

Bank of Singapore Limited Hong Kong Branch

Key Financial Information Disclosure Statements

30 June 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 30 June 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

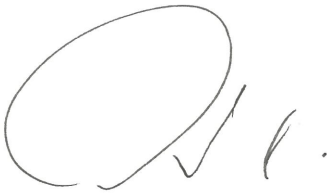
Copy of the Statement has been lodged with the public registry of the Hong Kong Monetary Authority for public inspection.

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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.



Cindy Wong
Alternative Chief Executive
Bank of Singapore, Hong Kong Branch
27 September 2017

Section A – Branch Information (Hong Kong Office)

(I) Income Statement

	Half-Year ended 30 Jun 2017 HK\$'000	Half-Year ended 30 Jun 2016 HK\$'000
Interest Income	101,416	21,329
Interest Expense	(65,404)	(11,620)
Net Interest Income	36,012	9,709
Other operating income:		
Gains less losses arising from trading in foreign currencies	29,484	5,199
Gains less losses on securities held for trading purposes	31,941	8,434
Gains less losses arising from trading in interest rate derivatives	1,330	95
Gains less losses from other trading activities	4,863	928
Net fees and commission income	28,059	8,394
Fees and commission income	29,473	9,362
Fees and commission expense	(1,414)	(968)
Others	154,428	134,747
Total Income	286,117	167,506
Operating expenses		
Staff expenses	(207,639)	(117,196)
Rental expenses	(29,426)	(17,466)
Other expenses	(19,169)	(15,934)
Total Expenses	(256,234)	(150,596)
Profit before taxation	29,883	16,910
Tax expenses	(4,963)	(2,818)
Profit after taxation	24,920	14,092

(II) Statement of Financial Position

	30 Jun 2017 HK\$'000	31 Dec 2016 HK\$'000
ASSETS		
Cash and balances with banks (except those included in amount due from overseas offices)	476,467	903,901
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	1,270
Amount due from overseas offices	6,048,041	3,641,863
Loans and receivables	8,668,340	7,011,881
Investment securities	4,544,540	4,581,503
Property, plant and equipment and investment properties	15,101	15,355
TOTAL ASSETS	19,753,235	16,155,773
LIABILITIES		
Deposits and balances from banks (except those included in amount due to overseas offices)	-	-
Deposits from customers	11,426,858	11,869,707
Demand deposits and current accounts	9,005,815	8,866,596
Savings deposits	-	-
Time, call and notice deposits	2,421,043	3,003,111
Amount due to overseas offices	7,136,595	2,997,707
Other accounts and provisions	1,189,782	1,288,359
TOTAL LIABILITIES	19,753,235	16,155,773

(III) Additional Statement of Financial Position

	30 Jun 2017 HK\$'000	31 Dec 2016 HK\$'000
1. Loans And Receivables		
Loans and advances to customers	7,773,279	5,978,836
Loans and advances to banks	-	-
Accrued interest and other accounts	895,061	1,033,045
	<u>8,668,340</u>	<u>7,011,881</u>

There were no impaired, overdue nor rescheduled loans and advances to customers, banks and other financial institutions as at 30 June 2017 and 31 December 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.

	30 Jun 2017		31 Dec 2016	
	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%	-	100%
Financial concerns	5,095,603	100%	3,615,559	100%
Wholesale and retail trade	26,126	100%	3,599	100%
	<u>5,121,729</u>	<u>100%</u>	<u>3,619,158</u>	<u>100%</u>
<i>Individuals</i>				
For the purchase of other residential properties	4,396	100%	70,889	100%
Others	2,647,154	100%	2,266,344	100%
	<u>2,651,550</u>	<u>100%</u>	<u>2,337,233</u>	<u>100%</u>
Total loans and advances for use in Hong Kong	<u>7,773,279</u>	<u>100%</u>	<u>5,956,391</u>	<u>100%</u>
Loans for use outside Hong Kong	-	-	22,445	100%
Total loans and advances to customers	<u>7,773,279</u>	<u>100%</u>	<u>5,978,836</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 2017 HK\$'000	31 Dec 2016 HK\$'000
Hong Kong	3,388,532	3,202,397
British Virgin Islands	2,097,846	1,057,862
Singapore	1,075,320	802,275
China	471,638*	661,712
Other Countries	739,943	254,590
	7,773,279	5,978,836

* 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.

	30 Jun 2017				
	Non-bank private sector				
			Non-bank financial institutions	Non- financial private sector	
(HK\$ million)	Banks	Official sector			Others
Developed countries	445	4,545	703	42	-
-of which:					
United States	391	4,545	-	-	-
Offshore centres	3	-	3,042	289	-
-of which:					
Singapore	3	-	826	282	-
British Virgin Islands	-	-	2,081	-	-
Developing Africa and Middle East	-	-	-	30	-
Developing Asia and Pacific	12	-	29	632	-
Total	460	4,545	3,774	993	-

4. International Claims (Continued)

	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	54	-	3,305	1,233	-	4,592
-of which:						
Singapore	46	-	380	233	-	659
British Virgin Islands*	-	-	1,810	-	-	1,810
Developing Africa and Middle East	-	-	4	-	-	4
Developing Asia and Pacific	5	-	18	534	-	557
Total	1,001	4,581	3,345	1,801	-	10,728

* 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

	30 Jun 2017		
	On-balance sheet exposure	Off-balance sheet exposure	Total Exposure
(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	606,159	260	606,419
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	606,159	260	606,419
Total asset after provision	19,753,235		
On-balance sheet exposures as percentage of total assets	3.07%		

BANK OF SINGAPORE LIMITED, HONG KONG BRANCH

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

T: +852 2846 3980 F: +852 2295 3332 www.bankofsingapore.com

Incorporated in Singapore with limited liability

5. Mainland Activities Exposures (Continued)

	31 Dec 2016		
	<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	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	-	-	-
Total	390,245	255	390,500
Total asset after provision	16,155,733		
On-balance sheet exposures as percentage of total assets	2.42%		

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 2017					
	<u>USD</u>	<u>CNY</u>	<u>CAD</u>	<u>SGD</u>	<u>Others</u>	<u>Total</u>
(HK\$ million)						
Spot assets	13,757	294	200	380	2,902	17,533
Spot liabilities	(13,583)	(296)	(204)	(410)	(3,058)	(17,551)
Forward purchases	62,253	44,329	37	62	2,725	109,406
Forward sales	(62,432)	(44,328)	(34)	(29)	(2,567)	(109,390)
Net options position	-	-	-	-	-	-
Net long/ (short) position	(5)	(1)	(1)	3	2	(2)
Net structural position	-	-	-	-	-	-

	31 Dec 2016					
	<u>USD</u>	<u>CNY</u>	<u>CAD*</u>	<u>SGD*</u>	<u>Others</u>	<u>Total</u>
(HK\$ million)						
Spot assets	10,640	52	237	312	2,900	14,141
Spot liabilities	(10,577)	(176)	(237)	(317)	(2,847)	(14,154)
Forward purchases	12,817	11,144	-	11	1,726	25,698
Forward sales	(12,893)	(11,017)	-	(5)	(1,778)	(25,693)
Net options position	-	-	-	-	-	-
Net long/ (short) position	(13)	3	-	1	1	(8)
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 2017 HK\$'000	31 Dec 2016 HK\$'000
Direct credit substitutes	70,669	58,749
Other commitments	16,198,263	14,729,820
Other	949,060	942,706
	17,217,992	15,731,275

2. Derivatives Transactions (HK\$'000)

	30 Jun 2017			31 Dec 2016		
	Fair value		Total Notional amount	Fair value		Total Notional amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivatives contracts	702,273	(697,537)	196,139,809	637,732	(639,069)	53,012,136
Interest rate contracts	1,371	(1,371)	2,227,235	170	(170)	620,229
Others	21,827	(21,827)	1,016,473	19,355	(19,355)	616,295
	725,471	(720,735)	199,383,517	657,257	(658,594)	54,248,660

There are no bilateral netting arrangements for above derivatives contracts.

(V) Liquidity

	Half-year ended 30 Jun 2017 %	Half-year ended 30 Jun 2016 %
Average liquidity maintenance ratio for the period	43.66%	39.51%

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 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

	30 Jun 2017 US\$'000	31 Dec 2016 US\$'000
Shareholders' equity	2,050,970	1,916,654
Total capital ratio	15.2%	16.1%
Tier 1 capital ratio	15.2%	16.1%

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 2017 US\$'000	31 Dec 2016 US\$'000
Statement of financial position		
Total assets	28,461,561	28,640,335
Total liabilities	26,410,591	26,723,681
Total loans and advances	18,859,002	16,243,074
Total customer deposits	23,361,778	23,897,127
	Half-Year ended 30 Jun 2017 US\$'000	Half-Year ended 30 Jun 2016 US\$'000
Income statement		
Pre-tax profit	158,712	86,127