,152)
Other expenses	(36,903)	(35,596)
<b>Total Expenses</b>	<b>(320,480)</b>	<b>(302,654)</b>
Profit before taxation	(298)	33,884
Tax credit/(expense)	3,280	(6,005)
<b>Profit after taxation</b>	<b>2,982</b>	<b>27,879</b>

## (II) Statement of Financial Position

	31 Dec 2016 HK\$'000	30 Jun 2016 HK\$'000
<b>ASSETS</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	903,901	498,094
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)	1,270	56,930
Amount due from overseas offices	3,641,863	1,869,111
Loans and receivables	7,011,881	2,281,762
Investment securities	4,581,503	1,163,513
Property, plant and equipment and investment properties	15,355	7,265
<b>TOTAL ASSETS</b>	<b>16,155,773</b>	<b>5,876,675</b>
<b>LIABILITIES</b>		
Deposits and balances from banks (except those included in amount due to overseas offices)	-	-
Deposits from customers	11,869,707	4,306,188
Demand deposits and current accounts	8,866,596	3,428,830
Savings deposits	-	-
Time, call and notice deposits	3,003,111	877,358
Amount due to overseas offices	2,997,707	1,334,678
Other accounts and provisions	1,288,359	235,809
<b>TOTAL LIABILITIES</b>	<b>16,155,773</b>	<b>5,876,675</b>

### (III) Additional Statement of Financial Position

	31 Dec 2016 HK\$'000	30 Jun 2016 HK\$'000
<b>1. Loans And Receivables</b>		
Loans and advances to customers	5,978,836	2,199,615
Loans and advances to banks	-	-
Accrued interest and other accounts	1,033,045	82,147
	<u>7,011,881</u>	<u>2,281,762</u>

There were no impaired, overdue nor rescheduled loans and advances to customers, banks and other financial institutions as at 31 December 2016 and 30 June 2016; 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 2016		30 Jun 2016	
	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>				
Property development & investment	-	100%	-	100%
Financial concerns	3,615,559	100%	1,093,948	100%
Wholesale and retail trade	3,599	100%	-	-
	<u>3,619,158</u>	<u>100%</u>	<u>1,093,948</u>	<u>100%</u>
<i>Individuals</i>				
For the purchase of other residential properties	70,889	100%	4,718	100%
Others	2,266,344	100%	1,100,949	100%
	<u>2,337,233</u>	<u>100%</u>	<u>1,105,667</u>	<u>100%</u>
<b>Total loans and advances for use in Hong Kong</b>	<u>5,956,391</u>	<u>100%</u>	<u>2,199,615</u>	<u>100%</u>
<b>Loans for use outside Hong Kong</b>	<u>22,445</u>	<u>100%</u>	<u>-</u>	<u>-</u>
<b>Total loans and advances to customers</b>	<u>5,978,836</u>	<u>100%</u>	<u>2,199,615</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.

	31 Dec 2016 HK\$'000	30 Jun 2016 HK\$'000
Hong Kong	3,202,397	1,324,470
British Virgin Islands	1,057,862	244,322
Singapore	802,275	318,604
China	661,712	190,111*
Other Countries	254,590	122,108
	<b>5,978,836</b>	<b>2,199,615</b>

\* The country constitutes less than 10% of the aggregate loan and advances to customers are presented for comparative purpose only.

### 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 2016					
	Non-bank private sector					
			Non-bank	Non-		
	Banks	Official	financial	financial	Others	Total
(HK\$ million)		sector	institutions	private		
				sector		
Developed countries	942	4,581	18	34	-	5,575
-of which:						
United States	551	4,581	-	-	-	5,132
Offshore centres	4,075	-	3,305	1,233	-	8,613
-of which:						
Singapore	4,067	-	380	233	-	4,680
British Virgin Islands	-	-	1,810	-	-	1,810
Hong Kong	8	-	1,083	1,000	-	2,091
Developing Africa and Middle East	-	-	4	-	-	4
Developing Asia and Pacific	5	-	18	534	-	557
Total	5,022	4,581	3,345	1,801	-	14,749

#### 4. International Claims (Continued)

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

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

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 2016			
(HK\$'000)	On-balance sheet exposure	Off-balance sheet exposure	Total Exposure
<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	390,245	255	390,500
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>390,245</b>	<b>255</b>	<b>390,500</b>
Total asset after provision	16,155,733		
On-balance sheet exposures as percentage of total assets	2.42%		



## 5. Mainland Activities Exposures (Continued)

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

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.

<b>31 December 2016</b>				
	<u>USD</u>	<u>CNY</u>	<u>Others</u>	<u>Total</u>
<b>(HK\$ million)</b>				
Spot assets	10,640	52	3,449	14,141
Spot liabilities	(10,577)	(176)	(3,401)	(14,154)
Forward purchases	12,817	11,144	1,737	25,698
Forward sales	(12,893)	(11,017)	(1,783)	(25,693)
Net options position	-	-	-	-
Net long/ (short) position	(13)	3	2	(8)
Net structural position	-	-	-	-

<b>30 June 2016</b>				
	<u>USD</u>	<u>CNY*</u>	<u>Others</u>	<u>Total</u>
<b>(HK\$ million)</b>				
Spot assets	3,773	75	1,438	5,286
Spot liabilities	(3,767)	(75)	(1,443)	(5,285)
Forward purchases	69	18	62	149
Forward sales	(76)	(18)	(55)	(149)
Net options position	-	-	-	-
Net long/ (short) position	(1)	0	2	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.

\* 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 2016 HK\$'000	30 Jun 2016 HK\$'000
Direct credit substitutes	58,749	57,200
Other commitments	14,729,820	3,929,822
Other	942,706	36,871
	<b>15,731,275</b>	<b>4,023,893</b>

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

	31 Dec 2016			30 Jun 2016		
	Fair value		Total Notional amount	Fair value		Total Notional amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivatives contracts	637,732	(639,069)	53,012,136	6,562	(7,065)	1,686,997
Interest rate contracts	170	(170)	620,229	60	(60)	45,874
Others	19,355	(19,355)	616,295	5,079	(5,079)	126,204
	<b>657,257</b>	<b>(658,594)</b>	<b>54,248,660</b>	<b>11,701</b>	<b>(12,204)</b>	<b>1,859,075</b>

There are no bilateral netting arrangements for above derivatives contracts.

#### (V) Liquidity

	Year 2016 %	Year 2015 %
Average liquidity maintenance ratio for the year	41.30%	N/A
Average liquidity ratio for the year	N/A	43.45%

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 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

	31 Dec 2016 US\$'000	30 Jun 2016 US\$'000
Shareholders' equity	1,916,654	1,468,083
Total capital ratio	16.1%	16.8%
Tier 1 capital ratio	16.1%	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

	31 Dec 2016 US\$'000	30 Jun 2016 US\$'000
<b>Statement of financial position</b>		
Total assets	28,640,335	21,893,626
Total liabilities	26,723,681	20,425,543
Total loans and advances	16,243,074	13,925,039
Total customer deposits	23,897,127	17,894,377

	Year ended 31 Dec 2016 US\$'000	Year ended 31 Dec 2015 US\$'000
<b>Income statement</b>		
Pre-tax profit	148,881	137,426